



Gas Sample Form No. 79-944
California Production Balancing Agreement

Sheet 1

**Please Refer to Attached
Sample Form**



CALIFORNIA PRODUCTION BALANCING AGREEMENT

Contract No. _____

Date: _____

This California Production Balancing Agreement (CPBA) is made by and between Pacific Gas and Electric Company (PG&E), a California corporation, and _____ hereafter referred to as Authorized Agent (AA), a(n) _____. PG&E and the AA are each also referred to herein as "Party" and together as "Parties".

PURPOSE

This CPBA establishes the terms and conditions for the resolution of imbalances on PG&E's gas transportation system (PG&E System) caused by volumes of gas, delivered into the PG&E System from California Production as defined in PG&E's Gas Rule 1 (California Production), which volumes exceed or are insufficient to match the nominations made for the deliveries into the PG&E System.

The AA requests that PG&E recognize (1) the AA's authority to represent and act on behalf of the parties (party) who own(s) or control(s) gas produced from certain California Production (Producer(s)) and who deliver that gas into the PG&E System, for transportation, at the point(s) of interconnection where gas is measured before delivery into the PG&E System (Receipt Point(s)), which is (are) specified in Attachment 2 "Receipt Point(s)" (Attachment 2); and (2) that the AA has been duly appointed to act as agent for the Producer(s) pursuant to Attachment 1 "Appointment of Authorized Agent" (Attachment 1).

This CPBA is not intended to be an agreement for transportation services. PG&E provides transportation services pursuant to applicable rules, schedules, tariffs, and agreements.

This CPBA does not apply to gas volumes delivered at the Receipt Point(s) specified in Attachment 2 for procurement by PG&E under a traditional procurement contract executed prior to December, 1989, and such deliveries shall not be included in the Cumulative Imbalance calculation applicable to gas nominated by the AA under this CPBA as explained in more detail below.

AGREEMENT

The Parties intend to be legally bound agree as follows:

REPRESENTATIONS

By entering into this CPBA, the AA accepts the obligations of the AA hereunder. The AA represents that:

(1) the AA is the exclusive agent for one or more Producer(s), who are supplying gas to the Receipt Point(s) listed in Attachment 2 of this CPBA, for the purpose of nominating volumes of that gas for transport by PG&E under PG&E's standard nomination procedures; balancing those nominations against actual deliveries at the Receipt Point(s); allocating, prorating and handling administrative matters concerning Receipt Point(s); giving and receiving payments, notices and requests; and taking such action and exercising such powers as agent on behalf of the Producer(s) as set forth in Attachment 1;

(2) the AA is duly authorized and has all necessary legal rights and powers to enter into this CPBA and to perform all of the obligations of the AA set forth herein, to grant to PG&E the rights set forth herein, and to bind the Producer(s) to all obligations, acts and omissions of the AA under this CPBA; and

(3) the AA will comply with all of the obligations set forth in this CPBA, notwithstanding any agency relationship between the AA and the Producer(s) or other third party.

† Information collected on this form is used in accordance with PG&E's Privacy Policy.
The Privacy Policy is available at pge.com/privacy.

WARRANTIES

The AA represents and warrants that: (1) it has the right and is duly authorized to nominate all gas delivered to PG&E at the Receipt Point(s); (2) it has or can transfer good title to such gas, and all such gas is delivered free from all liens, encumbrances and adverse claims of any kind; (3) it will comply with all federal, state and local reporting requirements and other applicable laws or regulations; and (4) PG&E may conclusively rely upon any and all nominations made and information provided by the AA hereunder as correct.

TARIFFS

The Parties agree to abide by the applicable sections of PG&E's tariffs as they may change from time to time, as well as the terms and conditions stated in this CPBA and its Attachments. Such tariffs include but are not limited to the Operational Flow Order (OFO) and Emergency Flow Order (EFO) provisions of Gas Rule 14.

TERM OF AGREEMENT

This CPBA will become effective as of the effective service date of _____ and will remain in effect until terminated by the AA or PG&E pursuant to this CPBA.

ATTACHMENTS

The Attachments listed below are hereby made a part of this CPBA and specify terms and conditions under which PG&E will recognize the authority of the AA and the Receipt Point(s) for which the AA is responsible.

