Form NO. 35

NEW MEXICO GAS COMPANY

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FIRST REVISED SAMPLE FORM NO. 35
CANCELING ORIGINAL SAMPLE FORM NO. 35

STANDBY SERVICE CONTRACT

Please see attached Standby Service Contract Form.

x

EFFECTIVE

APR 19 2016

REPLACED BY NMPRC
BY Final Order Case NO. 15-00106-UT

Advice Notice No. 55

Nicole Strauser
Director, Legal and Regulatory Affairs

NEW MEXICO GAS COMPANY

FIRST REVISED SAMPLE FORM NO. 35
CANCELLING ORIGINAL SAMPLE FORM NO. 35

STANDBY SERVICE CONTRACT

DATE _____

_____, STANDBY CUSTOMER

AND

NEW MEXICO GAS COMPANY

TABLE OF CONTENTS

ARTICLE	TITLE	PAGE
I	DEFINITIONS	2
II	STANDBY SERVICE	4
III	STANDBY CHARGES	4
IV	FACILITIES	5
V	MEASUREMENT EQUIPMENT	5
VI	GAS MEASUREMENT	6
VII	TERM	8
VIII	TAXES	8
IX	BILLING AND PAYMENT	8
X	FINANCIAL RESPONSIBILITY	9
XI	REGULATION	11
XII	FORCE MAJEURE	12
XIII	NOTICES	13
XIV	MISCELLANEOUS	14

EXHIBITS

EXHIBIT A	STANDBY SERVICE QUANTITY	16
EXHIBIT B	STANDBY RATES	18
EXHIBIT C	STANDBY FEE AND RELATED CHARGES	19
EXHIBIT D	LETTER AGREEMENT	23
Attachment 1	NMGC Rule No. 21	
Attachment 2	NMGC Rule No. 28	
Attachment 3	NOMINATION PROCEDURE	

NOTE: This page is not considered part of the Contract but is for the convenience of the parties only and may be removed at any time by either party hereto.

NEW MEXICO GAS COMPANY

FIRST REVISED SAMPLE FORM NO. 35
CANCELLING ORIGINAL SAMPLE FORM NO. 35

STANDBY SERVICE CONTRACT

THIS STANDBY SERVICE CONTRACT ("Standby Service Contract") is entered into this day of _____, _____ by and between _____ hereinafter referred to as "Standby Service Customer" and NEW MEXICO GAS COMPANY, Inc. (NMGC).

WITNESSETH

WHEREAS, Standby Service Customer desires to purchase Standby Service from NMGC for the purpose of being able to purchase gas from NMGC should Standby Customer's supply of gas under Transportation Contract No. _____ between_____ ("Shipper") and NMGC dated _____ (the "Transportation Contract") be temporarily interrupted or curtailed;

WHEREAS, NMGC, subject to the terms and conditions set forth herein, is willing to supply Standby Service to Standby Customer;

WHEREAS, this Standby Contract is entered into pursuant to the terms and conditions of Rule No. 17.10.660 NMAC, NMGC's Rate No. 70, NMGC's Rule No. 21, NMGC's Rule No. 28, as approved by, and x currently on file with the New Mexico Public Regulatory Commission (NMPRC) and all services provided for x hereunder are subject to such regulation.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Standby Customer and NMGC agree as follows:

I. DEFINITIONS

1.1 British Thermal Unit ("BTU") shall mean the quantity of heat required to raise the temperature of one (1) pound of water one degree Fahrenheit (1°F) at 60 degrees Fahrenheit (60°F).

1.2 Day Shall mean a period of twenty-four (24) consecutive hours commencing at 8:01 a.m., Mountain Standard Time (MST).

1.3 Delivery Point(s) shall mean the meter(s) specified in Exhibit B attached hereto.

1.4 Estimated Annual End-Use Consumption shall be the Standby Customer's volume of consumption of Gas in MMBtus adjusted for known measureable changes for the twelve (12) months immediately preceding the

month when Standby Service is requested by the Standby Customer or, if the Standby Customer did not receive gas through NMGC's system during a full twelve (12) Month period, an estimate of such consumption as mutually agreed upon between NMGC and the Standby Customer.

