

RATE SCHEDULE LGS-2
INTERRUPTIBLE LIQUEFIED NATURAL GAS STORAGE SERVICE

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.3 Limitations on Availability of Service. Interruptible service under this rate schedule shall only be available to the extent that the injection, storage and withdrawal capacity designated for Rate Schedule LGS-1 firm service is not being utilized for such firm service. In particular, Storage Capacity for service under this rate schedule shall be available only to the extent that requests by Rate Schedule LGS-1 Shippers for utilization of such capacity have not been scheduled pursuant to the provisions of Section 4.7(a) of the General Terms and Conditions of this tariff.

2.4 Mandatory Vaporization and Withdrawal. Unless otherwise permitted by Paiute, Shipper must vaporize and withdraw from storage all volumes held in storage for or on behalf of Shipper under this rate schedule prior to April 1 of each year. In addition, if Paiute determines that storage capacity being utilized hereunder by Shipper is needed to meet Paiute's firm obligations under Rate Schedule LGS-1, Paiute shall require Shipper to vaporize and withdraw all volumes held in storage under this rate schedule by Paiute for or on behalf of Shipper within seven days; provided, however, if Shipper has arranged for transportation of its gas from the LNG Plant under a Rate Schedule FT-1 agreement and Paiute is unable to provide such related transportation, then such seven day period shall be extended by one day for each day Paiute is unable to render such transportation. Paiute shall not extend the seven day period if Paiute is unable to provide the related transportation under a Rate Schedule IT-1 agreement. If Shipper fails to vaporize and withdraw all gas held in storage under this rate schedule by Paiute for or on behalf of Shipper prior to April 1 or within seven days upon receiving notice from Paiute, then title to any such remaining gas in storage shall be forfeited by Shipper, free and clear of any adverse claims. Such remaining gas in storage shall be treated by Paiute thereafter as Gas Used by Paiute, and shall be credited to the calculation of Gas Used by Paiute under Rate Schedules FT-1 and IT-1 and Section 4.2(d) of the General Terms and Conditions of this tariff. Paiute shall be entitled to refuse to perform service under this rate schedule when Shipper cannot demonstrate to Paiute's satisfaction that Shipper will have the ability to remove quantities of LNG stored under this rate schedule when Shipper is requested to do so under this Section 2.4.