- (1) Appointment of Authorized Agent (Attachment 1). Appoints the exclusive agent of the Producer(s) for all purposes stated in this CPBA including, without limitation, all applicable nominating, balancing, paying, allocating, prorating, and other administrative matters with respect to the gas to be delivered at the Receipt Point(s) specified in Attachment 2 of this CPBA.
- (2) Receipt Point(s) (Attachment 2). Lists the Receipt Point(s) for which the AA will be responsible.
- (3) Communications and Operations Contact (Attachment 3). Specifies the notice requirements applicable to this CPBA.

NOMINATIONS AND SCHEDULED DELIVERIES

The AA shall place nominations with PG&E for transportation of gas from each Receipt Point consistent with PG&E's nomination procedures. PG&E shall process nominations in accordance with PG&E's normal scheduling procedures and communicate the resulting confirmed nominations to the AA pursuant to Attachment 3.

The AA shall verify with the Producer that the confirmed nomination quantity of gas shall be delivered to each Receipt Point each day for which the gas is nominated. PG&E will provide to the AA a confirmed nomination report indicating the nomination quantities which have been received and confirmed for transport on the PG&E System.

PG&E, in its sole discretion, may review the maximum daily production cap volume(s) for the Receipt Point(s) specified on Attachment 2, and may reduce such volume(s) to better match actual delivered volume(s) into the PG&E System. PG&E may also revise a maximum daily production cap upward, if the AA provides PG&E with recent documentation for increased production to be delivered to a Receipt Point.

REFUSAL OF GAS

PG&E, in its sole judgment, shall have the right, without incurring any liability to the AA or to the Producer(s), to refuse acceptance of gas at the Receipt Point(s) when:

- (a) the AA fails to comply with a provision of this CPBA, becomes insolvent, or fails to establish creditworthiness if requested by PG&E;
- (b) any agreement required by PG&E in connection with the transportation of gas on the PG&E System has not been executed, has been terminated, or has expired; or
- (c) PG&E deems it necessary, or desirable to curtail acceptance of the gas in order to operate, preserve, or protect the integrity and safety of the PG&E System including, without limitation, gas quality, gas supply, and/or gas system facilities. PG&E shall use reasonable efforts to give the AA advance notice of any such curtailment.

ADDING POINTS OF RECEIPT TO THE CPBA

The AA shall notify PG&E in writing of any Receipt Point(s) to be added to the Attachment 2. A new Receipt Point may be added any day during the month upon PG&E's receipt of the AA's written request five (5) days prior to the effective date. No Receipt Point shall be added until the AA receives PG&E's confirmation that the Producer has met all the requirements of the California Production Interconnection and Operating Agreement, or similar agreement, necessary to add the Receipt Point to the AA's CPBA Attachment 2.

Meter transfers will take effect on the first day of the month following PG&E's receipt of a written notification from the AA of an addition of a Receipt Point if received by PG&E no later than ten (10) business days prior to the first day of the month in which the change is to take effect. No Receipt Point shall be transferred until the AA receives PG&E's confirmation that the Producer has met all the requirements under the California Production Interconnection and Operating Agreement, or similar agreement, necessary to transfer the Receipt Point. The AA shall not nominate or deliver gas to an added Receipt Point until PG&E notifies the AA that the Receipt Point is included in Attachment 2 by written amendment.

CALCULATING IMBALANCES

At the end of each month, PG&E shall calculate the difference between the actual delivery and the scheduled delivery at each Receipt Point listed on Attachment 2. The total net difference for all Receipt Points, plus any uncleared prior imbalance allowed under the provisions of this CPBA, shall be the Cumulative Imbalance, which shall be maintained in a Cumulative Imbalance Account until cleared under the provisions of this CPBA.

Actual deliveries greater than the scheduled deliveries for all Receipt Point(s) shall be a positive Cumulative Imbalance. Actual deliveries less than the scheduled deliveries for all Receipt Point(s) shall be a negative Cumulative Imbalance. PG&E shall issue a Cumulative Imbalance Statement no later than the 15th day of the first month subsequent to the month in which the Cumulative Imbalance occurred.

TOLERANCE BAND

The Tolerance Band is equal to plus or minus 150 decatherms of the Cumulative Imbalance for the month in which the imbalance occurred.

CLEARING IMBALANCES

A Cumulative Imbalance may be cleared by nominating to or from the AA's Cumulative Imbalance Account or by trading the Cumulative Imbalance.