1.5 Gas shall mean any mixture of gaseous hydrocarbons and noncombustible gases.

1.6 Maximum Monthly Quantity or "MMQ" shall mean the Maximum Monthly Quantity specified in Exhibit A-2.

1.7 MMBTus shall mean one million Btus or a decatherm which is equivalent to ten (10) therms.

1.8 Month shall mean calendar month.

1.9 NMPRC shall mean the New Mexico Public Regulatory Commission or any successor thereto.

1.10 NMGC's Rate shall mean the specified Rate of NMGC filed with the NMPRC and in effect from time to time in accordance with the rules of the NMPRC, including any successor Rate.

1.11 NMGC's Rule shall mean the specified Rule of NMGC filed with the NMPRC and in effect from time to time in accordance with the rules of the NMPRC, including any successor Rule.

1.12 Psia shall mean pounds per square inch, absolute.

1.13 Psig shall mean pounds per square inch, gauge.

1.14 Standby Gas shall mean system supply Gas owned by NMGC which is sold and delivered to Standby Service Customer pursuant to the terms of the Contract. Subject to the maximum SMDQs and MMQs as set forth in this Standby Service Contract, if any, the amount of Standby Gas shall be equal to the amount nominated by Standby Service Customer or the amount by which the Shipper failed to bring its daily confirmation of Gas, plus the Shipper's net cumulative over delivery imbalance from the previous Month, if any, to within ninety percent (90%) of the daily nomination of Gas, pursuant to NMGC's Nomination Procedure, within twenty-four (24) hours after NMGC gives Shipper notice of non-confirmation.

1.15 Standby Maximum Daily Quantity or "SMDQ" shall mean the volume identified by Standby Customer pursuant to Other Condition 12 of NMGC's Rate No. 70.

1.16 WACOG shall mean NMGC's weighted average cost of gas which shall be the basic gas cost factor from NMGC's Gas Cost Factor Statement filed with the NMPRC pursuant to NMGC's Rate Rider No. 4. In

making such computation, NMGC shall use the Gas Cost Factor Statement that is effective at the time that the Standby Gas is delivered to Standby Customer.

II. STANDBY SERVICE

2.1 Standby Service under this Contract is provided pursuant to NMGC's Rate No. 70 and is only available on an annual basis. Standby Customer may purchase Standby Gas from NMGC on a daily basis pursuant to this Contract. The terms and conditions of Standby Service are set forth on Exhibit C which is attached hereto and incorporated herein by reference.

2.2 In the event of a curtailment of Standby Gas resulting from shortages of NMGC's Gas Supply, curtailment of Standby Gas to Standby Customer shall be in accordance with the system for class-by-class priorities set forth in NMGC's Rule No. 21. Standby Customer shall hold NMGC harmless for loss of service arising from any curtailment of Standby Gas done pursuant to this Contract and Rule No. 21. The Rule No. 21 curtailment priority for each meter is identified on Exhibit B.

2.3 NMGC shall deliver Standby Gas only to the Delivery Point(s) identified in Exhibit B. Sale of Standby Gas under this Contact shall occur at Delivery Point(s).

III. STANDBY CHARGES

3.1 Standby Customer shall pay NMGC an annual standby fee to provide standby service under this Contract (the "Standby Fee"). The Standby Fee shall be computed in accordance with the procedures set forth on Exhibit C which is attached hereto and incorporated herein by reference. The Standby Fee shall be paid in addition to any amounts due NMGC for the sale and transportation of Standby Gas under this Contract.

3.2 The Standby Fee shall be paid by Standby Customer to NMGC in twelve (12) equal monthly payments. Subject to Paragraph 11.5 below, if the initial Standby Fee set forth in Exhibit C changes because of a change in the applicable NMGC's Rate, the monthly payments for the period after the effective date of such change will be adjusted to conform to the new NMGC's Rate. Payment of such monthly amounts shall be made in accordance with Article IX herein.

3.3 The commodity cost of Standby Gas shall be NMGC's WACOG for the applicable Month. The transportation charges for Standby Gas delivered hereunder shall include transmission and, if applicable, distribution charges, in accordance with NMGC's Rate No. 70. The applicable transmission and distribution charges in effect upon execution of this Contract are set forth on Exhibit B.

IV. FACILITIES

4.1 NMGC shall operate and maintain all facilities for delivery of Standby Gas hereunder. If damage occurs to NMGC's facilities or Standby Customer's facilities as the result of negligence by the other party, that other party shall be liable for all damages resulting from such negligence.

