

CASCADE NATURAL GAS CORPORATION GENERAL RATE CASE
Docket No. UG-20_____

ATTACHMENT B: LEGISLATIVE 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.

1.2. Agent – Entity authorized to nominate and transport gas.

(N)

2.3. 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)

3.4. BTU - British Thermal Unit

4.5. 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.

5.6. Commission - The Washington Utilities Transportation Commission, otherwise referred to as WUTC or the Commission.

6.7. 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.

7.8. Core Customer – ~~Entity A core customer is one~~ for whom ~~the~~ Company purchases and serves natural gas.

8.9. Customer – ~~A customer is a~~ any person, corporation, partnership, government agency, or other entity that applied for, has been accepted for, and is currently receiving natural gas service.

(T)

9.10. Curtailment - An event when ~~the~~ Company must interrupt 0 to 100% of a customer’s gas supply service.

(D)

10.11. Customer Classifications:

- A. Residential - Customers that use natural gas for ~~d~~omestic 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 Gas - 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 ~~the~~ Company purchases this customer's gas. (T)
 - E. Transportation - Transportation customers purchase their own natural gas and procure only distribution services from ~~the~~ Company. (T)
12. Entitlement – A ~~d~~Declared ~~e~~Entitlement ~~p~~Period is a time period, declared by Companyascade, 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 Companyascade's sole opinion, jeopardizes system integrity or exposes Companyascade to financial penalties from upstream pipelines or similar entities. (N)
(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. ~~The~~ 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 ~~the~~ 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 ~~the~~ 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)
(D)

(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. (T)(N)(T)

- 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. (N)
(N)(N)

- 185. Non-Core Customer – A non-core customer is one for whom ~~the~~ Company provides distribution service but does not purchase ~~that~~ Customer’s natural gas; instead, that Customer procures its natural gas from a third party. (T)

- 196. 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. The daily gas usage imbalance created by using more than (Over Run) or less than (Under Run) the customer’s daily confirmed gas supply.~~ (T)

(T)

- 2017. 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. (T)

- 2118. Standard Business Hours - Standard business hours are 8 a.m. to 5 p.m., Mondays through Fridays, excluding holidays. (T)

- 2219. Tariff - This Tariff, including all schedules, rules, regulations, and rates as they may be modified or amended from time to time.

- 230. Therm - A unit of heating value equivalent to 100,000 BTUs. (N)

- 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).The date~~ (N)

- 251. WACOG - The Weighted Average Commodity Cost of System Supply Gas (WACOG) reflected in Company~~ascade~~'s tariffs shall be as established by gas cost tracking or other similar filings. (T)

(D)

CASCADE NATURAL GAS CORPORATION

~~Sixth~~ Seventh Revision Sheet No. 25
Canceling

WN U-3

~~Substitute Fifth~~ Sixth Revision Sheet No. 25

**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\$36.58	\$31.99\$28.65	\$26.93\$23.32	\$17.68\$16.03	\$11.22\$9.60	\$6.87\$6.12
504	\$169.84\$148.36	\$135.54\$123.57	\$107.99\$89.98	\$70.19\$67.79	\$51.16\$38.59	\$36.16\$34.00
505	\$581.05\$565.59	\$657.59\$451.20	\$715.30\$500.28	\$539.42\$392.85	\$324.30\$285.11	\$233.71\$211.79
511	\$3,091.93\$3382.36	\$3,168.63\$2337.78	\$3,334.06\$2748.69	\$2,421.04\$2313.98	\$1,719.10\$1766.10	\$1,352.17\$1260.22
570	\$2,366.34\$1816.64	\$2,351.16\$1751.83	\$2,454.48\$1704.64	\$2,254.26\$1691.42	\$1,987.86\$1409.17	\$1,476.94\$1017.37
Table 2	July	Aug	Sept	Oct	Nov	Dec
503	\$5.75\$4.71	\$5.76\$2.31	\$7.35\$6.65	\$16.85\$14.25	\$31.48\$28.47	\$42.22\$36.42
504	\$35.81\$28.24	\$36.01\$15.79	\$43.69\$38.63	\$82.34\$67.99	\$125.93\$111.08	\$164.28\$147.59
505	\$219.02\$187.39	\$225.01\$198.78	\$264.73\$227.75	\$520.85\$364.68	\$467.64\$347.50	\$568.36\$516.03
511	\$1,276.67\$1091.85	\$1,272.14\$1103.29	\$1,128.63\$1039.90	\$1,883.99\$1756.12	\$4,408.07\$1618.05	\$4,875.83\$2797.77
570	\$1,152.30\$815.98	\$1,090.39\$872.94	\$850.54\$739.59	\$1,012.39\$939.58	\$2,115.05\$1565.97	\$2,091.54\$1723.93

