

GENERAL TERMS AND CONDITIONS
(Continued)

10. BILLING AND PAYMENT (Continued)

10.3 Suspension of Service for Non-Payment:

Should Shipper fail to pay all of the amount of any invoice for service rendered under an executed Service Agreement, as herein provided, when such amount is due, interest on the unpaid portion of the invoice shall accrue at the then effective rate computed in the manner set forth in Section 154.501 of the Commission's regulations from the due date until the date of payment. If such failure to pay continues for thirty (30) days after payment is due, Paiute, in addition to any other remedy it may have hereunder, may, subject to requirements of regulatory bodies having jurisdiction, suspend further service until such amount is paid; provided however, that prior to such suspension of service, Paiute shall inform Shipper in a "first notice" that it has twenty (20) days to pay its invoice, and in a "second notice" Paiute shall inform Shipper and the Commission that service to Shipper will be suspended in ten (10) days unless the invoice is paid.

If Shipper, in good faith, shall dispute the amount of any such invoice or parts thereof, Shipper must notify Paiute in writing, no later than fifteen (15) days after the date that payment of such invoice is due, of the amount billed that is in bona fide dispute, and provide documentation identifying the basis for the dispute. Within thirty (30) days after the due date of such payment, Shipper shall either (i) pay in full the total amount billed, without prejudice to Shipper's rights to dispute all or a portion of such amount, and subject to return by Paiute of the funds paid which are part of the disputed amount so identified, with interest calculated in the manner described above, if the dispute is resolved in favor of Shipper, or (ii) pay the undisputed portion of the amount billed. [NAESB WGQ 3.3.19] If Shipper elects to pay only the portion not in dispute, then Shipper must furnish good and sufficient surety bond, guaranteeing payment to Paiute of the amount ultimately found due upon such invoice, including interest calculated in the manner described above, after a final resolution of the dispute, which may be reached either by agreement or judgment of the courts as may be the case. Paiute shall not be entitled to suspend further service unless and until default is made in the conditions of such bond. This section does not apply to ordinary adjustments of overcharges and undercharges in accordance with Section 10.5 hereof.