4.2 Subject to Sections 5.2 and 5.3, meter(s) and other related equipment and facilities installed or maintained by or on behalf of NMGC shall be the exclusive means of determining the quantity of Standby Gas received and delivered hereunder.

V. MEASUREMENT EQUIPMENT

5.1 Reading, calibration and adjustment of NMGC's meter(s) and related measurement equipment shall be performed solely by NMGC, but such reading, calibration and adjustment may be witnessed by representative(s) of Standby Customer. Upon Standby Customer's written request, NMGC shall provide Standby Customer with a schedule of dates for reading and calibration.

5.2 All meter(s) and related equipment shall be calibrated by and at the expense of NMGC at reasonable intervals to be determined at the discretion of NMGC, which shall be consistent with calibration intervals with NMGC's system purchase and sales as reflected by Rule No. 17.10.650 NMAC. Standby Customer may request NMGC to perform additional calibrations at any time at Standby Customer's expense, subject to the limitations of NMPRC Rule No. 650.32(d). If, upon any test, the measuring equipment is found to be not more than two percent (2%) erroneous, previous readings of such equipment shall be considered correct in computing the volumes of Gas delivered hereunder, but such equipment shall be adjusted at once to read accurately at that time. If the percentage of inaccuracy of the measuring equipment is found to be in excess of two percent (2%) as a result of

any test, such equipment shall be adjusted at once and the previous readings shall be corrected for a period extending back to the time such inaccuracy occurred, if such time is ascertainable, and if not ascertainable, then back one-half (1/2) of the time elapsed since the date of the last calibration testing, but not to exceed a correction period of six (6) Months, and such adjustment shall be in full settlement of the claims which may arise on account of such inaccuracy. In addition, if the percentage of inaccuracy of the measuring equipment is in excess of two percent (2%) as a result of an additional calibration made at the request of and paid for by Standby Customer, said payment of additional calibration shall be refunded.

5.3 If for any reason, any of the measuring equipment is out of service or out of repair so that the volume of Gas delivered cannot be ascertained, said volume shall be estimated on the basis of the best data available, using the first of the following methods which is feasible:

a) By using the registration of Standby Customer's check meter, if installed at Standby Customer's cost and accurately registering (plus or minus two percent (2%)); or:

b) By correcting the error, if the percentage of error is ascertainable by calibration, test or mathematical calculation; or:

c) By estimating the volume of delivery by comparison with deliveries made during preceding periods under similar conditions when the meter was registering accurately.

VI. GAS MEASUREMENT

6.1 All Measurement of Gas hereunder by orifice meter(s) shall be computed in accordance with specifications prescribed in ANSI/API Publication 2530 entitled "Orifice Metering of Natural Gas" or its successor, including appendices or revisions, applied in an appropriate manner. Corrections shall be made for deviation from Ideal Gas Laws in accordance with Publication 2530 or its successor at the pressure and temperature at which the Gas is measured. If Gas volumes are measured by positive displacement, rotary, turbine, or other non-orifice type meter(s), all such measurements shall be computed in accordance with the recommendations of the manufacturer of the meter(s) and generally accepted practices in the natural Gas industry. x

6.2 The temperature of Gas flowing through the meter(s) may be determined by recording thermometer or temperature compensator, installed and maintained by or on behalf of NMGC, to properly record the temperature of the Gas. The arithmetic average of the temperature recorded during each Month, or any portion thereof during which Gas is flowing, shall be deemed to be the temperature for such period and shall be used to make proper correction in the computation of Gas volumes for such period.

6.3 The specific gravity of the Gas shall be determined by chromatographic analysis of Gas samples accumulated from the main stream.

6.4 A base pressure and assumed atmospheric pressure shall be utilized for measurement purposes regardless of any variation from the actual barometric pressure.

6.5 The Btu content of Gas delivered at the Delivery Point(s) shall be the total heating value thereof determined by analysis of Gas samples accumulated from the main stream in a sample bottle of a type generally used by NMGC for its system supply Gas. The analysis shall be made by means of passing the sample through a chromatograph to determine the chemical composition. Heating value thus determined shall be expressed in terms of total heating value per cubic foot of Gas, dry (not saturated with water vapor), at 14.73 Psia and sixty degrees Fahrenheit (60°F). The number of cubic feet of Gas delivered by NMGC to the Delivery Point(s) hereunder, multiplied by the Btu content per cubic foot of such Gas, shall determine the total Btu quantity delivered.

