

RATE SCHEDULE FT-1
FIRM TRANSPORTATION SERVICE
(Continued)

4. MINIMUM BILL

The minimum bill per month shall be the Reservation Charges.

5. RESERVED CAPACITIES

Shipper's Reserved Capacities shall be specified in the executed Service Agreement between Paiute and Shipper providing for service under this rate schedule. The individual Reserved Capacities are as follows:

5.1 The Daily Reserved Capacity, as specified in the Service Agreement, shall be the largest daily quantity of capacity that Paiute is obligated to make available to Shipper for firm transportation under this rate schedule during the Winter Period.

5.2 The Summer Daily Reserved Capacity, as specified in the Service Agreement, shall be the largest daily quantity of capacity that Paiute is obligated to make available to Shipper for firm transportation under this rate schedule during the Summer Period.

6. FACILITY ADDITIONS

6.1 For purposes of this Section 6, the term "facilities" is defined as facilities that are necessary for the receipt of gas from, or the delivery of gas to, one or more Shippers. Facilities include, but are not limited to, receipt and delivery laterals, and receipt and delivery point equipment. Facilities do not include any additional mainline compression or mainline pipeline looping or replacement, or any facilities that increase Paiute's mainline transmission capacity. This section does not apply to receipt or delivery facilities constructed by Paiute to accommodate new transportation commitments solicited by Paiute through an open season.

6.2 Paiute shall not be obligated to install additional facilities; provided, however, Paiute may install, or Shipper may pay all of the costs (including a gross-up for applicable state and federal income taxes) incurred for installing, additional facilities on a not unduly discriminatory basis and under terms that are mutually agreeable. In the event Paiute incurs the cost of installing additional facilities on behalf of a Shipper, Shipper shall pay, in addition to the rate(s) stated in this Rate Schedule FT-1, the prorated (based on Daily Reserved Capacity) cost of service attributable to any such additional facilities until such time as a different allocation procedure is specified by Commission order. If there is no additional Daily Reserved Capacity attributable to such new facilities, Shipper and Paiute shall mutually agree on a method for Shipper to compensate Paiute for the use of the facilities.