

GENERAL TERMS AND CONDITIONS  
(Continued)

16. PREGRANTED ABANDONMENT AND RIGHT-OF-FIRST-REFUSAL (Continued)

16.2 Right-of-First-Refusal: (Continued)

provided for in the Shipper's Service Agreement, or (2) twelve (12) months prior to the expiration of the term of the Service Agreement, whichever occurs first; provided, however, that if Paiute provides notice of termination to Shipper under the terms of Shipper's Service Agreement, Shipper will have until the later of (1) twelve (12) months prior to the date of termination of the Service Agreement, or (2) thirty (30) days following its receipt of Paiute's termination notice, by which to give Paiute written notice of its intent to exercise a right-of-first refusal.

Shipper's notice of its intent to exercise a right-of-first refusal must specify the firm service capacity entitlements for which continued service is desired. If such notice fails to so specify, then Shipper shall have forfeited its right-of-first-refusal, and Paiute will be deemed to have pregranted authority to abandon the service to Shipper as of the termination of the Service Agreement. If Shipper elects to retain only a portion of its firm service capacity entitlements, Paiute will be deemed to have pregranted authority to abandon the remaining service pursuant to Section 7(b) of the Natural Gas Act, and Paiute will have no further obligation to render that remaining service once the Service Agreement terminates.

(b) Procedures:

(1) Posting of Available Capacity: Where an eligible Shipper has provided Paiute with written notice of its intent to exercise its right-of-first-refusal, Paiute will post the capacity that is subject to any expiring or terminating Service Agreement on its Internet website for a bid period commencing at least six (6) months before the expiration or termination date of such agreement and ending at least thirty (30) days prior to such expiration or termination date. The bid period shall be not less than ten (10) Business Days' duration. The posting will set forth the following:

a. Firm daily contract entitlement quantities under the expiring or terminating Service Agreement;