6.6 The method of obtaining Gas samples for analysis by Gas chromatography to determine the total heating value of Gas shall be as prescribed in Gas Processors Association Bulletin No. 2166-68, or its successor, including its appendices and revisions. Total heating value measurements shall be made as frequently as necessary, but at least twice a year.

6.7 Upon giving ten (10) days written notice, each party shall have access to the measuring equipment and all other instruments used by the other party in determining the quantity and quality of the Gas delivered; but the reading, calibrating and adjusting thereof shall be done by the employees, agents or representatives of the party controlling the measurement equipment. In accordance with Rule No. 17.3.310 NMAC, the charts and records shall be kept on file for a period of three (3) years for the mutual use of the parties. Tests of heating value will be kept on

file for a period of six (6) years for the mutual use of the parties. Either party shall submit to the other records and charts from such equipment, subject to return by that party within thirty (30) days after receipt thereof.

VII. TERM

7.1 Subject to the other terms and provisions hereof, this contract shall be effective from the date first written above and, unless otherwise terminated in accordance with provisions herein, performance under this Contract shall continue and remain in full force and effect until one (1) year from the date first written above.

VIII. TAXES

8.1 Standby Customer shall pay or cause to be paid, all applicable taxes, including fees or charges, now or hereafter levied or assessed by a governmental authority not otherwise include within NMGC's Standby Fee, Unauthorized Use Charge, transportation fees, and Standby Gas commodity costs, including specifically gross receipts, compensating use, or franchise or other taxes, fees or charges imposed on the act, right or privilege of transporting, handling, delivery or use of the Gas, which is measured by volume, heating value, monetary value, or sales price of the Standby Gas. Such taxes, fees or charges shall be in addition to NMGC's charges as specified herein.

IX. BILLING AND PAYMENT

9.1 NMGC agrees that once each Month it will determine the Standby Fee and the commodity and transportation charges for Standby Gas delivered during the previous Month. As soon as practicable thereafter, NMGC shall render by first class mail to Standby Customer a statement showing the payment due. Standby Customer agrees to pay NMGC within twenty (20) days for all amounts so billed at the following address:

NEW MEXICO GAS COMPANY

Address_____

City, State_____

ATTENTION: _____

9.2 If Standby Customer fails to make timely payment of all amounts so billed, interest on the unpaid portion of the statement shall accrue at the rate six hundred sixty seven one thousandths percent (0.667%) per calendar month or such other rate as may be specified by any applicable NMGC's Rule in effect pursuant to NMPRC rules for delinquent accounts.

9.3 In the case of disputed amounts, Standby Customer shall pay the entire amount of the statement under protest. Within thirty (30) Days after receipt of Standby Customer's written protest, NMGC shall make a complete investigation of the matter and, if the statement is found to be correct, shall explain the basis for such determination. If the statement is in error, NMGC shall promptly submit a corrected statement to Standby Customer, together with any necessary refund and interest at a rate of one and one-half percent (1.5%) per calendar month or such rate specified by any NMPRC approved NMGC's rule for delinquent accounts, from date of payment. All statements, billings, and payments hereunder shall be final unless questioned within thirty-six (36) calendar months from the date of such billing statement, or payment. Nothing contained herein shall limit either party's legal and equitable rights under this Contract.

X. FINANCIAL RESPONSIBILITY

10.1 Within ten (10) Days of the execution of this Contract, Standby Customer shall provide NMGC with evidence satisfactory to NMGC of Standby Customer's financial responsibility. If Standby Customer is unable to provide reasonable evidence of financial responsibility. If Standby Customer is unable to provide reasonable evidence of financial responsibility which is satisfactory to NMGC, then Standby Customer shall do one of the following within ten (10) Days:

a) Provide NMGC with a letter of credit from a financial institution reasonably acceptable to NMGC in the amount equal to two (2) times the estimated standby charges during the Standby Customer's peak Month. Standby Customer's peak Month and estimated deliveries during that Month shall be determined based upon Gas deliveries to Standby Customer during the twelve (12) preceding calendar Months, provided that if a twelve (12) Month

history is unavailable, the peak Month and estimated deliveries during that Month will be estimated in good faith by NMGC based upon information provided by Standby Customer and other relevant data available to NMGC. This letter of credit shall not be revocable until ninety (90) Days following the termination of this Contract; or

b) Pay NMGC a cash security deposit equal to two (2) times the estimated standby charges during the Standby Customer's peak Month determined as provided in (a) above. NMGC shall rate in the security deposit throughout the life of this Contract. Interest shall accrue and shall be paid to Standby Customer by NMGC at the rate specified in NMGC's Rule No. 7. Upon termination of this Contract and within twenty (20) Days of Standby Customer paying all sums due NMGC pursuant to this Contract, such security deposit, together with any unpaid interest, shall be refunded or credited to Standby Customer.

