

GENERAL TERMS AND CONDITIONS
(Continued)

4. OPERATING PROCEDURES (Continued)

4.2 Scheduling of Gas Receipts and Deliveries: (Continued)

- (3) Third scheduled will be firm capacity nominated from or to a secondary point that is outside the primary pathway, allocated if necessary on the basis of such secondary, out-of-pathway nominations.
- (4) Last scheduled will be Authorized Overrun Gas and interruptible service. In the event sufficient capacity is not available to schedule all Authorized Overrun Gas as requested pursuant to Section 5.1(b) and all Nominations for interruptible service, Paiute shall schedule first all Authorized Overrun Gas and interruptible service which is being provided at the maximum rate applicable to such service, then it will schedule by the rate being paid, from highest to lowest. Service which is provided at the same rate shall be scheduled based on the pro rata share of such Shipper's nominated quantity to the total nominated quantities for such service for such Day.

The allocation of the daily capacity at the LNG Plant Receipt Point will be in accordance with Section 4.7(d)(3) hereof.

As used herein, the terms "primary pathway" and "in-pathway" mean the pipeline segment between a Shipper's Primary Receipt Point(s) and that Shipper's Primary Delivery Location(s).

(d) Gas Used by Paiute under Rate Schedules FT-1 and IT-1:

- (1) Paiute shall notify Shippers not later than five (5) days prior to the start of each month of the quantity (percentage) of gas Shipper must cause to be tendered for Paiute's use during the month. System-wide Gas Used by Paiute shall be expressed and assessed as a percentage of the quantities that Paiute schedules for Shipper for receipt by Paiute at the Owyhee, Opal Valley, Jade Flats and Wadsworth Junction Receipt Point(s), except for quantities transported from the Jade Flats Receipt Point to Delivery Location 8 - Adobe. Paiute shall establish the percentage based on prior months' actual average daily usage, as adjusted for any over- or under-retention of such quantities of Shippers' gas which occurred during