

**CASCADE NATURAL GAS CORPORATION GENERAL RATE CASE**  
**Docket No. UG-20\_\_\_\_\_**

**ATTACHMENT A: PROPOSED TARIFFS**

**June 19, 2020**

**RULE 2  
DEFINITIONS**

**DEFINITIONS:**

When used in this Tariff the following terms shall have the meanings defined below:

1. After-hours – After hours are between 5 p.m. and 9 p.m., Mondays through Fridays, or any time on Saturdays, Sundays, and holidays.
2. Agent – Entity authorized to nominate and transport gas. (N)
3. Applicant – An applicant is any person, corporation, partnership, government agency, or other entity that applies for service with a gas utility or who reapplies for service at a new or existing location after service has been discontinued. (T)
4. BTU - British Thermal Unit
5. British Thermal Unit - The standard unit for measuring a quantity of thermal energy. One BTU equals the amount of thermal energy required to raise the temperature of one pound of water one-degree Fahrenheit and is exactly defined as equal to 1,055.05585262 joules. 100,000 BTUs is equivalent to one therm.
6. Commission - The Washington Utilities Transportation Commission, otherwise referred to as WUTC or the Commission.
7. Company - Cascade Natural Gas Corporation (Cascade) or its assigned agents acting through its duly authorized officers or employees within the scope of their respective duties.
8. Core Customer – Entity for whom Company purchases and serves natural gas.
9. Customer – Any person, corporation, partnership, government agency, or other entity that applied for, has been accepted for, and is currently receiving natural gas service.
10. Curtailement - An event when Company must interrupt 0 to 100% of a customer’s gas supply service.
11. Customer Classifications:
  - A. Residential - Customers that use natural gas for domestic purposes. The residential customer class includes service to single-family dwellings, separately metered apartments, condominiums or townhouses, and centrally metered multiple dwellings or apartments but does not include spaces for transient occupancy such as hotels and motels. (T)

(continued)

**RULE 2  
DEFINITIONS**

**DEFINITIONS (continued)**

Customer Classifications (continued)

- B. Commercial - Service to a customer engaged in selling, warehousing, or distributing a commodity, in some business activity or in a profession, or in some form of economic or social activity (office, stores, clubs, hotels, etc.) and for purposes that do not come directly under another classification of service. (T)
  - C. Industrial - Service to a customer engaged in a process which creates or changes raw or unfinished materials into another form or product. (Factories, mills, machine shops, mines, oil wells, refineries, pumping plants, creameries, canning and packing plants, shipyards, etc., i.e., in extractive, fabricating or processing activities). (T)
  - D. Interruptible - An interruptible gas service customer is considered *non-firm*, receives a reduced rate on natural gas service because this class of customers is the first curtailed when gas supply or distribution is constrained for reasons other than force majeure, and is required to have a back-up system for use when curtailment occurs. An interruptible customer is a *core* customer because Company purchases this customer’s gas. (T)
  - E. Transportation - Transportation customers purchase their own natural gas and procure only distribution services from Company. (T)
12. Entitlement – A declared entitlement period is a time period, declared by Company, during which unauthorized overrun and/or underrun provisions apply as a result of an interruption or curtailment due to capacity constraints, supply interruptions, or the existence of any underrun or overrun situation which, in Company’s sole opinion, jeopardizes system integrity or exposes Company to financial penalties from upstream pipelines or similar entities. (T)
13. Gas Day - A twenty-four-hour period beginning daily at 7:00 a.m. Pacific Clock Time (PCT), which is Pacific Standard Time or Daylight Savings Time in Kennewick, Washington, whichever is effective at the time of reference. Company’s Gas Day coincides with the Gas Day established in Northwest Pipeline’s tariff, which may change from time to time, upon approval of the Federal Energy Regulatory Commission (FERC). (T)
14. Firm Service - The provision of natural gas service on a firm basis where Company will exercise reasonable diligence to supply and deliver continuous service to customers not receiving interruptible service. See Order of Priority in Rule 17. (T)
15. Month - The period of time between and including the date of the current meter read and the date of the prior meter read which is the period upon which Customer’s monthly bill is based. A billing month may be contained within a single calendar month or may encompass a portion of two separate calendar months. (T)

(continued)

RULE 2
DEFINITIONS

DEFINITIONS (continued)

