



Via eTariff Filing

August 9, 2024

Ms. Debbie-Anne A. Reese, Acting Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20428

Gas Transmission Northwest LLC

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Re: Gas Transmission Northwest LLC
Docket Nos. RP23-1099-000, RP23-1099-001 and RP23-1099-002
Stipulation and Agreement of Settlement and Motion for Waiver of Reply Comment
Period

Dear Ms. Reese:

Pursuant to Rule 602 of the Federal Energy Regulatory Commission's (the "Commission") Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2024), Gas Transmission Northwest LLC ("GTN") hereby files the attached Stipulation and Agreement of Settlement ("Settlement") to resolve all issues set for hearing in the above-referenced proceeding. The referenced proceeding is pending before Presiding Administrative Law Judge Joel deJesus and Settlement Judge Matthew J. Vlissides Jr., and GTN respectfully requests that the attached materials be forwarded to the Presiding Administrative Law Judge and Settlement Judge, and that the Settlement be certified promptly as an uncontested settlement and that the Commission act expeditiously to approve the Settlement, as discussed below.

The Settlement is the product of intensive negotiations between GTN, Trial Staff, and the active parties and resolves a host of contentious issues that have been vigorously contested by the parties to the proceeding. The Settlement reflects the agreement of GTN and the settling parties to resolve all issues in the above docket, and must be considered as an integrated package. The Settlement provides benefits to GTN's shippers and will save the parties substantial costs, time, and resources that would have been expended in further litigating these issues. Any modification or condition placed on the Settlement, or any provision of the Settlement, could jeopardize the negotiated compromise and delicate balance of interests that is reflected in the Settlement and result in further litigation and consumption of the Commission's and the parties' resources.

The Settlement is supported or not opposed by the Settling Parties listed in Appendix A of the Settlement, which includes all of the active parties to the proceeding. GTN is not aware of any party to the proceeding that opposes the Settlement.

The following appendices to the Settlement are included in this submission:

- Appendix A – Settling Parties
- Appendix B-1 – *Pro Forma* Phase I Rates
- Appendix B-2 – *Pro Forma* Phase II Rates
- Appendix B-3 – *Pro Forma* Revised Tariff Records
- Appendix C – Depreciation Rates and Negative Salvage Percentages

In light of the support or absence of opposition by all of the active parties, and consistent with the Motion for Waiver of the Reply Comment Period below, GTN asks that the Presiding Administrative Law Judge proceed expeditiously to certify to the Commission that the Settlement is uncontested. *See* 18 C.F.R. § 385.602(g) (2024).

This submission includes:

- (i) the Stipulation and Agreement of Settlement and the relevant appendices as detailed above; and
- (ii) a separate Explanatory Statement, *see* 18 C.F.R. § 385.602(c)(ii) (2024), including answers to the questions set forth in the December 15, 2016 Amended Notice to the Public issued by the Chief Administrative Law Judge.

Copies of this transmittal letter and all attachments are being served upon all parties to this proceeding, GTN's other jurisdictional customers, and all interested state commissions in accordance with Commission's Rule 602(d), 18 C.F.R. § 385.602(d) (2024).

GTN respectfully requests that the Commission waive any and all regulations that may be necessary in order to permit the approval of this Settlement as filed.

Motion for Waiver of Reply Comment Period

Pursuant to Rule 602(f)(2), 18 C.F.R. § 385.602(f)(2) (2024), initial comments on the Settlement will be due on August 29, 2024, and reply comments on September 6, 2024. Pursuant to the discretion afforded to the Commission and the Presiding Administrative Law Judge under Rule 602(f)(2), GTN respectfully moves for waiver of the reply comment period to the extent no initial comments are filed opposing the Settlement. GTN also requests expedited approval without

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modification of the Settlement.¹ As noted, GTN believes that this Settlement will be uncontested. If no adverse initial comments are submitted, GTN requests that the reply comment period be waived. The requested waiver of the reply comment period and prompt certification of the Settlement should enable the Commission to act swiftly. All parties have been notified of the applicable deadlines.

Respectfully submitted,

/s/ John P. Ryan

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ATTORNEY FOR GAS TRANSMISSION NORTHWEST LLC

August 9, 2024

¹ No participant, including Trial Staff, has expressed opposition to waiver of the reply comment period and expedited approval.

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Gas Transmission Northwest LLC)	Docket Nos. RP23-1099-000
)	RP23-1099-001
)	RP23-1099-002

STIPULATION AND AGREEMENT OF SETTLEMENT

**To: The Honorable Joel deJesus
Presiding Administrative Law Judge**

**The Honorable Matthew J. Vlissides Jr.
Settlement Judge**

Pursuant to Rule 602 of the Federal Energy Regulatory Commission’s (“FERC” or the “Commission”) Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2024), Gas Transmission Northwest LLC (“GTN”) submits this Stipulation and Agreement of Settlement (the “Settlement”). The Settlement resolves all issues in GTN’s general rate case proceeding in Docket Nos. RP23-1099-000 and RP23-1099-001, including all issues set for hearing in the Commission’s “Order Accepting and Suspending Tariff Records, Subject to Refund, and Establishing Hearing Procedures” issued on October 31, 2023.¹ GTN and the Settling Parties (as defined below) stipulate and agree to the following:

**ARTICLE I
PROCEDURAL HISTORY**

A. On September 29, 2023, GTN submitted a general rate case filing pursuant to Section 4 of the Natural Gas Act (“NGA”)² and to Article V.B. of the Stipulation and Agreement dated September 29, 2021, in Docket No. RP15-904-003 (“2021 Settlement”)³ (the “Rate Filing”),

¹ *Gas Transmission Northwest LLC*, 185 FERC ¶ 61,086 (2023) (“Suspension Order”).

² 15 U.S.C. § 717c.

³ *See Gas Transmission Northwest LLC*, 177 FERC ¶ 61,110 (2021).

containing proposed revisions to its FERC Gas Tariff, Fourth Revised Volume No. 1-A (“Tariff”). In the Rate Filing, GTN proposed, among other things: (a) to restate its base transportation tariff rates (maximum recourse rates); (b) to change its rate design from the existing dekatherm-mile rate structure to a two-zone rate structure on a prospective basis; (c) to establish a Regulatory Environmental & Compliance Costs (“RECC”) program; (d) to establish an Electric Power Cost Adjustment mechanism; and (e) to make certain service-related changes to its Tariff.

B. Some parties protested GTN’s proposed rate increase and various proposals included in the Rate Filing. Certain parties also sought partial rejection of certain aspects of the Rate Filing.

C. On October 31, 2023, the Commission issued the Suspension Order accepting and suspending GTN’s proposed tariff sections subject to refund, conditions, and the outcome of a hearing. In the Suspension Order, the Commission suspended the effectiveness of GTN’s proposed rates and Tariff-related proposals for the maximum five-month period to be effective April 1, 2024, subject to refund. The Commission also established an evidentiary hearing to explore the issues presented in the Rate Filing.

D. On November 7, 2023, the Chief Administrative Law Judge issued an order designating the Honorable Joel deJesus as the Presiding Administrative Law Judge (“Presiding ALJ”) and establishing certain procedural deadlines for the proceeding. Judge deJesus initiated the hearing phase of the proceeding on December 18, 2023, by convening a prehearing conference to establish a procedural schedule. On January 5, 2024, the Chief Administrative Law Judge issued an order extending procedural deadlines and establishing the procedural schedule for the hearing. Pursuant to the procedural schedule, GTN responded to discovery requests submitted by the Commission’s Trial Staff (“Trial Staff”) and various parties to the proceeding.

E. On November 8, 2023, the Chief Administrative Law Judge designated the Honorable Matthew J. Vlissides Jr. as Settlement Judge to convene a settlement conference and conduct settlement negotiations. The participants exchanged multiple settlement offers and participated in formal settlement conferences convened by Judge Vlissides on December 12, 2023, February 27, 2024, March 20, 2024, May 10, 2024, and June 14, 2024. The participants also conferred informally outside of the formal settlement conferences.

F. On March 28, 2024, GTN submitted (a) a filing to move to place the suspended tariff sections contained in the Rate Filing that were not subject to modification into effect on April 1, 2024, and (b) a separate filing to move to place certain updated tariff sections contained in the Rate Filing into effect on April 1, 2024 (collectively, “Motion Rates”). On April 18, 2024, the Commission granted GTN’s motions subject to refund and the outcome of the hearing, as established in the Suspension Order.⁴

G. As a result of the various formal and informal settlement discussions, GTN and the active participants reached an agreement in principle to settle all issues in this case based on the terms that are reflected in this Settlement. On July 3, 2024, GTN filed an Unopposed Motion to Suspend the Procedural Schedule and Waive Answer Period. The Chief Administrative Law Judge issued an order on July 8, 2024, holding the proceeding in abeyance. Also on July 8, 2024, Judge Vlissides reported to the Commission that the parties had reached a settlement in principle.

ARTICLE II INDIVISIBILITY OF SETTLEMENT TERMS/BLACK BOX SETTLEMENT

A. GTN and the Settling Parties have engaged in extensive settlement negotiations in an effort to resolve all issues set for hearing in the Suspension Order. This Settlement provides

⁴ Letter Order Accepting Gas Transmission Northwest LLC’s Compliance Filing, Docket Nos. RP23-1099-003 (Apr. 18, 2024).

for a reasonable and comprehensive resolution of all issues and matters in dispute in this proceeding. This Settlement is a compromise among many parties with diverse and often conflicting interests. It is an integrated package, and GTN and the Settling Parties request that it be approved in its entirety, without modification.

B. The rates established pursuant to Article VI herein (collectively, the “Settlement Rates”) and depreciation rates and negative salvage percentages set forth in Article VIII herein, respectively, are “black box” rates in the sense that there is no agreement on any underlying assumptions or methodologies for deriving the Settlement Rates or depreciation rates and negative salvage percentages.

ARTICLE III SETTLING PARTIES AND CONTESTING PARTIES

A. Settling Parties

A “Settling Party” is (a) any party identified in Appendix A; or (b) any party or shipper not identified in Appendix A that (i) expressly supports, or (ii) does not oppose the Settlement as a whole and/or any of its underlying provisions. For clarity, references to Settling Party or Parties within this document do not include GTN, though GTN is a party to this Settlement, or Commission Trial Staff.

B. Contesting Parties

1. Any entity, party, or Settling Party shall become a Contesting Party on the date that it (a) files any pleading at the Commission concerning this Settlement, other than a request for rehearing in accordance with Article IV.A.3. or Article IV.A.4, that takes any position with regard to the Settlement other than that the entity, party, or Settling Party (i) unequivocally supports the Settlement as a whole and each of its underlying provisions, (ii) does not oppose approval of the Settlement as a whole and/or (iii) urges expedited approval of the Settlement as

filed; (b) provides notice as set forth in Article IV.A.4. or Article IV.A.5. that it elects to become a Contesting Party; or (c) takes any action inconsistent with the terms of the Settlement.

2. Contesting Parties shall forego any and all rights or obligations under the Settlement. GTN shall retain all rights to file base rate or any other base or tariff changes pursuant to section 4 of the NGA that will be applicable to all Contesting Parties, notwithstanding anything in this Settlement. Any Commission orders during the term of this Settlement related to such NGA section 4 filings that are otherwise precluded by the Settlement shall only become effective as to Contesting Parties. Further, no rate, surcharge, or allocation of costs applicable to any Settling Party shall be modified as a result of the election of any other party to be a Contesting Party.

ARTICLE IV SETTLEMENT EFFECTIVENESS

A. Effective Date

1. The various provisions of this Settlement are not severable and will become binding and effective on the “Effective Date,” which shall be determined as follows:

- (a) if the Commission issues an order approving this Settlement without modification(s) and/or condition(s), the Effective Date shall be the date of the order approving this Settlement;
- (b) if the Commission issues an order approving this Settlement with modification(s) or condition(s), and neither any Settling Party nor GTN provides notice pursuant to the first sentence of Article IV.A.2., the Effective Date shall be the eighth (8th) calendar day after the date of the order approving this Settlement;
- (c) if the Commission issues an order approving this Settlement with modification(s) or condition(s), and any Settling Party or GTN provides

notice pursuant to the first sentence of Article IV.A.2., the Effective Date shall be as specified in Article IV.A.2.

The term of the Settlement shall begin on the Effective Date and shall terminate when new generally applicable rates become effective subject to Article V.B.

