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**GILL RANCH STORAGE**

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220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

Original Cal. P.U.C. Sheet 1-G

TARIFF SCHEDULES  
For Natural Gas Storage Service  
of  
Gill Ranch Storage, LLC



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**GILL RANCH STORAGE**

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220 NW Second Avenue  
Portland, Oregon 97209

Gill Ranch Storage, LLC operates in Fresno and Madera Counties, California. Gill Ranch Storage, LLC owns an interest in the Gill Ranch Gas Storage Facility. This Tariff governs Gill Ranch Storage, LLC's provision of storage services to customers from its share of the capacity of the Gill Ranch Gas Storage Facility.

The following Tariff Schedules have been regularly filed with the Public Utilities Commission of the State of California and are the effective rates and rules of this utility.

The California Public Utilities Commission may amend or cancel these rates and rules by formal procedure, and the utility may amend or withdraw them after application to the Commission and receipt of authority for such action.

Application for service and customers must conform to and comply with these Tariff Schedules.



## GILL RANCH STORAGE

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

First Revised Cal. P.U.C. Sheet 2-G  
Cancels Original Cal. P.U.C. Sheet 2-G

### TARIFF CHECKING SHEET

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Advice Letter No. 3-G  
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Issued by:  
Richard C. Daniel  
President

Date Filed:  
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**GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209 Cancels First Revised Cal. P.U.C. Sheet 3-G (U 914-G)

Second Revised Cal. P.U.C. Sheet 3-G

**TARIFF CHECKING SHEET** (Cont'd)

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**GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

First Revised Cal. P.U.C. Sheet 4-G  
Cancels Original Cal. P.U.C. Sheet 4-G

**TARIFF CHECKING SHEET** (Cont'd)

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159-G	First Revision (L)
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## GILL RANCH STORAGE

220 NW Second Avenue - Portland, OR 97209  
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Original Cal. P.U.C. Sheet 5-G

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## **GILL RANCH STORAGE**

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### **PRELIMINARY STATEMENT**

#### **A. DESCRIPTION OF TERRITORY**

Gill Ranch Storage, LLC (“GRS”) owns an interest in and operates the Gill Ranch Gas Storage Facility (“Facility”) located in Fresno and Madera Counties, California. The Facility includes the following: underground natural gas reservoirs, wells, gathering lines, dehydration and control facilities, and a compressor station. The Facility also includes an associated pipeline that extends approximately twenty-seven (27) miles from the Gill Ranch Storage Field (the “Gill Ranch Pipeline”) to an interconnection with Pacific Gas and Electric Company’s (“PG&E”) Line 401 (“Connecting Pipeline”). From the Facility, GRS provides Firm and Interruptible natural gas Storage Services, and Park and Loan Service (a form of Interruptible service), to its Customers at market-based rates according to the terms and conditions of the Storage Service Documents and the rules set forth in this Tariff.

#### **B. TYPES AND CLASSES OF SERVICE**

GRS provides three classes of natural gas Storage Services: Firm Storage Service, Interruptible Storage Service, and Park and Loan Service. All service rates include transportation on the Gill Ranch Pipeline between the Gill Ranch Gas Storage Facility and the Connecting Pipeline.

##### **1. Firm Storage Service**

Firm Storage Service (“FSS” or “FSS Service”), as defined in Rules 1 and 2, is a natural gas storage service that consists of Firm Working Gas capacity, Firm injection capacity, and Firm withdrawal capacity. FSS is subject to the terms and conditions of the applicable Storage Service Documents and this Tariff.

##### **2. Interruptible Storage Service**

Interruptible Storage Service (“ISS” or “ISS Service”), as defined in Rules 1 and 2, is a natural gas storage service that consists of Interruptible Working Gas capacity, Interruptible injection capacity, and Interruptible withdrawal capacity. ISS is subject to the terms and conditions of the applicable Storage Service Documents and this Tariff.



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220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**PRELIMINARY STATEMENT (Cont'd)****B. TYPES AND CLASSES OF SERVICE (Cont'd)**

## 3. Park and Loan Service

Park and Loan Services (“PAL” or “PAL Service”), as defined in Rules 1 and 2, are Interruptible natural gas Storage Services subject to GRS having available capacity and/or capability to provide the requested service and Customer meeting the eligibility and creditworthiness requirements set forth in the PAL Schedule. PAL Service is subject to the terms and conditions of the applicable Storage Service Documents and this Tariff.





## **GILL RANCH STORAGE**

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### **PRELIMINARY STATEMENT (Cont'd)**

#### **C. GENERAL TERMS AND CONDITIONS OF SERVICE**

##### **1. DEFINITIONS, STORAGE SERVICE OBLIGATION, AND AMENDMENTS**

- 1.1 The definitions contained in Rule 1 of this Tariff are incorporated by reference and deemed to be a part hereof.
- 1.2 GRS is not required to provide any minimum level of Storage Service under this Tariff, including at rate terms that are not acceptable to GRS.
- 1.3 If any amendment is made to the transportation tariff of the Connecting Pipeline that has a material effect on the provision of Storage Service by GRS, then GRS may, by written notice to Customer and subject to the approval of the Commission, change the provisions of the Storage Service Documents and/or Tariff as reasonably necessary as a result of that amendment to such transportation tariff.

##### **2. ESTABLISHMENT OF AND OPERATION OF A STORAGE ACCOUNT**

- 2.1 Once GRS and a Customer have executed a Storage Service Agreement, GRS shall create and maintain a Storage Account for each such Customer to account for all storage activity that takes place pursuant to Transactions documented by the Storage Service Documents. Except with respect to PAL, the Storage Account may not have a negative balance.

At any time when a Storage Service request has been Confirmed by GRS:

- (a) quantities of gas delivered by or on behalf of Customer and received by or on behalf of GRS will be added to Customer's Storage Account; and
- (b) quantities of gas delivered by or on behalf of GRS and received by or on behalf of Customer will be deducted from Customer's Storage Account.



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 10-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**PRELIMINARY STATEMENT (Cont'd)****C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)****3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS****3.1 Storage Service Requests.**

- (a) Initial Storage Service Requests. A potential Customer (hereafter, "Requesting Party") desiring Storage Service under this Tariff may contact GRS to discuss the Storage Services offered by GRS under this Tariff and the Requesting Party becoming a Customer (hereafter, an "Initial Storage Service Request").
  
- (b) Required Information. A Requesting Party and GRS may discuss an Initial Storage Service Request orally, in writing, or by e-mail. At a minimum, in discussing any Initial Storage Service Request, GRS may require the Requesting Party to provide GRS with the following information in order to evaluate the Initial Storage Service Request:
  - (i) the exact legal name of the Requesting Party;
  - (ii) type of Storage Service requested;
  - (iii) proposed Maximum Daily Injection Quantity ("MDIQ"), Maximum Daily Withdrawal Quantity ("MDWQ"), Maximum Storage Capacity ("MSC"), and Loaned Quantity, as applicable under the circumstances;
  - (iv) proposed term of Storage Service; and
  - (v) any other necessary information applicable to the Storage Service being requested.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS**

**3.1 Storage Service Requests (Cont'd).**

- (c) Storage Service Requests Generally. An Initial Storage Service Request made by a Requesting Party, or any subsequent Storage Service request made by a Customer, shall not be valid and GRS shall not be required to grant any such request for reasons which include, without limitation, the following:
- (i) GRS determines, based on its credit analysis, that the Requesting Party does not have sufficient credit or financial stability to GRS' satisfaction, as described in the creditworthiness provisions herein in Rule 6; or
  - (ii) the Storage Service requested would require the construction, modification, expansion or acquisition of any facilities; or
  - (iii) the Storage Service requested would not comply with this Tariff or applicable Schedule; or
  - (iv) for Firm requests, GRS lacks adequate injection/withdrawal capacity or inventory to provide the requested service; or
  - (v) the Parties cannot come to a mutual agreement on the market-based rate (within the applicable range) or other essential terms for a Storage Service Transaction.



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220 NW Second Avenue - Portland, OR 97209  
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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS**

**3.1 Storage Service Requests (Cont'd).**

- (d) GRS shall consider the Initial Storage Service Request and contact the Requesting Party to discuss the Initial Storage Service Request terms further, and the Parties may proceed to negotiate regarding the essential terms of a Transaction, including, without limitation, mutually acceptable market-based rate terms (within the applicable range).
- (e) If the Parties come to a mutual agreement on the terms of a Transaction, GRS shall tender a Storage Service Agreement to the Requesting Party and the applicable Appendix form. The Storage Service Agreement shall be invalid and no Transaction shall commence between the Parties under the Storage Service Documents unless and until the Requesting Party signs and returns the Storage Service Agreement and the applicable Appendix to GRS within thirty (30) days after GRS tenders such Storage Service Documents for execution.
- (f) Alternatively, subject to a potential Customer meeting applicable creditworthiness requirements herein, GRS and a potential Customer may enter into a Storage Service Agreement, subject to agreement regarding the terms of a specific future Transaction.



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First Revised Cal. P.U.C. Sheet 13-G  
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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS (Cont'd)**

3.2 Upon and after execution of a Storage Service Agreement and an applicable Appendix for a specific Transaction between GRS and Customer for Storage Service under a Storage Service Schedule herein, Customer shall request Storage Service pursuant to the following procedures. Such Storage Service shall be subject to Force Majeure and other applicable provisions of the General Terms and Conditions of Service herein, including the scheduling and service priority provisions, the provisions of the applicable Storage Service Schedule, and the provisions of the Storage Service Documents.

(a) Nominations shall be made to GRS by a Customer by using the GRS Web Portal. Alternatively, if the GRS Web Portal is not available, GRS will accept Nominations by e-mail or facsimile transmittal with an accompanying telephone call, or by telephone with a facsimile follow-up. Nominations must be made to GRS at least thirty (30) minutes in advance of the applicable nomination deadlines **(D)** for the Connecting Pipeline, including any applicable intraday **(T)** nomination deadline for the Connecting Pipeline. **(D)**



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS**

**3.2 Storage Service Procedures (Cont'd).**

- (b) Nomination requests must state the quantity of gas in Dekatherms per day that Customer wishes to deliver or receive, the applicable Gas Day, and the applicable Nomination Time.
- (c) Customer or Customer's agent must submit matching nominations and have them confirmed on the Connecting Pipeline in order for the desired Storage Service Transaction to be valid.
- (d) Nominations may be made at any time on the GRS Web Portal, but actual scheduled flows shall depend on the Connecting Pipeline's nomination schedule and flow cycles. The processing of nominations by GRS is dependent upon the Connecting Pipeline's processing schedule. The currently-effective Nomination time table shall be made available on the GRS Web Portal, and upon request, may be provided by GRS to a Customer via e-mail or facsimile.
- (e) If, on any Gas Day, Customer does not nominate to GRS, GRS will confirm zero (0) activity with the Connecting Pipeline.
- (f) If the Nomination on the GRS Web Portal and the Connecting Pipeline do not match, GRS will Confirm and schedule the lesser of the two (2) nominations.



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First Revised Cal. P.U.C. Sheet 15-G  
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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS (Cont'd)**

3.3 Electronic nominations shall be made to GRS through the GRS Web Portal within the GRS website: [www.gillranchstorage.com](http://www.gillranchstorage.com). The user will be prompted for a USERID and a password.

Customer must be issued a Customer Code or USERID before being allowed to nominate using the GRS Web Portal. Customer will also be required to provide GRS with its Dun and Bradstreet Number ("DUNS"), which will be linked to the Customer Code. A Customer will only have access to those nominations and reports specifically linked to its Customer Code.

3.4 Alternatively, if the GRS Web Portal is not available, Customers may fax or e-mail spreadsheet Nominations, with an accompanying telephone call, including during emergency situations. Customers should record the emergency contact information available at GRS website to refer to in circumstances when the Web Portal is unavailable. All Nominations, through the GRS Web Portal or otherwise, must be received by GRS at least thirty (30) minutes before the Connecting Pipeline's applicable nomination deadlines, and must contain the same elements as an electronic nomination.



## **GILL RANCH STORAGE**

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### **PRELIMINARY STATEMENT (Cont'd)**

#### **C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

##### **3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS (Cont'd)**

3.5 After receiving all Nominations for a Nomination Time, GRS shall consider each Customer's Nomination in connection with the terms of this Tariff, Customer's Storage Service Documents, the applicable Rate Schedule provisions, any applicable ratchet table for injections or withdrawals, and Customer's Storage Account level, and GRS shall coordinate regarding the Nomination with the Connecting Pipeline.

- (a) For FSS, GRS will place a Nomination with the Connecting Pipeline in the amount of the Customer Nomination that is consistent with the terms of Customer's Appendix FSS, subject to reduction in whole or in part due to the General Terms and Conditions of Service in this Tariff, the Storage Service Documents, the provisions of Rule 14, Force Majeure, or the injection and withdrawal profiles in the Appendix FSS, as applicable.
- (b) For ISS, and PAL, GRS shall determine the level of Storage Service it is able to offer. GRS may, without consulting with the Connecting Pipeline, determine it is not able to offer such requested service and in such an event, GRS shall communicate this directly to the Customer making the Nomination. If some or all of the level of ISS, or PAL service, as applicable, can be provided, then GRS shall coordinate Nominations with the Connecting Pipeline and subsequently Confirm the actual volume of activity for Customer.
- (c) If the Connecting Pipeline fails to confirm some or all of the Customer or GRS Nominations, then Customer's Nomination shall be treated as curtailed by the Connecting Pipeline to the extent not confirmed by the Connecting Pipeline. GRS shall only Confirm and, therefore, deliver, the lesser of the two (2) Nominations.





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220 NW Second Avenue - Portland, OR 97209  
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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS (Cont'd)

3.5 Nomination Procedure (Cont'd)

- (d) GRS shall notify Customer prior to gas flow on the Connecting Pipeline of GRS' Confirmation of the Nomination, including the amount that is Confirmed for the applicable Gas Day.
- (e) Upon receipt of confirmation from the Connecting Pipeline, GRS and Customer will each be bound in accordance with the Confirmation for the applicable Gas Day, subject to the terms of the applicable Storage Service Documents, including the provisions of the General Terms and Conditions of Service. For FSS Service, GRS and Customer shall each have a Firm obligation to deliver and accept gas in accordance with that Confirmation for the applicable Gas Day subject to the provisions of Schedule FSS and the General Terms and Conditions of Service.

3.6 Transfers of gas between:

- (a) different Storage Accounts of Customer, if it has more than one;
- (b) a Storage Account of Customer and the Storage Account of another Customer of GRS; and
- (c) imbalance trading under PG&E's G-BAL schedule

are permitted with the prior consent of GRS, which GRS may withhold in its sole discretion. Additionally, for imbalance trading under PG&E's G-BAL schedule, Customer must separately pursue such a transfer with PG&E pursuant to the terms of that schedule.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS (Cont'd)**

3.7 Customer shall be responsible for all matters arising from or ancillary to the purchase, sale, and transportation of natural gas which is delivered to or received by or on behalf of Customer at the Receipt Point and delivered to or received by GRS from or on behalf of Customer at the Delivery Point. These responsibilities include, without limitation, securing and maintaining all necessary transportation services with the Connecting Pipeline, securing and maintaining all necessary ancillary services, complying with all reporting requirements and payment obligations arising in respect of natural gas sales proceeds, paying or delivering all royalties and other third party interests, securing and maintaining all required permits and authorizations, and paying all taxes (excluding income taxes payable by GRS), levies, and charges associated with the Storage Services provided under the Storage Service Documents.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS

3.8 The following terms may be used during the nominations process:

<b>Customer Code</b>	Same as Customer's USERID
<b>Customer Contract No.</b>	Contract under which activity is nominated
<b>Start Date</b>	Date activity is to commence
<b>End Date</b>	Date activity is to cease
<b>Receipt Point</b>	Point of interconnection between GRS and the Connecting Pipeline where gas is received by GRS from Customer
<b>Delivery Point</b>	Point of interconnection between GRS and the Connecting Pipeline where gas is delivered by GRS to Customer
<b>Upstream Contract</b>	Identification of contract upstream of the Receipt Point on the Connecting Pipeline
<b>Downstream Contract</b>	Identification of contract downstream of the Delivery Point on the Connecting Pipeline
<b>Volume</b>	Dekatherm volume of Nomination and/or Confirmation, as applicable



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS (Cont'd)**

3.9 The timing of Nominations shall be as follows:

- (a) GRS must receive the Nomination information at least thirty (30) minutes before the Connecting Pipeline's applicable nomination **(D)** deadline.
- (b) In the event that Nomination information is not received by **(D)** GRS at least thirty (30) minutes before the Connecting **(N)** Pipeline's nomination deadline, the nomination will be submitted on a best efforts basis. **(D)**



## **GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

First Revised Cal. P.U.C. Sheet 21-G  
Cancels Original Cal. P.U.C. Sheet 21-G

### **PRELIMINARY STATEMENT (Cont'd)**

#### **C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

##### **3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS**

3.10 Curtailement. In the event a constraint is experienced by GRS in the provision of service hereunder for any reason, storage injection or withdrawal volumes will be reduced using the procedures below. The volumes will be restored in the reverse order that they were reduced once the constraint has been remedied.

- (a) Overrun volumes will be reduced first, on a pro-rata basis, using the total constrained volume as the numerator and the total confirmed overrun nomination volumes as the denominator.
- (b) Once all the overrun volumes have been reduced to zero (0), further reductions will be made by reducing PAL capacity using the rate paid for the day of the constraint as the determining factor. The lowest rate PAL volumes will be reduced first, continuing upward on a contracted rate basis until the constrained volume target has been met. If two (2) or more Customers are paying the same rate, and that rate stratum is not reduced to zero (0), the volume reduction for that rate stratum will be made by using the reduction volume as the numerator, and the total confirmed nominations as the denominator. **(T)**
- (c) Once all PAL capacity has been reduced to zero (0), any further necessary reductions will be made by reducing interruptible capacity using the rate paid on the day of the constraint as the determining factor. The lowest rate interruptible volumes will be reduced first, continuing upward on a contracted rate basis until the constrained volume target has been met. If one or more Customers are paying the same rate, and that rate stratum is not reduced to zero (0), the volume reduction for that rate stratum will be made by using the reduction volume as the numerator, and the total confirmed nominations as the denominator. **(T)**



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS (Cont'd)**

**3.10 Curtailment (Cont'd).**

(d) Once all interruptible volumes have been reduced to zero, if further reduction is necessary, firm injections or withdrawals (whichever applies) will be reduced by using the remaining constrained volume as the numerator, and the MDIQ or MDWQ for the affected Customers as the denominator.

3.11 If due to Customer's error or negligence, Customer's gas does not flow per Customer's Confirmed Nomination, and penalties are imposed upon or incurred by GRS as a result thereof by the Connecting Pipeline, Customer shall indemnify GRS against and hold GRS harmless from all such penalties imposed upon and incurred by GRS. Any scheduling penalty may be waived by GRS on a case-by-case non-discriminatory basis. Any such waivers must be in writing and must be executed by an officer of GRS or other authorized representative of GRS.

3.12 Customer's ability to Nominate, deliver to, or receive delivery from GRS for Storage Service under this Tariff may be limited at any time when Customer is restricted or unable to transport gas on the Connecting Pipeline for any reason, including, without limitation, curtailment in whole or in part by the Connecting Pipeline. GRS shall have no responsibility or liability to Customer for any such restrictions or curtailments and GRS shall not waive any applicable charges that result from such restrictions or curtailments.

3.13 Natural gas delivered between the parties hereunder shall be measured as to volume and energy at the appropriate Receipt Point and Delivery Point.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**3. SERVICE REQUESTS, NOMINATIONS AND CONFIRMATIONS (Cont'd)**

3.14 GRS will accept and deliver customers' natural gas at the quality and pressure required of natural gas transported on the Connecting Pipeline system as set forth in the interconnect agreement, special facilities agreement, and/or operating and balancing agreement with the Connecting Pipeline. Each Party shall preserve all test data, charts, and other similar records regarding the measurement of gas delivered for a period of not less than two (2) Years following the month of delivery of such gas.

3.15 GRS shall have the right to remove constituents other than methane from gas delivered to it by Customer and GRS shall have no duty to account for the constituents so removed nor to make any payment to Customer on account thereof provided that nothing in this Section 3.15 will permit GRS to return to Customer a quantity of gas less than that delivered for Storage Service to GRS by Customer (Fuel Charge excepted) nor shall this Section 3.15 permit GRS to return to Customer gas that does not meet the quality specifications in this Tariff or of the Connecting Pipeline.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**4. BILLINGS AND PAYMENTS**

- 4.1 GRS will provide an invoice or invoices that include the general information specified in this Article 4 as well as specific information that may be required in respect of each Transaction entered into by the Parties.
- 4.2 On or before the fifteenth (15<sup>th</sup>) day of each Gas Month, GRS will invoice Customer by providing written notice of:
- (a) the number of Dekatherms of natural gas delivered to GRS by or on behalf of Customer during the Billing Month at the Receipt Point (as applicable), and the number of Dekatherms of natural gas delivered to or on behalf of Customer during the Billing Month at the Delivery Point (as applicable);
  - (b) the amount of Dekatherms subject to parking and/or lending services between, the Parties during the Billing Month;
  - (c) the balance of Customer's Storage Account(s) throughout the Billing Month, including any transfers permitted by GRS to, from, between or among those accounts;
  - (d) the amount of any adjustment applicable to the Billing Month or any month prior to the Billing Month; and
  - (e) the amount payable to GRS by Customer for the Billing Month.





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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**4. BILLINGS AND PAYMENTS (Cont'd)**

4.3 Customer understands and acknowledges that GRS is dependent on the Connecting Pipeline for data on natural gas delivered or received by Customer at the Receipt Point or Delivery Point. If, prior to the fifteenth (15<sup>th</sup>) day of the Gas Month, GRS has not received the Customer data needed to calculate the amount payable by Customer for the Billing Month, GRS may make a reasonable estimate to be payable by Customer, based on available data, including Customer's history, and present an invoice based on that estimate. If an invoice based on an estimate is presented and paid, GRS shall make adjustments reflecting the Customer's actual data for the Billing Month, including additional charges or credits, on the invoice presented to the Customer for the next Billing Month following the receipt by GRS of the Customer data needed to so calculate the amount payable by Customer.

4.4 Amounts Payable.

- (a) The amount payable by Customer to GRS pursuant to the Storage Service Documents during a Billing Month will be the net sum of the charges determined payable in accordance with each Transaction in effect during the Billing Month, plus all applicable taxes, levies, and other charges for which Customer is responsible pursuant to the Storage Service Documents, this Tariff, or CPUC requirements, excluding amounts which are properly payable directly to a taxing authority.
- (b) For the purposes of determining the amount payable from time to time to GRS by Customer, the balance of Customer's Storage Account(s) will be determined as at the end of the Gas Day, or at the end of the Gas Month, as the case may be.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**4. BILLINGS AND PAYMENTS (Cont'd)**

4.5 Any amount from time to time payable by Customer to GRS is due on the later of the tenth (10<sup>th</sup>) day after the date of the GRS invoice or the twenty-fifth (25<sup>th</sup>) day of that Gas Month. If that day is not a Business Day, then payment will be due on the next Business Day falling after that day.

4.6 Any amount payable hereunder by Customer, but unpaid when due, will accrue interest at a rate equal to the lesser of the Prime Rate in effect from time to time, plus three percent (3%), or the maximum rate permitted under applicable law, compounded annually, calculated from the date payment was due until the date payment is made in full, both before and after judgment.

4.7 If the Parties discover any overcharge or undercharge after the invoice has been paid, the Party who has underpaid or who has been overpaid will pay to the other the amount overpaid or underpaid within thirty (30) days after that amount has been determined. The payment will include interest from the date of overpayment or underpayment, calculated in accordance with Section 4.6, and any applicable taxes. No payment as described in this Section 4.7 will be made beyond a period of twenty-four (24) Months following the date of an overpayment or underpayment unless that payment is made necessary by measurement or allocation adjustments instigated by the Connecting Pipeline, in which case, the twenty-four (24) Month limitation will not apply. If Customer in good faith disputes the amount of an invoice, Customer shall nonetheless pay GRS the amount of such invoice, and thereafter and until final determination which may be reached either by agreement or by arbitration decision, as the case may be, GRS will be obligated to refund any principal amount either agreed upon or otherwise found to be overpaid by Customer. However, GRS has the right to terminate Storage Service to any Customer hereunder for any continued non-payment of any invoices rendered by GRS.

4.8 Any payment required to be made pursuant to the Storage Service Documents will be paid by Automated Clearing House (ACH) or as otherwise agreed by GRS to the account of GRS identified on the invoice, or as otherwise directed by GRS. (N) | (N)



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**5. TERM END ADJUSTMENT OF STORAGE ACCOUNT**

- 5.1 A Firm Storage Service Customer shall be responsible for the withdrawal of all of its positive storage balance: (a) on or before sixty (60) days after the date upon which any applicable Firm Storage Service Transaction documented by an Appendix FSS expires by its own terms; or (b) on or before thirty (30) days after the date of termination of any applicable Firm Storage Service Transaction documented by an Appendix FSS ; provided, however, that during such grace periods following expiration or termination, Customer shall pay GRS at a rate two (2) times the rate currently in effect between the Parties for such Storage Service. Withdrawals may be made on an interruptible basis at withdrawal rates that are mutually agreed upon by GRS and Customer, subject to operating conditions at the Facility. If a positive storage balance is not withdrawn within the grace period, the provisions of Section 5.4 shall apply.
- 5.2 Interruptible Storage Service Customers and parking service Customers shall be responsible for the withdrawal of all of their positive storage balances in their Storage Accounts by the end of the Day upon which the Transaction documented by an Appendix ISS or Appendix PAL, as applicable, expires or the termination date, if earlier. Withdrawals may be made on an interruptible basis at withdrawal rates that are mutually agreed upon by GRS and Customer, subject to operating conditions at the Facility. If Customer fails to withdraw a positive storage balance as provided in this Section 5.2, then the provisions of Section 5.4 shall apply.
- 5.3 The provisions relating to a Customer's return to GRS of any gas loaned to Customer hereunder are set forth in Schedule PAL, and the applicable Storage Service Documents.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**5. TERM END ADJUSTMENT OF STORAGE ACCOUNT (Cont'd)**

5.4 If a Customer's Storage Account has a positive balance at the end of the applicable time periods set forth in Sections 5.1 and 5.2 above, the following provisions will apply:

- (a) GRS may, at its option, purchase from Customer a quantity of gas equal to the positive balance in Customer's Storage Account at a price equal to ninety percent (90%) of the average price determined by reference to the *Gas Daily*, FOM Price Survey for PG&E Citygate deliveries listed for the last Gas Day of the Term.
- (b) Upon GRS making payment of the amount determined pursuant to subdivision (a) of this Section 5.4, the balance of Customer's Storage Account shall be adjusted to zero (0).
- (c) As an alternative to the payment provided in subdivision (a) of this Section 5.4 and at the sole option of GRS, the Term of the Storage Service Transaction in question may be extended by a period specified by GRS so that Customer may submit additional Nominations to inject or withdraw, as the case may be, the quantity of gas needed to bring Customer's Storage Account to zero (0).



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**6. DEFAULT AND TERMINATION**

6.1 Customer shall be in Default under this Tariff or the Storage Service Documents if:

- (a) Customer shall fail to pay any sum due to GRS hereunder and such failure continues for a period of five (5) Business Days after the date of written notice sent to Customer by GRS;
- (b) except for loans under Schedule PAL, Customer fails to materially perform any of its covenants or obligations under this Tariff or the Storage Service Documents, other than obligations to make payments to GRS or its obligations with respect to providing Financial Assurances (which are covered in clause (f) below), and Customer does not remedy such failure within a period of thirty (30) Days after receipt of a notice from GRS. In such an event, Customer shall indemnify and hold harmless GRS from and against any losses resulting from such failure;
- (c) an Insolvency Event occurs with respect to Customer or any Guarantor;
- (d) a Material Adverse Change occurs;
- (e) any Guarantor attempts to terminate or denies liability with respect to any Guaranty, or any Guarantor otherwise fails to materially perform any of its covenants or obligations under any such Guaranty; or
- (f) Customer or any Guarantor, if applicable, shall fail to maintain an Acceptable Credit Rating and, thereafter, shall fail to provide replacement Financial Assurances within five (5) Business Days after receipt of a notice from GRS, or, if a Letter of Credit has been provided as Financial Assurance, Customer shall fail to replace a Letter of Credit at least one hundred twenty (120) days prior to its expiration, in each case, in accordance with Rule 6.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**6. DEFAULT AND TERMINATION (Cont'd)**

6.2 In the event of any Default by Customer, in addition to all other remedies available to GRS pursuant to the Storage Service Documents or at law and in equity, GRS may do any or all of the following:

- (a) refuse to accept any further deliveries of natural gas from or on behalf of Customer pursuant to all or any Transactions;
- (b) refuse to deliver natural gas to or on behalf of Customer pursuant to all or any Transactions;
- (c) set off any amount that may be owing by GRS to Customer under this Tariff against amounts otherwise owing by Customer to GRS pursuant to any Transaction(s); and/or
- (d) suspend performance until Customer corrects the Default in full.



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### **PRELIMINARY STATEMENT (Cont'd)**

#### **C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

##### **6. DEFAULT AND TERMINATION (Cont'd)**

- 6.3 (a) In the event of a Default by Customer pursuant to Section 6.1, service under this Tariff or the Storage Service Documents shall terminate two (2) Business Days after delivery of a written notice from GRS to Customer of such termination; provided, however, in the event that the Default has occurred due to a Customer Insolvency Event, service shall terminate immediately and without the necessity of notice from GRS. Additionally, if a Default occurs solely as the result of the failure of Customer to make payment pursuant to the indemnification to GRS as required pursuant to Section 6.1(b) as the result of a bona fide dispute between the Parties and Customer has cured all other failures to perform covenants and obligations under this Tariff or the Storage Service Documents, GRS shall not be entitled to terminate the agreement, but instead may seek recovery of damages caused by said non-performance.
- (b) Any termination of Storage Service pursuant to the provisions of this Section 6.3 shall be without prejudice to the right of GRS to collect any amounts then due to GRS and without waiver of any other remedy, whether at law or in equity, to which the Party not in Default may be entitled, provided that: (i) GRS shall in no event be liable for damages greater than the value of any gas lost or for damages greater than the reasonable cost of alternative service, subject to the provisions of this Tariff regarding Force Majeure, similar to the service that would have been provided by GRS from the date of termination to the end of the Term, should GRS fail to receive or redeliver gas as and when required under this Tariff or the Storage Service Documents; and (ii) provided that such limitation on Customer liabilities hereunder shall not extend to any indemnification obligation of Customer hereunder. Customer shall in no event be liable for damages greater than the value of the service that would have been provided by GRS from the date of termination to the end of the Term and any amounts due under Section 6.4(a)(iii).



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**6. DEFAULT AND TERMINATION (Cont'd)**

6.4 The provisions of this Section 6.4 and not those of Article 5 of the General Terms and Conditions of Service shall apply if service under this Tariff or the Storage Service Documents is terminated in accordance with Section 6.3 of the General Terms and Conditions of Service as to all or any portion of the services subject to this Tariff or the Storage Service Documents:

- (a) Such termination shall be without prejudice, subject to such rights of offset as may exist, to any rights or obligations of the Parties accruing prior to such termination, including, but not limited to (i) Customer's right to receive gas which it has stored but has not received, although entitled thereto, prior to the time of termination (unless Customer fails to remove such gas from the Facility in the manner prescribed under this Tariff), (ii) Customer's right to refunds, if any, together with interest thereon, of portions of the rate paid prior to such termination or release for those days only when service by GRS was not rendered, and (iii) GRS' right to collect any amounts then due to GRS for services provided to Customer prior to the date of such termination. Upon such termination, and subject to GRS' rights under Section 4.1(d) of Rule 6, Customer shall cause all gas in its Storage Account to be removed from the Facility in a manner mutually acceptable to GRS and Customer. Customer shall pay all charges applicable under this Tariff while removing all gas in its Storage Account. Failure to remove completely all such gas within thirty (30) Days after such termination shall result in GRS taking title to Customer's Working Gas inventory, free and clear of all liens, encumbrances, and adverse claims. Payment shall be per Section 5.4(a) herein and shall serve as full compensation to Customer by GRS.
- (b) All indemnity and confidentiality obligations under this Tariff shall survive termination of the Storage Service.





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### **PRELIMINARY STATEMENT (Cont'd)**

#### **C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

##### **7. DISPUTE RESOLUTION**

7.1 Unless otherwise provided in this Tariff or the Storage Service Documents, any dispute, controversy, or claim arising out of, or relating to, this Tariff or the Storage Service Documents, or the making, performance, or interpretation thereof, shall be resolved by binding arbitration in Sacramento, California in accordance with the then-existing Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Such binding arbitration shall constitute the exclusive forum for resolution of any such disputes, controversies, or claims. The binding arbitration shall be conducted by a single arbitrator upon which GRS and Customer agree, or, if GRS and Customer cannot agree on a single arbitrator, then by a board of three (3) arbitrators, which arbitrator(s) shall be selected for each such controversy in accordance with Section 7.2.

7.2 If the Parties agree upon a single arbitrator, the date of appointment of the arbitrator shall be the date upon which the arbitrator agrees to serve. In the event it is necessary to proceed with a board of three (3) arbitrators in order to resolve any dispute, either GRS or Customer may, at the time such controversy arises, notify the other of a name of the arbitrator such Party has selected, and the other Party shall, within ten (10) Days thereafter, select another arbitrator and notify the Party desiring arbitration of the name of such arbitrator. If such other Party shall fail to name a second arbitrator within ten (10) Days, then the Party who first served the notice of arbitration may, on reasonable notice to the other Party, apply to the Sacramento, California office of the AAA for the appointment of such second arbitrator for and on behalf of the other Party, and in such case the arbitrator appointed by such association shall act as if named by the other Party. The two (2) arbitrators so selected shall, within ten (10) Days after the appointment of the second arbitrator, choose a third arbitrator, and in the event of their failure to do so within said ten (10) Days, either of the Parties hereto may in like manner, on reasonable notice to the other Party, apply to the Sacramento office of the AAA for the appointment of a third arbitrator and in such case the arbitrator appointed shall act as the third arbitrator. The date of appointment of the panel of three (3) arbitrators shall be the date upon which the third arbitrator agrees to serve.



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### **PRELIMINARY STATEMENT (Cont'd)**

#### **C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

##### **7. DISPUTE RESOLUTION (Cont'd)**

- 7.3 The arbitrator or board of arbitrators selected to act hereunder shall be qualified by education, experience, and training to pass upon the particular controversy in dispute. The arbitrator or board of arbitrators so constituted shall fix a reasonable time and place for a hearing, at which time each of the Parties hereto may submit such evidence as each Party may see fit with respect to the controversy in issue. Such arbitrator or board shall determine the matters submitted to it pursuant to the provisions of this Tariff or the Storage Service Documents, whichever shall be applicable. The arbitrator or board of arbitrators shall render a decision on the issues before such arbitrator or board no later than sixty (60) Days after such arbitrator or board has been appointed.
- 7.4 In the case of a single arbitrator, the costs of the arbitration shall be equally divided between the Parties. In the case of a board of three (3) arbitrators, each Party shall pay the expense of the arbitrator selected by or for it, and all other costs of the arbitration shall be equally divided between the Parties. In no event shall the arbitrator or board of arbitrators have discretion to award costs of arbitration in any fashion other than set forth in this Section 7.4.
- 7.5 The action of the sole arbitrator or of a majority of the members of the board of arbitrators, as the case may be, shall govern and their decisions in writing shall be final, non-appealable, and binding on the Parties hereto. The judgment on the arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**8. FORCE MAJEURE AND MAINTENANCE**

8.1 In the event GRS is rendered unable, in whole or in part, by Force Majeure, to carry out its firm obligations under this Tariff and Firm Storage Service Documents, it is agreed that upon giving notice and reasonably full particulars of such Force Majeure event relied upon, the obligations of GRS so far as such obligations are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period; provided that such cause shall as far as is reasonably practicable be remedied with all reasonable dispatch by GRS. Notwithstanding the foregoing, if an event of Force Majeure prevents performance for a period exceeding ninety (90) consecutive Days, the Customer shall have the right to terminate the impacted Firm Storage Service Transaction effective on thirty (30) additional Days notice to GRS.

8.2 The term "Force Majeure" shall include, but not be limited to, the following: any causes or circumstances not due to the fault of GRS beyond the reasonable control of GRS, including acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or pipelines, freeze-offs, water encroachment, unscheduled down-hole repairs, loss of well control, interruptions or failures of any upstream or downstream pipelines and power lines relied upon to effectuate any service under this Tariff, the binding order of any court or governmental authority having jurisdiction, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of GRS and which by the exercise of due diligence GRS is unable to prevent or overcome. Force Majeure shall not include: (i) instances where GRS failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (ii) economic hardship.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**8. FORCE MAJEURE AND MAINTENANCE (Cont'd)**

- 8.3 Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the control of GRS and shall be entirely within the discretion of GRS, and the requirement that any event of Force Majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of those directly or indirectly involved in such strikes or lockouts when such course is inadvisable in the discretion of GRS.
- 8.4 The Term in effect pursuant to any Firm Storage Service Transaction binding upon the Parties will not be extended to compensate for the reduction or suspension of obligations during the Force Majeure.
- 8.5 If and for so long as GRS is unable due to Force Majeure to fully perform its Firm Storage Service obligations in response to a Service Request by a firm Customer for injection or withdrawal of gas made according to the terms of such Customer's Storage Service Documents, then the applicable demand/reservation charge component of Customer's rate shall be reduced proportionally having regard to the extent to which GRS is unable to comply with any such Nomination.



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**GILL RANCH STORAGE**

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8.6 GRS shall have the right to reduce, curtail, interrupt, or discontinue Storage Service in whole or in part, without penalty, from time to time to perform planned or unplanned repairs, maintenance, additions, or modifications of the GRS Facility as necessary, including to maintain the operational capability of the Facility or to comply with applicable regulatory requirements. GRS shall exercise due diligence to schedule planned repair and maintenance so as to minimize disruptions of service to Customers and shall provide reasonable advance notice of the same to Customers on its Web Portal, by facsimile, or e-mail in advance of the planned repair and maintenance. Upon request, Firm Storage Service Customers shall provide GRS with any information on their plans to utilize the Facility during the scheduled maintenance period and shall cooperate with GRS to minimize service disruptions due to planned maintenance. In any such disruption due to planned or unplanned maintenance, quantities of Gas deliverable under Firm Storage Service shall take priority over quantities of gas deliverable under interruptible agreements and such maintenance-related curtailments shall follow the procedures set forth in Section 3.10 of the General Terms and Conditions of Service of this Tariff. Such curtailments or discontinuances shall in no way serve to alter the obligation(s) of Customer under any applicable Storage Service Documents.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

9. NOTICES

9.1 Whenever any notice, request, demand, statement, or payment is required or permitted to be given under any provision of this Tariff or any Storage Service Documents, unless expressly provided otherwise in this Tariff or any Storage Service Documents, notice shall be in writing, signed by or on behalf of the Party giving the notice, and shall be deemed to have been given and received upon the earlier of (i) actual receipt by the Party to whom such notice is to be given (including the receipt of a facsimile of such notice) or (ii) three (3) Days following deposit of the same in the United States Postal Service mail, postage prepaid, certified, return receipt requested. Notice shall be sent to GRS as follows:

For Nominations:

Gill Ranch Storage, LLC  
220 NW Second Avenue  
Portland, OR 97209

Attention: *to be posted on the GRS website*  
(<http://www.gillranchstorage.com>)  
Phone: *to be posted on the GRS website*  
Fax: *to be posted on the GRS website*  
E-mail: *to be posted on the GRS website*

For Any Other Purpose:

Gill Ranch Storage, LLC  
220 NW Second Avenue  
Portland, OR 97209

Attention: *to be posted on the GRS website*  
(<http://www.gillranchstorage.com>)  
Phone: *to be posted on the GRS website*  
Fax: *to be posted on the GRS website*  
E-mail: *to be posted on the GRS website*



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

9. NOTICES (Cont'd)

9.2 Customer shall provide to GRS in writing the identity of and contact information for the representative of Customer who is authorized to receive notice on Customer's behalf.

9.3 Operating communications made by telephone or other mutually agreeable means shall be confirmed in writing by facsimile or e-mail immediately following such communication. The addresses of the Parties may be revised upon written notice given in accordance with Section 9.1 designating in such writing the new address of the Party so affected.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**10. TAXES AND OTHER CHARGES**

- 10.1 GRS and Customer acknowledge that notwithstanding any other provision of this Tariff or the Storage Service Documents, the amount of the consideration set out in this Tariff or any of the Storage Service Documents to be paid by one Party to the other for the supply of any goods or services is exclusive of all applicable taxes.
- 10.2 If any city, county, or other local governmental entity imposes a franchise fee or similar tax, charge or levy on GRS in connection with the Facility or its operation, the Parties agree that GRS, at its sole discretion, may require Customer to pay its share of such fees (if applicable), and that the amount of the consideration set out in any of the Storage Services Agreement(s) to be paid by one Party to the other Party for the supply of any goods or services is exclusive of any and all franchise fees or similar taxes, charges, or levies, and that the payment of any such fee or similar tax, charge, or levy shall be in addition to the amount of consideration set out in this Tariff or any of the Storage Service Documents to be paid by one Party to the other for the supply of any goods or services.
- 10.3 The Parties acknowledge that some local governments have imposed a utility user's tax on other public utilities, and that these local governments require the utility to bill customers within the government's jurisdiction for the taxes due, collect the taxes from customers, and pay the collected taxes to the local government. If any city, county, or other local governmental entity imposes a utility user's tax or similar fee, charge, or levy on GRS in connection with the Facility or its operation, the Parties agree that GRS may require Customer to pay any such taxes assessed on Customer's use of the Facility, that the amount of the consideration set out in any of the Storage Service Documents to be paid by one Party to the other Party for the supply of any goods or services is exclusive of any and all utility users taxes, and that the payment of any such taxes shall be in addition to the amount of consideration set out in this Tariff or any of the Storage Service Documents to be paid by one Party to the other for the supply of any goods or services.





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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**10. TAXES AND OTHER CHARGES (Cont'd)**

10.4 If any action by the Commission or any other regulatory agency, any statute, or any other governmental action requires GRS to pay a charge or fee or to incur a cost related to any public purpose or similar program, including, but not limited to, the California Public Utilities Commission Reimbursement Fee or discounts to certain customers under the California Alternate Rates for Energy program, the Parties agree that: (1) GRS may require Customer to pay the charge, fee, or cost applicable to Customer's gas, or if such charge, fee, or cost is not specifically applicable to Customer's gas, then a proportionate share of any such cost, charge, or fee; (2) the amount of the consideration set out in any Storage Services Agreement(s) to be paid by Customer to GRS is exclusive of any and all public purpose or similar costs, charges, or fees; and (3) the payment of any such public purpose or similar costs, charges, or fees shall be in addition to the amount of consideration set out in this Tariff or any of the Storage Service Documents to be paid by one Party to the other for the supply of any goods or services.

10.5 If any action by the Commission or any other regulatory agency, any statute, or any other governmental action requires GRS to pay a cost, charge, or fee for the storage and/or associated transportation of natural gas which is not in existence or effect at the time this Tariff initially becomes effective, the Parties agree that: (1) GRS may require Customer to pay the cost, charge or fee applicable to Customer's gas, or if such cost, charge, or fee is not specifically applicable to Customer's gas, then a proportionate share of any such cost, charge, or fee; (2) the amount of the consideration set out in any of the Storage Service Documents to be paid by Customer to GRS is exclusive of any and all such costs, charges, or fees; and (3) the payment of any such costs, charges, or fees shall be in addition to the amount of consideration set out in this Tariff or any of the Storage Service Documents to be paid by one Party to the other for the supply of any goods or services.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**11. TITLE, POSSESSION AND RISK OF LOSS**

11.1 Except for the rights granted to GRS in Sections 5.4(a), 6.4(a), and 11.3 of the General Terms and Conditions of Service, Section 4.4 of Schedule ISS, and Section 3.5 of Schedule PAL, title to the gas stored by GRS for Customer or for Customer's account shall at all times reside with Customer. Customer warrants the title to all gas delivered by Customer to GRS, the right to inject the same, and that the same is free from all liens and adverse claims. Customer indemnifies GRS against all suits, actions, debts, accounts, damages, costs (including attorneys' fees), losses, and expenses arising from or out of any adverse legal claims of any and all persons to or against said gas. Customer shall pay or cause to be paid all taxes and assessments levied on the gas prior to its delivery to GRS, and pay or cause to be paid to the Parties entitled thereto all royalties, overriding royalties, or like charges against said gas or the value thereof. In the event any adverse claim of any kind or character whatsoever is asserted in respect to any of the gas, GRS may retain the gas in Customer's Storage Account up to the amount of any such claim, without interest, until such claim has been finally determined and fully satisfied as security for the performance of Customer's obligations with respect to any such claim or until Customer has furnished a bond to GRS in an amount and with sureties satisfactory to GRS, conditioned for the protection of GRS with respect to each such claim.

11.2 As between Customer and GRS, Customer shall be in control and possession and responsible for risk of loss for the gas covered by the Storage Services Agreement (i) prior to receipt by GRS for injection at the Receipt Point and (ii) after delivery by GRS to Customer at the Delivery Point, and Customer shall indemnify and hold GRS harmless from any loss, damage or injury caused thereby except for damages and injuries caused by the gross negligence or willful misconduct of GRS. GRS shall be in control and possession and responsible for risk of loss for the gas covered hereby after the receipt thereof for injection at the Receipt Point and until delivery by GRS to Customer at the Delivery Point, and GRS shall indemnify and hold Customer harmless from any loss, damage or injury caused thereby except for damages and injuries caused by the gross negligence or willful misconduct of Customer.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

11. TITLE, POSSESSION AND RISK OF LOSS (Cont'd)

11.3 Customer hereby acknowledges that GRS shall be entitled to a warehouseman's lien to all gas delivered to GRS by Customer as provided in California Civil Code Section 3051 with the rights of enforcement as provided herein.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**12. MISCELLANEOUS**

- 12.1 Customer may not assign the Storage Service Documents, nor any interest therein, without the prior written consent of GRS, which consent shall not be unreasonably withheld so long as such entity meets the creditworthiness standards of Rule 6 in this Tariff and also agrees to assume all of the assigning Party's responsibilities, duties, and obligations under this Tariff and any applicable Storage Service Documents. The assigning Party will not be relieved of any of its obligations under this Tariff and the Storage Service Documents, unless and until GRS expressly consents thereto by notice in writing signed by a duly authorized officer. This Tariff and the Storage Service Documents shall bind and inure to the benefit of the successors and permitted assigns of each Party.
  
- 12.2 Nothing in the Storage Service Documents shall prohibit a Party from pledging or hypothecating any interest given it pursuant to the Storage Service Documents as security for its indebtedness, but such pledge or hypothecation shall not serve to amend the provisions of the Storage Service Documents.
  
- 12.3 Subject to applicable laws and Commission rules, including but not limited to any applicable requirement to obtain the approval of the Commission, and without the necessity of obtaining a Customer's consent, GRS may assign any part or all of its rights, powers, titles, and interests in, to, and under this Tariff, and any or all Storage Service Documents to which GRS is a Party, to an Affiliate or a third party which succeeds to all or substantially all of GRS' interests in the Facility or any business unit or portion thereof. In connection with such assignment, GRS shall cause such Affiliate or third party to assume all of the assigning Party's responsibilities, duties, and obligations under this Tariff and any applicable Storage Service Documents. By its execution of the Storage Service Documents, GRS and Customer each evidences its consent to and agreement with such assignment to and assumption by such Affiliate. Any such assignment shall not affect the guarantees or other credit support provided by Customer pursuant to Rule 6 of this Tariff.



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### **PRELIMINARY STATEMENT (Cont'd)**

#### **C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

##### **12. MISCELLANEOUS (Cont'd)**

- 12.4 The entire agreement of the Parties is set forth in the Storage Service Documents and the Parties shall not be bound by any agreements, understandings, conditions, or inducements other than as are expressly set forth, stipulated, or referenced therein. Any prior or collateral agreement, whether expressed or implied, pertaining to the subject matter of the Storage Service Documents is void and of no further force or effect. No change, alteration, amendment, modification, or revision of any of the terms or provisions of any Storage Service Documents shall be valid unless the same shall be in writing and signed by each of the Parties thereto.
- 12.5 No delay or omission to exercise any right, power, or remedy accruing to either Party upon any breach or default under this Tariff or the Storage Service Documents shall impair any right, power, or remedy of a Party nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of either Party of any breach or default under this Tariff or the Storage Service Documents must be in writing and shall be effective only to the extent specifically set forth in writing. The rights and remedies provided in this Tariff and the Storage Service Documents are cumulative and not exclusive of any rights or remedies provided by law or in any other agreement except where this Tariff or the Storage Service Documents declare any right and remedy provided therein to be exclusive.
- 12.6 This Tariff and the Storage Service Documents will be governed by and interpreted in accordance with the laws in force in the State of California without regard for the choice of law provisions thereof; and the Parties irrevocably submit to the courts having jurisdiction in the State of California. This Tariff, the Storage Service Documents, and the rights and obligations of the Parties are subject to all present and future laws, rules, regulations, and orders having application enacted by any legislative body having jurisdiction or other duly constituted governmental authority.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**12. MISCELLANEOUS (Cont'd)**

- 12.7 The headings used throughout this Tariff, Schedules, and the Storage Service Documents are inserted for reference purposes only and are not to be considered or taken into account in construing any terms or provisions nor treated as in any way qualifying, modifying or explaining any term or provision.
- 12.8 Any provision of this Tariff, the Schedules, or the Storage Service Documents which is found in whole or in part to be illegal or unenforceable will be treated as not having been written and the remainder of the Storage Service Documents will remain fully enforceable.
- 12.9 In interpreting this Tariff, the Schedules, and the Storage Service Documents, words in the singular will be read and construed in the plural and words in the plural will be read and construed in the singular, where the context so requires.
- 12.10 Notwithstanding the provisions of this Tariff, the Schedules, or any Storage Service Documents, by entering into the Storage Service Documents, Customer does not acquire any right or title to or interest in the Facility.



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**PRELIMINARY STATEMENT (Cont'd)**

**C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**12. MISCELLANEOUS (Cont'd)**

12.11 Each Party (the “recipient Party”) acknowledges that the Storage Services Agreements, Documents, and/or nomination documents may contain Confidential Information of the other Party (the “transmitting Party”). “Confidential Information” means the confidential information and trade secrets of the transmitting Party and the confidential information and trade secrets of other persons in favor of whom the transmitting Party has undertaken, or is otherwise bound by an obligation of confidentiality, regardless of the form of which such information is constituted, excluding however, information that is publicly available other than as a result of the improper conduct of the recipient Party, information that was within the recipient Party’s knowledge prior to disclosure by the transmitting Party, and information that has been lawfully disclosed by another source. Each Party shall notify any personnel who have access to Confidential Information of the proprietary nature of that information. Each Party shall instruct personnel to refrain from disclosing that information for a period of two (2) years from the date the Confidential Information was transmitted to the Party, except to the extent reasonably necessary to enable the performance of their duties. Notwithstanding the provisions of this Section 12.12, GRS shall be at liberty to release to the Commission, when so directed by the Commission or its staff, any and all details concerning the provision of Service to Customer, including without limitation, the details of any Transaction entered into between Customer and GRS and the particulars of Customer’s Storage Account. GRS shall make reasonable efforts to ensure that the Commission treats Customer’s Confidential Information as commercially sensitive and confidential.

12.12 The payment provisions of the Storage Service Documents will continue past the end of the term of the Storage Service Documents for a period of two (2) years.

12.13 It is the intent of the Parties to specifically disclaim all representations and warranties, express or implied, other than those appearing in writing in this Tariff or any applicable Storage Service Documents.



## **GILL RANCH STORAGE**

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### **PRELIMINARY STATEMENT (Cont'd)**

#### **C. GENERAL TERMS AND CONDITIONS OF SERVICE (Cont'd)**

##### **13. SYMBOLS USED ON TARIFF SHEETS**

In accordance with Section 491 of the California Public Utilities Code, the following symbols will be used to direct the Commission's attention to proposed changes in the Tariff Schedules:

- (C) To signify changed listing, rule, or condition that may affect rate, charge, term, or condition;
- (D) To signify discontinued material, including a listing, rate, rule, or condition;
- (I) To signify a rate or charge increase;
- (L) To signify material relocated from or to another part of tariff schedules with no change in text, rate, rule, or condition;
- (N) To signify new material, including a listing, rate, rule, or condition;
- (P) To signify material subject to change under a pending application or advice letter;
- (R) To signify a rate or charge reduction; and
- (T) To signify change in wording of text but not a change in rate, charge, term, or condition.





## **GILL RANCH STORAGE**

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### **PRELIMINARY STATEMENT (Cont'd)**

#### **D. WEB PORTAL – ELECTRONIC TRANSACTION PROCEDURES**

##### **1. GENERAL PROCEDURES**

- 1.1 The definitions contained in Rule 1 of this Tariff are incorporated by reference and deemed to be a part hereof.
- 1.2 The following attachments, attached hereto, are incorporated by reference and deemed to be part hereof:
  - Attachment “A” – Documents Approved for Transmittal
  - Attachment “B” – Hardware and Software
- 1.3 Nomination services are available to Customer via the GRS Web Portal at no additional charge beyond the amount of consideration set out in the other Storage Service Documents to be paid by Customer to GRS.

##### **2. ELECTRONIC NOMINATION REQUESTS**

- 2.1 The act or process of electronically entering scheduling requests, viewing contract information, and exporting report data including all matters incidental thereto, shall be governed by the terms and conditions of these Electronic Transaction Procedures (“Procedures”). Each Request entered pursuant to these Procedures shall be governed by the Tariff in the same manner as any conventional paper transaction.
- 2.2 It is intended that the GRS Web Portal shall allow Customers and GRS to electronically enter, receive and accept natural gas Nomination instructions and other related data for all daily storage activity. The GRS Web Portal is intended to be the primary method of transacting business between the Parties.



**GILL RANCH STORAGE**

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**PRELIMINARY STATEMENT (Cont'd)**

**D. WEB PORTAL – ELECTRONIC TRANSACTION PROCEDURES (Cont'd)**

**2. ELECTRONIC NOMINATION REQUESTS (Cont'd)**

2.3 In emergencies and/or if the GRS Web Portal is unavailable, the secondary method of communications with GRS will be a combined e-mail or facsimile and confirming voice telephone call. Customers should record the emergency contact information available at GRS website to refer to in circumstances when the Web Portal is unavailable. (T)

2.4 The Parties agree that their obligations in respect to any Nomination shall be binding on them upon posting to the GRS Web Portal.

2.5 Customers submitting Nominations and GRS Confirmations posted at the GRS Web Portal shall incorporate and be subject to the provisions of these Electronic Transaction Procedures and the specific provisions of the Tariff pertaining to it.

2.6 The Parties agree that information posted by each at the GRS Web Portal shall be deemed to constitute a memorandum in writing signed and delivered by or on behalf of the sender thereof for the purposes of any statute or rule of law that requires a contract to be evidenced by a written memorandum or to be in writing, or requires any such written memorandum to be signed or signed and delivered. Each Party acknowledges that in any legal proceedings between them respecting or in any way relating to a Nomination it hereby expressly waives the right to raise any defense or waiver of liability based upon the absence of a memorandum in writing or of a signature.

2.7 At the GRS Web Portal, Customers may enter Nominations and view their Storage Account information and Confirmations. The GRS Web Portal will also provide access to a variety of reports that Customer may view and download.



**GILL RANCH STORAGE**

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**PRELIMINARY STATEMENT (Cont'd)**

**D. WEB PORTAL – ELECTRONIC TRANSACTION PROCEDURES (Cont'd)**

**2. ELECTRONIC NOMINATION REQUESTS (Cont'd)**

- 2.8 GRS shall provide for Customer use and shall maintain at GRS' own expense the GRS Web Portal to enable Customers to Nominate gas injection or withdrawals at the GRS Facility by communicating with GRS' office. Each Customer shall provide and maintain at its own risk and expense an Internet connection, computer hardware and any required peripheral equipment, and Web browser software compatible with the GRS Web Portal.
- 2.9 GRS will issue each Customer a single user ID and password for use in logging in to the GRS Web Portal. Customer will be solely responsible for determining how it will control security for this information, and who in the organization will share the organization's user ID and password. Customers desiring to revise their password shall contact GRS for instructions relating to password changes. Use of the GRS Web Portal is at the Customer's sole risk. Neither GRS nor any third party service provider warrants that the GRS Web Portal will be uninterrupted or error free.
- 2.10 The Parties shall cooperate in testing the GRS Web Portal in accordance with mutually agreed upon testing procedures. Such testing shall be carried out when reasonably requested by either Party and agreed by the other. Parties shall agree on the success of the testing before initiating or continuing use of the GRS Web Portal.



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 52-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**PRELIMINARY STATEMENT (Cont'd)****D. WEB PORTAL - ELECTRONIC TRANSACTION PROCEDURES (Cont'd)****3. USE OF THE GRS WEB PORTAL**

- 3.1 For purposes of implementing Storage Service under this Tariff, a Nomination is made when Customer logs into the GRS Web Portal and enters the appropriate Nomination data. GRS will consider all entered request data to be final at the scheduling request deadlines as specified in the timetable posted on the GRS Web Portal.
- 3.2 Customer may choose to enter data for future daily cycles or future Gas Days at their discretion. Such future requests will not become final until the deadline for the cycle or Gas Day for any such requests.
- 3.3 For purposes of implementing Storage Service under this Tariff, a Nomination is made when a nomination in proper format and containing information required under the Storage Service Documents and these Procedures is received by GRS computer at its office. Such receipt shall not validate the information in a nomination and consequently, GRS shall not be liable, in the performance of the Nomination, for having acted on improper, invalid, or erroneous information.



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**PRELIMINARY STATEMENT (Cont'd)**

**D. WEB PORTAL - ELECTRONIC TRANSACTION PROCEDURES (Cont'd)**

**4. RELIABILITY AND SECURITY OF THE GRS WEB PORTAL**

- 4.1 By logging in and entering data under the Customer's ID and password, Customer warrants that the user of Customer's ID and password is duly authorized and binding upon Customer.
- 4.2 Each Party shall take reasonable steps to prevent unauthorized access to and use of any portion of the GRS Web Portal, any associated network or database, which is under its control.
- 4.3 If either Party reasonably suspects that any Nomination or other information is incomplete, inaccurate, or otherwise suspect, that Party must promptly notify the other Party and report the suspect information. The Party reporting the suspect information shall not be required to act on the suspect information until the matter has been clarified.
- 4.4 If for any reason Customer is unable to use the GRS Web Portal to Nominate, the secondary method of communications with GRS will be a combined e-mail or facsimile and confirming voice telephone call. Any such emergency communications will be followed up with matching service request data entry in the GRS Web Portal once service is restored. Under such circumstances, each Party will use its best efforts: (a) to continue normal communications with the other Party by e-mail or facsimile and voice telephone; and (b) to return to use of the GRS Web Portal as soon as possible.



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(U 914-G)

**PRELIMINARY STATEMENT (Cont'd)**

**D. WEB PORTAL – ELECTRONIC TRANSACTION PROCEDURES (Cont'd)**

**5. RECORDS AND AUDIT PROCEDURES**

- 5.1 GRS will review all Customer scheduling requests and confirm requests by posting them to the GRS Web Portal as scheduled.
- 5.2 GRS will then enter the confirmed scheduled requests in the Connecting Pipeline's scheduling system as the Customer's portion of injection or withdrawal volumes for the GRS Facility.
- 5.3 Customer is solely responsible for entering all matching nominations in the Connecting Pipeline's scheduling system as a shipper on the Connecting Pipeline. Customer may then monitor the confirmation information as posted on the Connecting Pipeline's scheduling system.
- 5.4 GRS will monitor the Connecting Pipeline's scheduling system for nomination confirmations and other related information and throughout the Gas Day and will post the available confirmation on the GRS Web Portal. Customer can expect a reasonable delay time between when the information is available in the Connecting Pipeline's scheduling system and when it is available in the GRS Web Portal. As the GRS Web Portal information will match the Connecting Pipeline's scheduling system information, Customer may choose to monitor the Connecting Pipeline's scheduling system when the timing of confirmation information is critical.



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**PRELIMINARY STATEMENT (Cont'd)**

**D. WEB PORTAL – ELECTRONIC TRANSACTION PROCEDURES (Cont'd)**

**6. LIABILITY AND INDEMNITY**

6.1 By taking or providing Storage Service under this Tariff, the Parties acknowledge that the existence and use of the GRS Web Portal is for their mutual benefit. The information obtained by a Party about the affairs of the other by the negotiation and performance of these Procedures shall not be used to impose liability for consequential damages or in any other way to increase the liability of such other Party in the event that the other Party fails to perform its obligations under a Request. GRS shall not be liable to Customer for acting, in good faith, upon any information transmitted electronically by the Customer or any other customer of GRS.

6.2 GRS shall be indemnified and held harmless by the Customer from and against all loss, damage or expense incurred by the Customer as a result of or in connection with the use of the GRS Web Portal to communicate Nominations or Confirmations except in circumstances where GRS knew or ought to reasonably have known that the communication was likely to be corrupted or otherwise incorrect.



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**PRELIMINARY STATEMENT (Cont'd)**

**D. WEB PORTAL – ELECTRONIC TRANSACTION PROCEDURES (Cont'd)**

7. FORCE MAJEURE

7.1 The provisions of Article 8 of the General Terms and Conditions of Service of this Tariff will apply to any and all events of Force Majeure to which GRS is subject.





**GILL RANCH STORAGE**

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(U 914-G)

**PRELIMINARY STATEMENT (Cont'd)**

**D. WEB PORTAL – ELECTRONIC TRANSACTION PROCEDURES (Cont'd)**

8. MISCELLANEOUS

8.1 Any notice required or permitted to be given by one Party to another pursuant to these Procedures shall be provided in compliance with the provisions of Article 9 of the General Terms and Conditions of Service of this Tariff.

8.2 Each Party shall maintain the electronic data or records required to print a hard copy of each and every document it transmits or receives pursuant to these Procedures for the time period required by any and all applicable law(s), but in any event for a period of not less than seven (7) years. The Parties shall implement reasonable measures to assure the accuracy, fidelity, and retention of all electronic data and records generated hereunder.

9. TERM AND TERMINATION

9.1 These Procedures shall commence upon the execution by both Parties of a Storage Service Agreement and shall continue until termination of the Storage Service Documents as prescribed by these Procedures.



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**PRELIMINARY STATEMENT (Cont'd)**

**D. WEB PORTAL – ELECTRONIC TRANSACTION PROCEDURES (Cont'd)**

**ATTACHMENT “A”  
DOCUMENTS APPROVED FOR TRANSMITTAL**

Documents are approved for transmittal via the GRS Web Portal, including but not limited to, the following:

1. Storage Account Information
2. Nominations and Confirmations
3. Historical reports
4. View and download invoices
5. Customer report downloads in flexible file formats
6. GRS Facility maintenance information and other notices



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**GILL RANCH STORAGE**

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220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**PRELIMINARY STATEMENT (Cont'd)****D. WEB PORTAL – ELECTRONIC TRANSACTION PROCEDURES (Cont'd)****ATTACHMENT “B”  
HARDWARE AND SOFTWARE****PART A – Customer Requirements**

Customer is solely responsible for supplying all Customer required computer hardware and software to provide the Customer an Internet connection with the GRS Web Portal. The Customer may use any commercially available Internet browser compatible with the GRS Web Portal, and may access the GRS Web Portal via any Internet Service Provider it selects.

**PART B – GRS Web Portal**

The GRS Web Portal is an Internet-based application allowing Customers to conduct business with GRS from any location at which they have a suitable Internet connection. The GRS Web Portal and related databases may be hosted by a third party that provides suitable reliability and business continuation services.



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**GILL RANCH STORAGE**

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**SERVICE AREA MAP**

GRS does not have a specific service territory in California and thus it does not have a Service Area Map.

The location of the GRS Facility is shown on the following GRS Facility Location Map.

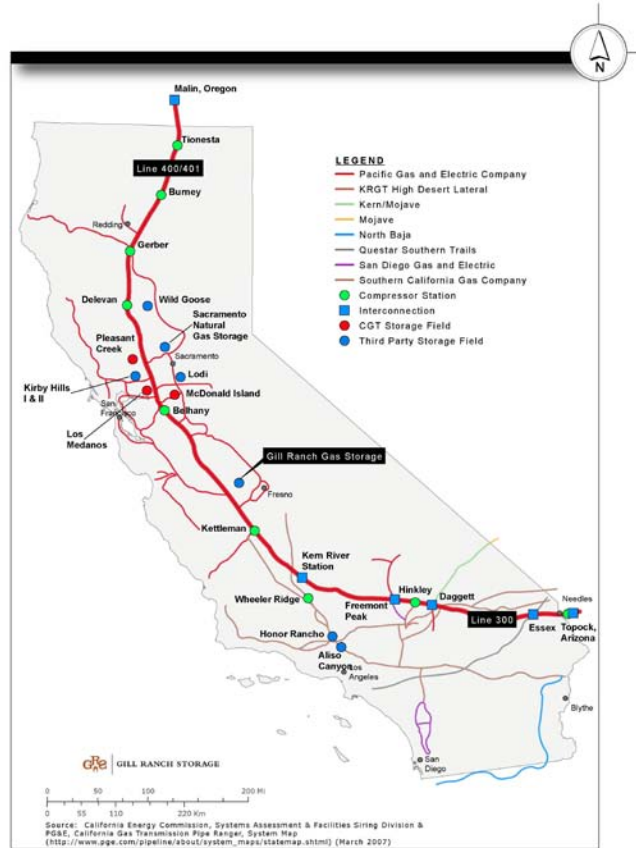


# GILL RANCH STORAGE

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## GRS FACILITY LOCATION MAP



Advice Letter No. 1-G  
Decision No. 09-10-035

Issued by:  
Richard C. Daniel  
President

Date Filed:  
Effective:  
Resolution No. \_\_\_\_\_



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**GILL RANCH STORAGE**

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220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**SERVICE SCHEDULES****SCHEDULE FSS – FIRM STORAGE SERVICE****CLASS OF SERVICE**

Firm Storage Service (“FSS Service” or “FSS”), as defined in Rules 1 and 2, is a natural gas storage service agreed to be provided by GRS to a Customer pursuant to the terms and conditions of service of this Tariff, an executed Storage Service Agreement, and an Appendix FSS that consists of Firm Working Gas capacity, Firm injection capacity, and/or Firm withdrawal capacity. An agreement on the terms of a Transaction for Firm Storage Service shall be for a term as set forth in the applicable Storage Service Documents and at mutually acceptable rates. Firm Storage Service Working Gas, Maximum Daily Injection Quantities (“MDIQ”), and Maximum Daily Withdrawal Quantities (“MDWQ”) will not be subject to curtailment, interruption, or discontinuance except as provided for in the Tariff, this Schedule FSS, or in the Storage Service Documents. Firm Storage Service will have the highest priority and will be scheduled prior to all other Storage Services provided under this Tariff.

FSS Service provided under this Schedule includes: (a) the receipt of gas by GRS for the account of Customer as nominated by Customer and confirmed by GRS at the Receipt Point; (b) storage of such Customer-owned gas as tracked in Customer’s Storage Account; and (c) on withdrawal, the delivery of gas in Thermally Equivalent quantities by GRS to Customer, or for the account of Customer, at the Delivery Point specified in the executed Appendix FSS. Receipts and deliveries hereunder shall be specifically subject to the provisions of Section 8 (Force Majeure and Maintenance) and Section 3 (Service Requests, Nominations and Confirmation) of the General Terms and Conditions of Service, and Rule 14 (Continuity of Service; Allocation of Capacity).

**APPLICABILITY**

FSS Service is applicable to customer-owned natural gas stored at the GRS Facility in Fresno and Madera Counties, California with Receipt and Delivery Points that are entirely within the State of California as specified in the Storage Service Documents.



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 63-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**SERVICE SCHEDULES (Cont'd)****SCHEDULE FSS – FIRM STORAGE SERVICE (Cont'd)****TERRITORY**

GRS has no specifically designated California service territory. GRS provides FSS Service pursuant to the terms and conditions of this Tariff and the Storage Service Documents to any Customer who meets applicable credit qualifications and enters into the Firm Storage Service Documents with GRS. Customers must arrange to have their own natural gas transported to and from the Receipt Point and the Delivery Point by the Connecting Pipeline.



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 64-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE FSS – FIRM STORAGE SERVICE (Cont'd)**

TERMS AND CONDITIONS OF SERVICE

1. DEFINITIONS AND SERVICE PREREQUISITES

- 1.1 In this Firm Storage Service Schedule, terms will have the meanings given in Rule 1, unless expressly indicated otherwise.
- 1.2 As a pre-requisite to service under this Schedule FSS, a Requesting Party must qualify under the credit criteria set forth in Rule 6 of this Tariff and must execute a Storage Service Agreement with GRS.
- 1.3 Customer must continue to meet the GRS creditworthiness requirements set forth in Rule 6 of this Tariff while taking service under this Schedule FSS.
- 1.4 GRS is not required to provide any minimum level of FSS under this Schedule FSS nor is GRS obligated to accept any bids or make any offers with respect to FSS Service including, without limitation, for the reasons set forth in Section 3.1(c) of the General Terms and Conditions of Service.





## **GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 65-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

### **SERVICE SCHEDULES (Cont'd)**

#### **SCHEDULE FSS – FIRM STORAGE SERVICE (Cont'd)**

#### **TERMS AND CONDITIONS OF SERVICE (Cont'd)**

#### **2. CONTRACTING FOR SERVICES AND NOMINATIONS**

2.1 Appendix FSS. From time to time, Customer and GRS may negotiate the terms of one or more Transactions under this Schedule FSS. During the negotiations, GRS shall consider the terms being discussed under its internal policies that consider the essential term elements, including the rate terms, as well as the Customer's Credit Rating and the Acceptable Credit Rating under the circumstances. If the Parties come to a mutual agreement on the terms of a Transaction, the details of such Transaction shall be documented by GRS in the form of an Appendix FSS and sent to Customer via electronic communication or facsimile. The Appendix FSS will document the term and other essential Storage Service elements, including, but not limited to, MDIQ, MDWQ, Maximum Storage Capacity ("MSC"), Receipt Point, Delivery Point, and the rates applicable to the Transaction. Unless Customer notifies GRS in writing within five (5) Business Days of the date of the Appendix FSS, then such Appendix FSS shall be deemed accepted as correct and binding upon both Parties in accordance with its terms whether or not in fact executed by either Party or both Parties. This Tariff, the Service Agreement, Schedule FSS, and Appendix FSS shall together form and constitute the Storage Service Documents applicable to the Firm Storage Service Transactions between the Parties.

2.2 The following provisions will apply to service under this Schedule FSS:

- (a) Nominations. Customer may make a Nomination consistent with the terms of an Appendix FSS according to the provisions set forth in Section 3 of the General Terms and Conditions of Service, "Service Requests, Nominations, and Confirmations." GRS is not required to accept any Nomination which would result in Customer's Storage Account having a negative balance or which would result in Customer exceeding its MDIQ, MDWQ, or MSC.



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 66-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**SERVICE SCHEDULES (Cont'd)****SCHEDULE FSS – FIRM STORAGE SERVICE (Cont'd)****TERMS AND CONDITIONS OF SERVICE (Cont'd)****2. CONTRACTING FOR SERVICES AND NOMINATIONS (Cont'd).****2.2 Service Under Schedule FSS (Cont'd)**

- (b) **Injections.** Subject to Force Majeure or as otherwise provided for in this Tariff, this Schedule, Appendix FSS, as well as the scheduling and service priority provisions, Customer will be allowed to inject gas owned by Customer into the Facility on each Gas Day on a firm basis in an amount that is Confirmed by GRS up to Customer's MDIQ as set forth in the Appendix FSS, so long as injection of such quantities does not cause Customer to exceed its MSC. On any Gas Day, GRS is not obligated to receive more than the lesser of the Confirmed volume or Customer's MDIQ set forth in the applicable Appendix FSS as limited by the applicable injection profile table.
- (c) **Firm Injection Operating Requirements.** If total Nominations received by GRS for the Facility are less than the minimum flow requirements of the Facility, GRS reserves the right to reduce or not confirm Nominations; provided, however, that GRS will endeavor to subsequently schedule volumes not confirmed on any Gas Day as a result of this provision as Authorized Overrun volumes by the end of the applicable Gas Month.



## **GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 67-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

### **SERVICE SCHEDULES (Cont'd)**

#### **SCHEDULE FSS – FIRM STORAGE SERVICE (Cont'd)**

#### **TERMS AND CONDITIONS OF SERVICE (Cont'd)**

#### **2. CONTRACTING FOR SERVICES AND NOMINATIONS (Cont'd)**

##### **2.2 Service Under Schedule FSS (Cont'd).**

- (d) Withdrawals. Subject to Force Majeure or as otherwise provided for herein in the Tariff, this Schedule, Appendix FSS, as well as the scheduling and service priority provisions, Customer will be allowed to withdraw gas from the Facility on each Gas Day on a firm basis in an amount that is Confirmed by GRS up to Customer's MDWQ, as set forth in the Appendix FSS and according to the applicable withdrawal profile in such Appendix FSS. On any Day, GRS is not obligated to deliver more than the lesser of the Confirmed volume or Customer's MDWQ.
- (e) Authorized Overrun Quantities. If, within the sole discretion of GRS, operating conditions permit and Customer will neither exceed its MSC nor incur a negative Working Gas balance, GRS may authorize Customer to inject or withdraw quantities in excess of Customer's MDIQ or MDWQ amounts ("Authorized Overrun Quantities"). Such Authorized Overrun Quantities shall have the lowest priority of any Storage Service offered by GRS.
- (f) Confirmation. GRS shall send Customer a Confirmation according to the procedure outlined in Section 3 of the General Terms and Conditions of Service. Such Confirmation shall document the particulars of the Transaction entered into on a Gas Day.



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 68-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE FSS – FIRM STORAGE SERVICE (Cont'd)**

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**2. CONTRACTING FOR SERVICES AND NOMINATIONS (Cont'd)**

**2.2 Service Under Schedule FSS (Cont'd).**

(g) Unless Customer objects by notice in writing given to GRS by 07:00 hours Pacific Clock Time on the third (3<sup>rd</sup>) Business Day following the day on which GRS issues the confirmation notice, such Confirmation shall be deemed accepted as correct by and binding upon both Parties in accordance with its terms whether or not in fact executed by either Party or both Parties; provided that, if a Party can produce a voice recording which clearly evidences the oral agreement of the Parties, then in the event of conflict between the faxed confirmation and the voice recording, the agreement of the Parties shall be governed by the latter. Taking Storage Service from GRS and providing Storage Service to Customer under this Tariff or the Storage Service Documents constitutes express advance consent under any applicable federal law or law of any state of the United States by both GRS and Customer to voice recordation of any personal, telephonic, or other conversation between GRS and Customer wherein matters such as those addressed in this Section 2.2 are discussed between the Parties.

