

RATE SCHEDULE FT-1
FIRM TRANSPORTATION SERVICE
(Continued)

7. GAS USED BY PAIUTE

Shipper shall provide its proportionate share of the Gas Used by Paiute in its day-to-day operations for transportation hereunder, in accordance with Section 4.2(d) of the General Terms and Conditions of this tariff.

8. MEASUREMENT BASE

Refer to Section 2 of the General Terms and Conditions of this tariff.

9. HEAT CONTENT

Refer to Section 3.1(e) and Section 3.2(e) of the General Terms and Conditions of this tariff.

10. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this tariff are applicable to this rate schedule and are hereby made a part hereof.

11. RESERVATION CHARGE ADJUSTMENTS

11.1 Subject to the provisions and limitations of this Section 11, if, during any day, Paiute fails to (1) transport for Shipper on that day the quantity of natural gas scheduled by Paiute for delivery to Shipper for transportation under a Service Agreement subject to this rate schedule pursuant to the normal scheduling procedures set forth in Section 4.2 of the General Terms and Conditions of this tariff, or (2) accept on that day for normal scheduling under such Section 4.2 the quantity of natural gas nominated by Shipper for transportation under a Service Agreement subject to this rate schedule, up to Shipper's applicable Reserved Capacity (i.e., Daily Reserved Capacity or Summer Daily Reserved Capacity), less any capacity released by Shipper on such day, and as qualified by this Section 11 and the provisions of Section 4.2 of the General Terms and Conditions, then the reservation charge otherwise payable by Shipper during the month in which such day occurs may be reduced, as prescribed in this Section 11.