

118/ For the period 12/01/2010 through 12/31/2010, Shipper shall pay a daily total rate for the contract MDQ equal to a base rate of \$0.005/DTH/day plus the arithmetic value obtained from the formula [(A) times (B) times (C)] where (A) = The Midpoint price from "Gas Daily" at Northern, Ventura minus the Midpoint price from "Gas Daily" Northern, Demarc but in no event less than zero; (B) = the targeted % of alternate to alternate (A to A) volumes scheduled through Oakland for the Timely Nomination Cycle as posted for each gas day, except in the event of another mainline group allocation between Demarc and Ventura: and (C) = 0.55. In the event of another mainline group allocation between Demarc and Ventura, (B) shall equal the greater of (i) the targeted % of A to A volumes scheduled through the applicable mainline group(s) between Demarc and Ventura for the Timely Nomination Cycle for each gas day or (ii) the % of actual volumes scheduled on this contract to the delivery points included in the Oakland Allocation Group during the timely Nomination Cycle. The monthly rate will be the sum of all daily rates from the formula above.

In addition to the above rate(s), Shipper shall provide any applicable fuel use and unaccounted for.

The rate stated herein is applicable to the receipt and (or) delivery points (POI) listed. Shipper agrees that if any other receipt or delivery points are used either on a primary or alternate basis, the rates set forth herein will not be applicable and Shipper shall pay the higher of the rate set forth above or Northern's maximum tariff rates for the entire contract MDQ for the day any points not listed are used.