2.3 Unless otherwise agreed by GRS, or as limited by system operating conditions, all Confirmed volumes will be delivered to/accepted by Customer, or re-delivered by GRS, at a uniform hourly rate of confirmed daily quantity divided by twenty-four (24). Variance from the uniform hourly rate will be allowed by GRS if GRS determines that it would not be detrimental to the operation of the Facilities, the Connecting Pipeline can accommodate such variance, and such variance will not adversely affect other Customers.



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 69-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**SERVICE SCHEDULES (Cont'd)****SCHEDULE FSS – FIRM STORAGE SERVICE (Cont'd)****TERMS AND CONDITIONS OF SERVICE (Cont'd)****3. SERVICE INTERRUPTION/CURTAILMENT**

- 3.1 If GRS must restrict Firm Storage Service for any reason allowed by this Tariff, storage injection or withdrawal volumes will be reduced using the procedures set forth in the provisions of the General Terms and Conditions of Service, Rule 14 herein, and as provided for below. The volumes will be restored in the reverse order that they were reduced once the constraint has been remedied.
- (a) In the case of injection capacity: pro rata to Customer according to the ratio of its MDIQ on that Gas Day to the total of all MDIQs of all Customers requesting FSS Service on that Gas Day; and
- (b) In the case of withdrawal capacity: pro rata to Customer according to the ratio of its MDWQ on that Gas Day to the total of all MDWQs of all Customers requesting FSS Service on that Gas Day.
- 3.2 Notwithstanding the provisions of this Schedule FSS, when Customer makes a Nomination for any Gas Day, such Nomination may be reduced or rejected in accordance with this Schedule FSS.



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 70-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**SERVICE SCHEDULES (Cont'd)****SCHEDULE FSS – FIRM STORAGE SERVICE (Cont'd)****TERMS AND CONDITIONS OF SERVICE (Cont'd)****4. STORAGE SERVICE FEES**

- 4.1 Customer shall pay the fees and charges described in this Article 4 and in the Appendix FSS for the Storage Services provided under this Schedule FSS.
- 4.2 The rates for Firm Storage Service are market-based and may consist of: a monthly reservation charge per Dth of MSC, a monthly deliverability charge per Dth of MDWQ, an Authorized Overrun Quantities charge, an energy charge, and other applicable charges, as described below.
- (a) Monthly Reservation Charge. A charge per Dth of MSC Working Gas inventory per month.
- (b) Monthly Deliverability Charge. A charge per Dth/d of withdrawal capacity per month.
- (c) Authorized Overrun Charge. A charge, as set forth in the Appendix FSS, may apply for each Dth of gas withdrawn in excess of Customer's MDWQ or injected in excess of Customer's MDIQ on each Gas Day of a given Month.
- (d) Other Charges. All other fees, charges, and other amounts payable in accordance with the Tariff, Storage Service Documents, and Appendix FSS for that Gas Month.
- 4.3 Additionally, GRS may charge an in-kind Fuel Charge based on Dth of gas injected.
- 4.4 Rates may be adjusted as negotiated between Customer and GRS, subject to the minimums and maximums stated in Section 5 of this Schedule FSS.



**GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

First Revised Cal. P.U.C. Sheet 71-G  
Cancels Original Cal. P.U.C. Sheet 71-G

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE FSS – FIRM STORAGE SERVICE (Cont'd)**

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**5. RATES**

The rates for FSS Service shall be documented on an Appendix FSS and (N) shall be within the range set forth in the following table. Rates are for service beginning on or after August 1, 2010, to be adjusted every subsequent April 1; provided, however, that in the event such rates are not adjusted, they shall continue in effect for an additional Year until a new adjustment is made by GRS to be effective on April 1 of any subsequent Year.

Schedule FSS Rate Table

	<u>Unit</u>	<u>Minimum</u>	<u>Maximum</u>
Monthly Reservation Charge	\$/Dth/month	\$0.00	\$ 36.00
Monthly Deliverability Charge	\$/Dth/day/month	\$0.00	\$300.00
Inventory Transfer Fee	\$/Dth	\$0.00	\$ 10.00
Fuel Charge	% of gas injected	0%	5.0%
Authorized Overrun Charge	\$/Dth	\$0.00	\$100.00

**6. SPECIAL CONDITIONS**

- 6.1 In order to receive service under this Schedule FSS, Customer shall execute and deliver to GRS a Storage Service Agreement (Form A) and enter into a Transaction as evidenced by an Appendix FSS (Form B).
- 6.2 All Service under this Schedule FSS is subject to the provisions of the General Terms and Conditions of Service and other applicable provisions set forth in this Tariff, including the Electronic Transaction Procedures.
- 6.3 Customer must satisfy and continue to satisfy throughout the term of its Storage Service Agreement and any applicable Appendix FSS, the creditworthiness criteria in Rule 6 of this Tariff.



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 72-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE FSS – FIRM STORAGE SERVICE (Cont'd)**

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

6. SPECIAL CONDITIONS (Cont'd)

- 6.4 GRS shall not be obligated to add any facilities or to expand the capacity of its Facility in any manner in order to provide service to any Customer pursuant to this Schedule FSS.





## **GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

Original Cal. P.U.C. Sheet 73-G

### **SERVICE SCHEDULES (Cont'd)**

#### **SCHEDULE FSS – FIRM STORAGE SERVICE (Cont'd)**

#### **TERMS AND CONDITIONS OF SERVICE (Cont'd)**

##### **6. SPECIAL CONDITIONS (Cont'd)**

6.5 Without the necessity of obtaining Customer's consent, GRS may pledge or mortgage its rights under this Tariff or the Storage Service Documents for security of any indebtedness and (i) upon giving notice to Customer of such pledge and mortgage, (A) the pledgee or mortgagee shall be entitled to exercise all rights and remedies it may have with respect to the Facility and this Tariff or the Storage Service Documents without the further consent of Customer, to receive a copy of any notice given by GRS or Customer pursuant to the Terms of this Tariff or the Storage Service Documents, and to deliver any notice permitted under this Tariff or the Storage Service Documents on GRS' behalf, and (B) Customer shall be entitled to assume the due authority of the pledgee or mortgagee in taking any action or authorizing any notice without the necessity of independently reviewing the pledge, mortgage, or other security instrument delivered by GRS to the pledgee or mortgagee and to accept performance by the pledge or mortgagee of any duty or obligation of GRS hereunder, and (ii) upon giving Customer a copy of a trustee's deed, deed in lieu of foreclosure, or other instrument pursuant to which the pledgee, mortgagee, or other Party acquires legal title to or rights with respect to the Facility and this Tariff or the Storage Service Documents, (A) the pledgee, mortgagee, or other Party shall assume full liability for the performance of GRS' duties and obligations hereunder and (B) Customer shall accept the pledgee, mortgagee, or other party as the successor to GRS under this Tariff and the Storage Service Documents. Upon execution of a Storage Service Agreement, Customer may be required by GRS to execute and deliver a Consent and Agreement and may be required to cause the Guarantor (if applicable) to deliver a Consent and Agreement in a form substantially similar to the form attached to this Tariff as Sample Form G and deliver the legal opinion provided in the Consent and Agreement upon execution of such Storage Service Agreement.



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 74-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE FSS – FIRM STORAGE SERVICE (Cont'd)**

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

6. SPECIAL CONDITIONS (Cont'd)

6.6 The agreement of the Parties as evidenced by the Storage Service Documents shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may from time to time direct in the exercise of its jurisdiction.

6.7 Gas received for storage hereunder may be commingled with other gas in the GRS Facility; the specific gas delivered to GRS for storage may not be the same gas re-delivered to Customer or for Customer's account.



## **GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 75-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

### **SERVICE SCHEDULES (Cont'd)**

#### **SCHEDULE ISS – INTERRUPTIBLE STORAGE SERVICE**

##### **CLASS OF SERVICE**

Interruptible Storage Service (“ISS Service” or “ISS”), as defined in Rules 1 and 2, is a natural gas storage service that may be offered by GRS to a Customer pursuant to the terms and conditions of service of this Tariff, an executed Storage Service Agreement, and an Appendix ISS that is fully Interruptible in nature and consists of Interruptible Working Gas capacity, Interruptible injection capacity, and Interruptible withdrawal capacity. Interruptible Storage Service is subject to interruption, curtailment, reduction, or discontinuance at any time for any reason, whether or not caused by an event of Force Majeure. GRS reserves the right not to offer or commence ISS Service. Additionally, GRS may discontinue any ISS Service when, in GRS’ sole discretion, any impairment of its firm services or system operations would or may result.

If ISS Service is provided by GRS under this Schedule, such ISS Service includes: (a) the receipt of gas by GRS for the account of Customer as Nominated by Customer and Confirmed by GRS at the Receipt Point; (b) storage of such Customer-owned gas as tracked in Customer’s Storage Account; and (c) on withdrawal, the delivery of gas in Thermally Equivalent quantities by GRS to Customer, or for the account of Customer, at the Delivery Point specified in the executed Appendix ISS

##### **APPLICABILITY**

ISS Service is applicable to customer-owned natural gas stored at the GRS Facility in Fresno and Madera Counties, California with Receipt and Delivery Points that are entirely within the State of California as specified in the Storage Service Documents.

##### **TERRITORY**

GRS has no specifically designated California service territory. GRS provides ISS Service pursuant to the terms and conditions of this Tariff and the Storage Service Documents to any Customer who meets applicable credit qualifications and enters into the Interruptible Storage Service Documents, including an Appendix ISS, with GRS. Customers must arrange to have their own natural gas transported to and from the Receipt Point and the Delivery Point by the Connecting Pipeline.

Advice Letter No. 1-G  
Decision No. 09-10-035

Issued by:  
Richard C. Daniel  
President

Date Filed:  
Effective:  
Resolution No. \_\_\_\_\_



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 76-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**SERVICE SCHEDULES (Cont'd)****SCHEDULE ISS – INTERRUPTIBLE STORAGE SERVICE (Cont'd)****TERMS AND CONDITIONS OF SERVICE****1. DEFINITIONS AND SERVICE PREREQUISITES**

- 1.1 In this Schedule ISS, terms will have the meanings given in Rule 1, unless expressly indicated otherwise.
- 1.2 As a pre-requisite to service under this Schedule ISS, a Requesting Party must qualify under the creditworthiness criteria set forth in Rule 6 of this Tariff and must execute a Storage Service Agreement with GRS.
- 1.3 Customer must continue to meet the GRS creditworthiness requirements set forth in Rule 6 of this Tariff while taking service under this Schedule ISS.
- 1.4 GRS is not required to provide any minimum level of ISS under this Schedule ISS nor is GRS obligated to accept any bids or make any offers with respect to ISS Service including, without limitation, for the reasons set forth in Section 3.1(c) of the General Terms and Conditions of Service.



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 77-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE ISS – INTERRUPTIBLE STORAGE SERVICE (Cont'd)**

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**2. CONTRACTING FOR SERVICE AND NOMINATIONS**

2.1 Appendix ISS. From time to time, Customer and GRS may negotiate the terms of one or more Transactions under this Schedule ISS. During the negotiations, GRS shall consider the terms being discussed under its internal policies that consider the essential term elements, including the rate terms, as well as Customer's Credit Rating and the Acceptable Credit Rating under the circumstances. If the Parties come to a mutual agreement on the terms of a Transaction, the details of such Transaction shall be documented by GRS in the form of an Appendix ISS via electronic communication or facsimile. The Appendix ISS will document the term and other essential Storage Service elements, including, but not limited to, Maximum Daily Injection Quantity ("MDIQ"), Maximum Daily Withdrawal Quantity ("MDWQ"), Maximum Storage Capacity ("MSC"), Receipt Point, Delivery Point, and the rates applicable to the Transaction. Unless Customer notifies GRS in writing within five (5) Business Days of the date of the Appendix ISS, then such Appendix ISS shall be deemed accepted as correct and binding upon both Parties in accordance with its terms whether or not in fact executed by either Party or both Parties. This Tariff, the Storage Service Agreement, Schedule ISS, and Appendix ISS shall together form and constitute the Storage Service Documents applicable to the Interruptible Storage Service Transactions between the Parties.

2.2 The following provisions shall apply to Storage Service under this Schedule ISS:

(a) Nominations. From time to time, Customer may make a Nomination consistent with the terms of an Appendix ISS according to the Nomination provisions set forth in Section 3 of the General Terms and Conditions of Service (Service Requests, Nominations, and Confirmations.) Requesting Parties or Customers may request such ISS Service at any time, however, GRS shall have no obligation to provide said service.



## **GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 78-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

### **SERVICE SCHEDULES (Cont'd)**

#### **SCHEDULE ISS – INTERRUPTIBLE STORAGE SERVICE (Cont'd)**

#### **TERMS AND CONDITIONS OF SERVICE (Cont'd)**

#### **2. CONTRACTING FOR SERVICE AND NOMINATIONS (Cont'd)**

##### **2.2 Storage Service Under Schedule ISS (Cont'd).**

- (b) **Injections.** On an interruptible basis, and subject to the scheduling and confirmation process, Customer will be allowed to inject gas owned by Customer into the Facility on each Gas Day in an amount that is Confirmed by GRS up to Customer's MDIQ, as set forth in the Appendix ISS, so long as injection of such quantities does not cause Customer to exceed its MSC.
- (c) **Withdrawals.** On an Interruptible basis, and subject to the scheduling and confirmation process, Customer will be allowed to withdraw gas from the Facility on each Gas Day in an amount Confirmed by GRS up to Customer's MDWQ, as set forth in the Appendix ISS, so long as withdrawal of such quantities does not cause Customer to incur a negative Working Gas balance.
- (d) **Availability.** All nomination requests by Interruptible Customers will be subject to a determination by GRS of its ability to provide the requested service at the requested time. ISS Service may be bumped in a later nomination cycle by requests for service by Firm Customers.
- (e) **Authorized Overrun Quantities.** If, within the sole discretion of GRS, operating conditions permit and Customer will neither exceed its MSC nor incur a negative Working Gas balance, Owner may authorize Customer to inject or withdraw quantities in excess of Customer's MDIQ or MDWQ amounts (“Authorized Overrun Quantities”). Authorized Overrun Quantities shall have the lowest priority of any Storage Service offered by GRS.



## **GILL RANCH STORAGE**

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(U 914-G)

First Revised Cal. P.U.C. Sheet 79-G  
Cancels Original Cal. P.U.C. Sheet 79-G

### **SERVICE SCHEDULES (Cont'd)**

#### **SCHEDULE ISS – INTERRUPTIBLE STORAGE SERVICE (Cont'd)**

#### **TERMS AND CONDITIONS OF SERVICE (Cont'd)**

#### **3. INTERRUPTION OF SERVICE**

3.1 Interruption of Storage Service under this Schedule ISS shall be governed by the following provisions:

- (a) Service under Schedule ISS of inventory capacity, injection capacity, or withdrawal capacity may be interrupted, curtailed, or reduced in whole or in part from time to time at any time, including within a day, in favor of higher priority claims of other Firm or Interruptible Storage Service Customers, effective as of the next nomination cycle for the Connecting Pipeline. Interruption procedures will follow the procedures set forth in the General Terms and Conditions of Service, Rule 14, and Section 3.1(b) of this Schedule.
- (b) Storage injection or withdrawal volumes will be reduced using the procedures below. The volumes will be restored in the reverse order that they were reduced once the constraint has been remedied.
  - (i) Overrun volumes will be reduced first using the rate paid as the determining factor, with the lowest rate overrun volumes to be reduced first. If one or more customers is paying the same rate, and that rate stratum is not reduced to zero, the volume reduction for that rate stratum will be made by using the reduction volume as the numerator, and the total confirmed nominations as the denominator.
  - (ii) Once all the overrun volumes have been reduced to zero, further reductions will be made by reducing PAL capacity using the (T) rate paid for the day of the constraint as the determining factor as provided for in Section 3.10 of the General Terms and Conditions of Service of this Tariff. If Customers are paying the same rate, and that rate stratum is not reduced to zero, the volume reduction for that rate stratum will be made by using the reduction volume as the numerator, and the total confirmed nominations as the denominator.



**GILL RANCH STORAGE**

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(U 914-G)

First Revised Cal. P.U.C. Sheet 80-G  
Cancels Original Cal. P.U.C. Sheet 80-G

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE ISS – INTERRUPTIBLE STORAGE SERVICE (Cont'd)**

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**3. INTERRUPTION OF SERVICE (Cont'd)**

**3.1 (b) Reduction of Storage Injection or Withdrawal Volumes Procedures (Cont'd).**

- (iii) Once all PAL capacity has been reduced to zero (0), further (T) reductions will be made by reducing Interruptible capacity using the rate paid on the day of the constraint as the determining (T) factor. The lowest rate Interruptible volumes will be reduced first, continuing upward on a contracted rate basis until the constrained volume target has been met. If Customers are paying the same rate, and that rate stratum is not reduced to zero (0), the volume reduction for that rate stratum will be made by using the reduction volume as the numerator, and the total confirmed nominations as the denominator.





## **GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 81-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

### **SERVICE SCHEDULES (Cont'd)**

#### **SCHEDULE ISS – INTERRUPTIBLE STORAGE SERVICE (Cont'd)**

#### **TERMS AND CONDITIONS OF SERVICE (Cont'd)**

#### **4. INTERRUPTION NOTICES**

- 4.1 In the event that GRS determines, in its sole discretion, that some or all injections or withdrawals nominated under Interruptible Storage Service Documents must be interrupted, curtailed, or reduced for any reason, including, but not limited to, in order to satisfy obligations to Firm Storage Service Customers, or that such interruption is otherwise necessary or is otherwise appropriate to avoid adverse impact on the operation of the Facility, GRS will notify the Customer at least one (1) hour prior to the next applicable Connecting Pipeline nomination deadline. Interruption notices may be issued by GRS to Customer, by phone, facsimile, or e-mail.
- 4.2 If an interruption will require Customer to reduce its Working Gas inventory, the notice will be made by phone, facsimile, or e-mail and will specify that the Customer is to reduce its Working Gas inventory at the highest rate possible subject to its Interruptible Storage Service Documents immediately (or as otherwise stated in the notice) to the level specified by GRS in the notice.
- 4.3 Prior to the end of the time period for withdrawal (or any extension thereof), GRS may notify Customer that it has revised the required level applicable to Customer's Working Gas inventory and give Customer a time period within which to comply. In this case, Customer must continue to withdrawal gas as quickly as possible under the circumstances to the newly specified allowed level.
- 4.4 In the event that Customer fails to comply with the notice within the time period specified (or any applicable extensions allowed by GRS), then GRS shall take title to all of Customer's Working Gas inventory in excess of the Working Gas inventory level specified by Owner, free and clear of all liens, encumbrances, and adverse claims at no cost to GRS.



## **GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 82-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

### **SERVICE SCHEDULES (Cont'd)**

#### **SCHEDULE ISS – INTERRUPTIBLE STORAGE SERVICE (Cont'd)**

##### **TERMS AND CONDITIONS OF SERVICE (Cont'd)**

##### **5. SERVICE FEES**

- 5.1 Customer will pay to GRS the ISS Service Charge, as calculated pursuant to Section 5.2 and the Appendix ISS for the Storage Services provided or to be provided under this Service Schedule.
- 5.2 The ISS Service Charge shall be based on either a “Total Contract Quantity,” “Inventory,” or “Commodity” basis, as stipulated on the ISS Storage Service Agreement.
- (a) If based on the Total Contract Quantity, then the ISS Service Charge for any Gas Month is equal to the ISS Service Rate times the Total Contract Quantity divided by number of months comprising the Term of that Transaction; or
  - (b) If based on Commodity, then the ISS Service Charge for any Gas Month is equal to the ISS Service Rate times the quantity of gas requested by Customer and accepted by GRS pursuant to that Transaction during that Gas Month at the Point of Receipt, the Point of Delivery or both; or
  - (c) If based on Inventory, the ISS rate times the average inventory capacity on a daily basis for the Gas Month in which Customer is being billed.
  - d) Authorized Overrun Charge. A charge, as set forth in the Service Agreement, may apply for each Dth of gas withdrawn in excess of Customer’s MDWQ or injected in excess of Customer’s MDIQ on each Day of a given Month.
  - (e) Other Charges. All other fees, charges, damages, and other amounts payable in accordance with the Storage Service Documents for that Gas Month.



**GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

First Revised Cal. P.U.C. Sheet 83-G  
Cancels Original Cal. P.U.C. Sheet 83-G

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE ISS – INTERRUPTIBLE STORAGE SERVICE (Cont'd)**

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**6. RATES**

6.1 The rates for ISS Service shall be documented on an Appendix ISS and shall (N) be within the range set forth in the following table:

**Schedule ISS Rate Table**

	<u>Unit</u>	<u>Minimum</u>	<u>Maximum</u>
ISS Service Rate	\$/Dth as applicable	\$0.00	\$500.00
Inventory Transfer Fee	\$/Dth	\$0.00	\$ 10.00
Fuel Charge	% of gas injected	0%	5.0%
Authorized Overrun Charge	\$/Dth	\$0.00	\$100.00

**7. SPECIAL CONDITIONS**

7.1 In order to receive service under this Schedule ISS, Customer shall execute and deliver to GRS a Storage Service Agreement (Form A) and enter into a Transaction as evidenced by an Appendix ISS (Form C).

7.2 All Service under this Schedule ISS is subject to the provisions of General Terms and Conditions of Service and other applicable provisions set forth in this Tariff, including the Electronic Transaction Procedures.

7.3 Customer must satisfy and continue to satisfy throughout the term of its Storage Service Agreement and any applicable Appendix ISS, the creditworthiness criteria in Rule 6 of this Tariff.

7.4 GRS shall not be obligated to add any facilities or to expand the capacity of its Facility in any manner in order to provide service to any Customer pursuant to this Schedule ISS.

7.5 Any bids or offers discussed by the Parties and Agreement terms shall remain confidential except as required for reporting or disclosure by governmental agencies acting within the scope of their authority.



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 84-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE ISS – INTERRUPTIBLE STORAGE SERVICE (Cont'd)**

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**7. SPECIAL CONDITIONS (Cont'd)**

- 7.6 Without the necessity of obtaining Customer's consent, GRS may pledge or mortgage its rights under this Tariff or the Storage Service Documents for security of any indebtedness and (i) upon giving notice to Customer of such pledge and mortgage, (A) the pledgee or mortgagee shall be entitled to exercise all rights and remedies it may have with respect to the Facility and this Tariff or the Storage Service Documents without the further consent of Customer, to receive a copy of any notice given by GRS or Customer pursuant to the Terms of this Tariff or the Storage Service Documents, and to deliver any notice permitted under this Tariff or the Storage Service Documents on GRS' behalf, and (B) Customer shall be entitled to assume the due authority of the pledgee or mortgagee in taking any action or authorizing any notice without the necessity of independently reviewing the pledge, mortgage, or other security instrument delivered by GRS to the pledgee or mortgagee and to accept performance by the pledgee or mortgagee of any duty or obligation of GRS hereunder, and (ii) upon giving Customer a copy of a trustee's deed, deed in lieu of foreclosure, or other instrument pursuant to which the pledgee, mortgagee, or other Party acquires legal title to or rights with respect to the Facility and this Tariff or the Storage Service Documents, (A) the pledgee, mortgagee, or other Party shall assume full liability for the performance of GRS' duties and obligations hereunder and (B) Customer shall accept the pledgee, mortgagee, or other party as the successor to GRS under this Tariff and the Storage Service Documents.
- 7.7 The agreement of the Parties as evidenced by the Storage Service Documents shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may from time to time direct in the exercise of its jurisdiction.
- 7.8 Gas received for storage hereunder may be commingled with other gas in the GRS Facility; the specific gas delivered to GRS for storage may not be the same gas re-delivered on withdrawal to Customer or for Customer's account.



**GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

Original Cal. P.U.C. Sheet 85-G

**Reserved For Future Use**

Advice Letter No. 1-G  
Decision No. 09-10-035

Issued by:  
Richard C. Daniel  
President

Date Filed:  
Effective:  
Resolution No. \_\_\_\_\_



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 86-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**SERVICE SCHEDULES (Cont'd)****SCHEDULE PAL – PARK AND LOAN SERVICE****CLASS OF SERVICE**

Subject to GRS having available capacity and/or capability to provide the requested service and Customer meeting the eligibility requirements set forth in this Schedule PAL, natural gas Park and Loan Service (“PAL Service” or “PAL”), as defined in Rules 1 and 2, is an Interruptible natural gas storage and/or lending service that is available to eligible Customers on a non-discriminatory basis. PAL Service is subject to interruption, curtailment, reduction, or discontinuance at any time for any reason whether or not caused by an event of Force Majeure. The availability of PAL Service is subject to GRS’ sole discretion and GRS is not obligated to offer any minimum amount of PAL at any time. Service under Schedule PAL is fully Interruptible and is the lowest priority of the Storage Services offered under a Schedule by GRS. Additionally, GRS may discontinue any ISS Service when, in GRS’ sole discretion, any impairment of its Firm services or system operations would or may result.

**APPLICABILITY**

PAL Service parking service is applicable to customer-owned natural gas stored at the GRS Facility in Fresno and Madera Counties, California or natural gas loaned by GRS, both on a short-term, interruptible basis with Receipt and Delivery Points that are entirely within the State of California as specified in the Storage Service Documents.

**TERRITORY**

GRS has no specifically designated California service territory. GRS may provide PAL Service pursuant to the terms and conditions of this Tariff and the Storage Service Documents to a Customer who meets applicable credit qualifications and enters into the Storage Service Documents, including an Appendix PAL with GRS. Customers must arrange to have their own natural gas transported to and from the Receipt Point and Delivery Point by a Connecting Pipeline.



