

RATE SCHEDULE IT-1
INTERRUPTIBLE TRANSPORTATION SERVICE

3. RATES (Continued)

3.2 In addition to the charges set forth above, Shipper shall:

- (a) Provide quantities to Paiute pursuant to Section 6 hereof for Gas Used by Paiute; and,
- (b) Pay any penalties, fees or other charges which may be assessed pursuant to Section 5 of the General Terms and Conditions of this tariff.

4. MINIMUM BILL

None.

5. FACILITY ADDITIONS

5.1 For purposes of this Section 5, 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 facilities that increase Paiute's mainline transmission capacity, such as additional mainline compression or mainline pipeline looping or replacement.

5.2 Paiute shall not be obligated to install additional facilities; provided, however, Paiute may install additional facilities if Shipper pays all of the costs (including a gross-up for applicable state and federal income taxes) incurred for installing such additional facilities prior to the commencement of service under terms that are mutually agreeable.

Paiute may waive from time to time, at its discretion, all or a portion of the facility cost reimbursement requirement set forth in this Section 5 if Shipper provides Paiute adequate assurance of transportation revenue to make the construction of facilities economical to Paiute, in Paiute's sole, good faith judgment. All requests for waiver shall be handled by Paiute in a manner which is not unduly discriminatory.