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STATEMENT OF RATES  
 Effective Rates Under Rate Schedules  
 Contained in FERC Gas Tariff  
 Second Revised Volume No. 1-A

The charges shown below are stated in dollars per dekatherm.

Rate Schedule and Type of Charge	Base Tariff Rate		ACA Charge	Currently Effective Tariff Rate	
	Maximum	Minimum		Maximum	Minimum
<hr/>					
FT-1 - Firm Transportation Service					
<hr/>					
Reservation Charge	\$10.9986	\$0.0000		\$10.9986	\$0.0000
Usage Charge	0.0000	0.0000	\$0.0019	0.0019	0.0019
Daily Reservation Charge	0.3616			0.3616	
Elko Incremental					
Facilities Surcharge	19.2584			19.2584	
Lake Tahoe Incremental					
Facilities Surcharge	11.5874			11.5874	
Carson Lateral Incremental					
Facilities Surcharge	4.0699			4.0699	
2003 Expansion Incremental					
Facilities Surcharge	19.0148			19.0148	
 IT-1 - Interruptible Transportation Service					
<hr/>					
Usage Charge	\$ 0.3616	\$0.0010	\$0.0019	\$ 0.3635	\$0.0029
 LGS-1 - Firm Liquefied Natural Gas Service					
<hr/>					
Storage Charge	\$ 0.2643	\$0.0000		\$ 0.2643	\$0.0000
Delivery Charge	3.4885	0.0000		3.4885	0.0000
Injection Charge	0.0000	0.0000		0.0000	0.0000
Withdrawal Charge	0.0000	0.0000		0.0000	0.0000
 LGS-2 - Interruptible Liquefied Natural Gas Service					
<hr/>					
Volumetric Charge	\$ 0.5286	\$0.0010		\$ 0.5286	\$0.0010

RATE SCHEDULE LGS-1  
FIRM LIQUEFIED NATURAL GAS STORAGE SERVICE

1. AVAILABILITY

This rate schedule is available to any party (herein called "Shipper") for the liquefaction, storage and gasification of natural gas by Paiute Pipeline Company (herein called "Paiute") at Paiute's liquefied natural gas facility near Lovelock, Nevada (herein called "LNG Plant") for delivery to Paiute's pipeline system for transportation to Shipper's Delivery Point(s) on Paiute's system under the following conditions:

- 1.1 Paiute has determined that it has available capacity to render the requested service without construction of any additional facilities;
- 1.2 Shipper receives service on Paiute's system under a transportation rate schedule in this tariff; and
- 1.3 Shipper and Paiute have executed a Service Agreement in the form contained in this tariff for service under this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to the firm liquefied natural gas storage service rendered by Paiute to Shipper pursuant to the executed Service Agreement.

- 2.1 The basic service rendered under this rate schedule shall consist of the following, which shall be provided by Paiute on a firm basis:
  - (a) The receipt and liquefaction by Paiute, less Gas Used by Paiute pursuant to Section 5 hereof, for the account of Shipper of Shipper's natural gas tendered to the inlet of Paiute's LNG Plant;
  - (b) The receipt of liquefied natural gas (herein called "LNG") for the account of Shipper tendered to the LNG truck unloading facility at Paiute's LNG Plant;
  - (c) The storage of the LNG at Paiute's LNG Plant for the account of Shipper in quantities not to exceed Shipper's applicable Storage Capacity under this rate schedule;

RATE SCHEDULE LGS-1  
FIRM LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

- (d) The gasification of such stored liquid on demand by Shipper pursuant to Section 4.7(d) of the General Terms and Conditions of this tariff in quantities not to exceed Shipper's Daily Delivery Capacity; and
- (e) The delivery of equivalent quantities of natural gas, less Gas Used by Paiute pursuant to Section 5 hereof, gasified from Shipper's LNG inventory pursuant to Section 4.7(d) of the General Terms and Conditions of this tariff for the account of Shipper into Paiute's pipeline system at the point of interconnection between Paiute's LNG Plant and its main transmission line.

2.2 The service rendered under this rateschedule shall be firm and shall not be subject to curtailment, except due to operating conditions or conditions of force majeure on Paiute's system as set forth in Section 4.6 and Section 6.1 of the General Terms and Conditions of this tariff. In the event of such curtailment, Paiute shall provide service as follows:

- (a) Paiute shall provide Shipper with as much advance notice as is practical of any curtailment of service;
- (b) Shipper's service under this rate schedule shall be curtailed on a pro rata basis in proportion to the ratio of its nomination for the day of such curtailment for service under this rate schedule up to its Daily Delivery Capacity hereunder to the total of all nominations for such day for service under this rate schedule subject to Section 4.7(d)(3) of the General Terms and Conditions of this tariff; and
- (c) While Paiute shall not be responsible for any curtailment that is due to Shipper's failure to adequately maintain its LNG inventory or to schedule the use of such inventory, Paiute, in the event of such situations, will permit Shipper to arrange for the transfer of inventory balance among the other Shippers, in accordance with Section 4.7(c)(4) of the General Terms and Conditions of this tariff.

RATE SCHEDULE LGS-1  
FIRM LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.3 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 Section 14 of the General Terms and Conditions. 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 this rate schedule and may require a transfer of gas in inventory as specified in Section 4.7(c)(4) 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 of the capacity release transaction, then Paiute shall take title to any such remaining inventory free and clear of any adverse claims.

3. RATES

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

Storage Charge:	A charge per Dth of Storage Capacity.
Delivery Charge:	A charge per Dth of 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). Paiute shall file with the FERC any required reports upon adjustment of a rate(s) pursuant to this rate schedule.

RATE SCHEDULE LGS-1  
FIRM LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

3. RATES (Continued)

3.2 Each Shipper holding firm storage entitlement rights under this rate schedule during a calendar year (including Replacement Shippers) shall receive a credit for its proportionate share of 90% of the revenues collected by Paiute (after deduction by Paiute of all applicable surcharge amounts) for service rendered under Rate Schedule LGS-2 during such calendar year. Paiute shall be entitled to retain the remaining 10% of such revenues. The credit for each Shipper shall be calculated by multiplying the total of the revenues to be credited by a percentage determined by dividing the total Storage Charges and Delivery Charges paid by Shipper for service rendered under this rate schedule during such calendar year by the total of such charges paid by all Shippers for service under this rate schedule during such calendar year. Credits shall be reflected on invoices rendered in March for February services.