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 87-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE PAL – PARK AND LOAN SERVICE (Cont'd)**

**TERMS AND CONDITIONS OF SERVICE**

**1. DEFINITIONS AND SERVICE PREREQUISITES**

- 1.1 In this Service Schedule, terms will have the meanings given in Rule 1, unless expressly indicated otherwise.
- 1.2 As a pre-requisite to service under this Schedule PAL, a Requesting Party must qualify under the creditworthiness criteria set forth in this Tariff under Rule 6 and must execute a Storage Service Agreement with GRS.
- 1.3 Unless otherwise agreed by GRS, the term of any park or lend Transaction may not exceed a term of one (1) Year.
- 1.4 GRS is not required to provide any minimum level of PAL under this Schedule PAL nor is GRS obligated to accept any bids or make any offers with respect to PAL Service including, without limitation, for the reasons set forth in Section 3.1(c) of the General Terms and Conditions of Service.



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 88-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**SERVICE SCHEDULES (Cont'd)****SCHEDULE PAL – PARK AND LOAN SERVICE (Cont'd)****TERMS AND CONDITIONS OF SERVICE (Cont'd)****1. DEFINITIONS AND SERVICE PREREQUISITES (Cont'd)**

- 1.4 Customer must continue to meet the GRS creditworthiness requirements set forth in Rule 6 of this Tariff while taking service under this Schedule. A Customer that requests and enters into an Appendix PAL for a loan of gas hereunder must have a Credit Rating no lower than AA- from Standard & Poor's or Aa3 from Moody's; provided, however that a lower Credit Rating may be allowed as determined by GRS according to its internal credit policies based on factors, including volume and duration of the request.
- 1.5 A Customer taking loan service under this Schedule PAL agrees to re-pay GRS with Thermally Equivalent quantities of gas at the specified Transaction termination date, or as directed by GRS in a notice, or Customer shall be subject to charges for such gas as specified in this Schedule PAL.
- 1.6 Service under this Schedule is Interruptible and will be scheduled and confirmed only after all other higher priority services offered by GRS are scheduled and confirmed and only to the extent that GRS, in its reasonable discretion, determines it has sufficient operational flexibility to provide the service.





## **GILL RANCH STORAGE**

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(U 914-G)

Original Cal. P.U.C. Sheet 89-G

### **SERVICE SCHEDULES (Cont'd)**

#### **SCHEDULE PAL – PARK AND LOAN SERVICE (Cont'd)**

#### **TERMS AND CONDITIONS OF SERVICE (Cont'd)**

#### **2. CONTRACTING FOR SERVICE AND NOMINATIONS**

2.1 Appendix PAL. From time to time, Customer and GRS may negotiate the terms of one or more Transactions under this Schedule PAL. During the negotiations, GRS shall consider the terms being discussed under its internal policies that consider the essential term elements, including rate terms of a Transaction, as well as the Customer's Credit Rating and the Acceptable Credit Rating under the circumstances. If the Parties come to a mutual agreement on the terms of a Transaction, the details of such Transaction shall be documented by GRS in the form of an Appendix PAL (Form D) and sent to Customer via electronic communication or facsimile. The Appendix PAL will document the term and other essential Transaction elements, including, but not limited to, Maximum Daily Injection Quantity ("MDIQ"), Maximum Daily Withdrawal Quantity ("MDWQ"), Maximum Storage Capacity ("MSC"), and Loaned Quantity (as applicable), and the applicable rates. Unless Customer notifies GRS in writing within five (5) Business Days of the date of the Appendix PAL, then such Appendix PAL shall be deemed accepted as correct and binding upon both Parties in accordance with its terms whether or not in fact executed by either Party or both Parties. This Tariff, the Storage Service Agreement, Schedule PAL, and Appendix PAL shall together form and constitute the Storage Service Documents applicable to the PAL Transactions between the Parties.

2.2 The following provisions shall apply to gas parked under this Schedule PAL:

- (a) Nominations. From time to time, Customer may make a Nomination consistent with the terms of an Appendix PAL according to the Nomination provisions set forth in Section 3 of the General Terms and Conditions of Service (Service Requests, Nominations, and Confirmations). Requesting Parties or Customers may request such PAL Service at any time, however, GRS shall have no obligation to provide said service.



## **GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 90-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

### **SERVICE SCHEDULES (Cont'd)**

#### **SCHEDULE PAL – PARK AND LOAN SERVICE (Cont'd)**

#### **TERMS AND CONDITIONS OF SERVICE (Cont'd)**

#### **2. CONTRACTING FOR SERVICE AND NOMINATIONS (Cont'd)**

##### **2.2 Gas parked under Schedule PAL (Cont'd)**

- (b) **Injections.** On an Interruptible basis, and subject to the scheduling and confirmation process, Customer will be allowed to inject gas owned by Customer into the Facility on each Gas Day in an amount that is Confirmed by GRS up to Customer's MDIQ, as set forth in the Appendix PAL, so long as injection of such quantities does not cause Customer to exceed its MSC.
- (c) **Withdrawals.** On an Interruptible basis, and subject to the scheduling and confirmation process, Customer will be allowed to withdraw gas from the Facility on each Gas Day in an amount Confirmed by GRS up to Customer's MDWQ, as set forth in the Appendix PAL, so long as withdrawal of such quantities does not cause Customer to incur a negative Working Gas balance.
- (d) **Scheduling.** All Nomination requests by Interruptible Customers will be subject to a determination by GRS of its ability to provide the requested service at the requested time. PAL may be bumped in a later nomination cycle by requests for service by Firm Storage Service customers.
- (e) **Authorized Overrun Quantities.** If, within the sole discretion of GRS, operating conditions permit and Customer will neither exceed its MSC nor incur a negative Working Gas balance, Owner may authorize Customer to inject or withdraw quantities in excess of Customer's MDIQ or MDWQ amounts (“Authorized Overrun Quantities”). Authorized Overrun Quantities shall have the lowest priority of any Storage Service offered by GRS.



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 91-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE PAL – PARK AND LOAN SERVICE (Cont'd)**

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

3. INTERRUPTION NOTICES

3.1 Interruption Notices.

(a) Parking Service. For park service, GRS may determine, in its sole discretion, that some or all injections or withdrawals nominated under Appendix PAL Transactions must be interrupted, curtailed, or reduced for any reason, including, but not limited to, in order to satisfy obligations to Firm Storage Service Customers, or that such interruption is otherwise necessary or is otherwise appropriate to avoid adverse impact on the operation of the Facility.

(b) Loan Service. For loan service, GRS may determine, in its sole discretion, that some or all of the Loaned Quantity must be returned prior to the termination of the transaction under the Appendix PAL for any reason, including, but not limited to, in order to satisfy obligations to higher priority services, maintain system integrity or to accommodate system balancing requirements for firm services. In such events, GRS will notify the Customer at least one (1) hour prior to the next applicable Connecting Pipeline nomination deadline. Interruption notices may be issued by GRS to Customer, by phone, facsimile or e-mail.

3.2 If an interruption will require Customer to reduce its Working Gas inventory, the notice will be made by phone, facsimile, or e-mail and will specify that the Customer is to reduce its Working Gas inventory at the highest rate possible subject to its Appendix PAL, or return gas as directed by GRS, as applicable, immediately (or as otherwise stated in the notice) to the level specified by GRS in the notice.

3.3 Prior to the end of the time period for the withdrawal or return of gas (or any extension thereof), GRS may notify Customer that it has revised the required level applicable to Customer's Working Gas inventory or Loaned Quantity, as applicable, and give Customer a time period within which to comply. In this case, Customer must continue to withdrawal or return gas as quickly as possible under the circumstances to the newly specified allowed level.



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 92-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**SERVICE SCHEDULES (Cont'd)****SCHEDULE PAL – PARK AND LOAN SERVICE (Cont'd)****TERMS AND CONDITIONS OF SERVICE (Cont'd)****3. INTERRUPTION NOTICES (Cont'd)**

3.4 Notwithstanding the above, GRS may allow additional time to comply following notification to return the Loaned Quantity when operational and market conditions permit and such additional time does not impair GRS' ability to provide reliable firm service. Further, if Customer makes a timely nomination to comply with a notification to return the Loaned Quantity and such nomination is not scheduled and confirmed due to Connecting Pipeline's lack of capacity to schedule and confirm a matching nomination by Customer will be extended by one day for each day the Connecting Pipeline is unable to render such transportation.

**3.5 Failure to Comply with Interruption Notices.**

- (a) Parking Service. For gas that is parked hereunder, in the event that Customer fails to comply with the notice within the time period specified (or any applicable extensions allowed by GRS), then GRS shall take title to all of Customer's Working Gas inventory in excess of the Working Gas inventory level specified by Owner, free and clear of all liens, encumbrances, and adverse claims at no cost to GRS.
- (b) Loan Service. For loans, if the gas is not returned within the specified time period as directed by GRS, then for any amount of Loaned Quantity not returned within the time frame specified by the GRS notice and/or not returned by the termination date of any Transaction evidenced by an Appendix PAL will be deemed sold to Customer at one hundred fifty percent (150%) of GRS' replacement cost and Customer shall be invoiced for and agrees to pay such amount or shall be in breach of this Schedule PAL.



**GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

First Revised Cal. P.U.C. Sheet 93-G  
Cancels Original Cal. P.U.C. Sheet 93-G

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE PAL – PARK AND LOAN SERVICE (Cont'd)**

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**4. SERVICE FEES**

4.1 Rates for PAL Service will be set on an individual Transaction basis and shall (T) depend on market conditions at the time the transaction is entered into, and (T) will be documented in the Appendix PAL.

**5. RATES**

5.1 The rates for PAL Service shall be documented on an Appendix PAL and (N) shall be within the range set forth in the following table:

Schedule PAL Rate Table

	<u>Unit</u>	<u>Minimum</u>	<u>Maximum</u>
Service Rate	\$/Dth as applicable	\$0.00	\$500.00
Inventory Transfer Fee	\$/Dth	\$0.00	\$ 10.00
Fuel Charge	% of gas injected	0%	5.0%
Authorized Overrun Charge	\$/Dth	\$0.00	\$100.00

**6. SPECIAL CONDITIONS**

6.1 In order to receive service under this Schedule, Customer shall execute and deliver to GRS a Storage Service Agreement (Form A) and enter into a Transaction as evidenced by an Appendix PAL (Form D).

6.2 All Service under this Schedule is subject to the provisions of General Terms and Conditions of Service set forth in this Tariff.

6.3 Customer must satisfy and continue to satisfy throughout the term of its Storage Service Agreement and any applicable Appendix PAL, the creditworthiness criteria in Rule 6 of this Tariff. For loan service, Customer must have a Credit Rating no lower than AA- from Standard & Poor's or Aa3 from Moody's, or a lower Credit Rating may be allowed as determined by GRS according to its internal credit policies based on factors including, the volume and duration of the request.



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 94-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE PAL – PARK AND LOAN SERVICE (Cont'd)**

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**6. SPECIAL CONDITIONS (Cont'd)**

6.4 GRS shall not be obligated to add any facilities or to expand the capacity of its Facility in any manner in order to provide service to any Customer pursuant to this Schedule PAL.

6.5 Without the necessity of obtaining Customer's consent, GRS may pledge or mortgage its rights under this Tariff or the Storage Service Documents for security of any indebtedness and (i) upon giving notice to Customer of such pledge and mortgage, (A) the pledgee or mortgagee shall be entitled to exercise all rights and remedies it may have with respect to the Facility and this Tariff or the Storage Service Documents without the further consent of Customer, to receive a copy of any notice given by GRS or Customer pursuant to the Terms of this Tariff or the Storage Service Documents, and to deliver any notice permitted under this Tariff or the Storage Service Documents on GRS' behalf, and (B) Customer shall be entitled to assume the due authority of the pledgee or mortgagee in taking any action or authorizing any notice without the necessity of independently reviewing the pledge, mortgage, or other security instrument delivered by GRS to the pledgee or mortgagee and to accept performance by the pledgee or mortgagee of any duty or obligation of GRS hereunder, and (ii) upon giving Customer a copy of a trustee's deed, deed in lieu of foreclosure, or other instrument pursuant to which the pledgee, mortgagee, or other Party acquires legal title to or rights with respect to the Facility and this Tariff or the Storage Service Documents, (A) the pledgee, mortgagee, or other Party shall assume full liability for the performance of GRS' duties and obligations hereunder and (B) Customer shall accept the pledgee, mortgagee, or other party as the successor to GRS under this Tariff and the Storage Service Documents.

6.6 The agreement of the Parties as evidenced by the Storage Service Documents shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may from time to time direct in the exercise of its jurisdiction.



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 95-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SERVICE SCHEDULES (Cont'd)**

**SCHEDULE PAL – PARK AND LOAN SERVICE (Cont'd)**

**TERMS AND CONDITIONS OF SERVICE (Cont'd)**

**6. SPECIAL CONDITIONS (Cont'd)**

- 6.7 Gas received for storage hereunder may be commingled with other gas in the GRS Facility; the specific gas delivered to GRS for storage may not be the same gas re-delivered on withdrawal to Customer or for Customer's account.



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**GILL RANCH STORAGE**

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220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

Original Cal. P.U.C. Sheet 96-G

**Reserved For Future Use**

Advice Letter No. 1-G  
Decision No. 09-10-035

Issued by:  
Richard C. Daniel  
President

Date Filed:  
Effective:  
Resolution No. \_\_\_\_\_





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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 97-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**LIST OF CONTRACTS AND DEVIATIONS**

GRS does not currently have or expect to enter into Transactions at rates or under conditions other than those contained in its filed Tariff. If GRS enters into Transactions with customers at rates that are outside the range of rates established for its Services or under conditions other than those contained in its Tariff, GRS will follow the procedures of Section 8.5.6 of the Commission's General Order 96-B or its successor, and will list such Transactions in this section.



## **GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 98-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

### **RULES**

#### **RULE 1 – DEFINITIONS**

Whenever used in this Tariff or in any Schedule, Appendix, Table, Form or Attachments thereto, the following words and expressions shall have the respective meanings ascribed to them as follows:

**“Acceptable Credit Rating”** except as otherwise agreed by GRS in the exercise of its internal credit policies, and except as otherwise provided for in Schedule PAL, means: (i) for Transactions with terms up to three (3) years, a Credit Rating no lower than investment grade from Standard & Poor’s and Moody’s; (ii) for Transactions with terms between three to five (3-5) years, a Credit Rating no lower than “A-“ from Standard & Poor’s or “A3” from Moody’s; and (iii) for Transactions with terms greater than five (5) years, a Credit Rating no lower than “AA-“ from Standard & Poor’s or “Aa3” from Moody’s. For purposes of this definition, in the event of a split rating, Customer’s Credit Rating shall be deemed to be the lowest rating.

**“Affiliate”** means, with respect to a given person, an entity controlling, controlled by or under common control with such person. As used herein, “control” means holding more than fifty percent (50%) of the equity or equivalent rights to elect directors of an entity.

**“Appendix”** means a Document, a pro forma of which is set forth as Sample Forms B, C and D, that adopts that Service Schedule and sets forth the particulars of the Transaction that is set forth therein.

**“Appendix FSS”** means an Appendix FSS in the form set forth as Sample Form B, evidencing a Transaction between Customer and GRS.

**“Appendix ISS”** means an Appendix ISS in the form set forth as Sample Form C, evidencing a Transaction between Customer and GRS.

**“Appendix PAL”** means an Appendix PAL in the form set forth as Sample Form D, evidencing a Transaction between Customer and GRS.

**“Bcf”** means billion cubic feet.

**“Billing Month”** means the Gas Month immediately preceding the Gas Month in which GRS is required to bill Customer pursuant to Section 4.2 of the General Terms and Conditions of Service.

**“Btu”** or **“British Thermal Unit”** means the standard unit for measuring a quantity of thermal energy. One Btu equals the amount of thermal energy required to raise one pound of water one degree Fahrenheit at or near its point of maximum density.

**“Business Day”** means any day except a Saturday, Sunday or Federal Reserve Bank holiday.

Advice Letter No. 1-G  
Decision No. 09-10-035

Issued by:  
Richard C. Daniel  
President

Date Filed:  
Effective:  
Resolution No. \_\_\_\_\_



## **GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 99-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

### **RULES (Cont'd)**

#### **RULE 1 – DEFINITIONS (Cont'd)**

“**Commission**” or “**CPUC**” means the Public Utilities Commission of the State of California, or its successor.

“**Confidential Information**” means the confidential information or trade secrets of the transmitting Party and the confidential information and trade secrets of other persons in favor of whom the transmitting Party has undertaken, or is otherwise bound by, an obligation of confidentiality, regardless of the form of which such information is constituted, excluding however, information that is publicly available other than as a result of the improper conduct of the recipient Party, information that was within the recipient Party’s knowledge prior to disclosure by the transmitting Party, and information that has been lawfully disclosed by another source.

“**Confirm**” means the act of GRS making a Confirmation.

“**Confirmation**” means the written determination by GRS of the volumes, prices, and other relevant commercial terms regarding Customer’s injections, withdrawals, parks, or loans at or from the Facility.

“**Connecting Pipeline**” means the pipeline that interconnects with the Gill Ranch Pipeline and at which the Receipt Point and Delivery Point specified in the Storage Service Documents are located.

“**Credit Rating**” means the rating given to Customer’s unenhanced senior unsecured long term debt or issuer rating by a recognized rating agency such as Standard & Poor’s, or Moody’s.

“**Customer**” means the person or persons who contract for Storage Service from GRS at the GRS Gas Storage Facility and includes the person’s or persons’ successors and permitted assigns.

“**Day**” means the twenty-four (24) hour period beginning at 7:00 a.m. Pacific Clock Time on each calendar Day and ending at 7:00 a.m. on the following calendar Day.

“**Dekatherm**” or “**Dth**” means ten Therms or one million Btus (1 MMBtu).

“**Default**” has the meaning in Section 6.1 of the General Terms and Conditions.

“**Delivery Point**” means any interconnect between GRS and the Connecting Pipeline at which GRS shall deliver Gas to Customer that is withdrawn from the Facility.



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 100-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**RULES (Cont'd)**

**RULE 1 – DEFINITIONS (Cont'd)**

“**Document(s)**” for the purposes of Electronic Transaction Procedures mean data that relate to a Transaction and that are in a form contemplated by or listed in Attachment “A” of the Electronic Transaction Procedures.

“**dollars**” or “**\$**” means United States dollars, unless expressly indicated otherwise.

“**Effective Time**” means, when used in connection with any of the terms Nomination, and Confirmation, the time when gas will begin to flow on the Connecting Pipeline in response to such Nomination or Confirmation.

“**Electronic Transaction Procedures**” means the GRS Web Portal – Electronic Transaction Procedures contained in this Tariff, as amended from time to time.

“**Exhibit**” means a document, a pro forma of which may be attached to an Appendix or a Sample Form document herein.

“**Financial Assurance**” or “**Financial Assurances**” means an irrevocable Letter of Credit, substantially in the form set forth as Sample Form E, a Guarantee, substantially in the form set forth as Sample Form F, given by another person with an Acceptable Credit Rating, or such other security acceptable to GRS.

“**Financial Statements**” means Customer’s current balance sheet, statement of income, statement of retained earnings or statement of changes in financial position and notes.

“**Firm**” means that GRS stands ready to deliver the inventory capacity service, inventory injection service, and/or inventory withdrawal service at all times on every day except when precluded from doing so as a result of an event of Force Majeure or as otherwise provided for in the Tariff, and that the service provided by GRS is not subject to prior claims by other customers or other classes of service and receives the same priority as any other class of Firm service.

“**Firm Storage Service**” or “**FSS Service**” or “**FSS**” means a service offered by GRS for delivery of gas to GRS at the Receipt Point by or on behalf of Customer and for delivery of gas by GRS at the Delivery Point to or on behalf of Customer, under the terms and conditions of Schedule FSS.

“**Force Majeure**” is defined in Section 8.2 of the General Terms and Conditions of Service and includes, but is not limited to, acts of God; governmental action; strikes, lockouts or other industrial disturbances; acts of the public enemy; wars; blockades; insurrections; riots; epidemics; not within the control of the Party claiming suspension and which by the exercise of due diligence such Party is unable to prevent or overcome.



## **GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 101-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

### **RULES (Cont'd)**

#### **RULE 1 – DEFINITIONS (Cont'd)**

“**Fuel Charge**” means the charge to Customer by GRS for fuel associated with use of Facility, as set forth in this Tariff.

“**gas**” or “**natural gas**” means any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane used to produce heat by burning; provided that it meets the quality specifications set forth in this Tariff and the Connecting Pipeline.

“**Gas Day**” means a period beginning at 07:00 AM Pacific Clock Time and ending at 07:00 PM Pacific Clock Time on the following day. Each Gas Day will be referred to by the calendar Day in which it commences.

“**Gas Month**” means a period of time beginning at 07:00 AM Pacific Clock Time on the first Day of a calendar month and ending at 07:00 PM Pacific Clock Time on the first Day of the following calendar month. Each Gas Month will be referred to by the calendar month in which it commences.

“**GRS**” means Gill Ranch Storage, LLC, an Oregon limited liability company, and includes successors and permitted assigns of GRS.

“**GRS Storage Facility**” or “**Facility**” means the portion of the underground gas storage facility, surface gas compression and processing facilities and associated pipelines owned and operated by GRS and pursuant to which GRS provides Storage Services under this Tariff.

“**Guarantee**,” “**Guaranteed Obligations**,” and “**Guarantor**” each has the meaning given in Rule 6 and Sample Form F attached to this Tariff.

“**Initial Storage Service Request**” means the request by a party who is not yet a Customer to GRS for Storage Service made pursuant to Article 3 of the General Terms and Conditions of Service.

“**Insolvency Event**” means, with respect to any person, when such person shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or substantially all of its property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or readjustment of debts, (v) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the Federal Bankruptcy Code; or (vi) have an order for relief entered against it in any involuntary or voluntary case under the Federal Bankruptcy Code and such order is not stayed or lifted within sixty (60) days from the date it is entered; or (vii) take any corporate action for the purpose of effecting any of the foregoing.



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## GILL RANCH STORAGE

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(U 914-G)

### RULES (Cont'd)

#### RULE 1 – DEFINITIONS (Cont'd)

“**Interruptible**” means that the applicable service as defined in the applicable Schedules that GRS may interrupt at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, and that such interruptible service is subject to claims of higher priority from other higher priority Storage Service customers.

“**Interruptible Storage Service**” or “**ISS Service**” or “**ISS**” means a service offered by GRS for delivery or receipt of gas at the Receipt Point by or on behalf of Customer and/or for delivery or receipt of gas at the Delivery Point by or on behalf of Customer, on the terms and conditions of Schedule ISS.

“**Intraday**” means when a Nomination Time and the corresponding Effective Time occur within the same Gas Day.

“**Inventory Transfer**” means the transfer of gas volume between Storage Accounts of Customer or between Customer and another GRS customer, between a Customer and GRS, or an imbalance transfer under PG&E Schedule G-BAL.

“**Inventory Transfer Fee**” means the fee to be paid by Customer to GRS pursuant to the applicable Storage Service Documents for an Inventory Transfer.

“**Loaned Quantity**” means the quantity of gas loaned by GRS to a Customer pursuant to Schedule PAL and as documented in the Appendix PAL.

“**Material Adverse Change**” means the inability of a Customer to meet or maintain the credit standards set forth in Rule 6 of this Tariff or the Storage Service Documents.

“**Maximum Daily Injection Quantity**” or “**MDIQ**” means the maximum quantity of gas specified in the applicable Appendix as modified by any applicable ratchet table that Customer or Customer’s designee is entitled to nominate and deliver at the Receipt Point for injection into the Facility on any Day at uniform hourly rates of flow over the course of such Gas Day.

“**Maximum Daily Withdrawal Quantity**” or “**MDWQ**” means the maximum quantity of gas specified in the applicable Appendix as modified by any applicable ratchet table that Customer or Customer’s designee is entitled to nominate for withdrawal from the Facility on any Day at the Delivery Point at uniform hourly rates of flow over the course of such Gas Day.



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 103-G

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(U 914-G)**RULES (Cont'd)****RULE 1 – DEFINITIONS (Cont'd)**

“**Maximum Storage Capacity**” or “**MSC**” means the maximum volume of Gas specified in the Storage Service Documents which Customer may have in its Gas Storage Account at any time.

“**Month**” means that period of time beginning at 7:00 a.m. Pacific Clock Time on the first Day of a calendar month and ending at 7:00 a.m. Pacific Clock Time on the first day of the following calendar month.

“**Nominate**” means the act of making a Nomination.

“**Nomination**” means a request for service by Customer to GRS in the form established by GRS setting out the quantity of gas that Customer wishes to deliver or receive at the Receipt Point or Delivery Point, as applicable, for the period commencing at the next Effective Time.

“**Nomination Confirmation**” means GRS’ notification of quantity of gas delivered to or received at the Receipt Point or Delivery Point, as applicable, for the period commencing at the next Effective Time in response to a Nomination submitted by Customer pursuant to this Tariff.

“**Nomination Time**” means the deadline for submitting Nominations as set out on the Tariff.