Past due Standby Fees, Unauthorized Use Charges or amounts for Standby Gas delivered, if any, (including transportation charges for the Standby Gas) may be collected from the letter of credit or deposit as specified in this Section 10.1. In the event Standby Gas Customer fails to comply with either provision (a) or (b) above or the Transportation Contract is terminated, NMGC shall have the right to terminate this Contract.

10.2 If during the term of the Contract, NMGC determines that the financial responsibility of Standby Customer has become impaired or unsatisfactory based upon Standby Customer's payment history with NMGC, or credit history information pertaining to Standby Customer, NMGC may demand and Standby Customer must comply with either provision (a) or (b) of Section 10.1 above within ten (10) Days of NMGC's written demand. After such ten (10) Days, transportation and delivery of Standby Gas may be withheld by NMGC until Standby Customer's financial responsibility is established by one of the means specified and NMGC may terminate this Contract, provided that if the Standby Customer is a residential end-user, suspension of Gas deliveries shall be governed by Company Rule No. 18. The term of this Contract shall not be deemed to be lengthened or extended by any period during which delivery of Gas is withheld pursuant to this Section.

10.3 In the event Standby Customer makes an assignment for the benefit of creditors or any general arrangement with creditors, or if there are instituted by or against Standby Customer proceedings in bankruptcy or under any insolvency law or law for reorganization, receivership or dissolution NMGC may withhold deliveries and/or terminate this Contract without notice. NMGC's exercise of any right reserved under this Article X, shall be without prejudice to any claim for damages or any other legal or equitable right of NMGC.

XI. REGULATION

11.1 This Contract shall be subject to all present and future applicable and valid laws, orders, rules and regulations of any duly constituted governmental authority, Federal, State, Tribal or Local, having jurisdiction over the parties, their facilities, or any provision of this Contract.

11.2 If any governmental authority having jurisdiction over the parties shall take any action which may affect any terms or conditions of this Contract, such action shall apply to the terms and conditions of this Contract upon the effective date of the governmental action or order; provided, however, that NMGC shall give timely written notice to Standby Customer of such change, prior to the effective date of the governmental action or order if possible and in any event not later than ten (10) days after that effective date. In the event Standby Customer deems such change unacceptable, in addition to pursuing any other rights or remedies available to Standby Customer, it may terminate this Contract within thirty (30) days of the effective date of the governmental action or order. Any changes in the terms and conditions of this Contract pursuant to this Paragraph shall not affect the remaining terms and conditions of this Contract.

11.3 This Contract, and all its terms and provisions, shall at all times be subject to modification by Order of the NMPRC upon notice and hearing and a finding of good cause therefor. In the event that any party to this Contract requests the Commission to make any action which could cause a modification in the provisions of this Contract, that party shall provide written notice to the other parties at the time of filing the request with the Commission,

11.4 When the Commission issues a Final Order in NMGC's next general rate case, Standby Customer shall have the right to terminate this Standby Contract with NMGC within thirty (30) days from the date of the issuance of the Final Order.

11.5 In the event that Standby Customer terminates this Standby Contract in accordance with the provisions of Paragraphs 11.2 or 11.4 above and if this Contract provides for a two-part fee in Exhibit C there shall be a reconciliation of the levelized monthly quantity charges paid to the date of termination to the amounts that would have been paid for the identified MMQs for the Months for which Standby Service was actually provided.