4. MINIMUM BILL

The minimum bill per month shall be the sum of the Storage and Delivery Charges.

5. GAS USED BY PAIUTE

Shipper shall provide its proportionate share of the Gas Used by Paiute in its day-to-day operations at the LNG Plant. Unless otherwise revised as a result of the annual audit described in Section 4.7(c)(2) of the General Terms and Conditions of this tariff, the daily quantity of Gas Used by Paiute will be determined by the following:

- 5.1 LNG Liquefaction: Twenty-one percent (21%) of the quantity liquefied on a given day. This factor shall not apply to LNG tendered for receipt into storage at the LNG truck unloading facility.
- 5.2 LNG Gasified: Three percent (3%) of the quantity gasified on a given day.

6. STORAGE AND DELIVERY CAPACITIES

Shipper's capacities shall be specified in the executed Service Agreement between Paiute and Shipper providing for service under this rate schedule. Such capacities shall represent Paiute's maximum service obligations to Shipper under this rate schedule in the circumstances to which they are applicable. The individual capacities are as follows:

RATE SCHEDULE LGS-1  
FIRM LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

6. STORAGE AND DELIVERY CAPACITIES (Continued)

6.1 The Storage Capacity shall be the largest quantity of liquefied natural gas inventory that Paiute is obligated to hold at any time for the account of Shipper at its LNG Plant. The inventory quantities shall be accounted for in equivalent Dth of natural gas; however, the actual measurement of the inventory quantity will be conducted in accordance with Section 2.2 of the General Terms and Conditions of this tariff.

6.2 The Daily Delivery Capacity shall be the largest daily quantity that Paiute is obligated to deliver into Paiute's pipeline system upon gasification for the account of Shipper during the Winter Period.

7. BOIL-OFF GAS

On any day when Shipper has not scheduled delivery from the LNG Plant, there will be a quantity of boil-off gas that must be delivered into Paiute's pipeline system. The total boil-off quantity shall be allocated among the Shippers under Rate Schedules LGS-1 and LGS-2 pro rata on the basis of their respective liquefied natural gas inventories at the beginning of the month, and transported as part of each Shipper's scheduled quantity for such day.

8. MEASUREMENT BASE

Refer to Section 2.2 of the General Terms and Conditions of this tariff.

9. FILING FEES

Shipper shall reimburse Paiute for any and all filing fees incurred by Paiute in seeking governmental authorization for the initiation, extension or termination of service under this rate schedule. Paiute shall not use such filing fee costs or the revenues so collected in the establishment of its general rates.

10. HEAT CONTENT

Refer to Section 3.1 of the General Terms and Conditions of this tariff.

11. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this tariff are applicable to this rate schedule and are hereby made a part hereof.

RATE SCHEDULE LGS-2  
INTERRUPTIBLE LIQUEFIED NATURAL GAS STORAGE SERVICE

1. AVAILABILITY

This rate schedule is available on a first-come, first-served basis as provided herein to any party (herein called "Shipper") for the liquefaction, storage and gasification of natural gas by Paiute Pipeline Company (herein called "Paiute") at Paiute's liquefied natural gas facility near Lovelock, Nevada (herein called "LNG Plant") for delivery to Paiute's pipeline system for transportation to Shipper's Delivery Point(s) on Paiute's system under the following conditions:

- 1.1 Paiute has determined that it has available capacity to render the requested service without construction of any additional facilities and without impairing service to Paiute's Shippers receiving firm services under other rate schedules of this tariff;
- 1.2 Shipper receives service on Paiute's system under a transportation rate schedule in this tariff; and
- 1.3 Shipper and Paiute have executed a Service Agreement in the form contained in this tariff for service under this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to the interruptible liquefied natural gas storage service rendered by Paiute to Shipper pursuant to the executed Service Agreement.

- 2.1 The basic service rendered under this rate schedule shall consist of the following, which shall be provided by Paiute on an interruptible basis:
  - (a) The receipt and liquefaction by Paiute, less Gas Used by Paiute pursuant to Section 5 hereof, for the account of Shipper of Shipper's natural gas tendered to the inlet of Paiute's LNG Plant;
  - (b) The receipt of liquefied natural gas (herein called "LNG") for the account of Shipper tendered to the LNG truck unloading facility at Paiute's LNG Plant;
  - (c) The storage of the LNG at Paiute's LNG Plant for the account of Shipper in quantities not to exceed Shipper's applicable Storage Capacity under this rate schedule;



RATE SCHEDULE LGS-2  
INTERRUPTIBLE LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

- (d) The gasification of such stored liquid on demand by Shipper pursuant to Section 4.7(d) of the General Terms and Conditions of this tariff in quantities not to exceed Shipper's Daily Delivery Capacity; and
- (e) The delivery of equivalent quantities of natural gas, less Gas Used by Paiute pursuant to Section 5 hereof, gasified from Shipper's LNG inventory pursuant to Section 4.7(d) of the General Terms and Conditions of this tariff for the account of Shipper into Paiute's pipeline system at the point of interconnection between Paiute's LNG Plant and its main transmission line.

2.2 The services provided under this rate schedule shall be interruptible and shall be subject to interruption at any time when Paiute determines that the total requests for service hereunder exceed Paiute's capability to meet such requests, or as provided elsewhere in this rate schedule, or due to operating conditions or conditions of force majeure on Paiute's system as set forth in Section 4.6 and Section 6.1 of the General Terms and Conditions of this tariff. In the event of such interruption, Paiute shall provide service as follows:

- (a) Paiute shall provide Shipper with as much advance notice as is practical of any interruption of service;
- (b) Shipper's service under this rate schedule shall be interrupted to the extent necessary to enable Paiute to meet its service obligations to all firm Shippers and to all interruptible Shippers with a higher priority of service than Shipper. For Shippers under this rate schedule with equal priority of service, Shipper's service under this rate schedule shall be interrupted on a pro rata basis in proportion to the ratio of its nomination for the day of such interruption for service under this rate schedule up to its Daily Delivery Capacity hereunder to the total of all nominations for such day for service under this rate schedule; and
- (c) While Paiute shall not be responsible for any interruption that is due to Shipper's failure to adequately maintain its LNG inventory or to schedule the use of such inventory, Paiute, in the event of such situations, will permit Shipper to arrange for the transfer of inventory balance among the other Shippers, in accordance with Section 4.7(c)(4) of the General Terms and Conditions of this tariff.

RATE SCHEDULE LGS-2  
INTERRUPTIBLE LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

- 2.3 Limitations on Availability of Service. Interruptible service under this rate schedule shall only be available to the extent that the injection, storage and withdrawal capacity designated for Rate Schedule LGS-1 firm service is not being utilized for such firm service. In particular, Storage Capacity for service under this rate schedule shall be available only to the extent that requests by Rate Schedule LGS-1 Shippers for utilization of such capacity have not been scheduled pursuant to the provisions of Section 4.7(a) of the General Terms and Conditions of this tariff.
- 2.4 Mandatory Gasification and Withdrawal. Unless otherwise permitted by Paiute, Shipper must gasify and withdraw from storage all volumes held in storage for or on behalf of Shipper under this rate schedule prior to April 1 of each year. In addition, if Paiute determines that storage capacity being utilized hereunder by Shipper is needed to meet Paiute's firm obligations under Rate Schedule LGS-1, Paiute shall require Shipper to gasify and withdraw all volumes held in storage under this rate schedule by Paiute for or on behalf of Shipper within seven days; provided, however, if Shipper has arranged for transportation of its gas from the LNG Plant under a Rate Schedule FT-1 agreement and Paiute is unable to provide such related transportation, then such seven day period shall be extended by one day for each day Paiute is unable to render such transportation. Paiute shall not extend the seven day period if Paiute is unable to provide the related transportation under a Rate Schedule IT-1 agreement. If Shipper fails to gasify and withdraw all gas held in storage under this rate schedule by Paiute for or on behalf of Shipper prior to April 1 or within seven days upon receiving notice from Paiute, then Paiute shall take title to any such remaining gas in storage free and clear of any adverse claims. Paiute shall be entitled to refuse to perform service under this rate schedule when Shipper cannot demonstrate to Paiute's satisfaction that Shipper will have the ability to remove quantities of LNG stored under this rate schedule when Shipper is requested to do so under this Section 2.4.

RATE SCHEDULE LGS-2  
INTERRUPTIBLE LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

3. RATES

Shipper shall pay Paiute each month an amount equal to the applicable Volumetric Charge multiplied times the average daily quantity of gas held in storage during the month under this rate schedule by Paiute for or on behalf of Shipper.

The Volumetric Charge shall be set forth from time to time on the currently effective Sheet No. 10 of this tariff which charge is 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). Paiute shall file with the FERC any required reports upon adjustment of a rate(s) pursuant to this rate schedule.

4. MINIMUM BILL

None.

5. GAS USED BY PAIUTE

Shipper shall provide its proportionate share of the Gas Used by Paiute in its day-to-day operations at the LNG Plant. Unless otherwise revised as a result of the annual audit described in Section 4.7(c)(2) of the General Terms and Conditions of this tariff, the daily quantity of Gas Used by Paiute will be determined by the following:

- 5.1 LNG Liquefaction: Twenty-one percent (21%) of the quantity liquefied on a given day. This factor shall not apply to LNG tendered for receipt into storage at the LNG truck unloading facility.
- 5.2 LNG Gasified: Three percent (3%) of the quantity gasified on a given day.

RATE SCHEDULE LGS-2  
INTERRUPTIBLE LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

6. STORAGE AND DELIVERY CAPACITIES

Shipper's maximum contract entitlement quantities shall be specified in the executed Service Agreement between Paiute and Shipper providing for service under this rate schedule. Such quantities shall represent Paiute's maximum service obligations to Shipper under this rate schedule in the circumstances to which they are applicable. The individual entitlement quantities are as follows:

6.1 The Storage Capacity shall be the largest quantity of liquefied natural gas inventory that Paiute is obligated to hold at any time for the account of Shipper at its LNG Plant. The inventory quantities shall be accounted for in equivalent Dth of natural gas; however, the actual measurement of the inventory quantity will be conducted in accordance with Section 2.2 of the General Terms and Conditions of this tariff.

6.2 The Daily Delivery Capacity shall be the largest daily quantity that Paiute is obligated to deliver into Paiute's pipeline system upon gasification for the account of Shipper during the Winter Period.

7. BOIL-OFF GAS

On any day when Shipper has not scheduled delivery from the LNG Plant, there will be a quantity of boil-off gas that must be delivered into Paiute's pipeline system. The total boil-off quantity shall be allocated among the Shippers under Rate Schedules LGS-1 and LGS-2 pro rata on the basis of their respective liquefied natural gas inventories at the beginning of the month, and transported as part of each Shipper's scheduled quantity for such day.

8. MEASUREMENT BASE

Refer to Section 2.2 of the General Terms and Conditions of this tariff.

9. FILING FEES

Shipper shall reimburse Paiute for any and all filing fees incurred by Paiute in seeking governmental authorization for the initiation, extension or termination of service under this rate schedule. Paiute shall not use such filing fee costs or the revenues so collected in the establishment of its general rates.

RATE SCHEDULE LGS-2  
INTERRUPTIBLE LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

10. HEAT CONTENT

Refer to Section 3.1 of the General Terms and Conditions of this tariff.

11. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this tariff are applicable to this rate schedule and are hereby made a part hereof. Except for Sections 4.7(c)(3) and 4.7(d)(4), the provisions of Section 4.7 of the General Terms and Conditions are applicable to service under this rate schedule, subject to any applicable limitations set forth in this rate schedule, which shall supersede the provisions of Section 4.7 of the General Terms and Conditions.

HELD FOR FUTURE USE

GENERAL TERMS AND CONDITIONS  
(Continued)

14. CAPACITY RELEASE (Continued)

14.1 Definitions: (Continued)

- (m) Monthly Rate: Converting a daily rate to a monthly rate is accomplished by multiplying the daily rate times the number of days in the rate period, dividing the result by the number of months in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to the transporter's specified decimal place.
- (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 commencing with the posting of an offer to release capacity and terminating upon the specified closing time for receiving bids.
- (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 the 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).
- (b) Potential Replacement Shippers may post offers to purchase capacity to the Electronic Bulletin Board. If an offer to purchase results in a Capacity Release being offered, such

GENERAL TERMS AND CONDITIONS  
(Continued)

14. CAPACITY RELEASE (Continued)

14.2 General Provisions: (Continued)

- (u) The maximum capacity available for release by each firm shipper is equal to such Shipper's applicable capacity entitlement as set forth in its service agreement.
- (v) All offers and bids must be complete, as outlined in Section 14.2(c) of Paiute's General Terms and Conditions, before being posted. Only posted offers and bids will be available electronically.
- (w) The capacity release timeline is applicable to all parties involved in the capacity release process; however, it is only applicable if (1) all information provided by the parties to the transaction is valid and the acquiring Shipper has been determined to be creditworthy before the capacity release bid is tendered and (2) there are no special terms or conditions of the release.
- (x) If Releasing Shipper is receiving a discounted rate from Paiute at the time of its release to Replacement Shipper under its applicable firm service agreement, then Paiute will provide a similar discount to Replacement Shipper, if Replacement Shipper is similarly situated to Releasing Shipper, and for so long as Paiute is providing a similar discount to other shippers similarly situated to Replacement Shipper.

14.3 Short-Term Releases (less than five months):

- (a) Prearranged Releases Not Subject to Bid: A Releasing Shipper may release capacity to a Prearranged Replacement Shipper for any period of thirty-one (31) days or less, without having to comply with the notification and bidding requirements of this Section 14. A release under this Section 14.3(a) will be posted to the Electronic Bulletin Board by Paiute, using the Posting Form for No-Bid Release Transactions contained in Section 25 of the General Terms and Conditions of this Tariff, and will be subject to the timeline below.



FORM OF SERVICE AGREEMENT  
APPLICABLE TO SERVICE  
UNDER RATE SCHEDULES LGS-1 AND LGS-2

This is an AGREEMENT made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, by and between PAIUTE PIPELINE COMPANY, a Nevada corporation, herein called "Paiute", and \_\_\_\_\_, herein called "Shipper".

WITNESSETH:

In consideration of the mutual covenants and agreements as herein set forth, the Paiute and Shipper agree as follows:

ARTICLE I - SERVICE TO BE PROVIDED

Subject to the terms, conditions and limitations hereof, Paiute agrees to receive Shipper's natural gas at Paiute's liquefied natural gas storage facility (herein called "LNG Plant"), either in gaseous form at the pipeline inlet to the LNG Plant or in liquid form at the truck unloading facility at the LNG Plant, and to store and gasify up to the following capacities, as applicable, which shall constitute Shipper's Contract Capacities:

Storage Capacity	_____	Dth
Daily Delivery Capacity	_____	Dth

At Shipper's request, Paiute shall gasify quantities of Shipper's LNG in storage, up to Shipper's Daily Delivery Capacity, and deliver into Paiute's transmission system at the outlet of the LNG Plant the equivalent quantity of gas, less Gas Used by Paiute, for transportation on Paiute's system. Paiute shall not be obligated to gasify and receive for transportation quantities of gas in excess of Shipper's applicable Daily Delivery Capacity.

ARTICLE II - APPLICABLE TRANSPORTATION RATES AND RATE SCHEDULE

Shipper agrees to pay Paiute for all service rendered under the terms of this Agreement in accordance with Paiute's Rate Schedule LGS-\_\_, as filed with the Federal Energy Regulatory Commission, and as amended or superseded from time to time. This Agreement shall be subject to the provisions of such rate schedule and the General Terms and Conditions applicable thereto on file with the Federal Energy Regulatory Commission and effective from time to time, which by this reference are incorporated herein and made a part hereof.

FORM OF SERVICE AGREEMENT  
APPLICABLE TO SERVICE  
UNDER RATE SCHEDULES LGS-1 AND LGS-2  
(Continued)

ARTICLE III - TERM OF AGREEMENT

This Agreement shall become effective on \_\_\_\_\_, and shall continue in effect for a period extending for a primary term to and including \_\_\_\_\_, and from \_\_\_\_\_ thereafter, subject however, to termination at expiration of the said primary term or upon \_\_\_\_\_ thereafter by either party hereto through written notice so stating and given to the other no less than \_\_\_\_\_ in advance.

ARTICLE IV - NOTICES

Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered personally, or by mail or facsimile with all postage and charges prepaid, to either Shipper or Paiute at the place designated. Routine communications shall be considered as duly delivered when mailed by ordinary mail. Normal operating instructions can be made by telephone. Unless changed, the addresses of the parties are as follows:

Paiute Pipeline Company  
P.O. Box 94197  
Las Vegas, Nevada 89193-4197

Either party may change its address at any time upon written notice to the other.

ARTICLE V - OTHER OPERATING PROVISIONS

(To be utilized when necessary to specify other operating provisions required for individual services.)

ARTICLE VI - ADJUSTMENTS TO GENERAL TERMS AND CONDITIONS

(To be utilized when necessary as approved by the Commission.)

Certain of the General Terms and Conditions applicable to Shipper's Rate Schedule LGS-\_\_ are to be adjusted for the purpose of this Agreement, as specified below.

FORM OF SERVICE AGREEMENT  
APPLICABLE TO SERVICE  
UNDER RATE SCHEDULES LGS-1 AND LGS-2  
(Continued)

ARTICLE VII - CANCELLATION OF PRIOR AGREEMENT(S)

(To be utilized when necessary.)

When this Agreement takes effect, it supersedes, cancels and terminates the following agreement(s):

ARTICLE VIII - SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No assignment or transfer by either party hereunder shall be made without written approval of the other party. Such approval shall not be unreasonably withheld. As between the parties hereto, such assignment shall become effective on the first (1st) day of the month following written notice that such assignment has been effectuated.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above set forth.

PAIUTE PIPELINE COMPANY  
"Paiute"

Attest: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
"Shipper"

Attest: \_\_\_\_\_

By: \_\_\_\_\_

TF01014380012705PAIUTE PIPELINE COMPANY  
 TF02 1-A 2Second Revised Volume No. 1-A  
 TF03 1003001P126Third Revised Sheet No. 1  
 TF04 Second Revised Sheet No. 1  
 TF05Edward C. McMurtrie, Vice President/General Manager  
 TF06012705 030105

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STATEMENT OF RATES  
 Effective Rates Under Rate Schedules  
 Contained in FERC Gas Tariff  
 Second Revised Volume No. 1-A

The charges shown below are stated in dollars per dekatherm.

Rate Schedule and Type of Charge	Base Tariff Rate		ACA Charge	Currently Effective Tariff Rate		
	Maximum	Minimum		Maximum	Minimum	
<hr/>						
FT-1 - Firm Transportation Service						
<hr/>						
	10.9986			10.9986		
Reservation Charge	\$ <del>9.4102</del>	\$0.0000		\$ <del>9.4102</del>	\$0.0000	
Usage Charge	0.0000	0.0000	\$0.0019	0.0019	0.0019	
Daily Reservation Charge	<del>0.3094</del>	3616		<del>0.3094</del>	3616	
Elko Incremental						
Facilities Surcharge	<del>20.7776</del>	19.2584		<del>20.7776</del>	19.2584	
Lake Tahoe Incremental						
Facilities Surcharge	<del>11.8669</del>	11.5874		<del>11.8669</del>	11.5874	
Carson Lateral Incremental						
Facilities Surcharge	<del>4.0671</del>	4.0699		<del>4.0671</del>	4.0699	
2003 Expansion Incremental						
Facilities Surcharge	<del>16.4592</del>	19.0148		<del>16.4592</del>	19.0148	
<hr/>						
IT-1 - Interruptible Transportation Service						
<hr/>						
	3616			3635		
Usage Charge	\$ <del>0.3094</del>	\$0.0010	\$0.0019	\$ <del>0.3113</del>	\$0.0029	
<hr/>						
LGS-1 - Firm Liquefied Natural Gas Service						
<hr/>						
	2643			2643		
Storage Charge	\$ <del>0.3424</del>	\$0.0000		\$ <del>0.3424</del>	\$0.0000	
Delivery Charge	3.4885	<del>4.5193</del>	0.0000	3.4885	<del>4.5193</del>	0.0000
Injection Charge	0.0000	0.0000		0.0000	0.0000	
Withdrawal Charge	0.0000	0.0000		0.0000	0.0000	
<hr/>						
LGS-2 - Interruptible Liquefied Natural Gas Service						
<hr/>						
Volumetric Charge	\$ 0.5286	\$0.0010		\$ 0.5286	\$0.0010	

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RATE SCHEDULE LGS-1

FIRM LIQUEFIED NATURAL GAS STORAGE SERVICE

1. AVAILABILITY

This rate schedule is available to any party (herein called "Shipper") for the liquefaction, storage and gasification of natural gas by Paiute Pipeline Company (herein called "Paiute") at Paiute's liquefied natural gas facility near Lovelock, Nevada (herein called "LNG Plant") for delivery to Paiute's pipeline system for transportation to Shipper's Delivery Point(s) on Paiute's system under the following conditions:

- 1.1 Paiute has determined that it has available capacity to render the requested service without construction of any additional facilities;
- 1.2 Shipper receives service on Paiute's system under a transportation rate schedule in this tariff; and
- 1.3 Shipper and Paiute have executed a Service Agreement in the form contained in this tariff for service under this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to the firm liquefied natural gas storage service rendered by Paiute to Shipper pursuant to the executed Service Agreement.

- 2.1 The basic service rendered under this rate schedule shall consist of the following, which shall be provided by Paiute on a firm basis:

- (a) The receipt and liquefaction by Paiute, less Gas Used by Paiute pursuant to Section 5 hereof, for the account of Shipper of Shipper's natural gas tendered to the inlet of Paiute's LNG Plant;
- (b) The receipt of liquefied natural gas (herein called "LNG") for the account of Shipper tendered to the LNG truck unloading facility at Paiute's LNG Plant;
- (c) The storage of the LNG at Paiute's LNG Plant for the account of Shipper in quantities not to exceed Shipper's applicable Storage Capacity under this rate schedule;

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RATE SCHEDULE LGS-1  
FIRM LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

- (d) The gasification of such stored liquid on demand by Shipper pursuant to Section 4.7(d) of the General Terms and Conditions of this tariff in quantities not to exceed Shipper's Daily Delivery Capacity; and
- (e) The delivery of equivalent quantities of natural gas, less Gas Used by Paiute pursuant to Section 5 hereof, gasified from Shipper's LNG inventory pursuant to Section 4.7(d) of the General Terms and Conditions of this tariff for the account of Shipper into Paiute's pipeline system at the point of interconnection between Paiute's LNG Plant and its main transmission line. ~~for transportation to the Delivery Point(s).~~

2.2 The service rendered under this rate schedule shall be firm and shall not be subject to curtailment, except due to operating conditions or conditions of force majeure on Paiute's system as set forth in Section 4.6 and Section 6.1 of the General Terms and Conditions of this tariff. In the event of such curtailment, Paiute shall provide service as follows:

- (a) Paiute shall provide Shipper with as much advance notice as is practical of any curtailment of service;
- (b) Shipper's service under this rate schedule shall be curtailed on a pro rata basis in proportion to the ratio of its nomination for the day of such curtailment for service under this rate schedule up to its Daily Delivery Capacity hereunder to the total of all nominations for such day for service under this rate schedule subject to Section 4.7(d)(3) of the General Terms and Conditions of this tariff; and
- (c) While Paiute shall not be responsible for any curtailment that is due to Shipper's failure to adequately maintain its LNG inventory or to schedule the use of such inventory, Paiute, in the event of such situations, will permit Shipper to arrange for the transfer of inventory balance among the other Shippers, in accordance with Section 4.7(c)(4) of the General Terms and Conditions of this tariff.

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RATE SCHEDULE LGS-1  
FIRM LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.3 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 Section 14 of the General Terms and Conditions. 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 this rate schedule and may require a transfer of gas in inventory as specified in Section 4.7(c)(4) 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 of the capacity release transaction, then Paiute shall take title to any such remaining inventory free and clear of any adverse claims.

3. RATES

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

Storage Charge:	A charge per Dth of Storage Capacity.
Delivery Charge:	A charge per Dth of 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). Paiute shall file with the FERC any required reports upon adjustment of a rate(s) pursuant to this rate schedule.



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RATE SCHEDULE LGS-1  
FIRM LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

3. RATES (Continued)

3.2 Each Shipper holding firm storage entitlement rights under this rate schedule during a calendar year (including Replacement Shippers) shall receive a credit for its proportionate share of 90% of the revenues collected by Paiute (after deduction by Paiute of all applicable surcharge amounts) for service rendered under Rate Schedule LGS-2 during such calendar year. Paiute shall be entitled to retain the remaining 10% of such revenues. The credit for each Shipper shall be calculated by multiplying the total of the revenues to be credited by a percentage determined by dividing the total Storage Charges and Delivery Charges paid by Shipper for service rendered under this rate schedule during such calendar year by the total of such charges paid by all Shippers for service under this rate schedule during such calendar year. Credits shall be reflected on invoices rendered in March for February services.

4. MINIMUM BILL

The minimum bill per month shall be the sum of the Storage and Delivery Charges.

