

GENERAL TERMS AND CONDITIONS
(Continued)

14. CAPACITY RELEASE (Continued)

14.1 Definitions: (Continued)

- (n) A Contingent Bid is defined as (i) a bid that is conditioned upon obtaining released capacity on an upstream pipeline system, and/or (ii) a bid that is conditioned upon the bidder's failure to secure released capacity on Paiute's system from another Releasing Shipper.
- (o) Bidding Period is the period of time during which a Bidder may bid to contract for capacity which has been posted as available for release by a Releasing Shipper.
- (p) Open Season: The time period allowed for posting releases and accepting bids.

14.2 General Provisions:

- (a) Any firm Shipper (Releasing Shipper) is eligible to release all or part of its firm transportation or storage capacity for use by another party (Prearranged Replacement Shipper or Replacement Shipper) for a minimum term of one (1) day and a maximum term not to exceed the remaining term of the Releasing Shipper's firm Service Agreement. Any Replacement Shipper or Prearranged Replacement Shipper which has previously contracted for Released Capacity may also release the capacity to another party, thereby becoming a Releasing Shipper, subject to the notification and bidding requirements of this Section 14. Paiute will allow re-releases on the same terms and basis as the primary release (except as prohibited by regulations). [NAESB WGQ 5.3.19]
 - (1) A Shipper who wishes to release some or all of its firm storage capacity entitlements may do so in accordance with the capacity release provisions outlined in this Section 14. Such Shipper must specify positive quantities of both Storage Capacity and Daily Delivery Capacity that it wishes to release. Any such release is subject to the terms and conditions of Rate Schedule LGS-1 and may require a transfer of gas in inventory as specified in Section 4.7(c) (5) of the General Terms and Conditions of this tariff. If Replacement Shipper fails to withdraw all of its gas in storage within three days of the termination