(Continued)

CNG/W20-063-021

Issued ~~March 18~~ June 19, 2020

Effective for Service on and after

April 20 July 21, 2020

Issued by **CASCADE NATURAL GAS CORPORATION**

By: Michael Parvinen

Director, Regulatory Affairs

CASCADE NATURAL GAS CORPORATION

~~Sixty-Second-Third~~ Revision Sheet No. 503

Canceling

WN U-3

~~Substitute Sixty-First-Second~~ Revision Sheet No. 503

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 628 per therm	\$0. 31073 <u>36162</u>	\$0.43833	\$0. 74906 <u>79995</u>	

(M)

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.

(E)

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.

(E)
(E)

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.

(N)
(D)

~~(M) Denotes rates moved from and incorporated by the zeroing of rates on Sch. 595.~~

CNG/W20-036-021

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~~April 20~~July 21, 2020

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By: Michael Parvinen

Director, Regulatory Affairs

CASCADE NATURAL GAS CORPORATION

Forty-~~Sixth~~Seventh Revision Sheet No. 504

Canceling

WN U-3

~~Substitute-Forty-Fifth-Sixth~~ Revision Sheet No. 504

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. 26180 <u>30468</u>	_\$0.43558	\$0. 69738 <u>74026</u>	per therm

(MI)

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.

(E)

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.

(E)

(E)

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.

~~(M) Denotes rates moved from and incorporated by the zeroing of rates on Sch. 595.~~

(D)(N)

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By: Michael Parvinen

Director, Regulatory Affairs

CASCADE NATURAL GAS CORPORATION

~~Forty-Fifth~~ Sixth Revision Sheet No. 505

Canceling

WN U-3

~~Substitute Forty-Fourth~~ Fifth Revision Sheet No. 505

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. 2017623481	\$0.421967	\$0. 62372-65678	per therm (M)
Next 3,500 therms/month	\$0. 1648419180	\$0.421967	\$0. 58677-61377	per therm (M)
All over 4,000 therms/month	\$0. 1592318531	\$0.421967	\$0. 58119-60728	per therm (M)

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. (C)

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. (C)

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.

~~(M) Denotes rates moved from and incorporated by the zeroing of rates on Sch. 595.~~

(D)(N)

CNG/W20-036-021

Effective for Service on and after

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~~April 20~~ July 21, 2020

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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:

	Margin	WACOG	Total	
Basic Service Charge			\$125.00	per month
First 20,000 therms/month	\$0. 16113 <u>18752</u>	\$0.421967	\$0. 58309 <u>60949</u>	per therm (M)
Next 80,000 therms/month	\$0. 12471 <u>14514</u>	\$0.421967	\$0. 54667 <u>56711</u>	per therm (M)
All over 100,000 therms/month	\$0. 03464 <u>04031</u>	\$0.421967	\$0. 45660 <u>46228</u>	per therm (M)

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. (E)

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. (E)

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.

(M) Denotes rates moved from and incorporated by the zeroing of rates on Sch. 595.

(D)(N)

**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. 08964 - 10432	\$0.40840	\$0. 498045 1272	per therm (M)
All over 30,000 therms/month	\$0. 02817 - 03278	\$0.40840	\$0. 43657441 18	per therm (M)

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. (E)

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. (E)
(E)

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.

(M) Denotes rates moved from and incorporated by the zeroing of rates on Sch. 595.

(D)
(N)
(D)

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 C~~ustomer to secure both gas supply and pipeline transportation capacity services through third-party arrangements. Service under this schedule is subject to ~~E~~ntitlement and ~~C~~urtailment.

(+) (T) | (T)

APPLICABILITY:

To be served on this schedule, ~~the C~~ustomer must have a service agreement with ~~the~~ Company. ~~The C~~ustomer must also have secured the purchase and delivery of gas supplies through use of Agent or on own behalf, ~~which may include purchases from a third party agent authorized by the customer served on this schedule. Such agent, otherwise known as a marketer or supplier and hereafter referred to as a supplier, nominates and transports natural gas to the Company’s system on a customer’s behalf in the manner established herein.~~

(C) (C) (D)

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
All ~~C~~ustomers receiving service under this schedule will be charged a monthly ~~b~~asic ~~s~~ervice ~~c~~harge for each single-metered facility.

(T) (T)

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. ~~C~~The 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.

(T)

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

(+) (K) (N)

~~(K) refers to text that was moved from Sheet No. 663 to 663-A.~~

(D)

(+)

(continued)

**SCHEDULE 663
DISTRIBUTION SYSTEM TRANSPORTATION SERVICE**

(Continued from Previous Page)

Rates (continued):

D. Delivery Charge for all therms delivered per month

	Margin
First 100,000	\$0. 05989 <u>.06970</u>
100,001-200,000	\$0. 02303 <u>.02680</u>
200,001-500,000	\$0. 01473 <u>.01714</u>
>500,000	\$0. 00798 <u>.00929</u>

(I)

(I)

E. Gross Revenue Fee:

The total of all charges shall be subject to a Gross Revenue Fee of 4.3624.454% to cover state utility tax and other governmental levies imposed upon ~~the~~ Company.

(I)

(T)

F. Fuel Use Requirements:

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

(T)

(T)

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.

(C)

TAX ADDITIONS:

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

(continued)

(D)

SCHEDULE 663
DISTRIBUTION SYSTEM TRANSPORTATION SERVICE

~~(N)~~

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.

~~(T)(M)~~
~~(T)(M)~~

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. ~~The~~ 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.

~~(T)(M)~~
~~(T)~~

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.

~~(T)~~
~~(D)~~
~~(T)~~

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

~~(T)(M)~~

SERVICE AGREEMENT:

~~Service under this schedule requires an executed service agreement between the Company and the customer.~~ 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 30th.

~~(T)(M)~~
~~(D)~~

GAS SUPPLY:

~~The customer served under this rate schedule must secure the purchase and delivery of gas supplies from a supplier.~~

~~(D)~~
~~(T)(M)~~

(continued)

~~(M) denotes material moved from Sheet No. 663-A.~~

~~(D)~~

~~(M) refers to conditions that were previously found in Rule 20.~~

~~(D)~~ ~~(N)~~

SCHEDULE 663
DISTRIBUTION SYSTEM TRANSPORTATION SERVICE

AGENTSUPPLIER AND RELATED RESPONSIBILITIES:

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

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

- 1. Submitting and/or receiving notices on behalf of Customer;
2. Making nominations on behalf of Customer. A nomination is a request to have a physical quantity of customer owned gas delivered to a specific Company receipt point(s) for a specific gas day. Nominations are not considered final until confirmed by the Pipeline; and
3. Arranging for trades of imbalances on behalf of a customer as permitted under the terms and conditions herein established. An imbalance is the difference between a confirmed nomination and the volume of gas actually used by or delivered to a customer served under this schedule for a defined period of time;
a. A positive imbalance exists when the volume of transportation gas confirmed for a Customer's account is greater than the volume of gas used.
b. A negative imbalance exists when the volume of transportation gas confirmed for a Customer's account is less than the volume of gas used; and,
4.3. Performing operational and transportation-related administrative tasks on behalf of a customer as the Company permits.

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

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

(continued)

(M) refers to conditions formerly found in Rule 20.

(N)

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(T)(M)

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SCHEDULE 663
DISTRIBUTION SYSTEM TRANSPORTATION SERVICE

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AGENTSUPPLIER AND RELATED RESPONSIBILITIES: (continued)

Each Agentsupplier must meet any applicable registration and licensing requirements established by law or regulation. The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for qualifying Agentsuppliers. Accordingly, in order to serve customers on the Company's system, the Agentsupplier shall provide the Company, on a confidential basis, with audited balance sheet and other financial statements, such as annual reports to shareholders and 10-K reports, for the previous three years, as well as two trade and two banking references. To the extent that such annual reports and 10-K reports are not publicly available, the Agentsupplier shall provide the Company with a comparable list of all corporate affiliates, parent companies and subsidiaries. The Agentsupplier shall also provide its most recent reports from credit reporting and bond rating agencies. The Agentsupplier shall be subject to a credit investigation by the Company. The Company will review the Agentsupplier's financial position periodically.