2. If the Commission issues an order approving this Settlement subject to a modification or condition that materially and adversely affects any provision of this Settlement, as determined by the affected Settling Party, or GTN, in its reasonable discretion, the Settling Party or GTN shall so notify the other participants within seven (7) calendar days of the date of such a Commission order. Upon that notice, the Settling Parties, Trial Staff, and GTN will engage in a good faith meet-and-confer process to: (i) determine whether the Commission-imposed modification(s) or condition(s) can be accepted by all Settling Parties and GTN, or, if not, (ii) make changes to the Settlement as are necessary so it is acceptable to all Settling Parties, Trial Staff, and GTN (the changed settlement shall be referred to as the “Amended Settlement”).

(a) If within fourteen (14) calendar days of the date of the Commission order the Settling Parties, Trial Staff, and GTN are unable to agree as provided for in (i) or (ii) in the preceding paragraph, then the obligation to meet and confer in good faith shall cease, and the Effective Date shall be the twenty-second (22nd) calendar day after the date of the Commission order approving the Settlement, subject to the rights of GTN and the Settling Parties as set forth in Article IV.A.3. and Article IV.A.4., respectively.

(b) If as a result of the good faith meet-and-confer process, all Settling Parties and GTN agree that they can accept the Commission-imposed modification(s) or condition(s), the Effective Date shall be the twenty-

second (22nd) calendar day after the date of the Commission order approving the Settlement.

(c) If as a result of the good faith meet-and-confer process, the Settling Parties, Trial Staff, and GTN agree within twenty-one (21) calendar days after the date of the Commission order to an Amended Settlement, the Amended Settlement shall be filed with the Commission and this Settlement shall not take effect.

3. If an order approving the Settlement requires a modification(s) or imposes a condition(s) that materially and adversely affects GTN, as determined by GTN in its reasonable discretion, then within twenty-one (21) calendar days of such Commission order and following the good faith efforts prescribed in Article IV.A.2. above, GTN shall provide notice to the Commission and all parties to the proceeding stating whether it will withdraw the Settlement and, if it does not withdraw the Settlement, whether it will seek rehearing of such Commission order. If GTN does not withdraw the Settlement, then the Settlement shall remain in effect with the modification(s) or condition(s) required by the Commission, subject to the outcome of any request for rehearing filed by GTN or any Settling Party. If GTN elects to file a request for rehearing that is consistent with the terms of the Settlement, then no Settling Party shall oppose such a request for rehearing. Within seven (7) calendar days of a Final Order denying a request for rehearing filed by GTN pursuant to this Article IV.A.3., GTN shall have the option to withdraw the Settlement by providing written notice of withdrawal of the Settlement to the Commission and all parties in this proceeding.

4. If an order approving the Settlement requires a modification(s) or imposes a condition(s) that materially and adversely affects any Settling Party, as determined by such

Settling Party in its reasonable discretion, then within twenty-one (21) calendar days of the issuance of such Commission order and following the good faith efforts prescribed in Article IV.A.2. above, such Settling Party shall provide notice to the Commission and all parties to the proceeding stating whether or not it elects to continue to be bound by the Settlement and, if so, whether it will seek rehearing of such Commission order. If such Settling Party elects to continue to be bound by the Settlement, then the Settlement shall remain in effect with the modification(s) or condition(s) required by the Commission, subject to the outcome of any request for rehearing filed by such Settling Party. If such Settling Party elects to file a request for rehearing that is consistent with the Settlement, then no other Settling Party or GTN will oppose such request for rehearing. Such Settling Party providing notice that it elects not to continue to be bound by the Settlement shall cease to be a Settling Party and shall be deemed to be a Contesting Party as of the date of such notice, provided, however, that filing a request for rehearing that is consistent with the Settlement does not constitute notice of intent to become a Contesting Party, and provided, further, that such Settling Party may elect to become a Contesting Party within seven (7) calendar days of a Final Order denying a request for rehearing, consistent with Article IV.A.5. below. Within seven (7) calendar days of receipt of such notice that such Settling Party elects to become a Contesting Party, GTN shall have the option, but not the obligation, to withdraw the Settlement by providing written notice of withdrawal of the Settlement to the Commission and all parties in this proceeding.

5. Within seven (7) calendar days of a Final Order denying a request for rehearing filed by a Settling Party, such Settling Party shall have the option to provide notice to the Commission and all parties to the proceeding that it elects not to be bound by the Settlement. Such Settling Party that elects not to be bound by the Settlement shall cease to be a Settling Party

and shall be deemed to be a Contesting Party as of the date of such notice. Within seven (7) calendar days of receipt of such notice, GTN shall have the option, but not the obligation, to withdraw the Settlement by providing written notice of withdrawal of the Settlement to the Commission and all parties in this proceeding.

6. For purposes of this Settlement, a Final Order is an order by the Commission for which no request for rehearing or petition for review or certiorari is pending and for which the statutory time period within which to seek rehearing, review or certiorari has expired. If GTN withdraws the Settlement, all parties' rights, obligations and commitments under the Settlement are deemed null and void, and all parties are returned to the *status quo ante*.

B. Effect of Withdrawal of the Settlement by GTN or Rejection by the Commission or by a Court

Any notice of withdrawal permitted by the Settlement and provided by GTN, or any rejection of the Settlement by the Commission or a court of competent jurisdiction, shall cause the Settlement to be terminated and become null and void, and the parties shall be restored to the *status quo ante*. If GTN provides notice of withdrawal or the Settlement is rejected by the Commission or a court of competent jurisdiction, GTN may take any necessary action, including submission of a tariff filing, to restore or otherwise make effective subject to refund and the outcome following any hearing the Motion Rates, and no former Settling Party shall oppose that action taken by GTN.

**ARTICLE V
MORATORIUM AND MANDATORY FILING REQUIREMENT**

A. Moratorium

1. The period from April 1, 2024 through March 31, 2027, is referred to herein as the "Moratorium."

2. Except in accordance with this Article, GTN hereby waives and relinquishes its rights under section 4 of the NGA to advocate any changes or adjustments that would be inconsistent with any provision of this Settlement to be effective during the Moratorium, including, without limitation, any increase, change or modification of the Settlement Rates, as referenced in Article VI.A., or the tariff amendments contained in the Pro Forma Tariff sections included in Appendix B. GTN, and any successor, assignee or affiliate, will not initiate, undertake, pursue, seek, advocate, support, aid or abet any effort to implement a change or adjustment to any provision of this Settlement that would become effective during the Moratorium, pursuant to section 4 of the NGA or any other statutory provision, at the Commission or with any other governmental authority or regulatory body having jurisdiction over GTN, to modify, increase or otherwise change in any way the Settlement Rates, or any other provision of this Settlement, including but not limited to challenging, contesting or otherwise opposing the Settlement Rates, as referenced in Article VI.A., or the tariff amendments contained in the Pro Forma Tariff sections attached as Appendix B; provided, however, that the waiver effectuated by this Article V.A.2. does not preclude GTN from making any filing under section 4 for the purpose of seeking a change or adjustment to GTN's rates or terms and condition of service effective on or after April 1, 2027 or from making any filing allowed under Article V.A.4. or Article V.A.5.

3. Each Settling Party hereby waives and relinquishes its rights under section 5 of the NGA to advocate individually, with others, or in support of others, any changes or adjustments that would be inconsistent with any provision of this Settlement to be effective during the Moratorium. Such Settling Party, and any successor, assignee (including shippers acquiring capacity by capacity release), or affiliate of such Settling Party, whether acting individually, with

others or in support of others, will not initiate, undertake, pursue, seek, advocate, support, aid or abet any effort to implement a change or adjustment to any provision of this Settlement that would become effective during the Moratorium, pursuant to section 5 of the NGA or any other statutory provision, at the Commission or with any other governmental authority or regulatory body having jurisdiction over GTN, to modify, restrict, encumber, reduce or otherwise change in any way the Settlement Rates, or any other provision of this Settlement, including but not limited to challenging, contesting or otherwise opposing the tariff amendments contained in the Pro Forma Tariff sections attached as Appendix B; provided, however, that the waiver effectuated by this Article V.A.3. does not preclude such Settling Party from (i) making any section 5 filing on the basis that GTN has violated the terms of this Settlement or has applied the terms of this Settlement in an unduly discriminatory manner, (ii) making any filing allowed under Article V.A.4. or Article V.A.6., or (iii) making any filing under section 5 for the purpose of seeking a change or adjustment to GTN's rates or terms and conditions of service effective on or after April 1, 2027.

4. During the Moratorium, and provided that any such activity is not inconsistent with the provisions of this Settlement, GTN and any Settling Party shall be free to: (a) petition to initiate rulemaking proceedings of general industry-wide applicability; (b) actively participate in any rulemaking, notice of inquiry or similar proceeding of general applicability before the Commission ("Commission Rulemaking"); (c) petition for and actively participate in judicial appeals or remands of Commission Rulemaking proceedings; and (d) participate in any other Commission proceeding.

5. During the Moratorium GTN may take any action and make any filing not inconsistent with this Settlement, including the actions listed in Article V.A.5.(a) through (e)

below. Settling Parties may not challenge GTN's right to make such filings, but may otherwise take any position with respect to such filings:

- (a) as provided in Article IX below, file to establish a modernization program after meeting with its customers that is mutually agreed upon and that is consistent with the Commission's Modernization Policy Statement in *Cost Recovery Mechanisms for Modernization of Natural Gas Facilities*, 151 FERC ¶ 61,047 (2015), *clarification denied*, 152 FERC ¶ 61,046 (2015).
- (b) file tariff provisions or make any filing (i) mandated by legislation or regulations or (ii) to comply with the requirements of any order resulting from any Commission rulemaking proceedings(s) or any Commission order requiring general applicability; provided, however, that GTN may not recover costs imposed upon the pipeline to comply with such legislation, regulation or order other than as provided in V.A.5.(c) herein;
- (c) make any filing pursuant to sections 4 or 7 of the NGA not inconsistent with the terms of the Settlement for the following:
 - (i) proposing to construct and operate new facilities or to provide new service(s) not covered by the Settlement;
 - (ii) proposing any incremental rate, maximum recourse rate and/or rate schedule associated with such new facilities or new service(s); or
 - (iii) proposing new or revised rate schedules or terms or conditions of service that do not change the Settlement Rates;
- (d) provide discounts to the Settlement Rates; and
- (e) enter into negotiated rate agreements.

6. During the Moratorium, Settling Parties shall have the right to make any NGA section 5 filing not prohibited by the Settlement and, subject to the limitations set forth in Article V.A.3. and Article V.A.5. above, shall have the right to challenge any filing made by GTN pursuant to Article V.A.4 or Article V.A.5. above.

B. Mandatory Rate Filing Requirement

GTN shall file a general rate case pursuant to section 4 of the NGA such that the rates proposed therein will be effective no later than April 1, 2027. The filing shall be made within sufficient time to accommodate any Commission-imposed suspension period.

**ARTICLE VI
SETTLEMENT RATES**

A. Settlement Rates

1. The rates for all GTN mainline transportation services, to be effective on April 1, 2024 and through March 31, 2026, are set forth or otherwise referenced on Pro Forma Tariff Sections 4.1, 4.2, 4.3, and 4.5, attached in Appendix B-1 (the “Phase I Settlement Rates”). Within thirty (30) days of a “Final Order” as defined in Article IV.A.6. of this Settlement, GTN shall make an NGA Section 4 filing to implement the *pro forma* Tariff records contained in Appendix B-1.

2. Effective on April 1, 2026 and continuing through March 31, 2027, the rates for all GTN mainline transportation services are set forth or otherwise referenced on Pro Forma Tariff Sections 4.1, 4.2, 4.3, and 4.5, attached in Appendix B-2 (the “Phase II Settlement Rates”). GTN shall make an NGA section 4 filing containing the actual Tariff sections as they appear in Appendix B-2 to implement the Phase II Settlement Rates at least thirty (30) calendar days before April 1, 2026.

