

GENERAL TERMS AND CONDITIONS
(Continued)

13. SEGMENTATION AND BACKHAUL TRANSPORTATION

13.1 To the extent operationally feasible, a Shipper may segment its firm transportation capacity into separate parts for its own use or for the purpose of releasing a portion of its capacity to another Shipper. Subject to the limitations set forth below, such segmentation may be on a primary firm basis (using primary firm Receipt Points and Delivery Locations) or secondary firm basis (using secondary firm Receipt Points and/or Delivery Locations). Any segment must extend from a Receipt Point on Paiute's system to a Delivery Location, except that for purposes of segmentation, the LNG Plant, Opal Valley and Wadsworth Junction Receipt Points may also be designated as Delivery Locations. Paiute will respond to a Shipper's segmentation request within two Business Days following the request.

13.2 Segmentation Without Capacity Release:

(a) To the extent operationally feasible, a Shipper from time to time may segment its capacity into separate parts for its own use and may nominate firm transportation quantities up to its applicable Reserved Capacity (i.e., Daily Reserved Capacity or Summer Daily Reserved Capacity) in any segment, provided, however, that if Shipper's Service Agreement contains a limitation on the capacity that Shipper is entitled to use on a particular lateral (LCL), Shipper may nominate, on a primary firm basis, only up to the applicable LCL for any segment that includes a portion of such lateral. Shipper's Nominations of transportation quantities, on a primary firm basis, shall also be subject to Shipper's applicable Primary Delivery Location rights for deliveries to any Delivery Location within a segment. Shipper may nominate transportation quantities in excess of its Primary Delivery Location rights or any applicable LCL, up to its applicable Reserved Capacity, on a secondary firm basis. Except as provided in Section 13.2(c) hereof, the total of Shipper's nominated transportation quantities when Shipper is segmenting its capacity for its own use may not exceed its applicable Reserved Capacity for any segment created.