CALIFORNIA PRODUCTION BALANCING AGREEMENT

- (1) Cumulative Imbalance Account Nominations: Following issuance of the Cumulative Imbalance Statement, the AA may clear a negative Cumulative Imbalance by nominating, consistent with PG&E's nominating procedures, In-Kind (an equivalent amount of gas from the Receipt Point(s) listed on Attachment 2) to the Cumulative Imbalance Account; or the AA may clear a positive Cumulative Imbalance by nominating from the Cumulative Imbalance Account to a Delivery Point, on or before the closing date for trading imbalances as described below.
- (2) Trading Imbalances: Following issuance of the Cumulative Imbalance Statement, the AA may trade its Cumulative Imbalance with another AA under a CPBA that has a Cumulative Imbalance from the same calendar month. Any imbalance trade shall move the trading party's Cumulative Imbalance toward zero or result in an imbalance that is within the Tolerance Band. The AA may trade all or a portion of its Cumulative Imbalance by executing an imbalance trade on or before the last business day of the first month subsequent to the month in which the Cumulative Imbalance occurred. Executing an imbalance trade consists of both parties to the trade completing a trade on PG&E's electronic commerce system or a California Production Cumulative Imbalance Trading Form (No. 79-946) or electronic equivalent, and submitting the form to PG&E.

REMAINING IMBALANCES

After the imbalance trading deadline, a remaining Cumulative Imbalance within the Tolerance Band will be carried forward to the following month's Cumulative Imbalance. A remaining Cumulative Imbalance greater than the Tolerance Band will be automatically cashed out in its entirety, resulting in a zero imbalance.

CASHOUT

The Commodity cashout prices for each month are established for the following four (4) imbalance categories: Over-deliveries and under-deliveries in the imbalance range of greater than zero (0) percent and less than or equal to ten (10) percent of actual deliveries (Tier I Cashout), plus over-deliveries and under-deliveries in the imbalance range of greater than ten (10) percent of actual deliveries (Tier II Cashout).

Each cashout price is based on a two step calculation: First a cashout index is determined based on an average of the published price date from Natural Gas Intelligence (NGI) and the BTU Daily Gas Wire for the PG&E interconnect points of Malin (Line 400) and Topock (Southern California Border). Second, that index is adjusted to arrive at the cashout price for that imbalance category.

Imbalances greater than zero (0) percent and less than or equal to ten (10) percent of actual deliveries (Tier I Cashout):

- 1) Over-deliveries
 - a) The Weighted Over Delivery (WOD) Index equals the lower of the Bid Week monthly index price or the average of the five (5) lowest average published daily prices, weighted by the supply mix of all gas received at Malin and Topock for on-system End-Use Customers during the month in which the imbalance occurred.
 - b) The cashout price equals ninety five (95) percent of the WOD Index.
- 2) Under-deliveries:
 - a) The Weighted Under Delivery (WUD) Index equals the higher of the Bid Week monthly index price or the average of the five highest average published daily prices, weighted by the supply mix of all gas received at Malin and Topock for on-system End-Use Customers during the month in which the imbalance occurred.
 - b) The cashout price equals one hundred five (105) percent of the WUD Index.

CALIFORNIA PRODUCTION BALANCING AGREEMENT

Imbalances Greater than 10% of Actual Deliveries (Tier II Cashout):

- 1) Over-deliveries:
 - a) The Over Delivery (OD) Index equals the lowest average published daily price at either Malin or Topock.
 - c) The cashout price equals fifty (50) percent of the OD Index.
- 2) Under-deliveries:
 - a) The Under Delivery (UD) Index is defined as the highest average published daily price at either Malin or Topock.
 - b) The cashout price equals one hundred fifty (150) percent of the UD Index.

If no published daily price is reported on a given day, the prior published daily price from that index service will continue to apply for that day. If an index service is no longer available, PG&E reserves the right to choose another nationally recognized index to replace it.

PAYMENTS

The AA shall pay PG&E for all charges associated with balancing service on behalf of the Producer(s) supplying gas to any Receipt Point. Details for payment are provided in PG&E's Gas Rule 25. All payments shall be made by wire transfer or check to the address for Payments set forth in Attachment 3.

