

GENERAL TERMS AND CONDITIONS
(Continued)

2. GAS MEASUREMENT AND MEASURING EQUIPMENT

2.1 Unit of Measurement and Basis of Measurement of Gas: (Continued)

- (e) Ownership of Gas Custody Transfer Measuring Equipment: Unless otherwise agreed, Paiute shall install, own, maintain and operate at points of receipt and/or delivery a measuring station properly equipped with the necessary metering equipment by which the quantity of gas received and delivered hereunder shall be measured. All installation costs (including a gross-up for applicable state and federal income taxes) associated with any new measuring station facilities which will modify Paiute's capacity to deliver natural gas will be borne by the affected Shipper. Unless otherwise agreed to in writing, the Receiving Party or Shipper may install, maintain and operate, at its own expense, on its own facilities, downstream of a Delivery Point, check measuring, pressure regulating equipment, gas compressors or other facilities as desired, provided that such facilities shall be so installed as not to interfere with the operation of Paiute's facilities.
- (f) Calibration and Test of Gas Meters: If either Shipper or Paiute shall at any time have reason to doubt the accuracy of any gauge, measuring device, or other appliance used in measuring the gas received or delivered, it shall notify the other in writing, and within a reasonable time thereafter the measuring device shall be tested in the presence of both parties. Shipper may request a retest of the equipment originally tested within 180 days of receiving the results of the testing, however, Shipper will bear the cost of the retest if the equipment is found to be accurate within one percent (1%).
- (g) Correction of Gas Metering Errors: If any measuring device used to obtain the quantity of gas received or delivered shall have been found on test to be in error by more than two percent (2%), the amount of gas which shall have been received or delivered during a period commencing not more than thirty (30) days prior to the date of notification mentioned in Section 2.1(f) hereof shall be recalculated and corrected back to a zero percent (0%) error.
- (h) The cutoff for the closing of measurement is five (5) business days after the business month. [NAESB WGQ 2.3.7] In cases where actual data is missing or late, Paiute will use an estimate. Paiute will treat any difference between actual data and estimated data as a prior period adjustment. [NAESB WGQ 2.3.13]