B. Refunds

Within sixty (60) days after the Effective Date and in accordance with the requirements of 18 C.F.R. §§ 154.501 and 154.502 (2024), GTN shall provide to each shipper that is not a Contesting Party a refund for the period April 1, 2024 through the Effective Date, via (1) a billing adjustment, or (ii) for such shippers providing valid wiring instructions to GTN prior to the Effective Date, a lump-sum wire transfer. The refund shall equal the difference between the

rates collected from each Settling Party under each contract and the Period I Settlement Rates applicable to the service received by such Settling Party, plus interest at the applicable FERC interest rate. Within thirty (30) days of the distribution of any refunds due pursuant to this paragraph, GTN shall file a report complying with 18 C.F.R. §§ 154.501(e) and 154.502 (2024).

ARTICLE VII REGULATORY ASSETS

A. Washington Cap and Investment Program Regulatory Asset

1. Settling Parties and GTN agree that the existing Washington State Cap and Invest Program (“CIP”) regulatory asset established pursuant to the 2021 Settlement totals \$8.65 million through the end of the test period in this proceeding. This amount shall be amortized over three (3) years (\$2.88 million each year).

2. For the period from April 1, 2024 through March 31, 2027, GTN is authorized to establish a regulatory asset (“CIP Deferral Account”) to record Washington State CIP-related costs that GTN incurs during the term of the Settlement. Any costs recorded in the CIP Deferral Account regulatory asset shall accumulate interest at the Commission’s rate in accordance with 18 C.F.R. § 385.501(d) from the date incurred until GTN fully recovers the costs through its rates.

3. GTN shall be permitted to include the costs properly recorded in the CIP Deferral Account regulatory asset in rates proposed in GTN’s next general NGA section 4 rate case or in any general investigation of GTN’s rates under section 5 of the NGA. Such costs shall be amortized over a period of no less than seven (7) years.

4. In GTN’s next general NGA section 4 rate case or in any general investigation of GTN’s rates under section 5 of the NGA, Settling Parties retain all rights to challenge GTN’s recovery in rates of costs recorded in such CIP Deferral Account regulatory asset; provided, however, that no Settling Party shall challenge GTN’s authority to record such

Washington State CIP-related costs as a regulatory asset or that the costs were incurred outside of the applicable base period and test period.

B. Rate Case Expenses Regulatory Assets

GTN shall be permitted to include a \$3.0 million regulatory asset associated with rate case expenses incurred in preparation of this rate case filed in Docket No. RP23-1099 through the end of the test period. Such costs shall be amortized over a period of three (3) years.

C. Post Retirement Benefits Other than Pensions

GTN agrees that it will not establish a regulatory asset associated with PBOP expenses or costs. In its next section 4 rate proceeding, GTN may seek recovery of its allocated portion of actuarially-determined annual net PBOP costs and/or expenses, if any, that are incurred during the base period of such rate case, as adjusted for known and measurable test period changes, and shippers may take any position with respect to such request.

**ARTICLE VIII
DEPRECIATION AND NEGATIVE SALVAGE**

Effective April 1, 2024, GTN shall apply the depreciation rates and negative salvage percentages set forth in Appendix C for regulatory accounting purposes. A Final Order approving the Settlement shall constitute all necessary authority, including under Sections 8 and 9 of the NGA, for GTN to apply the Appendix C depreciation rates.

**ARTICLE IX
FUTURE MODERNIZATION PROGRAM**

The Settlement does not provide for GTN to implement an RECC program; provided, however, that GTN shall retain the right to, at its sole discretion, engage with customers during the term of this Settlement to develop a mutually-agreeable proposal for a modernization program, including projects seeking to reduce costs to comply with the Washington CIP.

**ARTICLE X
WASHINGTON CIP CUSTOMER MEETINGS**

During the term of the Settlement, GTN shall convene three customer meetings, which may be conducted virtually or in-person (with a virtual option) as coordinated with Settling Parties, to discuss the status of the CIP Deferral Account and GTN’s efforts to optimize the account to minimize the expenses that are added to that account during the term of the Settlement. The first customer meeting will occur on or about April 1, 2025, and the subsequent meetings will occur on or about April 1, 2026, and on or about April 1, 2027.

**ARTICLE XI
GTN XPRESS**

A. Settling Parties and GTN agree that the determination of whether any costs of the compressor replacements at the Athol, Starbuck and Kent Compressor Stations⁵ should be allocated from base system rates to the GTN Xpress Project (“GTN Xpress”)⁶ shall be deferred and reserved for discussion, either in GTN’s next general NGA section 4 rate case following the expiration of the term of this Settlement or in any general investigation of GTN’s rates under section 5 of the NGA; provided, however, that to the extent that any allocation of those compressor replacement costs is determined by the Commission to be appropriate, such allocation shall be capped at \$50 million.

B. Other than the cost allocation issue addressed in Article XI.A., Settling Parties and GTN retain all rights and arguments with respect to compressor cost allocation and any proposal

⁵ See *Gas Transmission Northwest LLC*, Advance Notification of Natural Gas Facilities Replacement – Athol Compressor Station, Docket No. CP20-82-000 (filed Mar. 10, 2020); *Gas Transmission Northwest LLC*, Advance Notification of Natural Gas Facilities Replacement – Kent Compressor Station, Docket No. CP20-85-000 (filed Mar. 10, 2020); *Gas Transmission Northwest LLC*, Advance Notification of Natural Gas Facilities Replacement – Starbuck Compressor Station, Docket No. CP20-86-000 (filed Mar. 10, 2020).

⁶ See *Gas Transmission Northwest LLC*, 185 FERC ¶ 61,035 (2023), *Order Addressing Arguments Raised on Reh’g and Dismissing Stay*, 187 FERC ¶ 61,023 (2024).

to roll in the costs of GTN XPress, and this Article XI shall not constitute waiver of any such rights and arguments in GTN's next general NGA section 4 rate case or in any general investigation of GTN's rates under section 5 of the NGA.

ARTICLE XII TARIFF CHANGE PROPOSALS

A. GTN shall modify its *pro forma* service agreement ("PFSA") and Section 6.17 of the General Terms and Conditions of GTN's Tariff to provide that GTN may grant a new shipper's (*i.e.*, a shipper that was not a shipper on the Effective Date of this settlement) request for an evergreen right for any new firm contract with a term of five (5) years or more that is entered into after the Effective Date only if the shipper agrees to provide GTN with its notice of termination no less than five (5) years prior to the termination date of such contract, which termination right the Shipper can elect unilaterally.

B. The PFSA modification described in Article XII.A. shall not apply to contracts existing as of the Effective Date, whether such contracts are in their initial term or have been rolled over, and whether or not such contract is held by the original shipper or has been acquired pursuant to capacity release. All shippers under existing contracts will retain their existing evergreen rights. Furthermore, the PFSA modification described in Article XII.A. shall not apply where a shipper under a contract existing as of the Effective Date reduces the maximum daily quantity of that contract.

C. GTN shall be permitted to implement the definition of "Unauthorized Overrun" in Rate Schedules FTS-1, LFS-1, and FHS, to provide improved clarity in the GTN Tariff as proposed in the Rate Filing.

D. GTN shall be permitted to implement the revisions to Rate Schedule PAL and Section 6.18.1(B) of the General Terms and Conditions of the Tariff concerning Shipper

Authorized Automatic Term Parking/Lending to add an enhancement option to its existing PAL Rate Schedule as proposed in the Rate Filing.

**ARTICLE XIII
TARIFF FILING**

Within thirty (30) days of a “Final Order” as defined in Article IV.A.6. of this Settlement, GTN shall make an NGA section 4 filing to implement the *pro forma* Tariff records contained in Appendix B-3, which Tariff records reflect the Tariff changes described in Article XII.

**ARTICLE XIV
THE SETTLEMENT SUPERCEDES THE 2021 SETTLEMENT**

Subject to Article IV.B., the Settling Parties and GTN agree that as of the Effective Date, the 2021 Settlement is superseded in its entirety by this Settlement and shall be null and void, and no provision of the 2021 Settlement will continue to have any force or effect or be binding on any entity, party, Settling Party, or GTN, except with respect to the provision of Article XII of the 2021 Settlement that provides for the survival of the provisions of Article VI.E. of the 2007 Settlement in Docket No. RP06-407-000 relating to seasonal rates for short-term firm transportation and interruptible transportation service. However, this Settlement does not effectuate changes to GTN’s existing Tariff other than those set forth herein.

**ARTICLE XV
RESERVATIONS**

A. Settlement is Non-Binding Until Effective

Neither GTN nor any Settling Party shall be bound or prejudiced by any part of this Settlement, unless it becomes effective in accordance with the provisions hereof.

B. Settlement Has No Precedential Value

1. The Commission’s approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue. Unless this Settlement is approved and becomes

effective in accordance with the provisions set forth herein, then in any proceeding before the Commission this Settlement, any of the Pro Forma Tariff sections attached hereto and the content of any settlement negotiations resulting therein may not be employed or cited to in any manner and nothing contained in this Settlement, nor in any of the settlement negotiations leading hereto, shall be deemed an admission by any party of any principle contained herein.

2. Except as explicitly stated in Article VIII above, the methods or practices observed in deriving rates and the presence or absence of methods of establishing rates as referenced in this Settlement shall not constitute precedent nor be used to prejudice any otherwise available rights or arguments of any participant in a future proceeding, other than to enforce the terms of the Settlement or collect rates due for the service provided while the Settlement remains in effect, and shall not be used as evidence that a particular method is a “long-standing practice” as that term is used in *Columbia Gas Transmission Corp. v. FERC*, 628 F.2d 578 (D.C. Cir. 1975), or a “settled practice” as that term is used in *Public Service Commission of New York v. FERC*, 642 F.2d 1335 (D.C. Cir. 1980). The provisions of this Settlement are for purposes of settlement only and shall have no precedential effect.

C. No Drafter

No party shall be deemed the drafter of this Settlement, and this Settlement shall not be construed against any party as the drafter.

D. Severability

The provisions of the Settlement are not severable and may become effective only in accordance with the terms of the Settlement.

E. Negotiated Settlement

It is specifically understood and agreed by and among the Settling Parties that the Settlement represents a negotiated settlement only with respect to the issues resolved by the Settlement. Except to the extent explicitly set forth in the Settlement, neither the Commission, its Staff, GTN, nor any Settling Party shall be deemed to have approved, accepted, agreed to or consented to any policy, methodology or other principle underlying or supposed to underlie any of the matters provided for in the Settlement.

F. Choice of Law

This Settlement shall be interpreted in accordance with and governed by the laws of the State of California, without regard to its conflicts of laws principles.

G. Standard of Review

To the extent that the Commission considers any changes to the terms of the Settlement, the standard of review for any proposed modification to the provisions of the Settlement by the Commission acting *sua sponte*, by the Settling Parties and GTN acting unanimously, or upon complaint by a third party, will be the just and reasonable standard. The standard for review for any proposed modifications to the provisions of the Settlement at the request of GTN, or of one or more, but fewer than all, Settling Parties will be the “public interest” standard for review set forth in *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956) and *FPC v. Sierra Pac. Power Co.*, 350 U.S. 348 (1956).

**ARTICLE XVI
PRIVILEGED DOCUMENT**

Unless the Settlement shall have become effective in accordance with Article IV, this Settlement shall be privileged, and all discussions held and materials provided by any party in reaching this Settlement shall be treated as if it were subject to Rule 602 of the Commission’s

Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2024), regardless of whether Rule 602 applies.

ARTICLE XVII
EFFECT OF COMMISSION APPROVAL

A. The Commission’s approval of this Settlement shall constitute Commission (a) authorization and approval for GTN to implement the rates and Tariff changes set forth in this Settlement on their proposed effective dates without suspension and without conditions other than those specified herein, and (b) granting any waiver of Section 154 of the Commission’s regulations necessary to implement such Tariff sections in accordance with this Settlement.

B. The Commission’s approval of this Settlement shall constitute Commission waiver of compliance, to the extent (if any) necessary, by GTN with the requirements of the Commission’s Rules and Regulations under the NGA and Natural Gas Policy Act including, but not limited to, Parts 154, 157, 201 and 284 as necessary to carry out any provision of this Settlement.

Respectfully submitted,

/s/ Stefan M. Krantz

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ATTORNEYS FOR GAS TRANSMISSION NORTHWEST LLC

August 9, 2024

APPENDIX A

Settling Parties

SETTLING PARTIES

The entities listed below have authorized GTN to state that they either support or do not oppose the foregoing Stipulation and Agreement of Settlement.

Alliance of Western Energy Consumers
Avista Corporation
BP Canada Energy Marketing Corp.
California Public Utilities Commission
Calpine Energy Services LP
Canadian Association of Petroleum Producers
Cascade Natural Gas Corporation
Cenova Energy Marketing Services Ltd.
Concord Energy LLC
Husky Marketing & Supply Company
IGI Resources, Inc.
Intermountain Gas Company
Northwest Natural Gas Company
Ovintiv Marketing Inc.
Pacific Gas & Electric Company
Portland General Electric Company
Puget Sound Energy, Inc.
Shell Energy North America (US), L.P.
Sierra Pacific Power Company d/b/a NV Energy
Tenaska Marketing Ventures
Tourmaline Oil Marketing Corp.
Turlock Irrigation District

APPENDIX B

Tariff Sections

APPENDIX B-1

Phase I Settlement Rate Tariff Sections

Appendix B-1 Clean

Gas Transmission Northwest LLC
FERC Gas Tariff, Fourth Revised Volume No. 1-A
Docket No. RP23-1099-000

Pro-Forma Phase I Rates **To Become Effective April 1, 2024**

<u>Record No.</u>	<u>Description</u>	<u>Pro-Forma Version</u>
4.1	Statement of Rates, FTS-1, LFS-1, and FHS Rates	22.0.0
4.2	Statement of Rates, ITS-1 and IHS Rates	13.0.0
4.3	Statement of Rates, Footnotes to Statement of Effective Rates and Charges	20.0.0
4.5	Statement of Rates, Parking and Lending Service	11.0.0

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR
 TRANSPORTATION OF NATURAL GAS

Rate Schedules FTS-1, LFS-1, and FHS

For Rate Schedules FTS-1 and LFS-1:

RESERVATION

	DAILY MILEAGE (a) (Dth-Mile)		DAILY NON-MILEAGE (b) (Dth)		DELIVERY (c) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	0.0003620	0.0000000	0.0286120	0.0000000	0.0000160	0.0000160
STF (e)	(e)	0.0000000	(e)	0.0000000	0.0000160	0.0000160

EXTENSION CHARGES

MEDFORD

E-1 (f)	0.0025110	0.0000000	0.0042230	0.0000000	0.0000260	0.0000260
E-2 (h) (Diamond 1)	0.0029720	0.0000000	---	---	0.0000000	0.0000000
E-2 (h) (Diamond 2)	0.0011660	0.0000000	---	---	0.0000000	0.0000000

COYOTE SPRINGS

E-3 (i)	0.0011670	0.0000000	0.0011680	0.0000000	0.0000000	0.0000000
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CARTY LATERAL

E-4 (p)	---	---	0.1514920	0.0000000	0.0000000	0.0000000
---------	-----	-----	-----------	-----------	-----------	-----------

OVERRUN CHARGE (j)

	---	---	---	---	---	---
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	RESERVATION <u>(Dth-Mile)</u>	COMMODITY <u>(Dth-Mile)</u>
FUEL (d)		
MAXIMUM FUEL AND LINE LOSS PERCENTAGE	---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE	---	0.0000%

SURCHARGES

ACA (k)

For Rate Schedule FHS:

The Mainline and Extension Reservation rates shown above for Rate Schedules FTS-1 and LFS-1 shall also be applicable to service under Rate Schedule FHS, except that the Mileage and Non-Mileage Components shall be adjusted to reflect the expedited hours of gas flow (“HF”) utilizing the following formulas, rounded to 7 decimal places:

(a) Mileage Reservation Component = $FTS-1M \times \text{Miles} \times (24/HF)$

(b) Non-Mileage Reservation Component = $FTS-1NM \times (24/HF)$

where:

- FTS-1M = Applicable FTS-1 Mileage Reservation Charge
- FTS-1NM = Applicable FTS-1 Non-Mileage Reservation Charge
- Miles = Distance, in pipeline miles, from the Primary Point(s) of Receipt to the Primary Point(s) of Delivery as set forth in Shipper’s Contract
- HF = MDQ/MHQ

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR
 TRANSPORTATION OF NATURAL GAS (a)

Rate Schedule ITS-1

	MILEAGE (n) (Dth-Mile)		NON-MILEAGE (o) (Dth)		DELIVERY (c) (Dth-Mile)		RESERVATION (Dth-Mile)	COMMODITY Dth-Mile
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>		
BASE	(e)	0.0000000	(e)	0.0000000	0.0000160	0.0000160		
EXTENSION CHARGES								
MEDFORD								
E-1 (Medford) (f)	0.0025110	0.0000000	0.0042230	0.0000000	0.0000260	0.0000260		
COYOTE SPRINGS								
E-3 (Coyote Springs) (i)	0.0011670	0.0000000	0.0011680	0.0000000	0.0000000	0.0000000		
CARTY LATERAL								
E-4 (Carty Lateral) (p)	---	---	0.1514920	0.0000000	0.0000000	0.0000000		
FUEL (d)								
MAXIMUM FUEL AND LINE LOSS PERCENTAGE					---			0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE					---			0.0000%
SURCHARGES								
ACA					(k)			

Rate Schedule IHS

	MILEAGE (n) (Dth-Mile)		NON-MILEAGE (o) (Dth)		DELIVERY (c) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	(e)	0.0000000	(e)	0.0000000	0.0000160	0.0000160
EXTENSION CHARGES						
MEDFORD						
E-1 (Medford) (f)	0.0060260	0.0000000	0.0101350	0.0000000	0.0000260	0.0000260
COYOTE SPRINGS						
E-3 (Coyote Springs) (i)	0.0028010	0.0000000	0.0028030	0.0000000	0.0000000	0.0000000
CARTY LATERAL						
E-4 (Carty Lateral) (p)	---	---	0.3635810	0.0000000	0.0000000	0.0000000
					<u>RESERVATION (Dth-Mile)</u>	<u>COMMODITY Dth-Mile</u>
FUEL (d)						
FUEL AND LINE LOSS PERCENTAGE					---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE					---	0.0000%
SURCHARGES						
ACA					(k)	

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS

Notes:

- (a) The mileage component shall be applied per pipeline mile to gas transported by GTN for delivery to shipper based on the primary receipt and delivery points in Shipper's contract. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (b) The non-mileage component is applied per Shipper's MDQ at Primary Point(s) of Delivery on Mainline Facilities.
- (c) The delivery rates are applied per pipeline mile to gas transported by GTN for delivery to shipper based on distance of gas transported. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (d) Fuel Use: Shipper shall furnish gas used for compressor station fuel, line loss, and other utility purposes, plus other unaccounted-for gas used in the operation of GTN's combined pipeline system in an amount equal to the sum of the current fuel and line loss percentage and the fuel and line loss percentage surcharge in accordance with Section 6.38 of this Tariff, multiplied by the distance in pipeline miles transported from the receipt point to the delivery point multiplied by the transportation quantities of gas received from Shipper under these rate schedules. The current fuel and line loss percentage shall be adjusted each month between the maximum currently effective rate set forth in Section 4.1 and Section 4.2 and the minimum rate of 0.0000% per Dth per mile. No fuel use charges will be assessed for backhaul service. Currently effective fuel charges may be found on GTN's Internet website under "Informational Postings."
- (e) Seasonal recourse rates apply to short-term firm (STF) service under Rate Schedules FTS-1 and FHS (i.e., firm service that has a term of less than one year and that does not include multiple-year seasonal service) and IT Service under Rate Schedules ITS-1 and IHS. By March 1 of each year GTN may designate up to four (4) months as peak months during a twelve (12) month period beginning on June 1 of the same year through May 31 of the following year. All other months will be considered off-peak months. Reservation rate components that apply to STF service and per-unit-rate ITS-1 and IHS service are as follows (delivery charges and applicable surcharges continue to apply):

For STF and ITS-1:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.0400570	\$0.0400570	\$0.0400570	\$0.0400570	\$0.0286120
Peak Mi. Res.	\$0.0005070	\$0.0005070	\$0.0005070	\$0.0005070	\$0.0003620
Off-Pk NM Res.	\$0.0228900	\$0.0247970	\$0.0263230	\$0.0275720	\$0.0286120
Off-Pk Mi. Res.	\$0.0002900	\$0.0003140	\$0.0003330	\$0.0003490	\$0.0003620

For IHS:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.0961370	\$0.0961370	\$0.0961370	\$0.0961370	\$0.0686690
Peak Mi. Res.	\$0.0012170	\$0.0012170	\$0.0012170	\$0.0012170	\$0.0008690
Off-Pk NM Res.	\$0.0549360	\$0.0595130	\$0.0631750	\$0.0661730	\$0.0686690
Off-Pk Mi. Res.	\$0.0006960	\$0.0007540	\$0.0007990	\$0.0008380	\$0.0008690

Months currently designated as "Peak Months" may be found on GTN's Internet website under "Informational Postings." By March 1 of each year, GTN will post the Peak Months for the upcoming twelve-month period beginning June 1 of the same year.

- (f) Applicable to firm service on GTN's Medford Extension.
- (g) Reserved for Future Use.
- (h) E-2 (Diamond 1) is a Negotiated Rate consisting of a reservation charge of \$0.002972 per Dth per day for the first 45,000 Dth/d and E-2 (Diamond 2) is a Negotiated Rate consisting of a reservation charge of \$0.001166 per Dth per day for the second 45,000 Dth/d. During leap years, E-2 (Diamond 1) is a Negotiated Rate consisting of a reservation charge of \$0.002964 per Dth per day for the first 45,000 Dth/d and E-2 (Diamond 2) is a Negotiated Rate consisting of a reservation charge of \$0.001163 per Dth per day for the second 45,000 Dth/d. Pursuant to Article VI, Subsections B and C of the Amended Stipulation and Agreement filed with the Commission on October 16, 2018, in Docket No. RP15-904-001, and as accepted by Order of the Commission dated November 30, 2018, the Diamond 1 and Diamond 2 Negotiated Rates in Section 4.1, above, shall be modified as follows: 1) from January 1, 2019, through December 31, 2019, and January 1, 2021 through December 31, 2021, the Diamond 1 reservation charge shall be \$0.002823 and the Diamond 2 reservation charge shall be \$0.001108; 2) from January 1, 2020, through December 31, 2020, the Diamond 1 reservation charge shall be \$0.002816 and the Diamond 2 reservation charge shall be \$0.001105.
- (i) Applicable to firm service on GTN's Coyote Springs Extension.

- (j) The Overrun Charge shall be equal to the rates and charges set forth for interruptible service under Rate Schedule ITS-1.
- (k) In accordance with Section 6.22 of the Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A, all Transportation services that involve the physical movement of gas shall pay an ACA unit adjustment. The currently effective ACA unit adjustment as published on the Commission's website (www.ferc.gov) is incorporated herein by reference. This adjustment shall be in addition to the Base Tariff Rate(s) specified above.
- (l) Reserved for Future Use.
- (m) Reserved for Future Use.
- (n) The Rate Schedule ITS-1 Mileage Component shall be applied per pipeline mile to gas transported by GTN based on the distance of gas transported. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (o) The Rate Schedule ITS-1 Non-Mileage Component shall be applied per Dth of gas transported by GTN for immediate delivery to the facilities of another entity or an extension facility.
- (p) Applicable to firm service on GTN's Carty Lateral Extension.

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS FOR

Parking and Lending Service
(\$/Dth)

	BASE TARIFF RATE	
	MINIMUM	MAXIMUM
PAL Parking and Lending Service (a):	0.0	0.2043560/d

Notes:

- (a) Applicable to both PAL Service and ATPL enhancement option as defined in Section 5.2.2.