DISPUTED CASHOUT STATEMENTS

In the event of a dispute as to the amount of a cashout, OFO or EFO Noncompliance Charge under this CPBA, payment shall nonetheless be made in a timely manner as specified in PG&E's tariffs. Such payment shall not be deemed to be a waiver of any rights to recoup any amounts in dispute, if a written statement setting forth the nature of the dispute is sent along with payment to the PG&E Notifications address in Attachment 3. Any rights to recoup such amounts may be treated as waived if said written statement is not sent within 6 months of the date of the cashout, OFO or EFO Noncompliance Charge statement. If the cashout statement is determined to be incorrect after PG&E is notified hereunder, PG&E will issue a corrected statement. Neither PG&E nor the AA shall be obligated to pay interest on a corrected cashout statement.

ADJUSTMENTS

If an error is discovered in a Cumulative Imbalance Statement, cashout statement, or OFO or EFO Noncompliance Charge statement, then an appropriate correction shall be made by PG&E. Claims for errors by either Party shall be made promptly to the other Party, but in no event more than six (6) months after the month in which the statement was issued. Notwithstanding the provisions of this paragraph, any adjustment resulting from the orders, rules, or regulations issued by any governmental agency having jurisdiction shall be made promptly by the appropriate Party, regardless of the six- (6) month time limitation stated in this Paragraph,

Each Party shall have the right, during normal business hours, to receive copies of the records of the other Party, to the extent necessary to verify the accuracy of any statement, charge, computation, payment, refund, or demand, made under this CPBA.

CREDITWORTHINESS

If the AA fails to pay two (2) cashout amounts by the due date for payment within a twelve (12) month period, PG&E shall have the right to require the AA to establish creditworthiness pursuant to PG&E's tariff.

SUCCESSION

The AA acknowledges and agrees that the Producer(s) may appoint a successor AA from time to time, by mailing to PG&E an "Appointment of Authorized Agent" executed by the majority of Producer(s) pursuant to Attachment 1 to this CPBA. The effective date of such a succession of an AA shall be the first day of the month following the date on which PG&E confirms in writing its receipt of the new Appointment of Authorized Agent (Attachment 1). A succession of the AA, or an assignment or termination of this CPBA by either Party, shall not release the AA from any of its obligations or liabilities for costs, payments, and damages, due or incurred prior to the effective date of the succession, assignment or termination, or resulting from acts or omissions of the AA which occurred prior to that date. Payment of amounts that the previous AA owes PG&E as of such effective date shall be made no later than twenty five (25) days thereafter.

ASSIGNMENT

The respective rights or obligations under this CPBA shall not be assigned or delegated by either Party without the written consent of the other Party; provided, however, that only a notice is required if an assignment of PG&E's rights is made concurrently with a delegation of PG&E's obligations hereunder to a parent or affiliate of PG&E, or to an entity acquiring the business properties or the portion of PG&E system where the Receipt Point(s) specified in Attachment 2 is/are located. Any successor to or assignee of the rights of a Party, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to and bound by all terms and conditions of this CPBA to the same extent as though such successor or assignee were an original Party. An assignment or delegation of rights or obligations under this CPBA which is not in conformance with the provisions of this paragraph shall be null and void.

TERMINATION

Either Party may terminate this CPBA upon sixty (60) days written notice, or immediately upon notice if: (1) the other Party is in breach of this CPBA; or (2) the California Public Utilities Commission (CPUC) or the Federal Energy Regulatory Commission (FERC) at any time asserts regulation that may prevent PG&E from complying with this CPBA. Upon termination of this CPBA, PG&E shall have the right to refuse nominations for deliveries of gas into the PG&E System.

INDEMNIFICATION

The AA shall indemnify and hold PG&E harmless from and against all losses, costs, damages, claims and liabilities, resulting from a breach of any of the representations or warranties set forth in this CPBA, and from and against any payments received from or owed to PG&E by the AA with respect to any gas nominated or delivered by the AA at the Receipt Point(s). The provisions of this paragraph shall survive the termination of this CPBA by either Party or the appointment of a successor AA, notwithstanding any other provision of this CPBA.

MISCELLANEOUS

With the exception of CPUC-approved tariff and rule changes, no subsequent waiver, modification or amendment of this CPBA or of any of its provisions shall be of any effect unless in writing and signed by a duly authorized representative of each Party.

This CPBA does not change the obligations, restrictions or rights contained in other agreements between the Parties unless expressly indicated in this CPBA.