- 16. Nominate – The act of submitting Nomination to Company, as directed by Company, which may change from time to time.
17. Nomination – Request of natural gas transportation service, by Agent to Company. Request shall include applicable Gas Day(s), receipt quantity, receipt location, and delivery location.
18. Non-Core Customer – A non-core customer is one for whom Company provides distribution service but does not purchase Customer’s natural gas; instead, that Customer procures its natural gas from a third party.
19. Over/Under Run – Variance between accepted Nomination and measured gas usage, on a daily basis. Overrun shall mean gas measured exceeds accepted Nomination. Underrun shall mean gas usage is less than accepted Nomination.
20. Premise - All real property and personal property in use by a single customer on a parcel of land which comprises the site upon which Customer facilities are located and to which natural gas service is provided.
21. Standard Business Hours - Standard business hours are 8 a.m. to 5 p.m., Mondays through Fridays, excluding holidays.
22. Tariff - This Tariff, including all schedules, rules, regulations, and rates as they may be modified or amended from time to time.
23. Therm - A unit of heating value equivalent to 100,000 BTUs.
24. Nomination Deadline – FERC approved natural gas scheduling timelines for interstate natural gas pipelines and public utilities as revised from time to time by the North American Energy Standards Board (NAESB).
25. WACOG - The Weighted Average Commodity Cost of System Supply Gas (WACOG) reflected in Company's tariffs shall be as established by gas cost tracking or other similar filings.

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**RULE 21  
 DECOUPLING MECHANISM**

**PURPOSE:**

This Rule describes the revenue-per-Customer Decoupling Mechanism which annually applies a per therm credit or debit under Schedule 594, "Decoupling Mechanism Adjustment" to applicable Customers' bills for the purpose of truing up the annual difference between Margin Revenues and the Authorized Margin Revenues per Customer served as herein defined.

**APPLICABILITY:**

This Rule is applicable to all Customers served on Schedules 503, 504, 505, 511, and 570.

**MARGIN REVENUES**

Margin Revenue is the amount of Margin billed in a billing month, adjusted for unbilled margin revenues. Margin Revenue does not include amounts billed for the Basic Customer Charge, or adjustment schedules, such as Schedules 500, 581, 582, 590, 593, 594, 595, 596, 597, and 598.

**AUTHORIZED MARGIN REVENUE PER CUSTOMER**

The Authorized Margin per month per customer is established in the tables below. Table 1 shows January through June, and Table 2 shows July through December.

Table 1	Jan	Feb	March	April	May	June
503	\$39.76	\$31.99	\$26.93	\$17.68	\$11.22	\$6.87
504	\$169.84	\$135.54	\$107.99	\$70.19	\$51.16	\$36.16
505	\$581.05	\$657.59	\$715.30	\$539.42	\$324.30	\$233.71
511	\$3,091.93	\$3,168.63	\$3,334.06	\$2,421.04	\$1,719.10	\$1,352.17
570	\$2,366.34	\$2,351.16	\$2,454.48	\$2,254.26	\$1,987.86	\$1,476.94
Table 2	July	Aug	Sept	Oct	Nov	Dec
503	\$5.75	\$5.76	\$7.35	\$16.85	\$31.48	\$42.22
504	\$35.81	\$36.01	\$43.69	\$82.34	\$125.93	\$164.28
505	\$219.02	\$225.01	\$264.73	\$520.85	\$467.64	\$568.36
511	\$1,276.67	\$1,272.14	\$1,128.63	\$1,883.99	\$4,408.07	\$4,875.83
570	\$1,152.30	\$1,090.39	\$850.54	\$1,012.39	\$2,115.05	\$2,091.54

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(Continued)

**CASCADE NATURAL GAS CORPORATION**

**Sixty-Third Revision Sheet No. 503**

**Canceling**

**Sixty-Second Revision Sheet No. 503**

**WN U-3**

**RESIDENTIAL SERVICE RATE  
SCHEDULE NO. 503**

**AVAILABILITY:**

This schedule is available to residential customers throughout the territory served by the Company under the tariff of which this schedule is a part for natural gas supplied for all purposes provided adequate capacity and supply exist in the Company's system. Service under this schedule shall be through one or more meters, billed separately.

