

GENERAL TERMS AND CONDITIONS
(Continued)

5. OVERRUN AND UNDERRUN, BALANCING AND PENALTY PAYMENTS (Continued)

5.3 Balancing: (Continued)

scheduled and amounts taken at Receiving Party's Delivery Point(s), and based upon information available, notify Receiving Party of any imbalance situation which has occurred or may occur unless corrective action is taken. Upon notification, Receiving Party shall be obligated to adjust amounts scheduled and amounts taken to correct or avoid any imbalance. Any adjustment to amounts scheduled and amounts taken at Receiving Party's Delivery Point(s), whether or not pursuant to notification from Paiute, shall be coordinated with Paiute's gas dispatchers and shall be in accordance with Paiute's scheduling procedures. In order to balance quantities scheduled and quantities taken at Receiving Party's Delivery Point(s), Paiute shall not be obligated to accept quantities of gas or deliver gas to Receiving Party at points other than as originally scheduled and accepted by Paiute.

(c) Receiving Party's Failure to Control Monthly Cumulative Imbalance: When a Receiving Party fails to control amounts scheduled versus amounts taken at the Receiving Party's Delivery Point(s) such that at the end of any month a cumulative imbalance exists, the following procedures shall be implemented:

(1) If an upstream pipeline indicates that the total quantities delivered to Paiute from such pipeline during the month have created a cumulative imbalance such that cumulative delivered quantities are less than ninety-five percent (95%) or greater than one hundred five percent (105%) of the total of the cumulative daily quantities scheduled for receipt by Paiute at the applicable Receipt Point under Paiute's Rate Schedules FT-1 and IT-1 at the end of that month, the following shall apply: