

GENERAL TERMS AND CONDITIONS  
(Continued)

7. PROCEDURES FOR OBTAINING SERVICE (Continued)

7.4 Creditworthiness of Shipper or Persons Requesting Service:  
(Continued)

- (1) an irrevocable letter of credit to Paiute, satisfactory to Paiute;
- (2) a prepayment or deposit in advance for the service under review;
- (3) a grant to Paiute of a security interest in collateral found to be satisfactory to Paiute;
- (4) a guarantee acceptable to Paiute, by another person or entity which satisfies credit appraisal; or
- (5) such other credit arrangement which is mutually agreed to by Paiute and Shipper and which is acceptable to Paiute on a not unduly discriminatory basis. Upon Shipper's establishment of an acceptable credit record pursuant to Sections 7.4(a)(3) or 7.4(b) or upon expiration of the Service Agreement, Paiute shall return any unused portion of Shipper's letter of credit, deposit, security interest, or guarantee as applicable. If Paiute returns a deposit to Shipper, Paiute shall pay interest to Shipper at the established one-year Treasury Constant Maturity rate, as calculated by the U.S. Treasury and published in the Federal Reserve's Statistical Release H.15. The one-year rate that is effective on the first business day of each year shall be used to calculate interest for that calendar year.
- (6) Such letter of credit, deposit, security interest or guarantee shall be equal to three Months of the highest estimated reservation and commodity charges, including estimated surcharges, during the term of the Service Agreement.