**RATE:**

	Margin	WACOG	Total	
Basic Service Charge			\$ 5.00	per month
All Gas Used Per Month	\$0.36162	\$0.43833	\$0.79995	per therm (I)

**RATE ADJUSTMENT:**

Service under this schedule is subject to various adjustments as specified in Schedules 581, 582, 590, 593, 594, 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

**MINIMUM CHARGE:**

Basic Service Charge: \$ 5.00 per month

**TERMS OF PAYMENT:**

Above rates are net. Each monthly bill shall be due and payable within twenty-two (22) days from the date of rendition. Past due balances are subject to a late payment charge(s) per Rule 6.

**RECONNECTION CHARGE:**

A reconnection charge of twenty-four dollars (\$24.00) during regular business hours or sixty dollars (\$60.00) during non-business hours may be made for restoration of service when service has been turned off for nonpayment of any bill due, seasonal turnoff, or for other reasons arising through the action of the customer.

**TAX ADDITIONS:**

The rates named herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

**SPECIAL TERMS AND CONDITIONS:**

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be submetered or resold to others without special permission from the Company.

CNG/W20-06-01

Effective for Service on and after

Issued June 19, 2020

July 21, 2020

**Issued by CASCADE NATURAL GAS CORPORATION**

By:  Michael Parvinen

Director, Regulatory Affairs

(D)

**CASCADE NATURAL GAS CORPORATION**

**Forty-Seventh Revision Sheet No. 504**

**Canceling**

**Forty-Sixth Revision Sheet No. 504**

**WN U-3**

GENERAL COMMERCIAL SERVICE RATE  
SCHEDULE NO. 504

**AVAILABILITY:**

This schedule is available to commercial customers throughout the territory served by the Company under the tariff of which this schedule is a part for natural gas supplied for all purposes provided adequate capacity and supply exist in the Company's system. Service under this schedule may be through one or more meters, billed separately.

**RATE:**

	Margin	WACOG	Total	
Basic Service Charge			\$13.00	per month
All Therms Used	\$0.30468	\$0.43558	\$0.74026	per therm (I)

**RATE ADJUSTMENT:**

Service under this schedule is subject to various adjustments as specified in Schedules 581, 582, 590, 593, 594, 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

**MINIMUM CHARGE:**

Basic Service Charge \$13.00

**TERMS OF PAYMENT:**

Above rates are net. Each monthly bill shall be due and payable within twenty-two (22) days from the date of rendition. Past due balances are subject to a late payment charge(s) per Rule 6.

**RECONNECTION CHARGE:**

A reconnection charge of twenty-four dollars (\$24.00) during regular business hours or sixty dollars (\$60.00) during non-business hours may be made for restoration of service when service has been turned off for nonpayment of any bill due, seasonal turnoff, or for other reasons arising through the action of the customer.

**TAX ADDITIONS:**

The rates named herein are subject to increases as set forth in Schedule No. 500, entitled "Tax Additions".

**SPECIAL TERMS AND CONDITIONS:**

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be submetered or resold to others without special permission from the Company.

(D)

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Director, Regulatory Affairs

**CASCADE NATURAL GAS CORPORATION**

**Forty-Sixth Revision Sheet No. 505**

**Canceling**

**Forty-Fifth Revision Sheet No. 505**

**WN U-3**

**GENERAL INDUSTRIAL SERVICE RATE  
SCHEDULE NO. 505**

**AVAILABILITY:**

This schedule is available to industrial customers throughout the territory served by the Company under the tariff of which this schedule is a part for natural gas supplied for all purposes provided adequate capacity and supply exist in the Company's system. Service under this schedule shall be through one or more meters, billed separately.

**RATE:**

	Margin	WACOG	Total	
Basic Service Charge			\$60.00	per month
First 500 therms/month	\$0.23481	\$0.42197	\$0.65678	per therm (I)
Next 3,500 therms/month	\$0.19180	\$0.42197	\$0.61377	per therm (I)
All over 4,000 therms/month	\$0.18531	\$0.42197	\$0.60728	per therm (I)

**RATE ADJUSTMENT:**

Service under this schedule is subject to various adjustments as specified in Schedules 581, 582, 590, 593, 594, 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

**MINIMUM CHARGE:**

Basic Service Charge \$60.00

**TERMS OF PAYMENT:**

Above rates are net. Each monthly bill shall be due and payable within twenty-two (22) days from the date of rendition. Past due balances are subject to a late payment charge(s) per Rule 6.