XII. FORCE MAJEURE

12.1 In the event NMGC is rendered unable, wholly or in part by force majeure to carry out its obligations under this Contract, it is agreed that upon NMGC giving notice and full particulars of such force majeure in writing, by telephone or by telegraph and followed by written confirmation, to Standby Customer within a reasonable time after the occurrence of the cause relied on, then the obligations of NMGC, so far as they are affected by such force majeure, shall be suspended from its inception and during the continuance of any inability so caused but for no longer period, and such cause shall, as far as possible, be remedied with all reasonable dispatch; provided, however, Standby Customer's obligation to make payments accrued hereunder shall not be suspended. The term of this Contract shall not be deemed lengthened or extended by any period of force majeure.

12.2 The term "force majeure", as employed herein, shall mean acts of God, strikes, lockouts or other industrial disturbances (not including market or similar economic conditions), acts of public enemy, wars, blockades, insurrections, riots, arrests and restraints of rulers and people, civil or military disturbances, explosions, sabotage, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, inability to secure labor, x inability hereto to obtain necessary materials, supplies or permits due to existing or future rules, orders and laws of x governments or courts, Federal, State, Tribal or Local, present and future orders of any regulatory body having jurisdiction, breakage or accident to machinery or pipelines, the necessity for making repairs or alterations to machinery or pipelines, freezing of pipelines, other unforeseen operational problems or any other cause (not including market or similar economic conditions), whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming force majeure.

12.3 It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party affected, and that the requirement of the use of diligence in restoring normal operating

conditions shall not require the settlement of strikes or lockouts by acceding to the demands of the parties involved in such strikes or lockouts when such course is inadvisable in the discretion of the party affected.

XIII. NOTICES

13.1 Except as herein otherwise provided, any notice, request, demand provided for in this Contract or any notice which either party may wish to give to the other, shall be in writing and shall be considered as duly delivered upon receipt by registered or certified mail to the address of the parties hereto as follows:

TO STANDBY CUSTOMER:

ATTN:
Telephone No. (__) _____
Telefax No. (__) _____

TO NEW MEXICO GAS COMPANY:

ATTN: Transportation Services
Telephone No. (__) _____
Telefax No. (__) _____

or at such address as either party may from time to time designate by providing notice as set forth above. In the event of emergency, notice may be given by three (3) Days of telephone and telefax notice.

13.2 For purposes of nominations of Standby Gas, notices to NMGC's System Administrator shall be made to:

Telephone, regular hours: (505) _____
(505) _____

(8:30 a.m. – 3:30 p.m. Mountain Standard Time)
Telefax (505) _____
(505) _____

Standby Customer shall use NMGC's Gas Management System as required by NMGC's Nominations Procedure, as filed with the NMPRC and in effect from time to time. x

MISCELLANEOUS

13.3 A waiver by either Standby Customer or NMGC of any one or more defaults by the other in the performance of any provision of this Contract shall not operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

13.4 This Contract shall be binding upon and inure to the benefit of the successors, assignees and legal representatives hereto.

13.5 Neither party may assign its rights nor delegate its obligations under this Contract to any entity not affiliated with that party without the prior written consent of the other party, which shall not be unreasonably withheld; provided, however, that, in the event NMGC shall transfer all or any portion of its Gas operations to a third party which shall continue such Gas operation, NMGC may assign its rights and delegate its obligations hereunder without prior consent.

13.6 Any change, modification, or alteration of this Contract shall be in writing and signed by the parties hereto.

13.7 Except as otherwise stated herein, if any Article or provision is declared or rendered unlawful by a court or regulatory agency with jurisdiction over the parties hereto or is deemed unlawful because of a statutory change, such action shall not affect the otherwise lawful obligations that arise under this Contract.

13.8 This Contract contains the entire agreement between the parties and, except as stated herein, there are no promises, agreements, warranties or conditions affecting it.

13.9 The interpretation and performance of the Contract shall be construed in accordance with the laws of the State of New Mexico.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by duly authorized officers as to the day, month and year first written below.

NEW MEXICO GAS COMPANY

FIRST REVISED SAMPLE FORM NO. 35
CANCELLING ORIGINAL SAMPLE FORM NO. 35

STANDBY SERVICE CONTRACT

STANDBY CUSTOMER

By: _____

Title: _____

Date: _____

NEW MEXICO GAS COMPANY

By: _____

Title: _____

Date: _____

NEW MEXICO GAS COMPANY

FIRST REVISED SAMPLE FORM NO. 35
CANCELLING ORIGINAL SAMPLE FORM NO. 35

STANDBY SERVICE CONTRACT

EXHIBIT A-1

Flat Fee Form
Standby Service Contract
Dated _____
Between _____
And NEW MEXICO GAS COMPANY