Appendix B-1
Marked

Gas Transmission Northwest LLC
FERC Gas Tariff, Fourth Revised Volume No. 1-A
Docket No. RP23-1099-000

Pro-Forma Phase I Rates
To Become Effective April 1, 2024

<u>Record No.</u>	<u>Description</u>	<u>Pro-Forma Version</u>
4.1	Statement of Rates, FTS-1, LFS-1, and FHS Rates	22.0.0
4.2	Statement of Rates, ITS-1 and IHS Rates	13.0.0
4.3	Statement of Rates, Footnotes to Statement of Effective Rates and Charges	20.0.0
4.5	Statement of Rates, Parking and Lending Service	11.0.0

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR
 TRANSPORTATION OF NATURAL GAS

Rate Schedules FTS-1, LFS-1, and FHS

For Rate Schedules FTS-1 and LFS-1:

RESERVATION

	DAILY MILEAGE (a) (Dth-Mile)		DAILY NON-MILEAGE (b) (Dth)		DELIVERY (c) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
	BASE	0.0004297 <u>0.0003620</u>	0.0000000	0.0300109 <u>0.0286120</u>	0.0000000	0.0000092 <u>0.0000160</u>
STF (e)	(e)	0.0000000	(e)	0.0000000	0.0000092 <u>0.0000160</u>	0.0000092 <u>0.0000160</u>

EXTENSION CHARGES

MEDFORD

E-1 (f)	0.0017693 <u>0.0025110</u>	0.0000000	0.0083069 <u>0.0042230</u>	0.0000000	0.0000000 <u>0.0000260</u>	0.0000000 <u>0.0000260</u>
E-2 (h) (Diamond 1)	0.0029720	0.0000000	---	---	0.0000000	0.0000000
E-2 (h) (Diamond 2)	0.0011660	0.0000000	---	---	0.0000000	0.0000000

COYOTE SPRINGS

E-3 (i)	0.0023262 <u>0.0011670</u>	0.0000000	0.0047299 <u>0.0011680</u>	0.0000000	0.0000000	0.0000000
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CARTY LATERAL

E-4 (p)	---	---	0.1106427 <u>0.1514920</u>	0.0000000	0.0000000	0.0000000
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OVERRUN CHARGE (j)

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	RESERVATION <u>(Dth-Mile)</u>	COMMODITY <u>(Dth-Mile)</u>
FUEL (d)		
MAXIMUM FUEL AND LINE LOSS PERCENTAGE	---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE	---	0.0000%
SURCHARGES		
ACA	(k)	
ELECTRIC POWER COSTS (EPC) (g)	0.0000000	0.0000000
REGULATORY ENVIRONMENTAL & COMPLIANCE COSTS (RECC) (l)	0.0000000	---

For Rate Schedule FHS:

The Mainline and Extension Reservation rates shown above for Rate Schedules FTS-1 and LFS-1 shall also be applicable to service under Rate Schedule FHS, except that the Mileage and Non-Mileage Components shall be adjusted to reflect the expedited hours of gas flow (“HF”) utilizing the following formulas, rounded to 7 decimal places:

- (a) Mileage Reservation Component = FTS-1M x Miles x (24/HF)
- (b) Non-Mileage Reservation Component = FTS-1NM x (24/HF)

where:

FTS-1M	=	Applicable FTS-1 Mileage Reservation Charge
FTS-1NM	=	Applicable FTS-1 Non-Mileage Reservation Charge
Miles	=	Distance, in pipeline miles, from the Primary Point(s) of Receipt to the Primary Point(s) of Delivery as set forth in Shipper’s Contract
HF	=	MDQ/MHQ

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR
 TRANSPORTATION OF NATURAL GAS (a)

Rate Schedule ITS-1

	MILEAGE (n) (Dth-Mile)		NON-MILEAGE (o) (Dth)		DELIVERY (c) (Dth-Mile)		RESERVATION (Dth-Mile)	COMMODITY Dth-Mile
	Max.	Min.	Max.	Min.	Max.	Min.		
BASE	(e)	0.0000000	(e)	0.0000000	0.0000092 <u>0.0000160</u>	0.0000092 <u>0.0000160</u>		
EXTENSION CHARGES								
MEDFORD								
E-1 (Medford) (f)	0.0017693 <u>0.0025110</u>	0.0000000	0.0083069 <u>0.0042230</u>	0.0000000	0.0000000 <u>0.0000260</u>	0.0000000 <u>0.0000260</u>		
COYOTE SPRINGS								
E-3 (Coyote Springs) (i)	0.0023262 <u>0.0011670</u>	0.0000000	0.0047299 <u>0.0011680</u>	0.0000000	0.0000000	0.0000000		
CARTY LATERAL								
E-4 (Carty Lateral) (p)	---	---	0.1106427 <u>0.1514920</u>	0.0000000	0.0000000	0.0000000		
FUEL (d)								
MAXIMUM FUEL AND LINE LOSS PERCENTAGE					---	0.0050%		
FUEL AND LINE LOSS PERCENTAGE SURCHARGE					---	0.0000%		
SURCHARGES								
ACA					(k)			
ELECTRIC POWER COSTS (EPC) (g)					0.0000000	0.0000000		
REGULATORY ENVIRONMENTAL & COMPLIANCE COSTS (RECC) (h)					0.0000000	---		

Gas Transmission Northwest LLC
FERC Gas Tariff
Fourth Revised Volume No. 1-A

APPENDIX B-1 *Pro Forma* PART 4.2
4.2 - Statement of Rates
ITS-1 and IHS Rates
v.13.0.0 Superseding v.12.0.1

Issued:
Effective: April 1, 2024

Docket No.
Accepted:

Rate Schedule IHS

	MILEAGE (n) (Dth-Mile)		NON-MILEAGE (o) (Dth)		DELIVERY (c) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	(e)	0.0000000	(e)	0.0000000	0.0000092 <u>0.0000160</u>	0.0000092 <u>0.0000160</u>
EXTENSION CHARGES						
MEDFORD						
E-1 (Medford) (f)	0.0042463 <u>0.0060260</u>	0.0000000	0.0199366 <u>0.0101350</u>	0.0000000	0.0000000 <u>0.0000260</u>	0.0000000 <u>0.0000260</u>
COYOTE SPRINGS						
E-3 (Coyote Springs) (i)	0.0055829 <u>0.0028010</u>	0.0000000	0.0113518 <u>0.0028030</u>	0.0000000	0.0000000	0.0000000
CARTY LATERAL						
E-4 (Carty Lateral) (p)	---	---	0.2655425 <u>0.3635810</u>	0.0000000	0.0000000	0.0000000
					<u>RESERVATION (Dth-Mile)</u>	<u>COMMODITY Dth-Mile</u>
FUEL (d)						
FUEL AND LINE LOSS PERCENTAGE					---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE					---	0.0000%
SURCHARGES						
ACA					(k)	
ELECTRIC POWER COSTS (EPC) (g)					0.0000000	0.0000000
REGULATORY ENVIRONMENTAL & COMPLIANCE COSTS (RECC) (t)					0.0000000	---

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS

Notes:

- (a) The mileage component shall be applied per pipeline mile to gas transported by GTN for delivery to shipper based on the primary receipt and delivery points in Shipper's contract. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (b) The non-mileage component is applied per Shipper's MDQ at Primary Point(s) of Delivery on Mainline Facilities.
- (c) The delivery rates are applied per pipeline mile to gas transported by GTN for delivery to shipper based on distance of gas transported. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (d) Fuel Use: Shipper shall furnish gas used for compressor station fuel, line loss, and other utility purposes, plus other unaccounted-for gas used in the operation of GTN's combined pipeline system in an amount equal to the sum of the current fuel and line loss percentage and the fuel and line loss percentage surcharge in accordance with Section 6.38 of this Tariff, multiplied by the distance in pipeline miles transported from the receipt point to the delivery point multiplied by the transportation quantities of gas received from Shipper under these rate schedules. The current fuel and line loss percentage shall be adjusted each month between the maximum currently effective rate set forth in Section 4.1 and Section 4.2 and the minimum rate of 0.0000% per Dth per mile. No fuel use charges will be assessed for backhaul service. Currently effective fuel charges may be found on GTN's Internet website under "Informational Postings."
- (e) Seasonal recourse rates apply to short-term firm (STF) service under Rate Schedules FTS-1 and FHS (i.e., firm service that has a term of less than one year and that does not include multiple-year seasonal service) and IT Service under Rate Schedules ITS-1 and IHS. By March 1 of each year GTN may designate up to four (4) months as peak months during a twelve (12) month period beginning on June 1 of the same year through May 31 of the following year. All other months will be considered off-peak months. Reservation rate components that apply to STF service and per-unit-rate ITS-1 and IHS service are as follows (delivery charges and applicable surcharges continue to apply):

For STF and ITS-1:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.0570207 <u>0.0400570</u>	\$0.0570207 <u>0.0400570</u>	\$0.0570207 <u>0.0400570</u>	\$0.0570207 <u>0.0400570</u>	\$0.0570207 <u>0.0400570</u>
	\$0.0570207 <u>0.0400570</u>	\$0.0300109 <u>0.0286120</u>			
Peak Mi. Res.	\$0.0008164 <u>0.0005070</u>	\$0.0008164 <u>0.0005070</u>	\$0.0008164 <u>0.0005070</u>	\$0.0008164 <u>0.0005070</u>	\$0.0008164 <u>0.0005070</u>
	\$0.0008164 <u>0.0005070</u>	\$0.0004297 <u>0.0003620</u>			
Off-Pk NM Res.	\$0.0165060 <u>0.0228900</u>	\$0.0210076 <u>0.0247970</u>	\$0.0246089 <u>0.0263230</u>	\$0.0246089 <u>0.0263230</u>	\$0.0246089 <u>0.0263230</u>
	\$0.0275555 <u>0.0275720</u>	\$0.0300109 <u>0.0286120</u>			
Off-Pk Mi. Res.	\$0.0002364 <u>0.0002900</u>	\$0.0003008 <u>0.0003140</u>	\$0.0003524 <u>0.0003330</u>	\$0.0003524 <u>0.0003330</u>	\$0.0003524 <u>0.0003330</u>
	\$0.0003945 <u>0.0003490</u>	\$0.0004297 <u>0.0003620</u>			

For IHS:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.1368497 <u>0.0961370</u>	\$0.1368497 <u>0.0961370</u>	\$0.1368497 <u>0.0961370</u>	\$0.1368497 <u>0.0961370</u>	\$0.1368497 <u>0.0961370</u>
	\$0.1368497 <u>0.0961370</u>	\$0.0720262 <u>0.0686690</u>			
Peak Mi. Res.	\$0.0019594 <u>0.0012170</u>	\$0.0019594 <u>0.0012170</u>	\$0.0019594 <u>0.0012170</u>	\$0.0019594 <u>0.0012170</u>	\$0.0019594 <u>0.0012170</u>
	\$0.0019594 <u>0.0012170</u>	\$0.0010313 <u>0.0008690</u>			
Off-Pk NM Res.	\$0.0396144 <u>0.0549360</u>	\$0.0504182 <u>0.0595130</u>	\$0.0590614 <u>0.0631750</u>	\$0.0590614 <u>0.0631750</u>	\$0.0590614 <u>0.0631750</u>
	\$0.0661332 <u>0.0661730</u>	\$0.0720262 <u>0.0686690</u>			
Off-Pk Mi. Res.	\$0.0005674 <u>0.0006960</u>	\$0.0007219 <u>0.0007540</u>	\$0.0008458 <u>0.0007990</u>	\$0.0008458 <u>0.0007990</u>	\$0.0008458 <u>0.0007990</u>
	\$0.0009468 <u>0.0008380</u>	\$0.0010313 <u>0.0008690</u>			

Months currently designated as "Peak Months" may be found on GTN's Internet website under "Informational Postings." By March 1 of each year, GTN will post the Peak Months for the upcoming twelve-month period beginning June 1 of the same year.

- (f) Applicable to firm service on GTN's Medford Extension.
- (g) ~~Electric Power Costs ("EPC") Adjustment is charged in accordance with Section 6.39 of the General Terms and Conditions.~~ Reserved for Future Use.
- (h) E-2 (Diamond 1) is a Negotiated Rate consisting of a reservation charge of \$0.002972 per Dth per day for the first 45,000 Dth/d and E-2 (Diamond 2) is a Negotiated Rate consisting of a reservation charge of \$0.001166 per Dth per day for the second 45,000 Dth/d. During leap years, E-2 (Diamond 1) is a Negotiated Rate consisting of a reservation charge of \$0.002964 per Dth per day for the first 45,000 Dth/d and E-2 (Diamond 2) is a Negotiated Rate consisting of a reservation charge of \$0.001163 per Dth per day for the second 45,000 Dth/d. Pursuant to Article VI, Subsections B and C of the Amended Stipulation and Agreement filed with the Commission on October 16, 2018, in Docket No. RP15-904-001,

and as accepted by Order of the Commission dated November 30, 2018, the Diamond 1 and Diamond 2 Negotiated Rates in Section 4.1, above, shall be modified as follows: 1) from January 1, 2019, through December 31, 2019, and January 1, 2021 through December 31, 2021, the Diamond 1 reservation charge shall be \$0.002823 and the Diamond 2 reservation charge shall be \$0.001108; 2) from January 1, 2020, through December 31, 2020, the Diamond 1 reservation charge shall be \$0.002816 and the Diamond 2 reservation charge shall be \$0.001105.