**RECONNECTION CHARGE:**

A reconnection charge of twenty-four dollars (\$24.00) during regular business hours or sixty dollars (\$60.00) during non-business hours may be made for restoration of service when service has been turned off for nonpayment of any bill due, seasonal turnoff, or for other reasons arising through the action of the customer.

**TAX ADDITIONS:**

The rates names herein are subject to increases as set forth in Schedule No. 500 entitled "Tax Additions".

**SPECIAL TERMS AND CONDITIONS:**

1. The application of this rate schedule is subject to the General Rules and Regulations of the Company as they may be in effect from time to time and as approved by the Washington Utilities and Transportation Commission.
2. Gas purchased under this schedule shall not be submetered or resold to others without special permission from the Company.

(D)

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By:  Michael Parvinen

Director, Regulatory Affairs



SCHEDULE 511
LARGE VOLUME GENERAL SERVICE

AVAILABILITY:

This schedule is available to customers throughout the territory served by the Company under the tariff of which this schedule is a part provided adequate capacity and supply exist in the Company's system. Service under this schedule shall be for natural gas supplied for all purposes to customers having an annual fuel requirement of not less than 50,000 therms.

RATE:

Table with 4 columns: Description, Margin, WACOG, Total. Rows include Basic Service Charge, First 20,000 therms/month, Next 80,000 therms/month, and All over 100,000 therms/month.

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RATE ADJUSTMENT:

Service under this schedule is subject to various adjustments as specified in Schedules 581, 582, 590, 593, 594, 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

SERVICE AGREEMENT:

Customers receiving service under this rate schedule shall execute a service agreement for an Annual Minimum Quantity of 50,000 therms a year.

ANNUAL DEFICIENCY BILL:

In the event customer purchases less than the Annual Minimum Quantity as stated in the service agreement, customer shall be charged an Annual Deficiency Bill. The annual Deficiency Bill shall be calculated as the difference between the Annual Minimum Quantity and the actual purchase or transport therms times per therm rates in this schedule except WACOG plus all per therm rates for all adjustment schedules that would apply to service procured under this rate schedule.

TERMS OF PAYMENT:

Each monthly bill shall be due and payable within twenty-two (22) days from the date of rendition. Past due balances are subject to a late payment charge(s) per Rule 6.

TAX ADDITIONS:

The rates named herein are subject to increases as set forth in Schedule No. 500, Municipal Taxes.

GENERAL TERMS:

Service under this rate schedule is governed by the terms of this schedule, the Rules contained in this Tariff, any other schedules that by their terms or by the terms of this rate schedule apply to service under this rate schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

(D)

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By: Michael Parvinen

Director, Regulatory Affairs

**SCHEDULE. 570  
INTERRUPTIBLE SERVICE**

**AVAILABILITY:**

This schedule is available throughout the territory served by the Company under the tariff of which this schedule is a part provided adequate capacity and supply exist in Company's system. Service under this schedule shall be for natural gas delivered for all purposes to customers having an annual fuel requirement of not less than 50,000 therms per year, which shall include all firm gas delivered, if any, and where customer agrees to maintain standby fuel burning facilities and an adequate supply of standby fuel to replace the entire supply of natural gas delivered hereunder. Service under this schedule shall be subject to curtailment by the Company when, in the judgment of the Company, such curtailment or interruption of service is necessary. Company shall not be liable for damages for, or because of, any curtailment of natural gas deliveries hereunder.

**RATE:**

	Margin	WACOG	Total	
Basic Service Charge			\$163.00	per month
First 30,000 therms/month	\$0.10432	\$0.40840	\$0.51272	per therm (1)
All over 30,000 therms/month	\$0.03278	\$0.40840	\$0.44118	per therm (1)

**RATE ADJUSTMENT:**

Service under this schedule is subject to various adjustments as specified in Schedules 581, 582, 590, 593, 594, 595, 596, and 597 (when applicable) as well as any other applicable adjustments as approved by the Washington Utilities and Transportation Commission.