STANDBY SERVICE QUANTITY

ESTIMATED ANNUAL END USE CONSUMPTION	STANDBY RATE	MONTHLY STANDBY FEE

NEW MEXICO GAS COMPANY

FIRST REVISED SAMPLE FORM NO. 35
CANCELLING ORIGINAL SAMPLE FORM NO. 35

STANDBY SERVICE CONTRACT

EXHIBIT A-2

Two Part Fee Form
Standby Service Contract
Dated _____
Between _____
And NEW MEXICO GAS COMPANY

STANDBY SERVICE QUANTITY

Maximum Monthly Quantity (MMQ)

SMDQ	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL

The SMDQ is based upon the type of meter(s) utilized under this Contract and the choices available to Standby Customer pursuant to Other Condition 12 of NMGC Rate No. 70. An asterisk (*) under SMDQ indicates that Standby Customer is purchasing full coverage, for those facilities listed on Exhibit B, as provided for in Other Condition 12(a) of NMGC Rate No. 70 The MMQ is the volume identified by the Standby Customer pursuant to Other Condition 12 of NMGC Rate No. 70.

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STANDBY SERVICE CONTRACT

EXHIBIT B

Standby Service Contract
Dated _____
Between _____
And NEW MEXICO GAS COMPANY

STANDBY RATES

Facility Name Meter & Station No.	Standby Rate Schedule	Rule 21 Priority	Contract Service Rates	Curtailment Transmission Distribution Priority*

The commodity cost of Standby Gas shall be NMGC WACOG.
*Only applicable if the SMDQ or MMW has been met and EGS in not available.

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STANDBY SERVICE CONTRACT

EXHIBIT C

Standby Service Contract
Dated _____
Between _____
And NEW MEXICO GAS COMPANY

Each Standby Contract shall have an Exhibit C attached to the Contract which shall be either form C-1 or C-2.

NEW MEXICO GAS COMPANY

FIRST REVISED SAMPLE FORM NO. 35
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STANDBY SERVICE CONTRACT

EXHIBIT C-1

Standby Service Contract
Dated _____
Between _____
And NEW MEXICO GAS COMPANY

Flat Fee Form: For use for Standby Customers whose Estimated Annual End-Use Consumption is less than 20,000 MMBtus (200,000 therms) and who elect one hundred percent (100%) coverage.

C.1 NMGC shall provide Standby Gas to the full extent required by Standby Customer subject to curtailment, allocation or interruption as provided in NMGC Rule No. 21.

C.2 The annual Standby Fee shall be a Flat Fee computed by multiplying the Standby Customers Estimated Annual End-Use Consumption by the Flat Fee Standby Rate specified in NMGC Rate No. 70. The Flat Fee rate in effect as of the date of this Contract is $_____ per MMBtu

NEW MEXICO GAS COMPANY

FIRST REVISED SAMPLE FORM NO. 35
CANCELLING ORIGINAL SAMPLE FORM NO. 35

STANDBY SERVICE CONTRACT

EXHIBIT C-2

Standby Service Contract
Dated _____
Between _____
And NEW MEXICO GAS COMPANY

Two Part Fee Form: For use for Standby Customers whose Estimated Annual End-Use Consumption is equal to or greater than 20,000 MMBtus (200,000 therms) or those with Estimated Annual End-Use Consumption of less than 20,000 MMBtus who elect the Two Part Fee.

C.1 On a Day during the term of this Standby Contract, NMGC shall be obligated to deliver Standby Gas up to the maximum daily quantity of Standby Gas ("SMDQ") identified on Exhibit A to the meters that are specified in Exhibit B. NMGC does not have any obligation to provide Standby Gas during any Day in an amount in excess of the SMDQ specified on Exhibit A.

C.2 During any Month of the term of this Standby Contract, NMGC shall be obligated to deliver Standby Gas up to the maximum monthly quantity ("MMQ") identified on Exhibit A for each of the twelve (12) months of the Contract period to the meter(s) identified on Exhibit B. NMGC does not have any obligation to provide Standby Gas during any Month in an amount in excess of the MMQ specified for such Month on Exhibit A.

