

RATE SCHEDULE FT-1
FIRM TRANSPORTATION SERVICE
(Continued)

11. RESERVATION CHARGE ADJUSTMENTS (Continued)

For capacity release transactions, the reservation charge adjustment applicable to the Replacement Shipper shall be computed by multiplying the quantity that Paiute so failed to transport or accept for scheduling on such day by the daily reservation charge payable by the Releasing Shipper or the daily reservation charge payable by the Replacement Shipper, whichever is less. If the Replacement Shipper is paying a volumetric rate, no reservation charge adjustment will be provided.

11.4 The Reservation Charge adjustment provided in this Section 11 shall not apply:

- (a) to a firm Shipper that is unable to schedule out-of-path transportation, or transportation at a secondary Receipt Point or Delivery Location;
- (b) to a firm Shipper that is unable to schedule at a Receipt Point or Delivery Location due to that point or location being scheduled properly by an alternate firm or interruptible Shipper in an earlier nomination cycle, which is not eligible to be reduced (bumped) in the current cycle;
- (c) when Shipper:
 - (1) fails to properly nominate or confirm pursuant to the scheduling timeline and requirements of Section 4.2 of the General Terms and Conditions and/or the other scheduling provisions of this tariff; or
 - (2) fails to deliver gas that conforms to the quality or pressure specifications detailed in Sections 3 and 4 of the General Terms and Conditions; or
 - (3) does not comply with a restricted delivery entitlement notification pursuant to Section 5.2 of the General Terms and Conditions;
 - (4) fails to deliver such gas to Paiute (including the failure to provide for the withdrawal of any necessary quantities of gas from the LNG Plant when such failure is attributable to Shipper), or to Shipper's or Receiving Party's inability to accept delivery of such gas;