The waiver by either Party of any breach of any term, covenant or condition contained in this CPBA, or any default in the performance of any obligations under this CPBA, shall not be deemed to be a waiver of any other breach or default of the same or any other term, covenant, condition or obligation. Nor shall any waiver of any incident of breach or default constitute a continuing waiver of the same.



CALIFORNIA PRODUCTION BALANCING AGREEMENT

Neither Party shall be liable for any special, punitive, consequential, incidental, or indirect damages, whether arising in contract, tort, including negligence or otherwise, related to this CPBA.

This CPBA shall be interpreted under the laws of the State Of California.

This CPBA and the obligations of the Parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this CPBA (or the successors of those authorities).

PG&E shall have the right to terminate this CPBA immediately if the continued performance of this CPBA or of related services could reasonably be determined to jeopardize continuance of PG&E's Hinshaw Exemptions pursuant to Section 1 (c) of the Natural Gas Act.

This agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction.

Pacific Gas and Electric Company

Authorized Agent

Company

Signature

Signature

Print Name

Print Name

Title

Title

Date

Date

Attachments:

Attachment 1: "Appointment of Authorized Agent"

Attachment 2: "Receipt Point"

Attachment 3: "Communications and Operations Contact"

Gas Rule 14 is available at www.pge.com/tariffs



CALIFORNIA PRODUCTION BALANCING AGREEMENT

ATTACHMENT 1 - APPOINTMENT OF AUTHORIZED AGENT

Contract No. _____

Date: _____

PURPOSE OF THIS DOCUMENT

The parties (party) who own(s) or control(s) gas produced from certain California Production (Producer(s)) and who deliver that gas into the Pacific Gas and Electric Company (PG&E) system (PG&E System) for transport by PG&E, at the point(s) of interconnection where gas is measured before delivery into the PG&E System (Receipt Point(s)), wishes/wish to appoint an Authorized Agent (AA), of the Producer(s), to enter into a California Production Balancing Agreement (CPBA) with PG&E, and to act for and on behalf of the Producer(s) as its/their managing agent in matters relating to the delivery of gas into the PG&E System at certain Receipt Point(s). This document is referred to as either "Attachment 1" or "Appointment of Authorized Agent".

AGENCY AUTHORIZATION

Each Producer who executes this document on behalf of itself and of its successors and assignees hereby appoint(s) and authorize(s) _____ to act as its AA, for all purposes stated in the CPBA with respect to the gas to be delivered at the Receipt Point(s) specified in Attachment 2 of the CPBA. The powers and authority to act for the Producer delegated to the AA hereunder shall include without limitation:

- (a) execution and performance of the CPBA and all other agreements and documents as may be necessary or desirable for purposes of or in connection with gas deliveries to the PG&E System for transportation and the administration thereof, including nominating volumes of gas under PG&E's standard nomination procedures; and
- (b) balancing, allocating and prorating the Producer's share of gas; and
- (c) any other act or function required to perform the obligations of the AA or the Producer set forth in the CPBA.

The aforesaid appointment and delegation of authority shall be exclusive and irrevocable except as stated in the paragraph "APPOINTMENT OF SUCCESSOR AA" below.

REPRESENTATIONS AND OBLIGATIONS OF PRODUCER(S) TO PG&E

To the extent that obligations assumed by the AA pursuant to this Attachment 1 or the CPBA, or any other agreements of or executed by the AA in connection with the CPBA, are part of an existing contract between the Producer(s) and PG&E, the Producer(s) shall continue to be liable to PG&E for the performance of such obligations, and nothing contained in this Attachment 1 or the CPBA shall release the Producer(s) from its/their obligations under any contracts with PG&E.

Further, the Producer(s) agrees/agree that where an obligation, promise, responsibility, commitment, risk, liability, warranty, or representation of the AA is stated in the CPBA; the Producer(s) shall be jointly and severally liable with the AA for that obligation, promise, responsibility, commitment, risk, liability, warranty, or representation..

Each of the undersigned Producers represents to PG&E that it has read and understood all of the provisions contained in the CPBA which is incorporated herein by this reference and agrees to be bound thereby.