“**Nomination Procedures**” means the procedures specified in the Tariff pursuant to which Customer shall nominate gas for injection into or withdrawal from the Facility from or to a Connecting Pipeline.

“**Park and Loan Service**” or “**PAL Service**” or “**PAL**” means an Interruptible park or loan Storage Service offered by GRS under the terms and conditions of Schedule PAL.

“**Party**” or “**Parties**” means either or both Customer and GRS, as the case may be.

“**person**” or “**persons**” means any individual, corporation, partnership, joint venture, association, limited liability company, joint stock company, unincorporated organization or government (or an agency or partial subdivision thereof).

“**PG&E**” means Pacific Gas and Electric Company, or any successor entity.

“**Prime Rate**” means the annual rate of interest, designated as the U.S. Base Lending Rate as printed in the *Wall Street Journal* as the reference rate then in effect for determining interest rates on U.S. dollar commercial loans.



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 104-G

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(U 914-G)**RULES (Cont'd)****RULE 1 – DEFINITIONS (Cont'd)**

“**quantity of gas**”, unless expressly provided to the contrary, means Dekatherms or a multiple or fraction thereof.

“**Receipt Point**” means any interconnect between GRS and the Connecting Pipeline at which GRS shall receive Gas from Customer for injection into the Facility.

“**Schedule**” means the schedule that describes a Storage Service that is offered by GRS under this Tariff.

“**Storage Account**” means an account maintained by GRS as the means by which Transactions entered into by the Parties are accounted for. GRS may maintain more than one Storage Account on behalf of Customer.

“**Storage Service**” means a natural gas storage service made available pursuant to this Tariff and the Storage Service Documents.

“**Storage Service Agreement**” or “**Service Agreement**” means a service agreement entered into between GRS and a Customer, as such agreement may be amended from time to time. A Storage Service Agreement form is attached to this Tariff as Sample Form A.

“**Storage Service Documents**” means the Tariff terms, Storage Service Agreement, applicable Schedule, and the Appendices and Exhibits thereto evidencing all terms applicable to binding Transactions between the Parties.

“**Tariff**” means the entire body of the Storage Service Agreement documents, including effective rates and charges of GRS, the title page, preliminary statement, service area map, Schedules, and sample forms.

“**Term**” means the period designated for Storage Service under the applicable Service Agreement; provided that the initial term of any service provided by GRS under either Schedule FSS or Schedule ISS shall commence on the later of the in-service date of the GRS Gas Storage Facility, or the commencement date designated on the applicable Storage Service Agreement. Regardless of the exact date that Service commences, the initial Term of any such Service shall conclude on the end date specified in the applicable Appendix.





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**GILL RANCH STORAGE**

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(U 914-G)**RULES (Cont'd)****RULE 1 – DEFINITIONS (Cont'd)**

“**Therm**” means an amount of thermal energy equal to 100,000 British thermal units. Ten therms equal one Dekatherm (Dth).

“**Thermally Equivalent**” means an equal number of Dths.

“**Transaction**” means a commercial transaction entered into by Customer and GRS under an effective Appendix and by which the Parties agreed to be bound or are deemed to be bound by the provisions of the Storage Service Documents.

“**Transportation Account**” means the agreement, pool, number or account on the Connecting Pipeline.

“**volume**” means a quantity of gas measured or expressed in Dekatherms.

“**Web Portal**” or “**GRS Web Portal**” means the electronic nomination and scheduling system provided by GRS to its Customers accessible via the GRS website.

“**Working Gas**” means the actual quantity of gas in storage for Customer’s account at the beginning of any given Day.

“**Year**” means a period of twelve (12) consecutive months.

**Additional terms indicated by capitalization and utilized in this Tariff or a Schedule shall have the meaning ascribed to them where first utilized.**



## **GILL RANCH STORAGE**

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### **RULES (Cont'd)**

#### **RULE 2 – DESCRIPTION OF SERVICES**

GRS provides three classes of natural gas storage services for customers: Firm Storage Service, Interruptible Storage Service, and Park and Loan Service.

##### **1. FIRM STORAGE SERVICE**

Firm Storage Service (“FSS Service” or “FSS”) is a natural gas storage service of Firm Working Gas capacity, Firm injection capacity, and/or Firm withdrawal capacity, subject to the terms and conditions of service set forth in this Tariff including the Appendix FSS evidencing a Transaction entered into by the Parties. GRS is not obligated to offer any minimum amount of FSS Service at any time.

##### **2. INTERRUPTIBLE STORAGE SERVICE**

Interruptible Storage Service (“ISS Service” or “ISS”) is a natural gas storage service of Interruptible Working Gas capacity, Interruptible injection capacity, and/or Interruptible withdrawal capacity, subject to the terms and conditions of service set forth in this Tariff including the Appendix ISS evidencing a Transaction entered into by the Parties. GRS is not obligated to offer any minimum amount of ISS Service at any time.

##### **3. PARK AND LOAN SERVICE**

Subject to GRS having available capacity and/or capability to provide the requested service and Customer meeting the eligibility requirements set forth in this Schedule PAL, natural gas Park and Loan Service (“PAL Service” or “PAL”), is an Interruptible natural gas storage and/or lending service that is available to eligible Customers on a non-discriminatory basis. PAL Service is subject to curtailment pursuant to this Tariff, and GRS may discontinue any PAL Service when, in GRS’ sole discretion, any impairment of its firm services or system operations, would or may result. The availability of PAL service is subject to GRS’ sole discretion. Service under Schedule PAL is fully Interruptible and is the lowest priority of the Storage Services offered under a Schedule by GRS. GRS is not obligated to offer any minimum amount of PAL Service at any time.



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 107-G

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(U 914-G)**RULES (Cont'd)****RULE 2 – DESCRIPTION OF SERVICES (Cont'd)****4. LIMITATION OF LIABILITY AND DISCLAIMER OF EXPRESS OR IMPLIED WARRANTIES**

It is the intent of the Parties to fully and completely state the rights and obligations of the Parties with regard to the Storage Services provided under this Tariff. Therefore the liability of GRS and Customer, unless otherwise expressly provided, will be limited to that set forth in this Tariff, and there are no other express or implied warranties or representations with respect to the Storage Services provided under this Tariff. It is the intent of the Parties to specifically disclaim all warranties, and indemnities, express or implied, other than those expressly set forth in this Tariff.



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 108-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)**RULES (Cont'd)****RULE 3 – SERVICE REQUESTS**

To apply for Storage Service, a customer must execute a Storage Service Agreement, establish credit in compliance with Rule 6 of the Tariff, and enter into a Transaction evidenced by an Appendix applicable to the type of Storage Service to be taken.



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 109-G

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(U 914-G)**RULES (Cont'd)****RULE 4 – CONTRACTS**

All contracts for natural gas storage service by GRS shall be subject to the following terms and conditions:

- A. Definition — “Contract” when used in these Rules refers to one or more Transactions, entered into between Customer and GRS as evidenced by one or more Appendices.
- B. Requirement — Contracts for any of the natural gas Storage Services hereunder will be required as a condition precedent to service.
- C. Interpretation — The interpretation and performance of any Contract for gas storage service shall be in accordance with the laws of the State of California, without regard to the choice of law provisions thereof, and the orders, decisions, rules, and regulations of the Public Utilities Commission of the State of California, in effect from time to time.
- D. Hinshaw Exemption — In the event that any governmental entity (including a court) issues an order or rule which would result in the loss of GRS’ Hinshaw Exemption from federal regulations if a Contract entered into by GRS remains in effect, GRS may terminate such a Contract.



**GILL RANCH STORAGE**

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**RULES (Cont'd)**

**RULE 5 – SPECIAL INFORMATION REQUIRED ON FORMS**

Each Transaction for natural gas Storage Service or PAL Service offered hereunder shall contain language in substantially the following form:

“This Appendix \_\_\_ (FSS, ISS, or PAL) shall at all times be subject to changes or modifications by the California Public Utilities Commission as said Commission may direct, from time to time, in the exercise of its jurisdiction.”



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**GILL RANCH STORAGE**

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Original Cal. P.U.C. Sheet 111-G

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(U 914-G)**RULES (Cont'd)****RULE 6 – ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT**

All Customers will be required to maintain an Acceptable Credit Rating or to provide GRS with Financial Assurances, as provided in this Rule 6.

**1. REQUIREMENT FOR FINANCIAL ASSURANCES**

1.1 During the period of time when a Storage Service Agreement is in place between the parties and even if no current Transactions are pending, if Customer does not have an Acceptable Credit Rating, Customer shall notify GRS upon this event, and Customer may be required by GRS to provide GRS with Financial Assurances in accordance with Section 3 of this Rule 6.

**2. WAIVER OF FINANCIAL ASSURANCES**

2.1 If Customer establishes to GRS' reasonable satisfaction that it has an Acceptable Credit Rating and so long thereafter as Customer maintains an Acceptable Credit Rating, GRS may not require Customer to provide it with Financial Assurances.

2.2 A Customer shall be required to provide GRS with:

(a) audited consolidated Financial Statements within one hundred twenty (120) days after the end of each fiscal year of Customer, prepared in accordance with generally accepted accounting principles; and

(b) unaudited consolidated Financial Statements within ninety (90) days after the end of each fiscal quarter of Customer, prepared in accordance with generally accepted accounting principles; and

(c) immediate notice of any amendment, change or modification to its Credit Rating, its Financial Statements or of any Material Adverse Change in the financial position of Customer.



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**RULES (Cont'd)**

**RULE 6 – ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT (Cont'd)**

**2. WAIVER OF FINANCIAL ASSURANCES (Cont'd)**

2.3 If Customer does not maintain an Acceptable Credit Rating, then within five (5) days of the reduction of its Credit Rating, Customer shall notify GRS of this event, and Customer may be required by GRS to provide GRS with the Financial Assurances as set forth in Section 3 of this Rule 6.

**3. FINANCIAL ASSURANCES – LETTER OF CREDIT OR GUARANTEE BY OTHER COMPANY**

3.1 Where Customer does not have or does not maintain an Acceptable Credit Rating, Customer may be required by GRS to provide GRS with one or more of the Financial Assurances, at the option of GRS, as provided for in this Section 3.1, in a form acceptable to GRS and pursuant to the provisions set forth in Sections 3.2, 3.3, and 3.4 of this Rule 6. If a Customer with an Acceptable Credit Rating is downgraded to a level lower than an Acceptable Credit Rating, and no Transactions are then pending between the Parties, GRS may not require Customer to provide Financial Assurances unless and until Customer desires to enter into a Transaction.

(a) For a Transaction for Firm Storage Service documented by an Appendix FSS, unless otherwise specified by GRS, the amount of Financial Assurance that may be requested by GRS will be up to an amount equal to the monthly Reservation Charge applicable to the transaction for the lesser of one (1) year or the term of the Transaction documented by Appendix FSS. At GRS' sole discretion, Financial Assurance may be requested for each Transaction documented by an Appendix FSS.

(b) For a Transaction for Interruptible Storage Service documented by an Appendix ISS, unless otherwise specified by GRS, the amount of Financial Assurance that may be requested by GRS will be up to an amount equal to the ISS Service Rate that is applicable to the Transaction for the lesser of one (1) year or the term of the Transaction documented by the Appendix ISS based on any reasonable set of assumptions as determined by GRS in its sole and absolute discretion. At GRS' sole discretion, Financial Assurance may be requested for each Transaction documented by an Appendix ISS.





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**RULES (Cont'd)**

**RULE 6 – ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT (Cont'd)**

3. FINANCIAL ASSURANCES – LETTER OF CREDIT OR GUARANTEE BY OTHER COMPANY (Cont'd)

3.1 Letter of Credit Provisions (Cont'd) (L)  
(D)

(c) For each Transaction for parking service documented by an Appendix PAL, unless otherwise specified by GRS, the amount of Financial Assurance that may be requested by GRS will be up to an amount equal to PAL Service Rate that is applicable to the Transaction for the lesser of one (1) year or the term of the Transaction documented by the Appendix PAL based on any reasonable set of assumptions as determined by GRS in its sole and absolute discretion. At GRS's sole discretion, Financial Assurance may be requested for each Transaction documented by an Appendix PAL. (N)

(d) For a Transaction for a loan documented under an Appendix PAL, unless otherwise specified by GRS, the amount of Financial Assurance that may be requested by GRS will be an amount equal to one hundred fifty percent (150%) of the value of the Transaction under any reasonable set of assumptions as determined by GRS in its sole and absolute discretion. At GRS' sole discretion, Financial Assurance may be requested for each Transaction documented by an Appendix PAL. (N)

(L)



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**RULES (Cont'd)**

**RULE 6 – ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT (Cont'd)**

**3. FINANCIAL ASSURANCES – LETTER OF CREDIT OR GUARANTEE BY OTHER COMPANY (Cont'd)**

3.2 If a Letter of Credit is provided by Customer to GRS, to secure its obligations to GRS pursuant to the Storage Service Documents, the following Letter of Credit Provisions apply: (L)

(a) Each Letter of Credit shall be in effect for one (1) year or for the Term of the Transaction plus one hundred twenty (120) days, whichever is lesser. If the Term of the Transaction plus one hundred twenty (120) days is greater than one (1) year, Customer shall ensure that its obligation to GRS is secured continuously, and accordingly shall provide GRS with a replacement Letter of Credit no later than one hundred twenty (120) days prior to the expiration of the then-effective Letter of Credit. GRS will return the expiring Letter of Credit to Customer within five (5) days of the date of the Replacement Letter of Credit becomes effective. (L)

(b) Each Letter of Credit shall be in form and substance and for a term that is satisfactory to GRS, and without limiting the generality of the foregoing shall be issued by a financial institution acceptable to GRS and shall be irrevocable; shall provide for partial drawdowns; and shall contain the terms and conditions in a form similar to the form set forth in Sample Form E. (L)

(c) In addition to all other remedies available to GRS at law or in equity, if Customer fails to provide a replacement Letter of Credit in accordance with this Section 3.2, GRS may draw upon the expiring Letter of Credit to the full amount thereof and apply the funds so drawn in payment in whole or in part of the obligations of Customer under the Storage Service Documents. (L)



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**RULES (Cont'd)**

**RULE 6 – ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT (Cont'd)**

3. FINANCIAL ASSURANCES – LETTER OF CREDIT OR GUARANTEE BY OTHER COMPANY (Cont'd)

3.3 If required by GRS, Customer shall provide to GRS, to secure its obligation to GRS pursuant to the Storage Service Documents, a Guarantee granted to GRS **(D)** by its direct or indirect parent (the “Guarantor”) with an Acceptable Credit **(N)** Rating. The Guarantee shall be for a term that is satisfactory to GRS, and shall be in a form acceptable to GRS, similar to the form set forth as Sample **(T)** Form F, and the provisions of Sections 2 and 3 of this Rule 6 shall apply *mutatis mutandis* to the Guarantor as if the Guarantor were Customer.

3.4 If requested by Customer, GRS in its sole and absolute discretion may consider accepting other forms of Financial Assurances to secure Customer’s obligations under the Storage Service Documents, provided that GRS may reject or accept such other forms of Financial Assurances.



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**RULES (Cont'd)**

**RULE 6 – ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT (Cont'd)**

3. FINANCIAL ASSURANCES – LETTER OF CREDIT OR GUARANTEE BY OTHER COMPANY (Cont'd)

3.5 Customer's obligation to maintain an Acceptable Credit Rating or to provide Financial Assurances shall continue for so long as the Parties are bound by the Storage Service Documents and all Transactions entered into thereunder. This obligation shall terminate when Customer has performed or satisfied all of its obligations under the Storage Service Documents. Upon the termination of a Transaction or the Storage Service Documents, as applicable, GRS shall return to Customer, if applicable:

- (a) the Letter of Credit and funds held by GRS as security pursuant to Section 3.2 of this Rule 6 then in its possession but only to the extent it has not then applied such funds pursuant to Section 4 of this Rule 6 to the debts, expenses, costs, assessments, and liabilities payable by Customer to GRS pursuant to the provisions of the Storage Service Documents;
- (b) the Guarantee held by GRS pursuant to Section 3.3 of this Rule 6; or
- (c) any security accepted by GRS pursuant to Section 3.4 of this Rule 6.



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**RULES (Cont'd)**

**RULE 6 – ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT (Cont'd)**

**4. FAILURE TO MEET OBLIGATIONS**

4.1 If Customer fails to pay in full any amount owing to GRS within the time specified pursuant to the Storage Service Documents, then, in addition to the rights GRS has pursuant to the provisions of the Service Documents and all other remedies available to GRS at law or in equity, GRS may take one or more of the following actions, not in any particular order:

- (a) draw upon the Letter of Credit and funds held by GRS as security pursuant to Section 3.2 of this Rule 6 and apply the funds so drawn to pay any debts, expenses, costs, assessments, or liabilities of any nature whatsoever, including interest on unpaid amounts, payable by Customer to GRS pursuant to the provisions of the Service Agreement;
- (b) demand payment from the Guarantor pursuant to the Guarantee granted under Section 3.3 of this Rule 6;
- (c) realize on any security accepted by GRS pursuant to Section 3.4 of this Rule 6; or
- (d) sell for GRS' benefit a quantity of Customer gas equal in value at the Delivery Point Index price to the amount of Customer's unpaid obligation to GRS. (T)

**5. NOTICES**

5.1 Any notice required or permitted to be given by one Party to another pursuant to this Rule shall be given in writing and may be delivered by hand or transmitted by facsimile addressed in accordance with the particulars for notices set forth in this Tariff, the GRS website, and/or the Storage Service Documents.



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**GILL RANCH STORAGE**

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**RULES (Cont'd)**

**RULE 7 – DEPOSITS**

Not applicable.



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**GILL RANCH STORAGE**

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**RULES (Cont'd)**

**RULE 8 – NOTICES**

All notices required to be provided under the terms of this Tariff or any applicable Storage Service Documents shall be provided according to the provisions of Article 9 of the General Terms and Conditions of Service set forth in this Tariff.



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**RULES (Cont'd)**

**RULE 9 – BILLING AND PAYMENT**

The preparation and rendering of bills and the payment thereof service under this Tariff shall be made in accordance with the provisions of Articles 4 and 5 of the General Terms and Conditions of Service set forth in this Tariff.





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**RULES (Cont'd)**

**RULE 10 – DISPUTED BILLS**

Disputes about bills or invoices rendered by GRS to Customer are subject to the provisions of Section 4.7 of the General Terms and Conditions of Service of this Tariff, including applicable provisions set forth in the GRS Web Portal Electronic Transaction Procedures.



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**RULES (Cont'd)**

**RULE 11 – DISCONTINUANCE AND RESTORATION OF SERVICE**

Not applicable.



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**RULES (Cont'd)**

**RULE 12 – INFORMATION ON SERVICES AND PROMOTIONAL OFFERINGS**

Information on Services and any promotional offerings available are as described at the GRS website, [www.gillranchstorage.com](http://www.gillranchstorage.com). E-mail addresses and telephone numbers for contacting GRS with requests for information will be posted on the GRS website.



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**RULES (Cont'd)**

**RULE 13 – TEMPORARY SERVICE**

Not applicable.



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**GILL RANCH STORAGE**

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**RULES (Cont'd)**

**RULE 14 – CONTINUITY OF SERVICE; ALLOCATION OF CAPACITY**

Continuity of service and allocation of capacity shall be governed by the provisions of the General Terms and Conditions of Service applicable Storage Service Documents.



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**GILL RANCH STORAGE**

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**RULES (Cont'd)**

**RULE 15 – EXTENSIONS OF LINES OR MAINS**

Not applicable.



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**RULES (Cont'd)**

**RULE 16 – FACILITIES ON CUSTOMERS' PREMISES AND SERVICE CONNECTIONS**

Not applicable.



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**RULES (Cont'd)**

**RULE 17 – METER TESTS AND ADJUSTMENT OF BILLS FOR METER ERROR**

Not applicable.





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**RULES (Cont'd)**

**RULE 18 – SUPPLY TO SEPARATE PREMISES AND RESALE**

Not applicable.



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**GILL RANCH STORAGE**

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**SAMPLE FORMS**

- A. STORAGE SERVICE AGREEMENT**
- B. APPENDIX FSS**
- C. APPENDIX ISS**
- D. APPENDIX PAL**
- E. LETTER OF CREDIT**
- F. GUARANTEE**
- G. CONSENT AND AGREEMENT**



## GILL RANCH STORAGE

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220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

### SAMPLE FORMS SAMPLE FORM "A"

#### STORAGE SERVICE AGREEMENT



## GILL RANCH STORAGE

### Storage Service Agreement

This Storage Service Agreement ("Agreement") is entered into as of \_\_\_\_\_, 20\_\_ between Gill Ranch Storage, LLC ("GRS") and \_\_\_\_\_ ("Customer") and sets forth the terms and conditions according to which GRS agrees to provide and Customer agrees to purchase Storage Services pursuant to the Tariff terms and conditions and the certificate of public convenience and necessity issued to GRS by the California Public Utilities Commission ("CPUC").

#### RECITALS:

- A. GRS has developed facilities known as the Gill Ranch Gas Storage Facility which permits GRS to provide Storage Services to Customer;
- B. Customer wishes to use some or all of those Services; and
- C. This Agreement establishes how those Services will be provided.

- 1. Applicable Terms, Conditions, Rules and Regulations:** Storage Service will be provided in accordance with the terms and conditions of GRS's CPUC certificate, applicable CPUC rules, regulations and orders, this Agreement, and the terms and conditions set forth in GRS's currently effective Tariff, which may be revised from time to time as approved and/or directed by the CPUC. Such terms and conditions are incorporated in and made a part of this Agreement by this reference. Except where expressly modified or supplemented by the terms of this Agreement, the terms of the Tariff apply to and govern the transactions contemplated by this Agreement. Capitalized terms shall have the meaning assigned to such terms in the Tariff unless otherwise indicated. Unless otherwise expressly ordered by the CPUC, this Agreement at all times shall be subject to such modifications as the Commission may direct from time to time in the exercise of its jurisdiction.
- 2. Effective Date and Term:** This Agreement shall be effective on the date first written above. This Agreement creates the contractual relationship between GRS and Customer for entering into Transactions and utilizing the Storage Services. From time to time, there may be no Storage Services provided because there are no Transactions in effect, in which case, this Agreement will continue until either Party delivers a written termination notice to the other Party. That notice will be effective at the commencement of the second Gas Month following the date it was given; provided that if a Transaction is then in effect between GRS and Customer, evidenced by an applicable Appendix, this Agreement shall only terminate after that Transaction is performed or terminated in accordance with its provisions.

Advice Letter No. 1-G  
Decision No. 09-10-035

Issued by:  
Richard C. Daniel  
President

Date Filed:  
Effective:  
Resolution No. \_\_\_\_\_



## **GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

First Revised Cal. P.U.C. Sheet 132-G  
Cancels Original Cal. P.U.C. Sheet 132-G

### **SAMPLE FORMS (Cont'd) SAMPLE FORM "A" (Cont'd)**

#### **3. GRS Storage Services:**

- a. GRS will provide and Customer will utilize and pay for those Storage Services that the Parties agree to from time to time, as confirmed by an Appendix evidencing the Transaction entered into by the Parties.
- b. When a Transaction is agreed to by the Parties, the terms of the applicable Storage Service Schedule will apply to that Transaction, except to the extent expressly modified by the express terms and conditions of the Appendix in question.
- c. Each Party expressly consents to the recording of telephone conversations between the Parties concerning oral agreements for Transactions. Each Party hereby waives any objection based on the recording of such telephone conversations and to the admissibility of such a recording in a proceeding concerning the agreement before a court, arbitrator, mediator, or administrative agency.

#### **4. Terms of GRS Tariff:**

- a. The terms and conditions of the GRS Tariff that is on file with the CPUC shall apply to and is incorporated by reference into this Agreement. All Transactions entered into from time to time between GRS and Customer shall be subject to the terms and conditions of such Tariff.
- b. The Storage Service Documents and every Transaction entered into thereunder, shall at all times be subject to such changes or modifications by the CPUC as the CPUC may, from time to time, direct in the exercise of its jurisdiction.
- c. The Storage Service Documents will be governed by and interpreted in accordance with the laws in force in the State of California without regard to the choice of law provisions thereof; and the Parties irrevocably submit to the courts having jurisdiction in the State of California.

#### **5. Conflict:**

- a. Subject to section 3(c) hereof, if there is any conflict between the terms of this Agreement and the terms of any of the Electronic Transaction Procedures, or the General Terms and Conditions, or any Storage Service Schedule then in effect between the Parties, the terms of this Agreement shall prevail.
- b. If there is any conflict between the terms of the Electronic Transaction Procedures and the terms of the General Terms and Conditions or the terms of any Storage Service Schedule then in effect between the Parties, the terms of the Electronic Transaction Procedures shall prevail.
- c. If there is any conflict between the terms of any Storage Service Schedule then in effect between the Parties and the terms of the General Terms and Conditions, the terms of the Storage Service Schedule shall prevail.

