

GENERAL TERMS AND CONDITIONS
(Continued)

7. PROCEDURES FOR OBTAINING SERVICE (continued)

7.1 Contracting for Firm Transportation and Storage Service:
(Continued)

creditworthiness requirements set forth in Section 7.4. Paiute may reject bids for service that (i) may detrimentally impact the operational integrity of Paiute's system, (ii) do not satisfy or comport with all of the terms of Paiute's posting, or (iii) contain terms and conditions inconsistent with or contrary to those set forth in this tariff. A bidder may not have multiple bids pending consideration simultaneously for the posted capacity. All bids not withdrawn prior to the close of the bid period shall be binding.

At the end of the bid period, Paiute will evaluate all of the bids submitted and determine the bid(s) having the highest economic value, applying the bid evaluation criteria stated in Paiute's posting. The bid evaluation criteria will be (i) the total net present value of the reservation charges bid for firm transportation capacity, (ii) the total net present value of the Storage Capacity and Daily Delivery Capacity charges bid for firm storage capacity, or (iii) any alternative criteria specified by Paiute in its posting. If two or more bidders offer the same economic value as determined by Paiute, Paiute will prorate the available capacity among the bidders. Paiute will notify the winning bidder(s) as soon as practicable. The winning bidder(s) will be required to execute a Service Agreement for the capacity in accordance with the terms of the winning bid(s) within three (3) Business Days of Paiute's tendering the agreement. Notwithstanding any other provision of this Section 7.1, Paiute will not be obligated to accept any offer or bid for firm service at a rate that is less than Paiute's applicable maximum tariff rate.

If no bids are submitted, or if Paiute does not accept any bid, Paiute will re-post the subject capacity on its Internet website as available unsubscribed capacity, except as may be otherwise provided under this Section 7.1.