**ANNUAL DEFICIENCY BILL:**

In the event customer purchases less than the Annual Minimum Quantity as stated in the service agreement, customer shall be charged an Annual Deficiency Bill. Annual Deficiency Bill shall be calculated as the difference between the Annual Minimum Quantity and the actual purchase or transport therms times per therm rates in this schedule except WACOG plus all per therm rates for all adjustment schedules that would apply to service procured under this rate schedule.

**SERVICE AGREEMENT:**

Customers receiving service under this rate schedule shall execute a service agreement for an Annual Minimum Quantity of 50,000 therms a year.

**TERMS OF PAYMENT:**

Each monthly bill shall be due and payable within twenty-two (22) days from the date of rendition. Past due balances are subject to a late payment charge(s) per Rule 6.

**TAX ADDITIONS:**

The rates named herein are subject to increases as set forth in Schedule No. 500, Municipal Taxes.

**GENERAL TERMS:**

Service under this rate schedule is governed by the terms of this schedule, the Rules contained in this Tariff, any other schedules that by their terms or by the terms of this rate schedule apply to service under this rate schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

(D)

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By:  Michael Parvinen

Director, Regulatory Affairs

**SCHEDULE 663  
DISTRIBUTION SYSTEM TRANSPORTATION SERVICE**

**PURPOSE:**

This schedule provides transportation service on the Company’s distribution system of customer-supplied natural gas. Service under this schedule requires the Customer to secure both gas supply and pipeline transportation capacity services through third-party arrangements. Service under this schedule is subject to Entitlement and Curtailment.

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**APPLICABILITY:**

To be served on this schedule, Customer must have a service agreement with Company. Customer must also have secured the purchase and delivery of gas supplies through use of Agent or on own behalf.

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**RATE:**

The rates set forth below are exclusive of fuel use requirements designed to cover distribution system lost and unaccounted for gas.

A. Basic Service Charge: \$625.00 per month  
Customers receiving service under this schedule will be charged a monthly basic service charge for each single-metered facility.

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B. Contract Demand (CD) Charge: \$0.20 per CD therm per day  
Contract Demand is the number of therms per day of distribution capacity the customer reserves on the Company’s distribution system for delivery of the customer-supplied natural gas. The Company will determine each customer’s CD which will be stated in the service agreement. Each monthly bill will include a charge that will be no less than the CD times the CD charge. Customer may be forced to curtail more gas than its CD rate if a curtailment per Rule 17 or entitlement as defined in this schedule is necessary, or Force Majeure circumstances per Rule 15 are experienced.

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C. System Balancing Charge:  
All Therms Delivered \$0.0004 per therm

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**SCHEDULE 663  
DISTRIBUTION SYSTEM TRANSPORTATION SERVICE**

(Continued from Previous Page)

**Rates (continued):**

D. Delivery Charge for all therms delivered per month

	<b>Margin</b>
First 100,000	\$0.06970
100,001-200,000	\$0.02680
200,001-500,000	\$0.01714
>500,000	\$0.00929

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E. Gross Revenue Fee:

The total of all charges shall be subject to a Gross Revenue Fee of 4.454% to cover state utility tax and other governmental levies imposed upon Company.

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F. Fuel Use Requirements:

Customers served on Schedule 663 shall provide Company with in-kind fuel for lost and unaccounted for gas on Company's distribution system. The fuel use factor is 0.2479%.

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All other terms and conditions of service shall be pursuant to the rules and regulations set forth in this Tariff.

**RATE ADJUSTMENTS:**

Service under this schedule is subject to various adjustments including Schedules 581, 582, 590, 593, 594, 595, 596 and 597.

**TAX ADDITIONS:**

The rates named herein are subject to increases as set forth in Schedule 500, Municipal Taxes.

(continued)

SCHEDULE 663  
DISTRIBUTION SYSTEM TRANSPORTATION SERVICE

**TERM OF PAYMENT:**

Above rates are net. Each monthly bill shall be due and payable fifteen (15) days from the date of rendition. Past due balances will be subject to a late payment charge.

**WAIVER OF FIRM GAS SUPPLY:**

Customers electing to provide their own gas supplies under this schedule in lieu of firm service waive protection from supply-failure curtailment of all of their requirements. Company has no obligation to purchase or reserve gas supply or interstate pipeline capacity for customers electing to provide their own gas supplies and/or their own interstate pipeline capacity.

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Customers electing to provide their own gas supplies under this schedule in lieu of firm system supply waive any right to automatically purchase firm supplies at some future date. Requests for firm service shall be subject to the effects on service availability or costs to other customers and may require a charge to offset any incremental costs of acquiring additional firm supplies.

Service under this Schedule is subject to curtailment per Rule 17 or entitlement as defined in this schedule.

**SERVICE AGREEMENT:**

The service agreement shall define the Contract Demand. The service agreement term shall be for a period not less than the period covered under the customer's gas purchase contract with customer's supplier. However, in no event shall the service agreement be for less than one year and the termination date of the service agreement in any year shall be September 30<sup>th</sup>.

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By: 

Michael Parvinen

Director, Regulatory Affairs

SCHEDULE 663  
DISTRIBUTION SYSTEM TRANSPORTATION SERVICE

**AGENT AND RELATED RESPONSIBILITIES:**

Customer must provide in writing to the Company the name and telephone number of its Agent who will have authority to nominate natural gas supplies on Company's distribution system for delivery on Customer's behalf.

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Agent is the customer's designated representative who satisfies or undertakes the following transportation duties and obligations:

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- 1. Submitting and/or receiving notices on behalf of Customer;
- 2. Nominate on behalf of Customer; and
- 3. Performing operational and transportation-related administrative tasks on behalf of a customer as the Company permits.

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Unless Company and Customer otherwise agree, Customer shall select one Agent for each service agreement at any given time.

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(T)

Under no circumstances will the appointment of Agent relieve Customer of the responsibility to make full and timely payments to the Company for all distribution service.

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**SCHEDULE 663  
DISTRIBUTION SYSTEM TRANSPORTATION SERVICE**

**AGENT AND RELATED RESPONSIBILITIES: (continued)**

If Agent fails to comply with or perform any of the obligations on its part established in this schedule including but not limited to failure to deliver gas, pay bills in a timely manner, execute an upstream transportation capacity assignment, or, in general, act in good faith on behalf of the customer, Company maintains the right to terminate the supplier's eligibility to act as an agent on Company's system.

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**NOMINATIONS:**

Agent of any customer receiving service under this schedule shall Nominate gas supplies at least one-hour in advance of applicable upstream pipeline Nomination Deadline.

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Michael Parvinen

Director, Regulatory Affairs

SCHEDULE 663  
DISTRIBUTION SYSTEM TRANSPORTATION SERVICE

**IMBALANCES:**

Each customer served on this rate schedule shall be required to satisfy any monthly imbalance condition in the manner established below. (D)

Upon notification by Company that the customer has an imbalance greater than 5%, the customer will have 45 non-entitlement days to eliminate any such imbalance. An "Imbalance" is the difference between the volume of Gas that is subject to a confirmed nomination by Customer and the volume of Gas actually delivered to Customer under this Agreement. A positive Imbalance exists when the volume of Gas subject to confirmed nominations under the Customer's account is greater than the volume of Gas delivered to Customer. A negative Imbalance exists when the volume of Gas subject to confirmed nominations under the Customer's account is less than the volume of Gas delivered to Customer. Company will bill the customer an imbalance penalty if the customer has not completely satisfied such imbalance condition. These non-entitlement penalties are \$10.00 per MMBtu on the imbalance over-the-allowed tolerance on a monthly basis. (T) (C) (C) (T)

Under any agency established hereunder, Company shall rely upon information concerning the applicable customer's distribution service which is provided by the Agent. All such information shall be deemed to have been provided by the customer. Similarly, any notice or other information provided by Company to Agent concerning the provision of distribution service to such customer shall be deemed to have been provided to the customer. The customer shall rely upon any information concerning distribution service that is provided to Agent as if that information had been provided directly to the customer. (T) (T) (T) (T)

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(D)

(continued)

(D)

By: 

Michael Parvinen

Director, Regulatory Affairs



SCHEDULE 663  
DISTRIBUTION SYSTEM TRANSPORTATION SERVICE

**IMBALANCES: (continued)**

Penalty charges incurred by Company as a result of a nomination imbalance or an unauthorized Over/Under Run will be passed on directly to those customer(s) whose Over/Under Runs contribute to the imposition of the penalty. Such penalty charges shall be allocated among such customers, including Company's system supply customers, in proportion to the nomination imbalance or unauthorized Over/Under Run associated with each customer or group of customers.

