

GENERAL TERMS AND CONDITIONS
(Continued)

4. OPERATING PROCEDURES (Continued)

4.2 Scheduling of Gas Receipts and Deliveries: (Continued)

such prior months. Transporter shall have the right to adjust the percentage to reflect the actual quantity of system-wide Gas Used by Great Basin, so as not to create an imbalance on Transporter's system.

For quantities transported from the Jade Flats Receipt Point to Delivery Location 8 - Adobe, Transporter shall establish a stand-alone percentage based on prior months' lost and unaccounted for quantities, as adjusted for any over- or under-retention of such quantities of Shippers' gas which occurred during such prior months. Transporter shall have the right to adjust the percentage to reflect the quantity of lost and unaccounted for gas, so as not to create an imbalance.

In the interests of minimizing any volatility in the monthly percentages of system-wide Gas Used by Great Basin and providing some degree of predictability for Shippers' gas acquisition planning purposes, Transporter will use the following parameters in establishing the monthly percentages of system-wide Gas Used by Great Basin. For the months of October through March, inclusive, the average of the six monthly percentages of system-wide Gas Used by Great Basin shall be no less than 0.8% and no greater than 2.4%; for the months of April through September, inclusive, the average of the six monthly percentages of system-wide Gas Used by Great Basin shall be no less than 0.65% and no greater than 1.95%; provided, however, that the average of the six monthly percentages of system-wide Gas Used by Great Basin may deviate from the above-prescribed seasonal ranges if (1) Transporter deems it necessary in order to avoid exacerbating its over- or under-retention of system-wide Gas Used by Great Basin or an imbalance between Transporter's system and an upstream pipeline system, and (2) Transporter first confers with its affected firm Shippers and explains in detail the reasons for such deviation. In no event will the system-wide percentage for any month exceed 3.0%.

- (2) On or before October 25 of each year, Transporter will provide to each firm Shipper a report presenting the following information for each of the prior twelve (12) calendar months: