

RATE SCHEDULE LGS-1
FIRM LIQUEFIED NATURAL GAS STORAGE SERVICE

3. RATES (Continued)

Storage Service Agreement. Category 1 rates are applicable to contracts that are either currently in evergreen status or have a remaining primary term of less than 5 years. Category 2 rates are applicable to contracts that have a remaining primary term of at least 5 years.

The Shippers contract shall remain in that calculated Category until: (1) such time an extension is signed that increases the primary term to the next available Category (i.e. Category 1 to Category 2), or (2) the contract goes into evergreen status, at which point said contract will be charged the Category 1 rates.

3.2 Shipper shall pay Paiute monthly the sum of the following charges:

Storage Charge: A charge per Dth of Shipper's Storage Capacity.

Delivery Charge: A charge per Dth of Shipper's Daily Delivery Capacity.

Injection Charge: A charge per Dth of natural gas received by Paiute during the month for liquefaction hereunder. This charge shall not apply to LNG tendered for receipt into storage at the LNG truck unloading facility.

Withdrawal Charge: A charge per Dth of LNG converted into the gaseous phase by Paiute during the month for delivery hereunder.

The charges shall be those as set forth from time to time on the currently effective Sheet No. 10 of this tariff, which charges are incorporated herein by reference. Paiute may, from time to time and at any time selectively, adjust any or all of the rates stated above with respect to any individual Shipper or storage service in a manner which is not unduly discriminatory; provided, however, that such adjusted rate(s) shall not exceed the applicable maximum rate(s) or be less than the applicable minimum rate(s). Such discounts granted will not constitute a material deviation from Paiute's Form of Service Agreement, or Form of Amended Service Agreement.