

GENERAL TERMS AND CONDITIONS
(Continued)

5. OVERRUN AND UNDERRUN, BALANCING AND PENALTY PAYMENTS

5.1 Daily Contract Entitlement Overrun:

- (a) Daily Authorized Quantity: With respect to service rendered under Rate Schedule FT-1 of this tariff, the Daily Authorized Quantity shall be equal to, during the Winter Period, Shipper's Daily Reserved Capacity, or, during the Summer Period, Shipper's Summer Daily Reserved Capacity, as set forth in the applicable Service Agreement(s) between Shipper and Paiute for such service, less any capacity released by Shipper on such day, and less system-wide Gas Used by Paiute or lost and unaccounted for gas, as applicable. With respect to service rendered under Rate Schedule IT-1 of this tariff, the Daily Authorized Quantity shall be equal to the volumes scheduled by Paiute pursuant to the applicable Service Agreement(s) between Shipper and Paiute for such service, less system-wide Gas Used by Paiute or lost and unaccounted for gas, as applicable.
- (b) Authorized Daily Overrun: In the event that a firm Shipper desires to schedule gas on a given day in excess of its Daily Authorized Quantity, Shipper may request permission from Paiute to schedule such gas in excess of its Daily Authorized Quantity during a Nomination cycle, pursuant to the provisions of Section 4.2 of the General Terms and Conditions of this tariff. If Paiute determines, in its sole reasonable judgment, that sufficient capacity exists on its system for that day to permit Shipper to schedule the requested volume of gas in excess of its Daily Authorized Quantity without impairing Paiute's ability to operate its system facilities or to meet its other service obligations, then Paiute will schedule such gas as Authorized Overrun Gas on the same priority basis as interruptible transportation service. All Authorized Overrun Gas shall be subject to a charge equal to the scheduled quantity of Authorized Overrun Gas in Dekatherms multiplied by the sum of the maximum Daily Reservation Charge, the Usage Charge and any surcharges applicable to Rate Schedule FT-1. Scheduling and any subsequent interruption or curtailment of Authorized Overrun Gas shall be determined in conjunction with and under the same priorities as interruptible service, as set forth in Section 4.2(c)(4) of the General Terms and Conditions of this tariff.