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If Agentthe supplier 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, the Company maintains the right to terminate the supplier's eligibility to act as an agents-a-supplier on the Company's system.

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NOMINATIONS:

A customer served on this schedule is required to report estimated gas supply requirements for the upcoming month at least by the 15th day of the current month, in order to provide the Company with information for gas supply acquisition purposes. Such estimate shall include any scheduled down time or increased production time.

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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. A customer served on this schedule is required to report estimated gas requirements daily to the Company's gas scheduling department at least thirty-two (32) hours prior to the beginning of each gas day, as defined in Rule 2, unless other arrangements are agreed upon in writing with the Company. Such estimated requirement shall be considered as customer's daily nomination. Such daily nomination will separately identify gas quantities, if any, pursuant to obligations established below, as well as the customer's current estimated gas requirement at customer's facility (excluding gas provided to the transporting pipeline for compression and line loss "fuel"). In the event Company's supplier determines that the customer's actual consumption is out of balance with the customer's nomination, the supplier shall inform the customer of the adjustments necessary to get back in balance. Changes to a customer's daily nomination are allowed during the gas day provided the change is communicated to the Company one hour prior to the upstream pipeline's re-nomination deadline.

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(continued)

(M) refers to conditions formerly found in Rule 20.

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By:

Michael Parvinen

Director, Regulatory Affairs

SCHEDULE 663
DISTRIBUTION SYSTEM TRANSPORTATION SERVICE

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NOMINATIONS: (continued)

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A customer served on this schedule is required to notify the Company's gas scheduling department in advance of operating changes that would cause actual gas day consumption to vary either up or down by 10% or more from the reported gas day estimate. Such notification may mitigate potential penalties but will not indemnify customer from the responsibility for penalties described in the section below entitled Imbalances.

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IMBALANCES:

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

Upon notification by the 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. The 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.

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Under any agency established hereunder, the Company shall rely upon information concerning the applicable customer's distribution service which is provided by the Agent designated representative. All such information shall be deemed to have been provided by the customer. Similarly, any notice or other information provided by the Company to the Agent supplier 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 the Agent supplier as if that information had been provided directly to the customer.

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The Company shall determine the customer's daily gas supply entitlement based upon customer's gas requirements forecast and resulting nomination after Company has considered any curtailment of pipeline or distribution system capacity constraints and gas supply constraints. Such daily gas supply entitlements shall include the summation of all gas supply options and optional balancing service daily volumetric level contracted for by the customer. The Company shall notify the supplier and/or customer in the event that the gas supply entitlement is less than the customer's gas nomination(s).

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(continued)

(M) refers to conditions formerly found in Rule 20.

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SCHEDULE 663
DISTRIBUTION SYSTEM TRANSPORTATION SERVICE

IMBALANCES: (continued)

Penalty ~~ies charges from upstream pipeline transporter and/or other costs~~ incurred by Company as a result of a nomination imbalance or an unauthorized ~~Overrun/Under Run~~ will be passed on directly to those customer(s) ~~or groups of customers~~ whose ~~Over/Under Runs take levels~~ 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 ~~Overrun/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 ~~the~~ Customer under this schedule in the following sequence as applicable, unless other sequencing has been agreed to in writing by ~~the~~ Company:

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- 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 ~~the~~ 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 d~~uring an Entitlement ~~period~~, 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)

(M) refers to conditions formerly found in Rule 20.

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SCHEDULE 663
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.
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.

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.

A-Customer's gas usage that exceeds the amount the 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, or El Paso Bondad supply pricing points...

NOTICE OF ENTITLEMENT:

The Company shall give as much advance notice as possible for each entitlement. The 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 the Customer's Agent responsible representative.

(continued)

(M) refers to conditions that were formally found in Rule 20.

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