

GENERAL TERMS AND CONDITIONS
(Continued)

14. CAPACITY RELEASE (Continued)

14.2 General Provisions: (Continued)

Notwithstanding the foregoing, the Releasing Shipper shall be responsible for guaranteeing payment to Paiute of all charges related to the released capacity, as provided in Section 14.2(i) hereof, in the event that the Releasing Shipper elects to waive the creditworthiness requirements for Replacement Shippers acquiring its released capacity.

- (h) Paiute shall determine the winning bid. Unless Releasing Shipper specifies otherwise, bids will be evaluated based on the Economic Value of a Bid. If the Economic Value of a Bid is equal on more than one bid, Paiute will allocate the release capacity on a pro rata basis among the Bidders. A Releasing Shipper may specify and post to Paiute's Internet website an objectively stated, non-discriminatory standard for Paiute to use in determining the best bid(s), including the criteria to be used by Paiute in evaluating volumetric or combination rate bid(s). If Releasing Shipper provides insufficient criteria for Paiute to use in evaluating volumetric or combination bid(s), Paiute will evaluate volumetric bids based on the rate which is bid and will evaluate combination bids based only on the reservation portion of each bid.
- (i) A Replacement Shipper or Prearranged Replacement Shipper must comply with Section 7.4 of the General Terms and Conditions of this tariff. Such Shipper must submit a request for prequalification for creditworthiness as a Shipper to Paiute in order to expedite implementation of capacity release service. If no creditworthy bids are submitted, the capacity release process shall terminate, but the Releasing Shipper may elect to request a release of the subject capacity at a later time.

A Releasing Shipper has the option of waiving the creditworthiness requirements for Replacement Shippers for its temporary releases of capacity for as long as the Releasing Shipper maintains compliance with Paiute's creditworthiness requirements, provided that the Releasing Shipper assumes the responsibility for guaranteeing payment to Paiute of all charges related to the released capacity.