- (i) Applicable to firm service on GTN's Coyote Springs Extension.
- (j) The Overrun Charge shall be equal to the rates and charges set forth for interruptible service under Rate Schedule ITS-1.
- (k) In accordance with Section 6.22 of the Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A, all Transportation services that involve the physical movement of gas shall pay an ACA unit adjustment. The currently effective ACA unit adjustment as published on the Commission's website (www.ferc.gov) is incorporated herein by reference. This adjustment shall be in addition to the Base Tariff Rate(s) specified above.
- (l) ~~Regulatory Environmental & Compliance Costs ("RECC") will be charged in accordance with Section 6.35 of the General Terms and Conditions~~ Reserved for Future Use.
- (m) Reserved for Future Use.
- (n) The Rate Schedule ITS-1 Mileage Component shall be applied per pipeline mile to gas transported by GTN based on the distance of gas transported. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (o) The Rate Schedule ITS-1 Non-Mileage Component shall be applied per Dth of gas transported by GTN for immediate delivery to the facilities of another entity or an extension facility.
- (p) Applicable to firm service on GTN's Carty Lateral Extension.

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS FOR

Parking and Lending Service
(\$/Dth)

BASE TARIFF RATE
MINIMUM MAXIMUM

| PAL Parking and Lending Service (a): 0.0 ~~0.2988196~~0.2043560/d

Notes:

(a) Applicable to both PAL Service and ATPL enhancement option as defined in Section 5.2.2.

APPENDIX B-2

Phase II Settlement Rate Tariff Sections

Appendix B-2 Clean

Gas Transmission Northwest LLC
FERC Gas Tariff, Fourth Revised Volume No. 1-A
Docket No. RP23-1099-000

Pro-Forma Phase II Rates **To Become Effective April 1, 2026**

<u>Record No.</u>	<u>Description</u>	<u>Pro-Forma Version</u>
4.1	Statement of Rates, FTS-1, LFS-1, and FHS Rates	24.0.0
4.2	Statement of Rates, ITS-1 and IHS Rates	15.0.0
4.3	Statement of Rates, Footnotes to Statement of Effective Rates and Charges	22.0.0
4.5	Statement of Rates, Parking and Lending Service	13.0.0

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR
 TRANSPORTATION OF NATURAL GAS

Rate Schedules FTS-1, LFS-1, and FHS

For Rate Schedules FTS-1 and LFS-1:

RESERVATION

	DAILY MILEAGE (a) (Dth-Mile)		DAILY NON-MILEAGE (b) (Dth)		DELIVERY (c) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	0.0003221	0.0000000	0.0254384	0.0000000	0.0000119	0.0000119
STF (e)	(e)	0.0000000	(e)	0.0000000	0.0000119	0.0000119

EXTENSION CHARGES

MEDFORD

E-1 (f)	0.0013131	0.0000000	0.0114283	0.0000000	0.0000000	0.0000000
E-2 (h) (Diamond 1)	0.0029720	0.0000000	---	---	0.0000000	0.0000000
E-2 (h) (Diamond 2)	0.0011660	0.0000000	---	---	0.0000000	0.0000000

COYOTE SPRINGS

E-3 (i)	0.0017692	0.0000000	0.0041049	0.0000000	0.0000000	0.0000000
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CARTY LATERAL

E-4 (p)	---	---	0.0892439	0.0000000	0.0000000	0.0000000
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OVERRUN CHARGE (j)

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	<u>RESERVATION</u> <u>(Dth-Mile)</u>	<u>COMMODITY</u> <u>(Dth-Mile)</u>
FUEL (d)		
MAXIMUM FUEL AND LINE LOSS PERCENTAGE	---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE	---	0.0000%

SURCHARGES

ACA (k)

For Rate Schedule FHS:

The Mainline and Extension Reservation rates shown above for Rate Schedules FTS-1 and LFS-1 shall also be applicable to service under Rate Schedule FHS, except that the Mileage and Non-Mileage Components shall be adjusted to reflect the expedited hours of gas flow (“HF”) utilizing the following formulas, rounded to 7 decimal places:

(a) Mileage Reservation Component = $FTS-1M \times \text{Miles} \times (24/HF)$

(b) Non-Mileage Reservation Component = $FTS-1NM \times (24/HF)$

where:

- FTS-1M = Applicable FTS-1 Mileage Reservation Charge
- FTS-1NM = Applicable FTS-1 Non-Mileage Reservation Charge
- Miles = Distance, in pipeline miles, from the Primary Point(s) of Receipt to the Primary Point(s) of Delivery as set forth in Shipper’s Contract
- HF = MDQ/MHQ

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR
 TRANSPORTATION OF NATURAL GAS (a)

Rate Schedule ITS-1

	MILEAGE (n) (Dth-Mile)		NON-MILEAGE (o) (Dth)		DELIVERY (c) (Dth-Mile)		RESERVATION (Dth-Mile)	COMMODITY Dth-Mile
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>		
BASE	(e)	0.0000000	(e)	0.0000000	0.0000119	0.0000119		
EXTENSION CHARGES								
MEDFORD								
E-1 (Medford) (f)	0.0013131	0.0000000	0.0114283	0.0000000	0.0000000	0.0000000		
COYOTE SPRINGS								
E-3 (Coyote Springs) (i)	0.0017692	0.0000000	0.0041049	0.0000000	0.0000000	0.0000000		
CARTY LATERAL								
E-4 (Carty Lateral) (p)	---	---	0.0892439	0.0000000	0.0000000	0.0000000		
FUEL (d)								
MAXIMUM FUEL AND LINE LOSS PERCENTAGE					---			0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE					---			0.0000%
SURCHARGES								
ACA					(k)			

Rate Schedule IHS

	MILEAGE (n) (Dth-Mile)		NON-MILEAGE (o) (Dth)		DELIVERY (c) (Dth-Mile)		RESERVATION (Dth-Mile)	COMMODITY Dth-Mile
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>		
BASE	(e)	0.0000000	(e)	0.0000000	0.0000119	0.0000119		
EXTENSION CHARGES								
MEDFORD								
E-1 (Medford) (f)	0.0031514	0.0000000	0.0274279	0.0000000	0.0000000	0.0000000		
COYOTE SPRINGS								
E-3 (Coyote Springs) (i)	0.0042461	0.0000000	0.0098518	0.0000000	0.0000000	0.0000000		
CARTY LATERAL								
E-4 (Carty Lateral) (p)	---	---	0.2141854	0.0000000	0.0000000	0.0000000		
FUEL (d)								
FUEL AND LINE LOSS PERCENTAGE					---			0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE					---			0.0000%
SURCHARGES								
ACA							(k)	

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS

Notes:

- (a) The mileage component shall be applied per pipeline mile to gas transported by GTN for delivery to shipper based on the primary receipt and delivery points in Shipper's contract. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (b) The non-mileage component is applied per Shipper's MDQ at Primary Point(s) of Delivery on Mainline Facilities.
- (c) The delivery rates are applied per pipeline mile to gas transported by GTN for delivery to shipper based on distance of gas transported. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (d) Fuel Use: Shipper shall furnish gas used for compressor station fuel, line loss, and other utility purposes, plus other unaccounted-for gas used in the operation of GTN's combined pipeline system in an amount equal to the sum of the current fuel and line loss percentage and the fuel and line loss percentage surcharge in accordance with Section 6.38 of this Tariff, multiplied by the distance in pipeline miles transported from the receipt point to the delivery point multiplied by the transportation quantities of gas received from Shipper under these rate schedules. The current fuel and line loss percentage shall be adjusted each month between the maximum currently effective rate set forth in Section 4.1 and Section 4.2 and the minimum rate of 0.0000% per Dth per mile. No fuel use charges will be assessed for backhaul service. Currently effective fuel charges may be found on GTN's Internet website under "Informational Postings."
- (e) Seasonal recourse rates apply to short-term firm (STF) service under Rate Schedules FTS-1 and FHS (i.e., firm service that has a term of less than one year and that does not include multiple-year seasonal service) and IT Service under Rate Schedules ITS-1 and IHS. By March 1 of each year GTN may designate up to four (4) months as peak months during a twelve (12) month period beginning on June 1 of the same year through May 31 of the following year. All other months will be considered off-peak months. Reservation rate components that apply to STF service and per-unit-rate ITS-1 and IHS service are as follows (delivery charges and applicable surcharges continue to apply):

For STF and ITS-1:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.0483330	\$0.0483330	\$0.0483330	\$0.0483330	\$0.0254384
Peak Mi. Res.	\$0.0006120	\$0.0006120	\$0.0006120	\$0.0006120	\$0.0003221
Off-Pk NM Res.	\$0.0139911	\$0.0178069	\$0.0208595	\$0.0233571	\$0.0254384
Off-Pk Mi. Res.	\$0.0001772	\$0.0002255	\$0.0002641	\$0.0002957	\$0.0003221

For IHS:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.1159992	\$0.1159992	\$0.1159992	\$0.1159992	\$0.0610522
Peak Mi. Res.	\$0.0014688	\$0.0014688	\$0.0014688	\$0.0014688	\$0.0007730
Off-Pk NM Res.	\$0.0335786	\$0.0427366	\$0.0500628	\$0.0560570	\$0.0610522
Off-Pk Mi. Res.	\$0.0004253	\$0.0005412	\$0.0006338	\$0.0007097	\$0.0007730

Months currently designated as "Peak Months" may be found on GTN's Internet website under "Informational Postings." By March 1 of each year, GTN will post the Peak Months for the upcoming twelve-month period beginning June 1 of the same year.

- (f) Applicable to firm service on GTN's Medford Extension.
- (g) Reserved for Future Use.
- (h) E-2 (Diamond 1) is a Negotiated Rate consisting of a reservation charge of \$0.002972 per Dth per day for the first 45,000 Dth/d and E-2 (Diamond 2) is a Negotiated Rate consisting of a reservation charge of \$0.001166 per Dth per day for the second 45,000 Dth/d. During leap years, E-2 (Diamond 1) is a Negotiated Rate consisting of a reservation charge of \$0.002964 per Dth per day for the first 45,000 Dth/d and E-2 (Diamond 2) is a Negotiated Rate consisting of a reservation charge of \$0.001163 per Dth per day for the second 45,000 Dth/d. Pursuant to Article VI, Subsections B and C of the Amended Stipulation and Agreement filed with the Commission on October 16, 2018, in Docket No. RP15-904-001, and as accepted by Order of the Commission dated November 30, 2018, the Diamond 1 and Diamond 2 Negotiated Rates in Section 4.1, above, shall be modified as follows: 1) from January 1, 2019, through December 31, 2019, and January 1, 2021 through December 31, 2021, the Diamond 1 reservation charge shall be \$0.002823 and the Diamond 2 reservation charge shall be \$0.001108; 2) from January 1, 2020, through December 31, 2020, the Diamond 1 reservation charge shall be \$0.002816 and the Diamond 2 reservation charge shall be \$0.001105.
- (i) Applicable to firm service on GTN's Coyote Springs Extension.

- (j) The Overrun Charge shall be equal to the rates and charges set forth for interruptible service under Rate Schedule ITS-1.
- (k) In accordance with Section 6.22 of the Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A, all Transportation services that involve the physical movement of gas shall pay an ACA unit adjustment. The currently effective ACA unit adjustment as published on the Commission's website (www.ferc.gov) is incorporated herein by reference. This adjustment shall be in addition to the Base Tariff Rate(s) specified above.
- (l) Reserved for Future Use.
- (m) Reserved for Future Use.
- (n) The Rate Schedule ITS-1 Mileage Component shall be applied per pipeline mile to gas transported by GTN based on the distance of gas transported. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (o) The Rate Schedule ITS-1 Non-Mileage Component shall be applied per Dth of gas transported by GTN for immediate delivery to the facilities of another entity or an extension facility.
- (p) Applicable to firm service on GTN's Carty Lateral Extension.

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS FOR

Parking and Lending Service
(\$/Dth)

	BASE TARIFF RATE	
	MINIMUM	MAXIMUM
PAL Parking and Lending Service (a):	0.0	0.2300000/d

Notes:

- (a) Applicable to both PAL Service and ATPL enhancement option as defined in Section 5.2.2.