**(L)**



**GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

Original Cal. P.U.C. Sheet 133-G  
Cancels Original Cal. P.U.C. Sheet 133-G

**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "A" (Cont'd)**

**6. Notice Information:** (L)  
**Gill Ranch Storage, LLC:**  
General Notices:  
Requests and Nominations:  
Payments:

**Customer:** [insert name]  
General Notices: \_\_\_\_\_, Address, E-mail, Phone, Fax:  
Requests and Nominations: (T)

**7. Customer Representations:** Customer represents and warrants to GRS as follows, and such representations and warranties shall survive for the benefit of GRS and are ratified and confirmed upon entering into each and every Transaction under the Storage Service Documents:

- a. Customer is duly formed and validly existing under the laws of its incorporating jurisdiction and is duly qualified to carry on business in all jurisdictions in which it carries on business;
- b. The execution of this Agreement and the Storage Service Documents does not violate any law, regulation, or order or Customer's articles of incorporation or bylaws and does not breach any agreement to which Customer is a party; and
- c. To the knowledge of Customer there are no actions, claims or proceedings threatened against or affecting Customer which might materially affect any of the Transactions contemplated in this Agreement or the Storage Service Documents, or which might affect Customer's ability to meet its financial obligations under the Storage Service Documents.

**8. Damages:** Notwithstanding any provision of this Agreement or the Tariff to the contrary, Party shall be liable to the other (including, without limitation, liability imposed pursuant to any arbitration) for indirect, consequential, special or punitive damages arising from any breach of any applicable Storage Service Documents, whether based on tort, contract, or other civil or equitable (T) action.

AGREED AND ACCEPTED as of the date first written above. (T)

**Gill Ranch Storage, LLC**

**[Customer]**

By: NOT FOR SIGNATURE

By: NOT FOR SIGNATURE

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

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

(T)



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 134-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SAMPLE FORMS (Cont'd)  
SAMPLE FORM "B"  
APPENDIX FSS – FIRM STORAGE SERVICE**

This Appendix FSS is dated \_\_\_, 20\_\_ and is entered into between Gill Ranch Storage, LLC ("GRS") and \_\_\_\_\_ ("Customer"). GRS and Customer hereby adopt and agree to the provisions in this Appendix FSS to govern Firm Storage Service provided under Schedule FSS. This Appendix FSS along with the previously executed Storage Service Agreement, GRS' Tariff provisions, including the General Terms and Conditions of Service, and the GRS Web Portal Electronic Transaction Procedures shall govern the Firm Storage Services described below to Customer.

<b>Transaction Start Date:</b>	[MM/DD/YYYY]	<b>Transaction End Date:</b>	[MM/DD/YYYY]
<b>Receipt and Delivery Point:</b>			
<b>Quantity Terms:</b>			
Maximum Daily Injection Quantity ("MDIQ")*			
Maximum Daily Withdrawal Quantity ("MDWQ")*			
Maximum Storage Capacity ("MSC")			
*Subject to the applicable injection and withdrawal profiles herein			
<b>Rate Terms:</b>			
Reservation Charge:			
Authorized Overrun Charge:		To be negotiated, as applicable	
Fuel Charge:		1 ½% fuel-in-kind of gas injected	
Inventory Transfer Fee:			
Other Charges:			
<b>Daily Injection Profile – To Be Inserted [Example 3.0 Turn Profile – GRS reserves the right to vary the profile depending the terms of the Transaction]</b>			
<b>Working Gas Inventory Level (% of MSC)</b>		<b>Flow Rate (MMcf/d)</b>	
0%-16%			
16%-30%			
30%-47%			
47%-78%			
78%-100%			
<b>Daily Withdrawal Profile – 3.0 Turns</b>		<b>Flow Rate (MMcf/d)</b>	
<b>Working Gas Inventory Level (% of MSC)</b>			
100%-47%			
47%-30%			
30%-14%			
14%-0%			

Advice Letter No. 1-G  
Decision No. 09-10-035

Issued by:  
Richard C. Daniel  
President

Date Filed:  
Effective:  
Resolution No. \_\_\_\_\_



**GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

First Revised Cal. P.U.C. Sheet 135-G  
Cancels Original Cal. P.U.C. Sheet 135-G

**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "B" (Cont'd)**

The Parties agree that with or without their signatures hereto that this Appendix FSS is final and binding in accordance with the provisions of Article 2 of Schedule FSS. This Appendix FSS shall at all times be subject to changes or modifications by the California Public Utilities Commission as said Commission may direct, from time to time, in the exercise of its jurisdiction.

**Gill Ranch Storage, LLC**

**[Customer]**

By: NOT FOR SIGNATURE

By: NOT FOR SIGNATURE

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_ **(T)**

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

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



**GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

First Revised Cal. P.U.C. Sheet 136-G  
Cancels Original Cal. P.U.C. Sheet 136-G

**SAMPLE FORMS (Cont'd)  
SAMPLE FORM "C"**

**APPENDIX ISS - INTERRUPTIBLE STORAGE SERVICE**

This Appendix ISS is dated \_\_\_\_, 20\_\_ and is entered into between Gill Ranch Storage, LLC ("GRS") and \_\_\_\_\_ ("Customer"). GRS and Customer hereby adopt and agree to the provisions in this Appendix ISS to govern Interruptible Storage Service provided under Schedule ISS. This Appendix ISS along with the previously executed Storage Service Agreement, GRS' Tariff provisions, including the General Terms and Conditions of Service, and the GRS Web Portal Electronic Transaction Procedures shall govern the provision of the Interruptible Storage Services described below to Customer.

<b>Transaction Start Date:</b>	[MM/DD/YYYY]	<b>Transaction End Date:</b>	[MM/DD/YYYY]
<b>Receipt and Delivery Point:</b>			
<b>Quantity Terms:</b>			
Maximum Daily Injection Quantity ("MDIQ")			
Maximum Daily Withdrawal Quantity ("MDWQ")			
Maximum Storage Capacity ("MSC")			
<b>Rate Terms:</b>			
ISS Service Charge:			
Authorized Overrun Charge:		To be negotiated, as applicable	
Fuel Charge:		1 ½% fuel-in-kind of gas injected	
Inventory Transfer Fee:			
Other Charges:			

The Parties agree that with or without their signatures hereto that this Appendix ISS is final and binding in accordance with the provisions of Article 2 of Schedule ISS. This Appendix ISS shall at all times be subject to changes or modifications by the California Public Utilities Commission as said Commission may direct, from time to time, in the exercise of its jurisdiction.

**Gill Ranch Storage, LLC**

**[Customer]**

By: NOT FOR SIGNATURE

By: NOT FOR SIGNATURE

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_ (T)

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

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





**GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
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First Revised Cal. P.U.C. Sheet 137-G  
Cancels Original Cal. P.U.C. Sheet 137-G

**SAMPLE FORMS (Cont'd)  
SAMPLE FORM "D"**

**APPENDIX PAL PARK AND LOAN SERVICE**

This Appendix PAL is dated \_\_, 20\_\_ and is entered into between Gill Ranch Storage, LLC ("GRS") and \_\_\_\_\_ ("Customer"). GRS and Customer hereby adopt and agree to the provisions in this Appendix PAL to govern Interruptible Park and Loan Service provided under Schedule PAL. This Appendix PAL along with the previously executed Storage Service Agreement, GRS' Tariff provisions, including the General Terms and Conditions of Service, and the GRS Electronic Transaction Procedures shall govern the provision of the Interruptible Park and Loan Services described below to Customer.

<b>Transaction Start Date:</b>	[MM/DD/YYYY]	<b>Transaction End Date:</b>	[MM/DD/YYYY]
<b>Receipt and Delivery Point:</b>			
<b>Quantity Terms:</b>			
Park Maximum Daily Injection Quantity ("MDIQ")			
Park Maximum Daily Withdrawal Quantity ("MDWQ")			
Park Maximum Storage Capacity ("MSC")			
Loaned Quantity (Dth)			
Loan Maximum Daily Injection Quantity ("MDIQ")			
Loan Maximum Daily Withdrawal Quantity ("MDWQ")			
<b>Rate Terms:</b>			
PAL Service Charge:			
Authorized Overrun Charge:		To be negotiated, as applicable	
Fuel Charge:		1 1/2% fuel-in-kind of gas injected	
Inventory Transfer Fee:			
Other Charges:			

The Parties agree that with or without their signatures hereto that this Appendix PAL is final and binding in accordance with the provisions of Article 2 of Schedule PAL. This Appendix PAL shall at all times be subject to changes or modifications by the California Public Utilities Commission as said Commission may direct, from time to time, in the exercise of its jurisdiction.

**Gill Ranch Storage, LLC**

**[Customer]**

By: NOT FOR SIGNATURE

By: NOT FOR SIGNATURE

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_ (T)

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

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



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**GILL RANCH STORAGE**

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220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

Original Cal. P.U.C. Sheet 138-G

**Reserved for Future Use**

Advice Letter No. 1-G  
Decision No. 09-10-035

Issued by:  
Richard C. Daniel  
President

Date Filed:  
Effective:  
Resolution No. \_\_\_\_\_



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 139-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SAMPLE FORMS (Cont'd)  
SAMPLE FORM "E"**

**LETTER OF CREDIT**

IRREVOCABLE STANDBY  
LETTER OF CREDIT NO. \_\_\_\_\_  
DATE: \_\_\_\_\_, 20\_\_  
AMOUNT: [\$ \_\_\_\_\_] (USD)

Gill Ranch Storage, LLC  
220 NW Second Avenue  
Portland, OR 97209

Attention: [\_\_\_\_\_]

Ladies and Gentlemen:

We, [BANK], at [ADDRESS OF BANK] ("Bank"), at the request of [ACCOUNT PARTY, IF DIFFERENT FROM CUSTOMER] (the "Applicant"), for the account of [NAME OF CUSTOMER], having its registered office at [ADDRESS OF CUSTOMER] (the "Customer"), hereby issue in favor of Gill Ranch Storage, LLC (the "Beneficiary") this Irrevocable Standby Letter of Credit No. [\_\_\_\_\_] up to the aggregate amount of [\_\_\_\_\_] DOLLARS (\$\_\_\_\_\_) U.S. currency, available for payment upon receipt by Bank of a completed, dated and signed drawing certificate in the form of Exhibit A attached hereto at its above noted address on or before [\_\_\_\_\_] (the "Stated Maturity Date"), or any Extended Stated Maturity Date referred to below.

This Letter of Credit provides financial security for all outstanding liabilities of the Customer with respect to its obligations to the Beneficiary relating to that certain Storage Service Agreement, dated \_\_\_\_\_, ("Agreement"), by and between Customer and the Beneficiary.

Partial and multiple drawings are permitted, and this Letter of Credit shall, except to the extent reduced thereby, survive any partial drawings. This Letter of Credit may further be reduced by amendment, by such amount as may be authorized by the Beneficiary from time to time by its dated and signed written notice to Bank.

Presentation on or before noon of any day other than a Saturday, Sunday or other day on which all commercial banks in [LOCATION OF BANK] are authorized or required to be closed ("Banking Day") shall result in payment to the Beneficiary on the same date. Drafts presented after noon or on any day other than a Banking Day, shall result in payment to the Beneficiary on the next Banking Day. We hereby waive any right that we may otherwise have to delay payment to a later date.

Advice Letter No. 1-G  
Decision No. 09-10-035

Issued by:  
Richard C. Daniel  
President

Date Filed:  
Effective:  
Resolution No. \_\_\_\_\_



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 140-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "E" (Cont'd)**

It is a condition of this Letter of Credit that it shall be automatically extended, from time to time, without amendment, for an additional period of \_\_\_\_\_ (each extension, an "Extended Stated Maturity Date") from the present Stated Maturity Date or each future expiration date unless, we have notified the Beneficiary in writing not less than sixty (60) calendar days before such expiration date, that we elect not to renew this Letter of Credit. As provided in the drawing certificate, the notification of our election not to extend the Stated Maturity Date or the Extended Stated Maturity Date, as applicable, shall entitle the Beneficiary to draw the full amount under this Letter of Credit.

Any notice to the Beneficiary in connection with this Letter of Credit shall be in writing and shall be delivered in hand with receipt acknowledged, or by certified mail (return receipt requested), to Beneficiary at 220 NW Second Avenue, Portland, OR 97209, Attention: Director of Credit (or to such other address for any such notices which Beneficiary may hereafter specify in a written notice delivered to the undersigned).

Draws made in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of documents, as specified, to [BANK], [ADDRESS OF BANK], on or before the Stated Maturity Date or the Extended Maturity Date, as applicable. We hereby agree that we will honor such demands for payment without inquiring whether the Beneficiary has a right as between itself and the Applicant or the Customer to make such demand, and without recognizing any claim of the said Applicant or the Customer.

This Letter of Credit shall be cancelled on the earliest of the following:

(1) as of Bank's close of business on the Stated Maturity Date [or the Extended Maturity Date, as applicable]; or

(2) the date upon receipt by Bank at the above noted address of the original Letter of Credit instrument, and a dated letter addressed to Bank, signed by the Beneficiary, referencing the applicable letter of credit number and requesting the cancellation of same, which Bank understands will occur upon the Customer's complete and final fulfillment of its obligations to the Beneficiary.



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 141-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "E" (Cont'd)**

Without the necessity of obtaining Customer's consent, the Beneficiary may pledge or mortgage its rights hereunder for security of any indebtedness and (i) upon giving notice to Customer and Bank of such pledge and mortgage, (A) the pledgee or mortgagee shall be entitled to exercise all rights and remedies it may have with respect to this Letter of Credit without the further consent of Customer, to receive a copy of any notice given by the Beneficiary or Customer pursuant to the terms hereof, and to deliver any notice permitted under this Letter of Credit on the Beneficiary's behalf, and (B) Customer and Bank shall be entitled to assume the due authority of the pledgee or mortgagee in taking any action or authorizing any notice without the necessity of independently reviewing the pledge, mortgage, or other security instrument delivered by the Beneficiary to the pledgee or mortgagee and to accept performance by the pledgee or mortgagee of any duty or obligation of the Beneficiary hereunder, and (ii) upon giving Customer and Bank a copy of a trustee's deed, deed in lieu of foreclosure, or other instrument pursuant to which the pledgee, mortgagee, or other Party acquires legal title to this Letter of Credit, (A) the pledgee, mortgagee, or other Party shall assume full liability for the performance of the Beneficiary's duties and obligations hereunder and (B) Customer and Bank shall accept the pledgee, mortgagee, or other party as the successor to the Beneficiary under this Letter of Credit.

All drawings under this credit will be governed by the this Letter of Credit are subject to the International Standby Practices 1998 (ISP98), International Chamber of Commerce Publication No. 590, as amended from time to time, or any successor publication thereto, except to the extent that the terms hereof are inconsistent with the provisions of the ISP98, in which case the terms of this letter of credit shall govern. This letter of credit shall, as to matters not governed by ISP98 or matters inconsistent with the ISP98 shall be governed by and construed in accordance with New York law, without regard to principles of conflicts of law, but giving effect to Sections 5-1401 and 5-1402 of New York's General Obligation Law.

This Letter of Credit is assignable and transferable by Beneficiary to an entity that it identifies in an assignment instrument as its assignee, and we hereby consent to such assignment or transfer.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, changed, amplified or limited by reference to any document, instrument or agreement referred to herein without consent from the Bank, the Beneficiary, and the Applicant.

Sincerely,

NAME  
TITLE



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 142-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

EXHIBIT "A" to SAMPLE FORM "E"

FORM OF DRAWING CERTIFICATE

[BANK]  
[ADDRESS]

Re: Drawing under Letter of Credit Number \_\_\_\_\_ ("Letter Of Credit")  
in favor of Gill Ranch Storage, LLC ("Beneficiary")

Ladies and Gentlemen:

The undersigned Beneficiary hereby makes a draw in the amount of \$\_\_\_\_\_. All terms in this certificate shall be defined as set forth in the Letter of Credit.

The undersigned hereby certifies, on behalf of the Beneficiary, that, (i) the undersigned is a duly authorized representative of the Beneficiary, and [COMPLETE APPLICABLE PROVISION: (ii) the amount drawn under this Letter of Credit represents the amount of money currently required to be paid to or deposited with the Beneficiary under that certain Storage Service Agreement, dated \_\_\_\_\_, ("Agreement"), by and between the Beneficiary and [NAME OF CUSTOMER] ("Customer")/OR (ii) we have received from you a notice that you have elected not to renew the Letter of Credit and hereby draw all amounts remaining under the Letter of Credit.

We hereby request payment of the foregoing amount pursuant to the terms of the Letter of Credit.

Very truly yours,

GILL RANCH STORAGE, LLC

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



**GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

First Revised Cal. P.U.C. Sheet 143-G  
Cancels Original Cal. P.U.C. Sheet 143-G

**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "F"**  
**GUARANTEE**

THIS GUARANTEE is executed as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by  
[\_\_\_\_\_], a \_\_\_\_\_ corporation (the "Guarantor") in favor of Gill Ranch  
Storage, LLC ("GRS") an Oregon limited liability company.

**RECITAL**

[Name of Customer] a [State under whose laws Customer is organized] ("Customer"),  
and GRS have entered into one or more agreements (the "Agreements") (N)  
involving GRS' provision of storage services to Customer, natural gas commodity sales  
and purchase transactions, or other similar transactions with respect to natural gas  
(collectively, the "Transactions"). This Guarantee covers Customer's payment  
obligations to GRS with respect to any such Transactions. As an inducement (D)(N)  
to GRS to enter into the Agreement(s) and for other good and valuable consideration, (N)  
the receipt and sufficiency of which are hereby acknowledged, the Guarantor covenants  
and agrees as follows:

1. Guarantee of Payment. The Guarantor hereby irrevocably and unconditionally  
guarantees for the benefit of GRS the due and punctual payment of any and all present  
and future obligations and liabilities of all kinds of the Customer to GRS pursuant to the  
Transactions plus the payment of all reasonable costs and expenses (N)  
(including reasonable attorneys' fees), if any, incurred by GRS in successfully  
enforcing its rights under this Guarantee (collectively, the "Guaranteed Obligations").  
Upon any failure by the Customer to pay any of the Guaranteed Obligations, the  
Guarantor agrees that it will within three (3) days of a demand by GRS pay any (D)  
amounts which the Customer has failed to pay GRS, at the place and in the manner  
specified in the applicable Agreement(s). This Guarantee is a guarantee of payment  
and not merely a guarantee of collection and Guarantor agrees that its obligations  
hereunder are those of a primary obligor and not merely of a surety. The Guarantor (N)  
agrees that GRS may resort to the Guarantor for payment of any of the Guaranteed  
Obligations, whether or not GRS shall have resorted to any collateral security, or shall  
have proceeded against Customer or any other obligor principally or secondarily  
obligated with respect to any of the Guaranteed Obligations. All payments made by (N)  
Guarantor hereunder shall be made without set-off or counterclaim in U.S. dollars in |  
immediately available funds. (N)

2. Guarantee Unconditional and Absolute. The obligations of the Guarantor hereunder  
shall be unconditional and absolute and, without limiting the generality of the foregoing,  
shall not be released, discharged or otherwise affected by:



## **GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

First Revised Cal. P.U.C. Sheet 144-G  
Cancels Original Cal. P.U.C. Sheet 144-G

### **SAMPLE FORMS (Cont'd) SAMPLE FORM "F" (Cont'd)**

- (i) any extension, renewal, settlement, compromise, waiver, indulgence, forbearance, discharge or release in respect of any Guaranteed Obligations of the Customer or any (N) change to the time, place, manner or terms of payment of the Guaranteed Obligations;(N)
- (ii) the existence, or extent of, any release, exchange, surrender, nonperfection or invalidity of any direct or indirect security for any of the Guaranteed Obligations;
- (iii) any modification, amendment, waiver, extension of or supplement to any of the Agreement(s) or the Guaranteed Obligations agreed to from time to time by the Customer and GRS;
- (iv) any change in the corporate existence (including its constitution, laws, rules, regulations or powers), structure or ownership of the Customer or the Guarantor, or any change in financial condition, insolvency, bankruptcy, administration, receivership, (N) reorganization, liquidation, or other similar proceeding affecting the Customer or its (N) assets, the Guarantor or any other guarantor of any of the Guaranteed Obligations;
- (v) the existence of any claim, set-off or other rights which the Guarantor may have at any time against the Customer, GRS or any other corporation or person, whether in connection herewith or in connection with any unrelated transaction; provided that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;
- (vi) the request and/or acceptance by GRS of other guaranties of or security for the (N) Guaranteed Obligations or enforce any apply any security now or hereafter held by or | for the benefit of GRS in respect of the Guaranteed Obligations; (N)
- (vii) the invalidity or unenforceability in whole or in part of the Agreement(s) or any (L) Guaranteed Obligations or any instrument evidencing any Guaranteed Obligations, or any provision of applicable law or regulation purporting to prohibit payment by the Customer of amounts to be paid by it under the Agreement(s) or any of the Guaranteed Obligations;
- (viii) the personal or corporate incapacity of any person; (N)





**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 144.1-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "F" (Cont'd)**

(ix) any change in the financial condition, or the bankruptcy, administration, receivership, insolvency, reorganization, liquidation, dissolution or winding up of Customer or any other person, or any rejection, release, stay or discharge of Customer's or any other person's obligations in connection with any bankruptcy, administration, receivership or similar proceeding; (N)

(x) any of the acts mentioned in any of the provisions of the Agreement(s) or GRS Tariff shall be done or omitted in whole or in part; or (L)

(xi) any other act or omission to act or delay of any kind of the Customer which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of the Guarantor's obligations hereunder. (L)



**GILL RANCH STORAGE**

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

First Revised Cal. P.U.C. Sheet 145-G  
Cancels Original Cal. P.U.C. Sheet 145-G

**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "F" (Cont'd)**

3. Term: Reinstatement in Certain Circumstances. The term of this Guarantee shall commence on \_\_\_\_\_ and shall continue until mutual agreement of both parties. **(D)(N)** If at any time any payment of any of the Guaranteed Obligations is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Customer, a "voidable preference," a "fraudulent conveyance," or otherwise, the Guarantor's obligations hereunder with respect to such payment shall be reinstated at such time as though such payment had not been made and the Guarantor agrees that it will indemnify, reimburse and hold harmless GRS on demand for all reasonable costs and expenses (including reasonable fees of counsel) incurred by GRS in connection with such rescission or restoration, including for any such reasonable costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

4. Waiver by the Guarantor. The Guarantor irrevocably waives (a) acceptance hereof, diligence, presentment, demand, protest, notice of dishonor, notice of default under **(N)** the Agreement(s) and notice of any sale of collateral and all other notices **(N)** whatsoever, (b) any right of subrogation to GRS' rights against the Customer under the Agreement(s) or otherwise, (c) any requirement that at any time any person exhaust any right to take any action against the Customer or its assets or any other guarantor or person or entity, (d) any rights of set-off, recoupment, deduction or counterclaim; notice of the existence, creation, modification, amendment, supplement or extension of the Agreement, (e) any defense based upon any lack of capacity or authority of, a change in the **(N)** name, location, composition or structure of, or any change in the type of business conducted by, the Customer or any other person or entity, or any other change in the identity or legal status of Customer or any other person or entity, (f) any defense based upon the failure (if any) of GRS to obtain or enforce any similar guaranty from any other person or entity, and (g) any defense based upon an election of remedies by GRS.



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**GILL RANCH STORAGE**

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**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "F" (Cont'd)**

5. Subrogation. Until the Guaranteed Obligations are indefeasibly paid, or **(D) (N)** performed in full, Guarantor will have no right of subrogation. Guarantor's right **(N)** of subrogation, delayed in accordance with the preceding sentence, is Guarantor's sole remedy against the Customer by reason of any payment by Guarantor to GRS hereunder. Except for such subrogation right, Guarantor hereby waives any right to enforce any remedy which Guarantor now has or may hereinafter have against the Customer or any other guarantor of any of the Guaranteed Obligations, and Guarantor hereby waives any benefit of, and any right to participate in, any security or collateral securing any of the Guaranteed Obligations. The provisions of this Section 5 are made for the express benefit of the Customer as well as GRS, and may be enforced independently by the Customer or by GRS. If any amounts shall be paid by the Customer to the Guarantor on account of such subrogation rights at any time when the Guaranteed Obligations remain outstanding, such amounts shall be held in trust for the benefit of GRS and shall forthwith be paid to GRS to be credited and applied against the satisfaction of such Guaranteed Obligations.

6. Stay of Acceleration Ineffective with Respect to Guarantor. In the event that acceleration of the time for payment of any amount payable by the Customer under the Agreement(s) is stayed upon the insolvency, bankruptcy or reorganization of the Customer, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the Agreement(s) shall nonetheless be payable by the Guarantor hereunder forthwith on demand by GRS.



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**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "F" (Cont'd)**

7. Assignment; Successors and Assigns. This Guarantee shall be binding upon and inure to the benefit of the Guarantor and its successors and assigns and GRS and its successors and assigns. Guarantor may not assign its rights and obligations hereunder without the prior written consent of GRS, and any such purported assignment without such written consent will be void. Without the necessity of obtaining Guarantor's consent, GRS may collaterally assign or pledge its rights hereunder as security of (D) (N) any indebtedness or other financing arrangement. Guarantor agrees to provide all assistance that may be reasonably requested by GRS in connection with such financing arrangements, including entering into a consent to the collateral assignment of this Guaranty for the benefit of GRS' lenders and delivering a legal opinion to GRS' lenders. Even if no consent to collateral assignment is executed, (i) upon GRS giving written notice to Customer of such collateral assignment, (A) GRS' lenders or any agent acting on behalf thereof ("Financing Parties") shall be entitled to make demands and give notices on behalf of GRS pursuant to this Guarantee, (B) Guarantor shall be entitled to rely on and shall make payments in accordance with, payment instructions received from the Financing Parties, and (ii) upon GRS or the Financing Parties giving Guarantor a copy of an instrument pursuant to which the Financing Parties or a third party designee acquires legal title to the GRS Storage Facility ("New Owner"), (C) the New Owner shall assume full liability for the performance of GRS' duties and obligations hereunder and shall receive the benefit of all of GRS' rights hereunder if and to the extent ((one or more of)) the Agreement(s) is also acquired by the New Owner, and (D) Guarantor shall accept the New Owner as the successor to GRS under this Guarantee. (D) (N)

8. Amendments and Waivers. No provision of this Guarantee may be amended, supplemented or modified, nor any of the terms and conditions hereof waived, except by a written instrument executed by the Guarantor and GRS.