5. GAS USED BY PAIUTE

Shipper shall provide its proportionate share of the Gas Used by Paiute in its day-to-day operations at the LNG Plant. Unless otherwise revised as a result of the annual audit described in Section 4.7(c)(2) of the General Terms and Conditions of this tariff, the daily quantity of Gas Used by Paiute will be determined by the following:

5.1 LNG Liquefaction: Twenty-one percent (21%) of the quantity liquefied on a given day. This factor shall not apply to LNG tendered for receipt into storage at the LNG truck unloading facility.

5.2 LNG Gasified: Three percent (3%) of the quantity gasified on a given day.

6. STORAGE AND DELIVERY CAPACITIES

Shipper's capacities shall be specified in the executed Service Agreement between Paiute and Shipper providing for service under this rate schedule. Such capacities shall represent Paiute's maximum service obligations to Shipper under this rate schedule in the circumstances to which they are applicable. The individual capacities are as follows:

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RATE SCHEDULE LGS-1  
FIRM LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

6. STORAGE AND DELIVERY CAPACITIES (Continued)

- 6.1 The Storage Capacity shall be the largest quantity of liquefied natural gas inventory that Paiute is obligated to hold at any time for the account of Shipper at its LNG Plant. The inventory quantities shall be accounted for in equivalent Dth of natural gas; however, the actual measurement of the inventory quantity will be conducted in accordance with Section 2.2 of the General Terms and Conditions of this tariff.
- 6.2 The Daily Delivery Capacity shall be the largest daily quantity that Paiute is obligated to deliver into Paiute's pipeline system upon gasification for the account of Shipper during the Winter Period.

7. BOIL-OFF GAS

On any day when Shipper has not scheduled delivery from the LNG Plant, there will be a quantity of boil-off gas that must be delivered into Paiute's pipeline system. The total boil-off quantity shall be allocated among the Shippers under ~~this rate schedule~~ Rate Schedules LGS-1 and LGS-2 pro rata on the basis of their respective liquefied natural gas inventories at the beginning of the month, and transported as part of each Shipper's scheduled quantity for such day.

8. MEASUREMENT BASE

Refer to Section 2.2 of the General Terms and Conditions of this tariff.

9. FILING FEES

Shipper shall reimburse Paiute for any and all filing fees incurred by Paiute in seeking governmental authorization for the initiation, extension or termination of service under this rate schedule. Paiute shall not use such filing fee costs or the revenues so collected in the establishment of its general rates.

10. HEAT CONTENT

Refer to Section 3.1 of the General Terms and Conditions of this tariff.

11. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this tariff are applicable to this rate schedule and are hereby made a part hereof.

TF04

TF05Edward C. McMurtrie, Vice President/General Manager

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RATE SCHEDULE LGS-2

INTERRUPTIBLE LIQUEFIED NATURAL GAS STORAGE SERVICE

1. AVAILABILITY

This rate schedule is available on a first-come, first-served basis as provided herein to any party (herein called "Shipper") for the liquefaction, storage and gasification of natural gas by Paiute Pipeline Company (herein called "Paiute") at Paiute's liquefied natural gas facility near Lovelock, Nevada (herein called "LNG Plant") for delivery to Paiute's pipeline system for transportation to Shipper's Delivery Point(s) on Paiute's system under the following conditions:

- 1.1 Paiute has determined that it has available capacity to render the requested service without construction of any additional facilities and without impairing service to Paiute's Shippers receiving firm services under other rate schedules of this tariff;
- 1.2 Shipper receives service on Paiute's system under a transportation rate schedule in this tariff; and
- 1.3 Shipper and Paiute have executed a Service Agreement in the form contained in this tariff for service under this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to the interruptible liquefied natural gas storage service rendered by Paiute to Shipper pursuant to the executed Service Agreement.

- 2.1 The basic service rendered under this rate schedule shall consist of the following, which shall be provided by Paiute on an interruptible basis:
  - (a) The receipt and liquefaction by Paiute, less Gas Used by Paiute pursuant to Section 5 hereof, for the account of Shipper of Shipper's natural gas tendered to the inlet of Paiute's LNG Plant;
  - (b) The receipt of liquefied natural gas (herein called "LNG") for the account of Shipper tendered to the LNG truck unloading facility at Paiute's LNG Plant;
  - (c) The storage of the LNG at Paiute's LNG Plant for the account of Shipper in quantities not to exceed Shipper's applicable Storage Capacity under this rate schedule;

RATE SCHEDULE LGS-2  
INTERRUPTIBLE LIQUEFIED NATURAL GAS STORAGE SERVICE  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

(d) The gasification of such stored liquid on demand by Shipper pursuant to Section 4.7(d) of the General Terms and Conditions of this tariff in quantities not to exceed Shipper's Daily Delivery Capacity; and

(e) The delivery of equivalent quantities of natural gas, less Gas Used by Paiute pursuant to Section 5 hereof, gasified from Shipper's LNG inventory pursuant to Section 4.7(d) of the General Terms and Conditions of this tariff for the account of Shipper into Paiute's pipeline system at the point of interconnection between Paiute's LNG Plant and its main transmission line.

2.2 The services provided under this rate schedule shall be interruptible and shall be subject to interruption at any time when Paiute determines that the total requests for service hereunder exceed Paiute's capability to meet such requests, or as provided elsewhere in this rate schedule, or due to operating conditions or conditions of force majeure on Paiute's system as set forth in Section 4.6 and Section 6.1 of the General Terms and Conditions of this tariff. In the event of such interruption, Paiute shall provide service as follows:

(a) Paiute shall provide Shipper with as much advance notice as is practical of any interruption of service;

(b) Shipper's service under this rate schedule shall be interrupted to the extent necessary to enable Paiute to meet its service obligations to all firm Shippers and to all interruptible Shippers with a higher priority of service than Shipper. For Shippers under this rate schedule with equal priority of service, Shipper's service under this rate schedule shall be interrupted on a pro rata basis in proportion to the ratio of its nomination for the day of such interruption for service under this rate schedule up to its Daily Delivery Capacity hereunder to the total of all nominations for such day for service under this rate schedule; and

(c) While Paiute shall not be responsible for any interruption that is due to Shipper's failure to adequately maintain its LNG inventory or to schedule the use of such inventory, Paiute, in the event of such situations, will permit Shipper to arrange for the transfer of inventory balance among the other Shippers, in accordance with Section 4.7(c)(4) of the General Terms and Conditions of this tariff.

