

GENERAL TERMS AND CONDITIONS  
(Continued)

4. OPERATING PROCEDURES (Continued)

4.7 Operating Procedures for Rate Schedules LGS-1 and LGS-2 Service:  
(Continued)

(5) Shippers under Rate Schedules LGS-1 and LGS-2 may transfer the ownership of stored LNG among one another, subject to the following conditions:

- a. The owner of the stored LNG notifies Paiute's dispatcher by telephone of the transfer of ownership prior to such transfer. Paiute will not recognize the change in inventory ownership for dispatching purposes prior to such notification.
- b. The original owner and the new owner will confirm such transfer of ownership in writing within three (3) days, and will provide Paiute with a copy of such documentation.
- c. Such transfer shall be subject to the rules and regulations of any governmental body of competent jurisdiction.

(d) Vaporization and Delivery: The actual quantity of gas to be delivered from the LNG Plant at any time is equal to the quantity vaporized less the applicable Gas Used by Paiute, as set forth in Rate Schedules LGS-1 and LGS-2, and is subject to the conditions affecting the operation of Paiute's entire system at such time, as follows:

- (1) The design vaporization capacity at the LNG Plant is 71,959 Dth per day. The design vaporization capacity quantity is stated in dekatherms, using an assumption that one dekatherm is equal to one Mcf of gas with a heating content of 1,028 Btu per cubic foot. It is recognized that the design vaporization capacity as expressed in dekatherms may vary from time to time depending upon the actual heating content of the LNG. Vaporization at the LNG Plant may require up to ten (10) hours of warm-up time. The scheduling of LNG vaporization shall be subject to such start-up period limitation.