

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 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.

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.

RATE:

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

| | Effective March 1, 2025 | Effective March 1, 2026 |
|-----------------------------------|-------------------------|-------------------------|
| Basic Service Charge ¹ | \$1,000.00 per month | \$1,200.00 per month |
| Contract Demand ² | \$0.40 per CD per day | \$0.45 per CD per day |
| System Balancing Charge | \$0.00110 per therm | \$0.00110 per therm |
| Delivery Charge | | |
| i) First 100,00 therms | \$0.05150 per therm | \$0.05029 per therm |
| ii) Next 200,000 therms | \$0.02092 per therm | \$0.02043 per therm |
| iii) Next 200,000 therms | \$0.01403 per therm | \$0.01370 per therm |
| iv) Over 500,000 therms | \$0.00842 per therm | \$0.00822 per therm |

- 1) **Basic Service Charge:** Customers receiving service under this schedule will be charged a monthly basic service charge for each single-metered facility.
- 2) **Contract Demand (CD) Charge:** 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.

(continued)

(M) refers to language that was previously on Sheet No. 663-A

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By:  Lori A. Blattner

Director, Regulatory Affairs

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**SCHEDULE 663
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Rates (continued):**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 0.3237%.

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

TAX ADDITIONS:

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

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**SCHEDULE 663
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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.

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 30th.

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**SCHEDULE 663
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AGENT AND RELATED RESPONSIBILITIES:

Customer must provide in writing to 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.

Agent 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. Nominates on behalf of Customer; and
3. Performing operational and transportation-related administrative tasks on behalf of a customer as Company permits.

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

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
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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.

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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NOMINATIONS: (continued)

The Company shall have the right to adjust a customer's daily nominations when, in the Company's sole discretion, such action is necessary to bring into balance its system nominations as a receiving party on a pipeline system, or otherwise to maintain operational control or maintain the integrity of the Company's distribution system. The Company accepts customer purchased gas at the receipt point subject to customer's warranty that at the time of the Company's receipt, customer has good title to all gas received, free and clear of all liens, encumbrances and claims. Customer shall indemnify, defend, and hold Company harmless should a third party make any claims regarding customer's title to gas transported under this schedule. The supplier shall warrant that it has or will have entered into the necessary arrangements for the purchase of gas supplies which it desires the Company to transport to its customers, and that it has or will have entered into the necessary upstream transportation arrangements for the delivery of these gas supplies to the designated receipt point. The supplier shall warrant to the Company that it has good title to or lawful possession of all gas delivered to the Company at the designated receipt point on behalf of the supplier or the supplier's customers. The supplier shall indemnify, defend, and hold the Company harmless from all suits, actions, debts, accounts, damage, costs, losses, taxes, and expenses arising from or out of any adverse legal claims of third parties to or against said gas supply.

The supplier shall be responsible for making all necessary arrangements and securing all required regulatory or governmental approvals, certificates or permits to enable gas to be delivered to the Company's system.

The customer shall be deemed to be in control and possession of the customer purchased gas until the Company has accepted it at the receipt point. The Company shall be deemed to be in control or possession of the customer purchased gas until the equivalent therms are delivered to the customer at the delivery point.

Failure to report estimated gas transportation requirements or comply with requirements established in this schedule may result in a nomination being considered as a zero nomination for such gas day and may result in the penalties as described below.

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

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**SCHEDULE 663
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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 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.

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.

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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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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 curtailment under this Schedule.

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UNAUTHORIZED USE OF GAS DURING ENTITLEMENT PERIODS:

The Company may declare an Entitlement 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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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. For a general system or customer-specific declared entitlement period, such percentage will be: (i) in Company's sole discretion 5 percent, or, in the case of a declared overrun entitlement period announced on the day it is to be in effect, 3 percent for that day (Stage I), 8 percent (Stage II) or 13 percent (Stage III) of Customer's entitlement as set forth above.

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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.

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.

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Original Sheet No. 663-I

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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.

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

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