C.3 The annual Standby Fee shall be a Two Part Fee which shall consist of a peak demand component and a quantity component. The peak demand component shall be computed by multiplying (a) the SMDQ times twelve (12), times (b) the Peak Demand Charge specified in NMGC Rate No. 70. The quantity component shall be computed by summing each of the MMQs for each of the twelve (12) Months and then multiplying such sum by the Quantity Charge specified in NMGC Rate No. 70. The rates in effect as of the date of this Contract are $_____ per MMBtu for the Peak Demand Charge and $_____ per MMBtu for the Quantity Charge.

C.4 In the event that Standby Customer's Standby gas requirement exceeds its SMDQ or its total monthly gas requirement exceeds MMQ, any excess Gas consumed shall be deemed to be Emergency Gas Service ("EGS"), if available, as provided in NMGC Rate No. 70, and Standby Customer shall pay the EGS rate specified in NMGC Rate No. 70. The EGS charge shall be paid in addition to any amounts due NMGC for transportation. The x x

transportation charges shall include transmission and, if applicable, distribution charges as set forth in NMGC Rate No. 70.

C.5 In the event that Standby Customer exceeds its SMDQ or MMQ and EGS is not available NMGC shall notify Standby Customer by telephone and telefax to curtail the end uses of Gas. Any Gas taken after such notice shall be deemed unauthorized Gas and an Unauthorized Use Charge shall be imposed for the unauthorized Gas taken. The Unauthorized Use Charge shall be paid in addition to any amounts due NMGC for transportation. The transportation charges shall include transmission and, if applicable, distribution charges as set forth in NMGC Rate No. 70. The Unauthorized Use Charge shall be computed by multiplying the total volume of unauthorized Gas by the Unauthorized Use charge specified in NMGC Rate No. 70.

C.6 In the event that more than one meter is specified on Exhibit B, no more than twenty-four (24) hours after NMGC notifies Standby Customer of the volume of Standby Gas delivered, Standby Customer shall provide NMGC with the allocation of such standby volumes to each meter identified on Exhibit B.

C.7 The meters specified on Exhibit B shall be subject to curtailment in accordance with the Contract Curtailment Priority identified on Exhibit B if the Standby Customer's SMDQ or MMQ has been met and EGS is not available.

NEW MEXICO GAS COMPANY

FIRST REVISED SAMPLE FORM NO. 35
CANCELLING ORIGINAL SAMPLE FORM NO. 35

STANDBY SERVICE CONTRACT

EXHIBIT D

Standby Service Contract
Dated _____
Between _____
And NEW MEXICO GAS COMPANY

LETTER AGREEMENT

NMGC will install a Daily Meter at the Delivery Point(s) listed below. Standby Customer will fully reimburse NMGC for the expense of said equipment and its installation in accordance with Article IX of this Contract.

Facility Name and Address	Delivery Meter#/ Station #

STANDBY CUSTOMER

By: _____
Title: _____
Date: _____

NEW MEXICO GAS COMPANY

By: _____
Title: _____
Date: _____

NEW MEXICO GAS COMPANY

FIRST REVISED SAMPLE FORM NO. 35
CANCELLING ORIGINAL SAMPLE FORM NO. 35

STANDBY SERVICE CONTRACT

ATTACHMENT 1

Standby Service Contract
Dated _____
Between _____
And NEW MEXICO GAS COMPANY

NMGC's RULE NO. 21

NMGC's Rule No. 21 as in effect upon execution of this Contract is included as Attachment 1.

NEW MEXICO GAS COMPANY

FIRST REVISED SAMPLE FORM NO. 35
CANCELLING ORIGINAL SAMPLE FORM NO. 35

STANDBY SERVICE CONTRACT

ATTACHMENT 2

Standby Service Contract
Dated _____
Between _____
And NEW MEXICO GAS COMPANY

NMGC's RULE NO. 28

NMGC's Rule No. 28 as in effect upon execution of this Contract is included as Attachment 2.

NEW MEXICO GAS COMPANY

FIRST REVISED SAMPLE FORM NO. 35
CANCELLING ORIGINAL SAMPLE FORM NO. 35

STANDBY SERVICE CONTRACT

ATTACHMENT 3

Standby Service Contract
Dated _____
Between _____
And NEW MEXICO GAS COMPANY

NMGC's NOMINATION PROCEDURE

NMGC's Nomination Procedure as in effect upon execution of this Contract is included as Attachment 3 and is filed as a standard form with the NMPRC.