

RATE SCHEDULE FT-1
FIRM TRANSPORTATION SERVICE
(Continued)

11. RESERVATION CHARGE ADJUSTMENTS (Continued)

The scheduling and transportation from the LNG Plant Receipt Point of natural gas to be withdrawn from storage at the LNG Plant for Shipper is subject to Shipper's having sufficient supplies of liquefied natural gas in storage at the LNG Plant and the scheduling of gas for withdrawal from the LNG Plant pursuant to the terms and provisions of this tariff.

- 11.2 Subject to the provisions of this Section 11, Shipper will be entitled to receive a reservation charge adjustment if Paiute fails to transport or accept for scheduling the quantity of gas requested by Shipper due to an event of force majeure, as set forth in Section 6.1 of the General Terms and Conditions of this tariff, or an event of non-routine repairs or maintenance which, if not performed promptly, would likely lead to an operating malfunction or equipment failure or damage, provided that the need for such non-routine repairs or maintenance has not been caused by negligence on the part of Paiute. If Paiute's negligence has caused the need for such non-routine repairs or maintenance and there is no force majeure event, then the provisions of this Section 11.2 shall not apply.

The reservation charge adjustment shall be computed by multiplying (i) the quantity of Shipper's scheduled gas that Paiute failed to transport on the first Day that the force majeure event occurred; plus (ii) the quantity of Shipper's scheduled gas that Paiute failed to deliver on the Day following the first Day of the force majeure event if the force majeure event occurred after the Timely Nomination cycle on the Day prior to flow (or the quantity of gas that Shipper nominated in such Timely Nomination Cycle but Paiute failed to deliver, if the force majeure event occurred after such nomination but prior to its confirmation); plus (iii) for each Day of the force majeure event following the Days described in (i) and (ii) above, if any, the average of the daily primary firm quantities of gas transported for Shipper for the seven Days immediately prior to the first Day of the force majeure event, less any quantities of gas transported for Shipper on such Day, to the extent that the difference is positive; by the portion of the Daily Reservation Charge set forth on Sheet No. 10 of this tariff that represents Paiute's equity return and associated income taxes. Such portion of the Daily Reservation Charge will be referred to as the "Daily Reservation Charge Equity and Tax Component". The Daily Reservation Charge Equity and Tax Component will be posted on Paiute's Internet website, along with the derivation of such component. Reservation charge adjustments are not applicable to any transportation quantities in (i), (ii), or (iii) above that utilized a Secondary Receipt Point or Secondary Delivery Location.