The Producer(s) specifically authorize(s) PG&E to rely on the AA for nominations and allocations related to transport of gas by PG&E, and for all other purposes in connection with the CPBA, and to conclusively rely upon any and all information provided by the AA under the CPBA. The Producer(s) will indemnify



CALIFORNIA PRODUCTION BALANCING AGREEMENT

ATTACHMENT 1 - APPOINTMENT OF AUTHORIZED AGENT

PG&E and hold it harmless, against all claims, suits, actions, liabilities, debts, accounts, damages, costs, losses and expenses, including attorney's fees, arising from or out of: PG&E's reliance upon or use of nominations or other information provided by the AA; any acts, omissions, performance or failure to perform of the AA under the CPBA or other agreements; any failure to comply with any federal, state or local reporting requirement or other laws or regulations; or the breach of any warranty or representation stated in the CPBA or herein.

PG&E'S RIGHT TO REFUSE ACCEPTANCE OF GAS

The Producer(s) agree(s) that PG&E, in its sole judgment, shall have the right, without incurring any liability to the Producer(s) to refuse acceptance of gas for transportation at the Receipt Point(s) when:

- (a) the AA fails to comply with a provision of the CPBA, becomes insolvent or fails to establish creditworthiness if requested by PG&E; or
- (b) any agreement required by PG&E in connection with the transportation of gas on PG&E's gas system has not been executed, has been terminated, or has expired; or
- (c) PG&E deems it necessary or desirable to curtail acceptance of the gas in order to operate, preserve, or protect the integrity and safety of PG&E's gas system including but not limited to, gas quality, gas supply, and/or gas system facilities. PG&E shall use reasonable efforts to give the AA advance notice of any curtailment.

In the event of any of the occurrences enumerated in items (a) through (c) above or in the event that at any given time there is no AA appointed and accepted pursuant to the conditions hereof, the Producer(s) shall, upon five (5) days' notice by PG&E, disconnect the flow into the PG&E System of all gas intended for transportation. In the event of such a notice, all gas flow into the PG&E System (through the Receipt Point(s) following the five (5) day period shall be deemed to be delivered to PG&E at the applicable Cashout price.

DAMAGES

The Producer(s) who execute(s) this Attachment 1 agree(s) on behalf of itself and of its successors and assignees that PG&E shall not be liable to the Producer(s) or to its successors or assignees for any special, indirect, incidental or consequential damages arising out of or in connection with the CPBA or this Attachment 1, whether based in contract, tort (including negligence) or otherwise.

SUPERSEDING DOCUMENT

This document supersedes any previous appointment by the Producer(s) of an agent, for the purposes set forth herein or in the CPBA, and shall not be modified except by a written notice to PG&E, as described in the paragraph "APPOINTMENT OF SUCCESSOR AUTHORIZED AGENT" below, executed by the majority of the Producer(s) signatories to this Attachment 1. This document shall be binding on all successors and assigns of the interest(s) of the Producer(s) in the gas associated with the Receipt Point(s) listed in Attachment 2 of the CPBA.

APPOINTMENT OF SUCCESSOR AUTHORIZED AGENT

The Producer(s) may appoint a successor AA from time to time, by mailing to PG&E an Appointment of Authorized Agent (in the form of this Attachment 1) executed by the majority of the Producers which are signatories to this document. The Producer(s) agree(s) to be bound by any such majority appointment of a successor AA, regardless of whether each Producer supports the change of AA. Each Producer signatory to this Attachment 1 hereby appoints the other Producer signatories to this Attachment 1 as the Producer's agent with authority to appoint a successor AA by majority vote to



CALIFORNIA PRODUCTION BALANCING AGREEMENT

ATTACHMENT 1 - APPOINTMENT OF AUTHORIZED AGENT

act on behalf of the Producers as set forth in this document and in the CPBA. Each Producer agrees to be bound by such an appointment, if the majority of the other Producer signatories to this Attachment 1 appoint a successor AA pursuant to these provisions. Such change (succession) shall not be effective until the newly appointed AA: (1) signed the new Appointment of Authorized Agent, whereby the new AA assumes all of the obligations of the AA set forth therein; and (2) has been approved by PG&E, which approval shall not be unreasonably withheld. When all of the aforesaid conditions have been met, the new (successor) AA shall succeed to and become vested with all the rights and obligations of the retiring AA.