Appendix B-2 Marked

Gas Transmission Northwest LLC
FERC Gas Tariff, Fourth Revised Volume No. 1-A
Docket No. RP23-1099-000

Pro-Forma Phase II Rates **To Become Effective April 1, 2026**

<u>Record No.</u>	<u>Description</u>	<u>Pro-Forma Version</u>
4.1	Statement of Rates, FTS-1, LFS-1, and FHS Rates	24.0.0
4.2	Statement of Rates, ITS-1 and IHS Rates	15.0.0
4.3	Statement of Rates, Footnotes to Statement of Effective Rates and Charges	22.0.0
4.5	Statement of Rates, Parking and Lending Service	13.0.0

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR
 TRANSPORTATION OF NATURAL GAS

Rate Schedules FTS-1, LFS-1, and FHS

For Rate Schedules FTS-1 and LFS-1:

RESERVATION

	DAILY MILEAGE (a) (Dth-Mile)		DAILY NON-MILEAGE (b) (Dth)		DELIVERY (c) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
	BASE	0.0003620 <u>0.0003221</u>	0.0000000	0.0286120 <u>0.0254384</u>	0.0000000	0.0000160 <u>0.0000119</u>
STF (e)	(e)	0.0000000	(e)	0.0000000	0.0000160 <u>0.0000119</u>	0.0000160 <u>0.0000119</u>

EXTENSION CHARGES

MEDFORD

E-1 (f)	0.0025110 <u>0.0013131</u>	0.0000000	0.0042230 <u>0.0114283</u>	0.0000000	0.0000260 <u>0.0000000</u>	0.0000260 <u>0.0000000</u>
E-2 (h) (Diamond 1)	0.0029720	0.0000000	---	---	0.0000000	0.0000000
E-2 (h) (Diamond 2)	0.0011660	0.0000000	---	---	0.0000000	0.0000000

COYOTE SPRINGS

E-3 (i)	0.0011670 <u>0.0017692</u>	0.0000000	0.0011680 <u>0.0041049</u>	0.0000000	0.0000000	0.0000000
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CARTY LATERAL

E-4 (p)	---	---	0.1514920 <u>0.0892439</u>	0.0000000	0.0000000	0.0000000
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OVERRUN CHARGE (j)

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	RESERVATION <u>(Dth-Mile)</u>	COMMODITY <u>(Dth-Mile)</u>
FUEL (d)		
MAXIMUM FUEL AND LINE LOSS PERCENTAGE	---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE	---	0.0000%

SURCHARGES

ACA (k)

For Rate Schedule FHS:

The Mainline and Extension Reservation rates shown above for Rate Schedules FTS-1 and LFS-1 shall also be applicable to service under Rate Schedule FHS, except that the Mileage and Non-Mileage Components shall be adjusted to reflect the expedited hours of gas flow (“HF”) utilizing the following formulas, rounded to 7 decimal places:

(a) Mileage Reservation Component = $FTS-1M \times \text{Miles} \times (24/HF)$

(b) Non-Mileage Reservation Component = $FTS-1NM \times (24/HF)$

where:

- FTS-1M = Applicable FTS-1 Mileage Reservation Charge
- FTS-1NM = Applicable FTS-1 Non-Mileage Reservation Charge
- Miles = Distance, in pipeline miles, from the Primary Point(s) of Receipt to the Primary Point(s) of Delivery as set forth in Shipper’s Contract
- HF = MDQ/MHQ

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR
 TRANSPORTATION OF NATURAL GAS (a)

Rate Schedule ITS-1

	MILEAGE (n) (Dth-Mile)		NON-MILEAGE (o) (Dth)		DELIVERY (c) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	(e)	0.0000000	(e)	0.0000000	0.0000160 <u>0.0000119</u>	0.0000160 <u>0.0000119</u>
EXTENSION CHARGES						
MEDFORD						
E-1 (Medford) (f)	0.0025110 <u>0.0013131</u>	0.0000000	0.0042230 <u>0.0114283</u>	0.0000000	0.0000260 <u>0.0000000</u>	0.0000260 <u>0.0000000</u>
COYOTE SPRINGS						
E-3 (Coyote Springs) (i)	0.0011670 <u>0.0017692</u>	0.0000000	0.0011680 <u>0.0041049</u>	0.0000000	0.0000000	0.0000000
CARTY LATERAL						
E-4 (Carty Lateral) (p)	---	---	0.1514920 <u>0.0892439</u>	0.0000000	0.0000000	0.0000000
					<u>RESERVATION (Dth-Mile)</u>	<u>COMMODITY Dth-Mile</u>
FUEL (d)						
MAXIMUM FUEL AND LINE LOSS PERCENTAGE					---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE					---	0.0000%
SURCHARGES						
ACA					(k)	

Rate Schedule IHS

	MILEAGE (n) (Dth-Mile)		NON-MILEAGE (o) (Dth)		DELIVERY (c) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	(e)	0.0000000	(e)	0.0000000	0.0000160 <u>0.0000119</u>	0.0000160 <u>0.0000119</u>
EXTENSION CHARGES						
MEDFORD						
E-1 (Medford) (f)	0.0060260 <u>0.0031514</u>	0.0000000	0.0101350 <u>0.0274279</u>	0.0000000	0.0000260 <u>0.0000000</u>	0.0000260 <u>0.0000000</u>
COYOTE SPRINGS						
E-3 (Coyote Springs) (i)	0.0028010 <u>0.0042461</u>	0.0000000	0.0028030 <u>0.0098518</u>	0.0000000	0.0000000	0.0000000
CARTY LATERAL						
E-4 (Carty Lateral) (p)	---	---	0.3635810 <u>0.2141854</u>	0.0000000	0.0000000	0.0000000
					<u>RESERVATION (Dth-Mile)</u>	<u>COMMODITY Dth-Mile</u>
FUEL (d)						
FUEL AND LINE LOSS PERCENTAGE					---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE					---	0.0000%
SURCHARGES						
ACA					(k)	

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS

Notes:

- (a) The mileage component shall be applied per pipeline mile to gas transported by GTN for delivery to shipper based on the primary receipt and delivery points in Shipper's contract. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (b) The non-mileage component is applied per Shipper's MDQ at Primary Point(s) of Delivery on Mainline Facilities.
- (c) The delivery rates are applied per pipeline mile to gas transported by GTN for delivery to shipper based on distance of gas transported. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (d) Fuel Use: Shipper shall furnish gas used for compressor station fuel, line loss, and other utility purposes, plus other unaccounted-for gas used in the operation of GTN's combined pipeline system in an amount equal to the sum of the current fuel and line loss percentage and the fuel and line loss percentage surcharge in accordance with Section 6.38 of this Tariff, multiplied by the distance in pipeline miles transported from the receipt point to the delivery point multiplied by the transportation quantities of gas received from Shipper under these rate schedules. The current fuel and line loss percentage shall be adjusted each month between the maximum currently effective rate set forth in Section 4.1 and Section 4.2 and the minimum rate of 0.0000% per Dth per mile. No fuel use charges will be assessed for backhaul service. Currently effective fuel charges may be found on GTN's Internet website under "Informational Postings."
- (e) Seasonal recourse rates apply to short-term firm (STF) service under Rate Schedules FTS-1 and FHS (i.e., firm service that has a term of less than one year and that does not include multiple-year seasonal service) and IT Service under Rate Schedules ITS-1 and IHS. By March 1 of each year GTN may designate up to four (4) months as peak months during a twelve (12) month period beginning on June 1 of the same year through May 31 of the following year. All other months will be considered off-peak months. Reservation rate components that apply to STF service and per-unit-rate ITS-1 and IHS service are as follows (delivery charges and applicable surcharges continue to apply):

For STF and ITS-1:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.0400570 <u>0.0483330</u>	\$0.0400570 <u>0.0483330</u>	\$0.0400570 <u>0.0483330</u>	\$0.0400570 <u>0.0483330</u>	\$0.0400570 <u>0.0483330</u>
	\$0.0400570 <u>0.0483330</u>	\$0.0286120 <u>0.0254384</u>			
Peak Mi. Res.	\$0.0005070 <u>0.0006120</u>	\$0.0005070 <u>0.0006120</u>	\$0.0005070 <u>0.0006120</u>	\$0.0005070 <u>0.0006120</u>	\$0.0005070 <u>0.0006120</u>
	\$0.0005070 <u>0.0006120</u>	\$0.0003620 <u>0.0003221</u>			
Off-Pk NM Res.	\$0.0228900 <u>0.0139911</u>	\$0.0247970 <u>0.0178069</u>	\$0.0263230 <u>0.0208595</u>	\$0.0263230 <u>0.0208595</u>	\$0.0263230 <u>0.0208595</u>
	\$0.0275720 <u>0.0233571</u>	\$0.0286120 <u>0.0254384</u>			
Off-Pk Mi. Res.	\$0.0002900 <u>0.0001772</u>	\$0.0003140 <u>0.0002255</u>	\$0.0003330 <u>0.0002641</u>	\$0.0003330 <u>0.0002641</u>	\$0.0003330 <u>0.0002641</u>
	\$0.0003490 <u>0.0002957</u>	\$0.0003620 <u>0.0003221</u>			

For IHS:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.0961370 <u>0.1159992</u>	\$0.0961370 <u>0.1159992</u>	\$0.0961370 <u>0.1159992</u>	\$0.0961370 <u>0.1159992</u>	\$0.0961370 <u>0.1159992</u>
	\$0.0961370 <u>0.1159992</u>	\$0.0686690 <u>0.0610522</u>			
Peak Mi. Res.	\$0.0012170 <u>0.0014688</u>	\$0.0012170 <u>0.0014688</u>	\$0.0012170 <u>0.0014688</u>	\$0.0012170 <u>0.0014688</u>	\$0.0012170 <u>0.0014688</u>
	\$0.0012170 <u>0.0014688</u>	\$0.0008690 <u>0.0007730</u>			
Off-Pk NM Res.	\$0.0549360 <u>0.0335786</u>	\$0.0595130 <u>0.0427366</u>	\$0.0631750 <u>0.0500628</u>	\$0.0631750 <u>0.0500628</u>	\$0.0631750 <u>0.0500628</u>
	\$0.0661730 <u>0.0560570</u>	\$0.0686690 <u>0.0610522</u>			
Off-Pk Mi. Res.	\$0.0006960 <u>0.0004253</u>	\$0.0007540 <u>0.0005412</u>	\$0.0007990 <u>0.0006338</u>	\$0.0007990 <u>0.0006338</u>	\$0.0007990 <u>0.0006338</u>
	\$0.0008380 <u>0.0007097</u>	\$0.0008690 <u>0.0007730</u>			

Months currently designated as "Peak Months" may be found on GTN's Internet website under "Informational Postings." By March 1 of each year, GTN will post the Peak Months for the upcoming twelve-month period beginning June 1 of the same year.

- (f) Applicable to firm service on GTN's Medford Extension.
- (g) Reserved for Future Use.
- (h) E-2 (Diamond 1) is a Negotiated Rate consisting of a reservation charge of \$0.002972 per Dth per day for the first 45,000 Dth/d and E-2 (Diamond 2) is a Negotiated Rate consisting of a reservation charge of \$0.001166 per Dth per day for the second 45,000 Dth/d. During leap years, E-2 (Diamond 1) is a Negotiated Rate consisting of a reservation charge of \$0.002964 per Dth per day for the first 45,000 Dth/d and E-2 (Diamond 2) is a Negotiated Rate consisting of a reservation charge of \$0.001163 per Dth per day for the second 45,000 Dth/d. Pursuant to Article VI, Subsections B and C of the Amended Stipulation and Agreement filed with the Commission on October 16, 2018, in Docket No. RP15-904-001, and as accepted by Order of the Commission dated November 30, 2018, the Diamond 1 and

Diamond 2 Negotiated Rates in Section 4.1, above, shall be modified as follows: 1) from January 1, 2019, through December 31, 2019, and January 1, 2021 through December 31, 2021, the Diamond 1 reservation charge shall be \$0.002823 and the Diamond 2 reservation charge shall be \$0.001108; 2) from January 1, 2020, through December 31, 2020, the Diamond 1 reservation charge shall be \$0.002816 and the Diamond 2 reservation charge shall be \$0.001105.