RATE SCHEDULE LGS-2

INTERRUPTIBLE LIQUEFIED NATURAL GAS STORAGE SERVICE

(Continued)

- 2.3 Limitations on Availability of Service. Interruptible service under this rate schedule shall only be available to the extent that the injection, storage and withdrawal capacity designated for Rate Schedule LGS-1 firm service is not being utilized for such firm service. In particular, Storage Capacity for service under this rate schedule shall be available only to the extent that requests by Rate Schedule LGS-1 Shippers for utilization of such capacity have not been scheduled pursuant to the provisions of Section 4.7(a) of the General Terms and Conditions of this tariff.
- 2.4 Mandatory Gasification and Withdrawal. Unless otherwise permitted by Paiute, Shipper must gasify and withdraw from storage all volumes held in storage for or on behalf of Shipper under this rate schedule prior to April 1 of each year. In addition, if Paiute determines that storage capacity being utilized hereunder by Shipper is needed to meet Paiute's firm obligations under Rate Schedule LGS-1, Paiute shall require Shipper to gasify and withdraw all volumes held in storage under this rate schedule by Paiute for or on behalf of Shipper within seven days; provided, however, if Shipper has arranged for transportation of its gas from the LNG Plant under a Rate Schedule FT-1 agreement and Paiute is unable to provide such related transportation, then such seven day period shall be extended by one day for each day Paiute is unable to render such transportation. Paiute shall not extend the seven day period if Paiute is unable to provide the related transportation under a Rate Schedule IT-1 agreement. If Shipper fails to gasify and withdraw all gas held in storage under this rate schedule by Paiute for or on behalf of Shipper prior to April 1 or within seven days upon receiving notice from Paiute, then Paiute shall take title to any such remaining gas in storage free and clear of any adverse claims. Paiute shall be entitled to refuse to perform service under this rate schedule when Shipper cannot demonstrate to Paiute's satisfaction that Shipper will have the ability to remove quantities of LNG stored under this rate schedule when Shipper is requested to do so under this Section 2.4.

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RATE SCHEDULE LGS-2

INTERRUPTIBLE LIQUEFIED NATURAL GAS STORAGE SERVICE

(Continued)

3. RATES

Shipper shall pay Paiute each month an amount equal to the applicable Volumetric Charge multiplied times the average daily quantity of gas held in storage during the month under this rate schedule by Paiute for or on behalf of Shipper.

The Volumetric Charge shall be set forth from time to time on the currently effective Sheet No. 10 of this tariff which charge is 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). Paiute shall file with the FERC any required reports upon adjustment of a rate(s) pursuant to this rate schedule.

4. MINIMUM BILL

None.

5. GAS USED BY PAIUTE

Shipper shall provide its proportionate share of the Gas Used by Paiute in its day-to-day operations at the LNG Plant. Unless otherwise revised as a result of the annual audit described in Section 4.7(c)(2) of the General Terms and Conditions of this tariff, the daily quantity of Gas Used by Paiute will be determined by the following:

5.1 LNG Liquefaction: Twenty-one percent (21%) of the quantity liquefied on a given day. This factor shall not apply to LNG tendered for receipt into storage at the LNG truck unloading facility.

5.2 LNG Gasified: Three percent (3%) of the quantity gasified on a given day.

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RATE SCHEDULE LGS-2

INTERRUPTIBLE LIQUEFIED NATURAL GAS STORAGE SERVICE

(Continued)

## 6. STORAGE AND DELIVERY CAPACITIES

Shipper's maximum contract entitlement quantities shall be specified in the executed Service Agreement between Paiute and Shipper providing for service under this rate schedule. Such quantities shall represent Paiute's maximum service obligations to Shipper under this rate schedule in the circumstances to which they are applicable. The individual entitlement quantities are as follows:

6.1 The Storage Capacity shall be the largest quantity of liquefied natural gas inventory that Paiute is obligated to hold at any time for the account of Shipper at its LNG Plant. The inventory quantities shall be accounted for in equivalent Dth of natural gas; however, the actual measurement of the inventory quantity will be conducted in accordance with Section 2.2 of the General Terms and Conditions of this tariff.

6.2 The Daily Delivery Capacity shall be the largest daily quantity that Paiute is obligated to deliver into Paiute's pipeline system upon gasification for the account of Shipper during the Winter Period.

## 7. BOIL-OFF GAS

On any day when Shipper has not scheduled delivery from the LNG Plant, there will be a quantity of boil-off gas that must be delivered into Paiute's pipeline system. The total boil-off quantity shall be allocated among the Shippers under Rate Schedules LGS-1 and LGS-2 pro rata on the basis of their respective liquefied natural gas inventories at the beginning of the month, and transported as part of each Shipper's scheduled quantity for such day.

## 8. MEASUREMENT BASE

Refer to Section 2.2 of the General Terms and Conditions of this tariff.

## 9. FILING FEES

Shipper shall reimburse Paiute for any and all filing fees incurred by Paiute in seeking governmental authorization for the initiation, extension or termination of service under this rate schedule. Paiute shall not use such filing fee costs or the revenues so collected in the establishment of its general rates.

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RATE SCHEDULE LGS-2

INTERRUPTIBLE LIQUEFIED NATURAL GAS STORAGE SERVICE

(Continued)

#### 10. HEAT CONTENT

Refer to Section 3.1 of the General Terms and Conditions of this tariff.

#### 11. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this tariff are applicable to this rate schedule and are hereby made a part hereof. Except for Sections 4.7(c)(3) and 4.7(d)(4), the provisions of Section 4.7 of the General Terms and Conditions are applicable to service under this rate schedule, subject to any applicable limitations set forth in this rate schedule, which shall supersede the provisions of Section 4.7 of the General Terms and Conditions.



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HELD FOR FUTURE USE

14. CAPACITY RELEASE (Continued)

14.1 Definitions: (Continued)

- (m) Monthly Rate: Converting a daily rate to a monthly rate is accomplished by multiplying the daily rate times the number of days in the rate period, dividing the result by the number of months in the rate period, taking the remainder out to 5 decimal places, and rounding up or down to the transporter's specified decimal place.
- (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 commencing with the posting of an offer to release capacity and terminating upon the specified closing time for receiving bids.
- (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 ~~flowing~~ 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 the 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).
- (b) Potential Replacement Shippers may post offers to purchase capacity to the Electronic Bulletin Board. If an offer to purchase results in a Capacity Release being offered, such

14. CAPACITY RELEASE (Continued)

14.2 General Provisions: (Continued)

- (u) The maximum capacity available for release by each firm shipper during the Summer Period is equal to such Shipper's applicable capacity entitlement as set forth in its service agreement.