ASSIGNMENT

The rights and obligations of a Producer under this Attachment 1 may be assigned and delegated concurrently to a successor to the rights of the Producer in the gas delivered at the Receipt Point(s) set forth in Attachment 2 of the CPBA, provided that the assignment and delegation shall not become effective until PG&E has received from the Producer's successor a written acceptance of all of the obligations of the assignor Producer; and provided further that such an assignment and delegation shall not release the assignor Producer from its obligations under this Attachment 1, the CPBA, or any other agreements to which the assignor Producer and PG&E are parties, to the extent that the assignee Producer fails to perform such obligations. PG&E may assign its rights under this document to a parent or affiliate of PG&E or an entity acquiring the portion of the PG&E System where the Receipt Point(s) specified in Attachment 2 are located.

AA'S AGREEMENT

By signing this document in the space titled "Accepted by Authorized Agent," the AA accepts the terms and conditions hereof and agrees to act as the Producer(s) agent as set forth herein.

EFFECTIVE DATE

This Appointment of Authorized Agent shall become effective following execution by the Producer(s) and by the AA; and shall continue in effect for the term of the CPBA; provided that PG&E has accepted the AA by executing a CPBA with the AA and accepting the Appointment of Authorized Agent concurrently therewith.

COUNTERPARTS

This document may be executed in counterparts, and if executed in that manner shall have the same effect as if the Producer(s) and the AA had executed the same document. The AA and each other party executing a counterpart to this document shall deliver an executed copy of that counterpart to PG&E.



CALIFORNIA PRODUCTION BALANCING AGREEMENT

ATTACHMENT 1 - APPOINTMENT OF AUTHORIZED AGENT

In Witness Whereof, the Producer(s) and the AA have executed this Appointment of Authorized Agent, and each signatory to this document represents that the person executing it is duly authorized to do so.

Producer: _____

Producer: _____

By: _____
Signature

By: _____
Signature

Print Name

Print Name

Title

Title

Date

Date

Producer: _____

Producer: _____

By: _____
Signature

By: _____
Signature

Print Name

Print Name

Title

Title

Date

Date

Accepted by Authorized Agent:
Company Name: _____

Accepted by Pacific Gas and Electric Company

By: _____
Signature

By: _____
Signature

Print Name

Print Name

Title

Title

Date

Date



CALIFORNIA PRODUCTION BALANCING AGREEMENT

ATTACHMENT 3 – COMMUNICATIONS AND OPERATIONS CONTACT

Contract No. _____
Date: _____

Attachment 3 designates the formal contact names, mailing addresses, telephone, e-mail and facsimile numbers for the Parties. Either Party may from time to time change or designate any other name or address for such purposes by providing the other Party with a revised Attachment 3. The revised Attachment 3 shall be effective upon receipt by the other Party. Any notice, request, demand, cashout, OFO or EFO Noncompliance Charge statement shall be in writing and shall be deemed to have been given when deposited in the United States mail, postage prepaid, posted electronically on PG&E's Website or transmitted and confirmed via facsimile. Routine operations may be exclusively communicated by facsimile or other electronic means.

Gas Nominations

Business Name: Pacific Gas and Electric Company
Mailing Address: xxxxx
xxxxx
Attention: Gas Scheduling
Telephone Number: xxxxx
Facsimile Number: xxxxx
e-mail: pgescheduling@pge.com

To AA

()
()

Notifications and Trades

Business Name: Pacific Gas and Electric Company
Mailing Address: xxxxx
xxxxx
Attention: xxxxx
Telephone Number: xxxxx
Facsimile Number: xxxxx
e-mail: pgescheduling@pge.com

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()

Payments By Wire

Business Name: xxxxx
Address: xxxxx
ABA Routing Number: ABA #xxxxx
Account Name: Credit to PG&E
Account Number: Account #xxxxx

Payments By Check

Business Name: Pacific Gas and Electric Company
Mailing Address: xxxxx
xxxxx
Attention: xxxxx

For maximum protection of PG&E's system in case of operational conditions and emergencies, the AA shall notify PG&E's Gas System Operations in writing of its Physical Operator's name, e-mail, telephone and facsimile numbers. Notification of physical operation of the Receipt Point by a Physical Operator shall not constitute a delegation of the AA's obligations and shall not in any way limit, diminish, or otherwise affect the AA's obligations under this Agreement, which the AA shall fully perform.

Physical Operator

Business Name:

--

Mailing Address:

--

Attention:

--

Telephone Number: ()
Facsimile Number: ()
e-Mail:

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