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**PRIORITY OF NOMINATED GAS:**

The Company shall designate the daily volume of gas delivered to Customer under this schedule in the following sequence as applicable, unless other sequencing has been agreed to in writing by Company:

- 1) The volume of system supplies which are scheduled to be made a portion of Customer's gas supply nomination, if any.
- 2) If Customer is providing a portion of its gas supply requirement with Customer-owned gas supplies, the volume of banked Customer-owned gas supplies, if any, shall be delivered prior to any other non-system supply.
- 3) The volume of spot market gas supply scheduled to be delivered, if any.

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**AUTOMATIC ASSIGNMENT OF GAS SUPPLY DURING A CURTAILMENT:**

In the event of a curtailment, the Company may automatically take assignment of Customer-owned gas supplies in order to protect the service to higher priority customers as defined in Rule 17, Order of Priority for Gas Service. If the Company takes assignment of the Customer-owned gas, the Company will compensate Customer with a credit equal to the Gas Daily-midpoint price at the source of the supply for all volumes assigned plus a credit of \$0.60 per therm on all but the first 5 percent of the customer's daily entitlement under this Schedule.

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**UNAUTHORIZED USE OF GAS DURING ENTITLEMENT PERIODS:**

The Company may declare an Entitlement period on any day the Company, in its sole discretion, reasonably determines a critical operational condition warrants the need. If during an Entitlement, the total physical quantity of gas taken by customers served under this rate schedule exceeds or is less than the total quantity of gas which the customer is entitled to take on such day, as defined below, then all gas taken in excess of such entitlement or not taken within said entitlement shall constitute unauthorized overrun or underrun volume. Each general system or customer-specific declared overrun entitlement period shall be specified as either an overrun or an underrun entitlement for customers such that only one penalty condition may exist at one time, whereas:

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(continued)

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DISTRIBUTION SYSTEM TRANSPORTATION SERVICE

**UNAUTHORIZED USE OF GAS DURING ENTITLEMENT PERIODS: (continued)**

- **Underrun Entitlement** – A period of time during which Customer’s total physical quantity of natural gas taken must be equal to or greater than the total quantity of Customer’s confirmed nomination. (C)
- **Overrun Entitlement** – A period of time during which Customer’s total physical quantity of natural gas taken cannot exceed the total quantity of Customer’s confirmed nomination. (C)

Customers served under this schedule shall pay Company for all unauthorized overrun or underrun quantities that exceed the percentage specified by the Company in its declared entitlement. For a general system or customer-specific declared entitlement period, such percentage will be: (i) in Company’s sole discretion 3 percent, or, in the case of a declared overrun entitlement period announced on the day it is to be in effect, 5 percent for that day (Stage I), 8 percent (Stage II) or 13 percent (Stage III) of Customer’s entitlement as set forth above. (T)

Customer’s gas usage that exceeds the amount Company authorizes during an entitlement period shall be considered an unauthorized overrun volume. The overrun charge that will be applied during any overrun entitlement period will equal the greater of \$1.00 per therm or 150% of the highest midpoint price for the day at NW Wyoming Pool, NW south of Green River, Stanfield Oregon, NW Canadian Border (Sumas), or Kern River Opal supply pricing points (as published in Gas Daily), converted from dollars per dekatherms to dollars per therm by dividing by ten. The overrun charge will be in addition to the incremental costs of any supplemental gas supplies the Company may have had to purchase to cover such unauthorized use, in addition to the regular charges incurred in the Rate section of this Schedule and any other charges incurred per the terms and conditions established in this Schedule. The payment of an overrun penalty shall not under any circumstances be considered as giving the customer the right to take unauthorized overrun gas or to exclude any other remedies which may be available to the Company to prevent such overrun. The charge that will apply during any underrun entitlement period will be \$1.00 per therm for any underrun imbalances. (T)

**NOTICE OF ENTITLEMENT:**

Company shall give as much advance notice as possible for each entitlement. Company’s notices of entitlement periods as well as restoration notices shall be given by telephonic communications, electronic communication, or personal contact by Company personnel to Customer’s Agent. A notice of an entitlement period will include the parameters for gas consumption during said entitlement period. (T)

(continued)

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By: 

Michael Parvinen

Director, Regulatory Affairs