~~Rate Schedule FT-1 Summer Daily Reserved Capacity. The maximum capacity available for release by each firm shipper during the Winter Period is equal to such Shipper's Rate Schedule FT-1 Daily Reserved Capacity less such Shipper's Rate Schedule LGS-1 Daily Delivery Capacity.~~

- (v) All offers and bids must be complete, as outlined in Section 14.2(c) of Paiute's General Terms and Conditions, before being posted. Only posted offers and bids will be available electronically.
- (w) The capacity release timeline is applicable to all parties involved in the capacity release process; however, it is only applicable if (1) all information provided by the parties to the transaction is valid and the acquiring Shipper has been determined to be creditworthy before the capacity release bid is tendered and (2) there are no special terms or conditions of the release.
- (x) If Releasing Shipper is receiving a discounted rate from Paiute at the time of its release to Replacement Shipper under its applicable firm transportation service agreement, then Paiute will provide a similar discount to Replacement Shipper, if Replacement Shipper is similarly situated to Releasing Shipper, and for so long as Paiute is providing a similar discount to other shippers similarly situated to Replacement Shipper.

14.3 Short-Term Releases (less than five months):

- (a) Prearranged Releases Not Subject to Bid: A Releasing Shipper may release capacity to a Prearranged Replacement Shipper for any period of thirty-one (31) days or less, without having to comply with the notification and bidding requirements of this Section 14. A release under this Section 14.3(a) will be posted to the Electronic Bulletin Board by Paiute, using the Posting Form for No-Bid Release Transactions contained in Section 25 of the General Terms and Conditions of this Tariff, and will be subject to the timeline below.

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FORM OF SERVICE AGREEMENT  
APPLICABLE TO SERVICE  
UNDER RATE SCHEDULES LGS-1 AND LGS-2

This is an AGREEMENT made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, by and between PAIUTE PIPELINE COMPANY, a Nevada corporation, herein called "Paiute", and \_\_\_\_\_, herein called "Shipper".

WITNESSETH:

In consideration of the mutual covenants and agreements as herein set forth, the Paiute and Shipper agree as follows:

ARTICLE I - SERVICE TO BE PROVIDED

Subject to the terms, conditions and limitations hereof, Paiute agrees to receive Shipper's natural gas at Paiute's liquefied natural gas storage facility (herein called "LNG Plant"), either in gaseous form at the pipeline inlet to the LNG Plant or in liquid form at the truck unloading facility at the LNG Plant, and to store and gasify up to the following capacities, as applicable, which shall constitute Shipper's Contract Capacities:

Storage Capacity	_____	Dth
Daily Delivery Capacity	_____	Dth

At Shipper's request, Paiute shall gasify quantities of Shipper's LNG in storage, up to Shipper's Daily Delivery Capacity, and deliver into Paiute's transmission system at the outlet of the LNG Plant ~~thereupon transport pursuant to Shipper's executed Transportation Service Agreement(s) with Paiute~~ the equivalent quantity of gas, less Gas Used by Paiute, for transportation on Paiute's system. ~~through its pipeline system, and deliver the equivalent quantity to Shipper or for the account of Shipper at the Delivery Point(s) specified in the executed transportation Service Agreement(s).~~ Paiute shall not be obligated to gasify and receive for transportation ~~and/or transport~~ quantities of gas ~~hereunder~~ in excess of Shipper's ~~the~~ applicable Daily Delivery Capacity.

ARTICLE II - APPLICABLE TRANSPORTATION RATES AND RATE SCHEDULE

Shipper agrees to pay Paiute for all service rendered under the terms of this Agreement in accordance with Paiute's Rate Schedule LGS-~~1~~, as filed with the Federal Energy Regulatory Commission, and as amended or superseded from time to time. This Agreement shall be subject to the provisions of such rate schedule and the General Terms and Conditions applicable thereto on file with the Federal Energy Regulatory Commission and effective from time to time, which by this reference are incorporated herein and made a part hereof.

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FORM OF SERVICE AGREEMENT  
APPLICABLE TO SERVICE  
UNDER RATE SCHEDULES LGS-1 AND LGS-2  
(Continued)

ARTICLE III - TERM OF AGREEMENT

This Agreement shall become effective on \_\_\_\_\_, and shall continue in effect for a period extending for a primary term to and including \_\_\_\_\_, and from \_\_\_\_\_ thereafter, subject however, to termination at expiration of the said primary term or upon \_\_\_\_\_ thereafter by either party hereto through written notice so stating and given to the other no less than \_\_\_\_\_ in advance.

ARTICLE IV - NOTICES

Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered personally, or by mail or facsimile with all postage and charges prepaid, to either Shipper or Paiute at the place designated. Routine communications shall be considered as duly delivered when mailed by ordinary mail. Normal operating instructions can be made by telephone. Unless changed, the addresses of the parties are as follows:

Paiute Pipeline Company  
P.O. Box 94197  
Las Vegas, Nevada 89193-4197

Either party may change its address at any time upon written notice to the other.

ARTICLE V - OTHER OPERATING PROVISIONS

(To be utilized when necessary to specify other operating provisions required for individual services.)

ARTICLE VI - ADJUSTMENTS TO GENERAL TERMS AND CONDITIONS

(To be utilized when necessary as approved by the Commission.)

Certain of the General Terms and Conditions applicable to Shipper's Rate Schedule LGS-± are to be adjusted for the purpose of this Agreement, as specified below.

TF03 143 1 06P126First Revised Sheet No. 143  
TF04 Original Sheet No. 143  
TF05Edward C. McMurtrie, Vice President/General Manager  
TF06012705 030105

FORM OF SERVICE AGREEMENT  
APPLICABLE TO SERVICE  
UNDER RATE SCHEDULES LGS-1 AND LGS-2  
(Continued)

ARTICLE VII - CANCELLATION OF PRIOR AGREEMENT(S)

(To be utilized when necessary.)

When this Agreement takes effect, it supersedes, cancels and terminates the following agreement(s):

ARTICLE VIII - SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No assignment or transfer by either party hereunder shall be made without written approval of the other party. Such approval shall not be unreasonably withheld. As between the parties hereto, such assignment shall become effective on the first (1st) day of the month following written notice that such assignment has been effectuated.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above set forth.

PAIUTE PIPELINE COMPANY  
"Paiute"

Attest: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
"Shipper"

Attest: \_\_\_\_\_

By: \_\_\_\_\_