

GENERAL TERMS AND CONDITIONS
(Continued)

15. REVENUE CREDITING FOR CAPACITY RELEASES

15.4 Credit Amounts and Offset Procedure:

Paiute shall provide a conditional credit each month to the Releasing Shipper for one hundred percent (100%) of the actual reservation charge revenue applicable to released capacity that is to be collected by Paiute from the Replacement Shipper or Prearranged Replacement Shipper. The Releasing Shipper shall continue to be billed by Paiute each month for all reservation charges applicable to released capacity, which billing shall be offset by the revenue credits. The conditional revenue credit will be reflected on the Releasing Shipper's invoice in the same month that Paiute bills the Replacement Shipper or Prearranged Replacement Shipper for the released capacity. If the Replacement Shipper or Prearranged Replacement Shipper does not make payment for the reservation charges as billed, Paiute shall so notify the Releasing Shipper within ten (10) working days following the date on which the amount was due, and shall bill the Releasing Shipper for all unpaid amounts, including all late charges authorized in Section 10 of the General Terms and Conditions of this tariff, on the next regularly scheduled billing. Such amount shall then be paid by the Releasing Shipper. In addition, the Releasing Shipper may terminate the release of capacity to a Replacement Shipper or Prearranged Replacement Shipper if such Shipper fails to pay all of the amount of any invoice for service under such Shipper's executed Service Agreement upon at least one (1) week's notice to Paiute and such Shipper. Once terminated, the capacity rights and the responsibility to pay all charges applicable to the released capacity shall revert to the Releasing Shipper.