

RULE NO. 8

CONTINUITY OF SERVICE

A. EMERGENCY INTERRUPTION

The Company will exercise reasonable diligence to furnish a continuous and sufficient supply of gas to its customers and to avoid any shortage or interruption of delivery thereof. It cannot, however, guarantee complete freedom from interruption.

The Company will not be liable for interruptions or shortages of supply, nor for any loss or damage occasioned thereby, whether such interruptions or shortages occurred with or without notice to the customer.

B. TEMPORARY SUSPENSION FOR REPAIRS

The Company has the right to suspend service temporarily for the purpose of making necessary repairs or improvements to its system. When this becomes necessary, it will endeavor to give the customers who may be affected as reasonable notice thereof as circumstances will permit and will prosecute the work with reasonable diligence.

C. APPORTIONMENT OF SUPPLY DURING TIME OF SHORTAGE

1. Supply Shortages. During times of shortage of supply, the Company will apportion the supply of gas (which term includes natural gas and all substitutes therefore) available to it among its customers in accordance with Nevada Administrative Code (NAC) 704.501. Irrespective of the immediate availability to it of any volumes of gas, the Company, in its operating judgment, shall have the authority to withhold any or all such volumes from immediate delivery for the purpose of injecting such volumes into storage or retaining them in storage provided, however, that unless the Commission shall direct the Company to the contrary, the Company shall not withhold delivery of immediately available volumes of gas to any customers in Priority 1 and Priority 2 except in accordance with the provisions of NAC 704.501. A shortage of supply for the purposes of this paragraph shall be deemed to exist when the Company shall have insufficient volumes of gas available to meet the requirements of all of its customers together with its own requirements for storage.

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RULE NO. 8

CONTINUITY OF SERVICE
(Continued)

C. APPORTIONMENT OF SUPPLY DURING TIME OF SHORTAGE (Continued)

2. Order of Curtailment

- a. The order of curtailment shall be in inverse order of the curtailment priorities set forth in NAC 704.501.
- b. Curtailment priorities shall apply to both sales customers and transportation customers.
- c. Customers electing service under Schedule No. SG-AS/NG-AS will be curtailed first, followed by customers served under discounted transportation or sales rates, followed by all other transportation and sales customers. Customers paying the least under discounted transportation or sales rates will be curtailed first within an affected priority.
- d. Each priority shall be curtailed in full before the next priority in order is curtailed.
- e. When Priority 1 customers would be curtailed due to system supply failure (either upstream capacity or supply failure), the Company is authorized to "preempt" deliveries of lower priority (numerically higher priority number) transportation customers' gas and divert such supplies to the otherwise affected Priority 1 customers. Affected transportation customers will be curtailed to the same extent as sales customers of the same priority. Such transportation customers will be compensated for the preemption of their gas supplies.

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John P. Hester
Senior Vice President

RULE NO. 8

CONTINUITY OF SERVICE
(Continued)

C. APPORTIONMENT OF SUPPLY DURING TIME OF SHORTAGE (Continued)

2. Order of Curtailment (Continued)

- f. The installation of a cogeneration facility shall not affect the underlying end use priority of the establishment.
- g. Natural gas utilized as compressed natural gas for vehicle fuel shall be classified as a commercial end use.
- h. Application of curtailment priorities will normally be done on a scheduled basis as part of the daily gas requirement nomination and confirmation routine. Operational emergency curtailment will conform to these priorities to the extent possible and practicable.
- i. In accordance with the provisions set forth in Sections 6.13 and 7.4 of Schedule No. ST-1/NT-1, a transportation customer may be curtailed to the level of actual supply scheduled for that customer, regardless of end use priority.

D. DISASTER CONDITIONS

Under disaster conditions, the Company will cooperate to the fullest extent with the governmental agency having authority in the area.

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