9. Remedies Cumulative. The rights, powers, remedies and privileges provided in this Guarantee are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law and any other agreement.

(L)



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**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "F" (Cont'd)**

10. Representations and Warranties. The Guarantor hereby represents and warrants: (a) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guarantee. (b) The execution, delivery and performance of this Guarantee have been and remain duly authorized by all necessary corporate action and do not contravene any provision of law or of the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets. (c) All consents, authorizations and approvals of, and registrations and declarations with, any governmental authority necessary for the due execution, delivery and performance of this Guarantee have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by and no notice to or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Guarantee. (d) This Guarantee constitutes the legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles. (L) (T)

11. Acceptable Credit Rating. The Guarantor must have and maintain a credit rating that is acceptable to GRS. If Guarantor ceases to have an Acceptable Credit Rating, then, within five (5) business days of such cessation, Guarantor or Customer shall provide alternative credit support in accordance with the Agreement(s), including the GRS Tariff, if applicable to the Agreement(s). (D)(N)

12. Notices. All notices or communications to the other party shall be in writing and shall be directed by registered or certified mail or overnight delivery service to: (T)

To Guarantor:  
Attention:

To GRS:  
Gill Ranch Storage, LLC  
220 NW Second Avenue  
Portland, OR 97209  
Attention:  
Phone:  
Fax:

or such other address as each party shall from time to time specify.



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**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "F" (Cont'd)**

13. GOVERNING LAW. THIS GUARANTEE WILL BE GOVERNED BY AND (L)  
CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF  
CALIFORNIA WITHOUT REFERENCE TO CHOICE OF LAW DOCTRINES.

14. Submission to Jurisdiction; Waiver. Guarantor hereby irrevocably and (L)  
unconditionally: (a) submits for itself and its property in any legal action or proceeding  
relating to this Guarantee or for recognition and enforcement of any judgment in respect  
thereof, to the non-exclusive general jurisdiction of the courts of the State of California  
and appellate courts from any thereof; (b) consents that any such action or proceeding  
may be brought in such courts and waives any objection that it may now or hereafter  
have to the venue of any such action or proceeding in any such court or that such action  
or proceeding was brought in an inconvenient court and agrees not to plead or claim the  
same; (c) agrees that service of process in any such action or proceeding may be  
effected by mailing a copy thereof by registered or certified mail, postage prepaid, to  
Guarantor at its address set forth with its signature below or at such other address of  
which GRS shall have been notified pursuant to Article 9 of the General Terms and  
Conditions of the GRS Tariff; and (d) agrees that nothing herein shall affect the right to  
effect service of process in any other manner permitted by law or shall limit the right to  
sue in any other jurisdiction.

15. Third Party Beneficiaries. Except as expressly provided in Section 5 hereof, this (L)  
Guarantee shall not be construed to create any third party beneficiary relationship as to or  
with any person or entity other than GRS.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be duly executed  
as of the date first above written.

[GUARANTOR]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



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**SAMPLE FORMS (Cont'd)  
SAMPLE FORM "G"**

**CONSENT AND AGREEMENT**

This CONSENT AND AGREEMENT (this "Consent"), dated as of \_\_\_\_\_, is entered into by and among [\_\_\_\_\_] (the "Consenting Party"), Gill Ranch Storage, LLC, an Oregon limited liability company ("Borrower"), and [\_\_\_\_\_] ("Administrative Agent"), acting as administrative agent for the Lenders (as defined below) and [\_\_\_\_\_] ("Collateral Agent"), acting as collateral agent for the Secured Parties (as defined below). (D) (N) (N)

**RECITALS**

WHEREAS, Borrower, Collateral Agent, Administrative Agent and the lenders party thereto from time to time (the "Lenders") have entered into that certain Construction and Term Loan Agreement (as amended, the "Loan Agreement"), dated as of \_\_\_\_ (the "Closing Date"), to finance the construction of Borrower's 75% interest in a high-turnover, depleted reservoir, natural gas storage facility in Madera and Fresno Counties, California with an expected capacity of approximately 20 Bcf (the "Project") pursuant to which the Lenders will advance certain loans (the "Loans"); (N) (N)

WHEREAS, Borrower may incur additional secured obligations in connection with certain hedge agreements entered into in connection with and as permitted under the Loan agreement (the "Hedge Agreements");

WHEREAS, Borrower and Consenting Party are parties to that certain [\_\_\_\_\_] (as amended, the "Assigned Agreement"); (T)

WHEREAS, pursuant to that certain Assignment and Security Agreement, dated as of the Closing Date (as amended, the "Security Agreement"), between Borrower and Collateral Agent, Borrower has collaterally assigned its interest under the Assigned Agreement to Collateral Agent (the "Collateral Assignment") as security for Borrower's obligations under the Loan Agreement and related documents for the benefit of the Lenders, the Collateral Agent, the Administrative Agent and the depository bank identified in the Loan Agreement ("Loan Agreement Secured Parties") and under the Hedge Agreements for the benefit of the counterparties to such agreements (together with Loan Agreement Secured Parties, the "Secured Parties"); and (T) (N) (N)

WHEREAS, Borrower requests that Consenting Party consent to the Collateral Assignment.

NOW, THEREFORE, for good and valuable consideration, the receipt and Sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

(L)





**GILL RANCH STORAGE**

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**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "G" (Cont'd)**

1. Collateral Assignment. Consenting Party hereby consents to the Collateral Assignment. Consenting Party further acknowledges the right of Collateral Agent or any designee of Collateral Agent, in exercise of Collateral Agent's rights and remedies as a secured creditor of the Borrower and acting on behalf of the Secured Parties, to make all demands, give all notices, take all actions and exercise all rights of the Borrower under the Assigned Agreement. Collateral Agent (acting at the direction of the Secured Parties) shall be entitled (but not obligated) to cure any defaults of Borrower under the Assigned Agreement in accordance with the provisions thereof. Consenting Party agrees to accept such cure by Collateral Agent (acting at the direction of the Secured Parties) and, subject to the terms and conditions of the Assigned Agreement and cure of such defaults, to render to the Secured Parties all performance due by it under the Assigned Agreement and this Consent. (L) (N)

2. Payments. The Borrower hereby irrevocably authorizes and directs that any payments from Consenting Party which are due and payable to Borrower under the Assigned Agreement be made directly to Collateral Agent in accordance with the following payment instructions: (T) (N)  
[\_\_\_\_\_]

Borrower hereby agrees that Consenting Party may rely on any such instructions by Collateral Agent to Consenting Party, and Borrower releases Consenting Party from all liability for making payments to Collateral Agent upon receipt by Consenting Party of any such instructions. (N) (N)

3. Cure of Default. Upon the occurrence of an event of default by the Borrower under the Assigned Agreement, or upon the occurrence or non-occurrence of any other event or condition which would enable the Consenting Party to terminate or suspend its obligations under the Assigned Agreement (herein called a "default"), the Consenting Party will not terminate or suspend its obligations under the Assigned Agreement until it first (i) gives to Collateral Agent the written notice required to be given to the Borrower by the Assigned Agreement specifying the nature of the default giving rise to such right (and in the case of a payment default, specifying the amount thereof), (ii) gives Collateral Agent (acting at the direction of the Secured Parties) as well as the Borrower the opportunity to cure such default during the cure period specified in the Assigned Agreement beginning upon receipt of notice of such default, and (iii) gives the Collateral Agent (acting at the direction of the Secured Parties) the opportunity to cure such default for an additional period of forty-five (45) days after the expiration of the applicable cure period of the Borrower set forth in the Assigned Agreement which shall be extended to ninety (90) days if such default is not capable of being cured in such period and the Collateral Agent (acting at the direction of the Secured Parties) is diligently pursuing cure. If Collateral Agent is prohibited from curing any default or from commencing or prosecuting foreclosure or other appropriate proceedings by operation of law or by any process, stay or injunction issued by any governmental authority or pursuant to any bankruptcy or insolvency proceeding or other similar proceeding involving the Borrower, then the time periods specified herein for curing a default (other than a payment default) or commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition. (N) (L)





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**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "G" (Cont'd)**

4. Substitution. Upon receipt of notification from Collateral Agent of any default by Borrower under the Loan Agreement and that the Collateral Agent (acting at the direction of the Secured Parties) desires to exercise its rights and remedies pursuant to the Security Agreement, then Consenting Party agrees that the Collateral Agent, any of the Secured Parties or their respective designee or assignee (including any assignee which is a purchaser at a foreclosure sale or by deed in lieu of foreclosure) (each, a "Substitute Owner") may be substituted for the Borrower under the Assigned Agreement and the Consenting Party shall continue to perform its obligations under the Assigned Agreement in favor of the Substitute Owner. Consenting Party acknowledges that none of the Collateral Agent or the Secured Parties are liable under the Assigned Agreement and shall not become liable thereunder unless and until such party shall become a Substitute Owner as described in this Section 4 hereof. (L)

5. Rejection in Bankruptcy. If the Assigned Agreement is rejected or terminated by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding involving the Borrower, and if, after such rejection or termination, the Collateral Agent, any Secured Party or their respective designee or assignee shall so request, such the Collateral Agent, such Secured Party or such designee or assignee and the Consenting Party will promptly execute a new agreement that shall be for the balance of the remaining term under the Assigned Agreement (before giving effect to such rejection or termination) and shall contain the same agreements, terms and conditions as the Assigned Agreement. (T)

6. Material Amendment. Notwithstanding anything contained in the Assigned Agreement to the contrary, Consenting Party shall not, without prior written consent of the Collateral Agent, enter into consensual termination of the Assigned Agreement, or assign or consent to the Borrower's assignment of the Assigned Agreement. Consenting Party shall not enter into any material amendment of the Assigned Agreement as in effect on the date hereof until after the Administrative Agent has been given twenty (20) days prior written notice of the proposed amendment by the Borrower (a copy of which notice will be provided to the Consenting Party by the Borrower), and will not then enter into such amendment if the Consenting Party has, within such twenty (20) day period, received a copy of (i) the Administrative Agent's objection to such amendment or (ii) the Administrative Agent's request to the Borrower for additional information with respect to such amendment. A material amendment for purposes of this Section 6 shall mean an amendment to the Assigned Agreement the effect of which (x) is to materially expand the obligations of the Borrower or materially reduce the payment obligations of Consenting Party or (y) could reasonably be expected to have a material adverse effect on the Borrower or the Project. (T) (T) (N) (L)



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**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "G" (Cont'd)**

7. Delivery of Notices. The Consenting Party shall deliver to the Collateral Agent and the Administrative Agent, concurrently with the delivery thereof to the Borrower, a copy of each notice of default, violation or breach or of a suspension of performance given by the Consenting Party pursuant to the Assigned Agreement, and each notice of a force majeure event. In addition, the Consenting Party shall provide notice to the Collateral Agent, the Administrative Agent and Borrower of any material litigation, investigation or governmental proceeding or any dispute with a government entity which is pending or threatened in writing against the Consenting Party if such matter could reasonably be expected to have a material adverse effect on the Borrower or the Project.

(L)  
(N)  
(N)

8. Opinion. The Consenting Party shall deliver an opinion of counsel, relating to the Assigned Agreement and this Consent, which opinion shall be substantially in the form attached hereto as Exhibit A.

(L)

9. Representations and Warranties. The Consenting Party makes the following representations and warranties to the Collateral Agent and the other Secured Parties:

(L)(T)

9.1 Organizational Matters. The Consenting Party is a [corporation/limited partnership/limited liability company] duly organized, validly existing and in good standing under the laws of the state of its organization, and has all requisite power and authority, corporate and otherwise, to enter into and to perform its obligations hereunder and under the Assigned Agreement. Each of this Consent and the Assigned Agreement has been duly authorized, executed and delivered on behalf of the Consenting Party by the appropriate officers or agents of the Consenting Party, and constitutes the legal, valid and binding obligation of the Consenting Party, enforceable against the Consenting Party in accordance with its terms, except as the enforceability thereof may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally, and (b) general equitable principles (whether considered in a proceeding in equity or at law).

(L)

9.2 Litigation. There is no litigation, proceeding or investigation pending or (to the knowledge of the Consenting Party) threatened against the Consenting Party before or by any court, administrative agency, arbitrator or governmental authority, body or agency which questions the validity, binding effect or enforceability hereof or of the Assigned Agreement or which, if adversely determined, individually or in the aggregate, could have a material adverse effect upon the ability of the Consenting Party to perform under the Assigned Agreement or this Consent.



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### SAMPLE FORMS (Cont'd) SAMPLE FORM "G" (Cont'd)

9.3 Governmental Approvals. No consent, order, authorization, waiver, approval (L) or any other action, or registration, declaration or filing with, any government or public body, authority or agency is required to be obtained or made by the Consenting Party in connection with the execution, delivery or performance of the Assigned Agreement or this Consent, except as has been validly issued, is in full force and effect, is not subject to any condition (other than compliance with the terms thereof), does not impose restrictions or requirements inconsistent with the terms of the Assigned Agreement, and is final and non-appealable. The Consenting Party has not violated applicable law by entering into the Assigned Agreement or this Consent.

9.4 No Default or Amendment. Neither the Consenting Party nor, to the knowledge of (L) the Consenting Party, the Borrower is in default of any of its obligations or covenants under the Assigned Agreement and no such default has occurred and has been cured prior to the date hereof. No event or condition exists (including any condition arising as a result of, and after giving effect to, the assignment by the Consenting Party to the Collateral Agent of the Assigned Agreement) which (T) would, either immediately or with the passage of any applicable grace period or giving of notice, or both, enable the Consenting Party to terminate or suspend its obligations under the Assigned Agreement. The Assigned Agreement has not been amended, modified or supplemented in any manner. The Consenting Party has no notice of, and has not consented to, any previous assignment by the Borrower of all or any part of its rights in, to or under the Assigned Agreement.

10. No Liability. Except during any period in which a Collateral Agent or any Secured (L) Party (or any of their respective designees or assignees) is substituted for the Borrower pursuant to Section 4, the Consenting Party acknowledges and agrees that neither the Collateral Agent nor any (T) Secured Party (or any of their respective designees or assignees) shall have any liability or obligation under the Assigned Agreement as a result of this Consent or any Security Agreement, nor shall the (T) Collateral Agent or any Secured Party (or any of their respective designees or assignees) be obligated or required to perform any of the Borrower's obligations under the Assigned Agreement or to take any action to collect or enforce any claim for payment assigned under any Security Agreement. No curing of any defaults under the Assigned Agreement shall be construed as an assumption by the Collateral (T) Agent or any Secured Party (or any of their respective designees or assignees) of any of the obligations, covenants or agreements of the Borrower under the Assigned Agreement.

11. Notices. All notices hereunder shall be in writing and shall be deemed received (i) at the close of business of the date of receipt, if delivered by hand or by facsimile, or (ii) when signed for by recipient, if sent registered or certified mail, postage prepaid or by a nationally recognized courier (N) service charges, provided such notice was properly addressed to the appropriate address indicated on (N) the signature page hereof or to such other address as a party may designate by prior written notice to the other parties.

Advice Letter No. 3-G  
Decision No. 09-10-035

Issued by:  
Richard C. Daniel  
President

Date Filed:  
Effective:  
Resolution No. \_\_\_\_\_



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**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "G" (Cont'd)**

12. Refinancing. In the event that the Loans are refinanced or replaced by other credit facilities, this Consent and Agreement shall continue in effect for the benefit of Borrower and the provider of such new credit facilities (the "New Lender") provided that (i) within five (5) days following delivery by the Collateral Agent to the Consenting Party of the notice from the Collateral Agent that the original Loans and all other obligations under the Loan Agreement have been indefeasibly satisfied in full, the New Lender or an agent, trustee or other representative of the New Lender, shall have notified the Consenting Party that it assumes the rights and the prospective obligations of the Collateral Agent under this Consent, and shall have supplied substitute notice address information and new payment instructions pursuant to Section 2, (ii) the amount of the new credit facilities does not exceed the original amount of commitments by the Lenders to make loans and extend other credit facilities under the original Loan Agreement and (iii) thereafter, (1) the term "Loans" under this Consent will be deemed to refer to the new credit facilities, (2) the term "Collateral Agent," "Administrative Agent" or "Lenders" shall be deemed to refer to the New Lender or any or trustee for the New Lender, (3) the term "Loan Agreement" shall be deemed to refer to the credit agreement, indenture or other instrument providing for the new credit facilities and (4) the term "Security Agreement" shall be deemed to refer to the security agreement under which the Assigned Agreement is assigned as collateral to secure performance of the obligations of the Borrower under the new credit facilities. Notwithstanding anything to the contrary in this Section 12, in the event that the Loans are refinanced or replaced as contemplated herein, the Consenting Party shall continue to be entitled to any and all rights and remedies set forth in the Assigned Agreement subject to the terms and limitations set forth herein.

13. Governing Law. THIS CONSENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

14. No Waiver. Neither this Consent nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by each party hereto. No term, covenant or condition hereof shall be deemed waived and no breach excused unless such waiver or excuse shall be in writing and signed by the party claimed to have so waived or excused. The invalidity or unenforceability of any provision of this Consent shall not affect the validity or enforceability of any other provision of this Consent, which shall remain in full force and effect.

15. Successors and Assigns. This Consent shall be binding upon the permitted successors and assigns of the Borrower, the Consenting Party and the Collateral Agent and inure, together with the rights and remedies of the Borrower, the Consenting Party and the Collateral Agent, to the benefit of the Borrower, the Consenting Party, the Collateral Agent, and to the Secured Parties as third party beneficiaries and their respective permitted successors, designees, transferees and assigns.



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**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "G" (Cont'd)**

16. Waiver of Trial by Jury. TO THE EXTENT PERMITTED BY (L)  
APPLICABLE LAW, THE CONSENTING PARTY, THE BORROWER AND THE COLLATERAL  
AGENT HEREBY IRREVOCABLY WAIVE ALL RIGHT OF TRIAL BY JURY IN ANY ACTION,  
PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS  
CONSENT.

17. Assignment. Except as set forth in Section 12, this Consent may only be assigned (L)  
with the prior written consent of each of the other parties hereto. Any purported assignment not in (T)  
compliance with this Section 17 shall be void and without force or effect.

18. Entire Agreement. This Consent embodies the complete agreement among the (L)  
parties hereto with respect to the matters specified herein and supersedes all other oral or written  
understandings or agreements.

19. Counterparts. This Consent may be executed in one or more duplicate counterparts, (L)  
and when executed and delivered by all the parties listed below, shall constitute a single binding  
agreement. A facsimile or .pdf copy of a counterpart signature page shall serve as the functional  
equivalent of a manually executed copy for all purposes.

[Signature Pages Follow]



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 156.1-G

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**SAMPLE FORMS (Cont'd)  
SAMPLE FORM "G" (Cont'd)**

IN WITNESS WHEREOF, each of the parties hereto has caused this Consent to be duly (L)  
executed and delivered as of the date first above written.

[\_\_\_\_\_]

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

Name:

Title:

Address: (T)

Fax: (T)

E-mail: (T)

GILL RANCH STORAGE, LLC (T)

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

Name:

Title:

Address: Gill Ranch Storage, LLC (T)  
200 NW Second Avenue |  
Portland, OR 97209 (T)

Fax: (T)

E-mail: (T)

[\_\_\_\_\_], as Collateral Agent (N)

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

Name:

Title:

Address: (T)

Fax: (T)

E-mail: (T)



**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 156.2-G

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**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "G" (Cont'd)**

[\_\_\_\_\_], as Administrative (N)  
Agent

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

Name:

Title:

Address:

Fax:

E-mail:

(N)



**GILL RANCH STORAGE**

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**SAMPLE FORMS (Cont'd)  
SAMPLE FORM "G" (Cont'd)**

**Exhibit A to  
Consent and Agreement**

FORM OF OPINION OF COUNSEL

Addressees set forth in Schedule A

Re: Gill Ranch Gas Storage Project (the "Project")

Dear Gentlemen:

I have acted as counsel to [\_\_\_\_\_] (the "Company"), in connection with the Project.

This opinion is being provided in connection with the transactions contemplated by the terms of that certain Credit Agreement dated as of the date hereof (the "Credit Agreement"), by and between Gill Ranch Storage, LLC (the "Borrower"), [\_\_\_\_\_] (T), as the collateral agent, the lenders listed therein (the "Lenders") and [\_\_\_\_\_] (T), as administrative agent for the Lenders. In connection with this opinion, I have examined originals or copies, certified or otherwise identified to my satisfaction, of the following:

- (i) [\_\_\_\_\_] between the Company and the Borrower, dated as of \_\_\_\_\_ (the "Agreement");
- (ii) the Consent and Agreement among the Agent, the Company and the Borrower, dated as of the date hereof (the "Consent");
- (iii) the Certificate of Formation and Limited Liability Company Agreement/ Certificate of Incorporation and By Laws of the Company; and (N)
- (iv) the resolutions authorizing the execution and delivery of the Agreement and the Consent, duly adopted by the [Board of Directors/Managers] of the Company. (N)

The documents referred to in items (iii) and (iv) above are hereinafter collectively referred to as the "Governing Documents" and the Agreement and the Consent are hereinafter collectively referred to as the "Documents." In addition, I have examined and am familiar with originals or copies, certified or otherwise identified to my satisfaction, of such other documents as I have deemed necessary or appropriate as a basis for the opinions set forth below.





## **GILL RANCH STORAGE**

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(U 914-G)

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### **SAMPLE FORMS (Cont'd) SAMPLE FORM "G" (Cont'd)**

#### **Exhibit A to Consent and Agreement (Cont'd)**

In my examination I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified or photostatic copies, and the authenticity of the originals of such copies. In rendering the opinions expressed below, I have further assumed, without any independent investigation or verification of any kind, that each Document I have examined is the valid and binding obligation of each party thereto other than the Company.

I express no opinion as to the law of any jurisdiction other than (i) [**governing law of agreement and Consent**], and (ii) [**law of state of organization**]. (T)

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, I am of the opinion that:

1. The Company is a [\_\_\_\_\_] duly organized, validly existing and in good standing under the laws of [\_\_\_\_\_]. The Company is duly qualified to transact business in each jurisdiction in which it owns or leases real property or in which the nature of its business requires it to be so qualified. The Company has full corporate power and authority to enter into, deliver and perform its obligations under each of the Documents.
2. The Company has taken all necessary corporate action to authorize the execution, delivery and performance by it of each Document. The Company has duly executed and delivered each Document.
3. Each Document constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).
4. The execution, delivery and performance by the Company of the Documents will not: (i) contravene any applicable provision of any law, regulation, ruling, order or decree of any governmental authority to which or by which the Company or any of its property or assets is subject or bound or (ii) violate any provision of the Governing Documents of the Company.



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**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "G" (Cont'd)**

**Exhibit A to**  
**Consent and Agreement (Cont'd)**

5. The execution, delivery and performance by the Company of the Documents (L) do not and will not conflict with, result in any breach of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any lien or encumbrance upon any of the property or assets of the Company pursuant to any provision of any securities issued by the Company, or any indenture, mortgage, deed of trust, contract, undertaking, document, instrument or other agreement to which the Company is a party or by which it or any of its property or assets is bound.

6. All consents, orders, authorizations, waivers, approvals and any other action, or registration, declaration or filing with, any person, board or body, public or private (collectively, the "Approvals") required to be obtained for the execution, delivery and performance by the Company of the Documents have been obtained, are in full force and effect, and are not subject to any appeal, intervention, or similar proceeding.

7. To the best of my knowledge after due inquiry, there are no pending or threatened actions or proceedings affecting the Company or any of its properties or assets that individually or in the aggregate could prohibit or limit in any way the execution, delivery and performance by the Company of any of the Documents.

This opinion is being furnished to the addressees set forth in Schedule A and their respective successors and assigns and is solely for the benefit of such parties; provided that purchasers and assignees of, or participants in, the interests of such parties may rely on this opinion as if it were addressed to them.

Very truly yours,



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**GILL RANCH STORAGE**

Original Cal. P.U.C. Sheet 160-G

220 NW Second Avenue - Portland, OR 97209  
(U 914-G)

**SAMPLE FORMS (Cont'd)**  
**SAMPLE FORM "G" (Cont'd)**

**Exhibit A to**  
**Consent and Agreement (Cont'd)**

**Schedule A to**  
**Legal Opinion**

[to be provided]



**GILL RANCH STORAGE**

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**Reserved For Future Use**

Advice Letter No. 1-G  
Decision No. 09-10-035

Issued by:  
Richard C. Daniel  
President

Date Filed:  
Effective:  
Resolution No. \_\_\_\_\_