- (i) Applicable to firm service on GTN's Coyote Springs Extension.
- (j) The Overrun Charge shall be equal to the rates and charges set forth for interruptible service under Rate Schedule ITS-1.
- (k) In accordance with Section 6.22 of the Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A, all Transportation services that involve the physical movement of gas shall pay an ACA unit adjustment. The currently effective ACA unit adjustment as published on the Commission's website (www.ferc.gov) is incorporated herein by reference. This adjustment shall be in addition to the Base Tariff Rate(s) specified above.
- (l) Reserved for Future Use.
- (m) Reserved for Future Use.
- (n) The Rate Schedule ITS-1 Mileage Component shall be applied per pipeline mile to gas transported by GTN based on the distance of gas transported. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (o) The Rate Schedule ITS-1 Non-Mileage Component shall be applied per Dth of gas transported by GTN for immediate delivery to the facilities of another entity or an extension facility.
- (p) Applicable to firm service on GTN's Carty Lateral Extension.

STATEMENT OF EFFECTIVE RATES AND CHARGES
FOR TRANSPORTATION OF NATURAL GAS FOR

Parking and Lending Service
(\$/Dth)

BASE TARIFF RATE
MINIMUM MAXIMUM

PAL Parking and Lending Service (a): 0.0 ~~0.20435600~~0.2300000/d

Notes:

(a) Applicable to both PAL Service and ATPL enhancement option as defined in Section 5.2.2.

APPENDIX B-3

Article XII Tariff Sections

Appendix B-3 Clean

Gas Transmission Northwest LLC
FERC Gas Tariff, Fourth Revised Volume No. 1-A
Docket No. RP23-1099-000

Pro-Forma Revised Tariff Records

<u>Record No.</u>	<u>Description</u>	<u>Pro-Forma Version</u>
1	Table of Contents	15.0.0
6.17	GT&C, Transportation Service Agreement	5.0.0
6.35	GT&C, Reserved for Future Use	5.0.0
6.39	GT&C, Reserved for Future Use	5.0.0
7.1	Service Agmts, Rate Schedule FTS-1	8.0.0
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6.17 TRANSPORTATION SERVICE AGREEMENT

1. Form: Shipper shall enter into a contract with GTN utilizing GTN's appropriate standard form of Transportation Service Agreement.
2. Term: The term of the Transportation Service Agreement shall be agreed upon between Shipper and GTN at the time of the execution thereof.
3. Evergreen Provision:
 - (a) GTN may grant a Shipper's request for an evergreen right for any new firm contract with a term of five (5) years or more that is entered into after the Settlement Effective Date only if the Shipper agrees to provide GTN with its notice of termination no less than five (5) years prior to the termination date of such contract, which termination right the Shipper can elect unilaterally.
 - (b) The evergreen provision in Section 6.17.3(a) above shall only apply to new firm contracts with a term of five (5) years or more and does not apply to (i) Transportation Service Agreements executed prior to the Effective Date of the Stipulation and Settlement approved by the Commission in Docket No. RP23-1099 ("Settlement Effective Date"), (ii) Transportation Service Agreements that may have been executed prior to the Settlement Effective Date but have been extended or renewed after the Settlement Effective Date, (iii) existing Transportation Service Agreements in which the Shipper reduces its MDQ, or (iv) Transportation Service Agreements containing capacity obtained as a result of a permanent capacity release pursuant to Section 6.28 of this Tariff.

6.35 RESERVED FOR FUTURE USE.

6.39 RESERVED FOR FUTURE USE

FORM OF SERVICE AGREEMENT

APPLICABLE TO FIRM TRANSPORTATION SERVICE
UNDER RATE SCHEDULE FTS-1

THIS AGREEMENT is made and entered into this ____ day of _____, 20____, by and between Gas Transmission Northwest LLC, a Delaware limited liability company (hereinafter referred to as "GTN"), and _____, (hereinafter referred to as "Shipper").

WHEREAS, GTN owns and operates an interstate natural gas pipeline; and

WHEREAS, Shipper desires GTN, on a firm basis, to transport certain quantities of natural gas; and

WHEREAS, GTN is willing to transport certain quantities of natural gas for Shipper, on a firm basis, (if applicable) and

WHEREAS, GTN and Shipper previously made and entered into Contract No. _____ on _____ for firm transportation service under Rate Schedule FTS-1. Service under Contract No. _____ commenced on _____, as reflected in Section 3.1 herein. GTN and Shipper now desire to amend, restate and supersede any prior agreements associated with services provided hereunder;

NOW, THEREFORE, the parties agree as follows:

I
General

- 1.1 Pursuant to the terms of this Agreement, GTN agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay GTN for such services.
- 1.2 This Firm Transportation Agreement ("Agreement") is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.
- 1.3 Shipper shall reimburse GTN for any and all filing fees incurred by GTN in seeking governmental authorization for the initiation, extension, or termination of service under this Agreement and Rate Schedule FTS-1. Shipper shall reimburse GTN for such fees at GTN's designated office within ten (10) days of receipt of notice from GTN that such fees are due and payable. Additionally, Shipper shall reimburse GTN for any and all penalty fees or fines assessed GTN caused by the negligence of Shipper in not obtaining all proper Canadian and domestic import/export licenses, surety bonds or any other documents and approvals related

Issued:
Effective:

Docket No.
Accepted:

to the Canadian exportation and subsequent domestic importation of natural gas transported by GTN hereunder.

- 1.4 (if applicable) As of _____, the terms and conditions of this Amended and Restated Agreement No. _____ represent the agreement between GTN and Shipper in its entirety and upon becoming effective supersedes any prior agreements associated with services provided hereunder, including the agreement with the same contract number as this Agreement and dated _____.

II

Quantity of Gas and Points of Receipt and Delivery

- 2.1 The point(s) of receipt and delivery, and the maximum quantities of gas to be delivered by GTN for Shipper's account at the point(s) of delivery are set forth in Exhibit A, attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.

III

Term

- 3.1 The service commencement date is _____, and service shall continue until _____.

(if applicable)

Thereafter, this Agreement shall continue in full force and effect for an additional term of _____ and Shipper shall provide GTN with its notice of termination no less than five (5) years prior to the termination date of such Agreement.

(if applicable)

Shipper shall have a regulatory right of first refusal as set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff.

(if applicable)

Shipper shall have a contractual right of first refusal which (a) shall be exercised consistent with the procedures set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff; (b) exists by virtue of this written agreement, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.33; and (c) shall not extend or apply to any subsequent agreement or amendment arising from the exercise thereof.

(if applicable)

Shipper shall not have a right of first refusal.

IV

Rate(s), Rate Schedules,

Issued:
Effective:

Docket No.
Accepted:

and General Terms and Conditions of Service

- 4.1 Shipper shall pay GTN each month for services rendered pursuant to this Agreement in accordance with GTN's Rate Schedule FTS-1, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.
- 4.2 If GTN and Shipper have mutually agreed on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.
- 4.3 This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FTS-1, or superseding rate schedule(s) and of the applicable Transportation General Terms and Conditions of GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A on file with the FERC, all of which are by this reference made a part hereof.
- 4.4 GTN shall have the right to file with the FERC any changes in terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as GTN may deem necessary, and to make such changes effective at such times as GTN desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

V
Miscellaneous

- 5.1 This Agreement shall be interpreted according to the laws of the State of California.
- 5.2 Shipper warrants that the requisite upstream and downstream transportation arrangements to effectuate the service to be provided pursuant to the Agreement are in place, or will be in place as of the requested effective date of service.
- 5.3 Shipper agrees to indemnify and hold GTN harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- 5.4 Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, email or other means similarly agreed to:

"GTN" GAS TRANSMISSION NORTHWEST LLC
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Operations

Issued:
Effective:

Docket No.
Accepted:

"Shipper" _____

Attention: _____

- 5.5 A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.
- 5.6 This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- 5.7 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to GTN.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

GAS TRANSMISSION NORTHWEST LLC

By: _____
Name: _____
Title: _____

SHIPPER

By: _____
Name: _____
Title: _____

FORM OF SERVICE AGREEMENT

APPLICABLE TO FIRM HOURLY SERVICE
UNDER RATE SCHEDULE FHS

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between Gas Transmission Northwest LLC, a Delaware limited liability company (hereinafter referred to as "GTN"), and _____, (hereinafter referred to as "Shipper").

WHEREAS, GTN owns and operates an interstate natural gas pipeline; and

WHEREAS, Shipper desires GTN, on a firm basis, to transport certain quantities of natural gas; and

WHEREAS, GTN is willing to transport certain quantities of natural gas for Shipper, on a firm basis, (if applicable) and

WHEREAS, GTN and Shipper previously made and entered into Contract No. _____ on _____ for firm transportation service under Rate Schedule FHS. Service under Contract No. _____ commenced on _____, as reflected in Section 3.1 herein. GTN and Shipper now desire to amend, restate and supersede any prior agreements associated with services provided hereunder;

NOW, THEREFORE, the parties agree as follows:

I
General

- 1.1 Pursuant to the terms of this Agreement, GTN agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay GTN for such services.
- 1.2 This Firm Transportation Agreement ("Agreement") is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.
- 1.3 Shipper shall reimburse GTN for any and all filing fees incurred by GTN in seeking governmental authorization for the initiation, extension, or termination of service under this Agreement and Rate Schedule FHS. Shipper shall reimburse GTN for such fees at GTN's designated office within ten (10) days of receipt of notice from GTN that such fees are due and payable. Additionally, Shipper shall reimburse GTN for any and all penalty fees or fines assessed GTN caused by the negligence of Shipper in not obtaining all proper Canadian and domestic import/export licenses, surety bonds or any other documents and approvals related

Issued:
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to the Canadian exportation and subsequent domestic importation of natural gas transported by GTN hereunder.

- 1.4 (if applicable) As of _____, the terms and conditions of this Amended and Restated Agreement No. _____ represent the agreement between GTN and Shipper in its entirety and upon becoming effective supersedes any prior agreements associated with services provided hereunder, including the agreement with the same contract number as this Agreement and dated _____.

II

Quantity of Gas and Points of Receipt and Delivery

- 2.1 The point(s) of receipt and delivery, and the maximum quantities of gas to be delivered by GTN for Shipper's account at the point(s) of delivery are set forth in Exhibit A, attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.

III

Term

- 3.1 The service commencement date is _____, and service shall continue until _____.

(if applicable)

Thereafter, this Agreement shall continue in full force and effect for an additional term of _____ and Shipper shall provide GTN with its notice of termination no less than five (5) years prior to the termination date of such Agreement.

(if applicable)

Shipper shall have a regulatory right of first refusal as set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff.

(if applicable)

Shipper shall have a contractual right of first refusal which (a) shall be exercised consistent with the procedures set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff; (b) exists by virtue of this written agreement, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.33; and (c) shall not extend or apply to any subsequent agreement or amendment arising from the exercise thereof.

(if applicable)

Shipper shall not have a right of first refusal.

IV

Rate(s), Rate Schedules,

Issued:
Effective:

Docket No.
Accepted:

and General Terms and Conditions of Service

- 4.1 Shipper shall pay GTN each month for services rendered pursuant to this Agreement in accordance with GTN's Rate Schedule FHS, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.
- 4.2 If GTN and Shipper have mutually agreed on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.
- 4.3 This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FHS, or superseding rate schedule(s) and of the applicable Transportation General Terms and Conditions of GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A on file with the FERC, all of which are by this reference made a part hereof.
- 4.4 GTN shall have the right to file with the FERC any changes in terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as GTN may deem necessary, and to make such changes effective at such times as GTN desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

V
Miscellaneous

- 5.1 This Agreement shall be interpreted according to the laws of the State of California.
- 5.2 Shipper warrants that the requisite upstream and downstream transportation arrangements to effectuate the service to be provided pursuant to the Agreement are in place, or will be in place as of the requested effective date of service.
- 5.3 Shipper agrees to indemnify and hold GTN harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- 5.4 Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, email or other means similarly agreed to:

"GTN" GAS TRANSMISSION NORTHWEST LLC
700 Louisiana Street, Suite 1300
Houston, Texas 77002-2700
Attention: Commercial Operations

Issued:
Effective:

Docket No.
Accepted:

"Shipper" _____

Attention: _____

- 5.5 A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.
- 5.6 This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- 5.7 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to GTN.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

GAS TRANSMISSION NORTHWEST LLC

By: _____
Name: _____
Title: _____

SHIPPER

By: _____
Name: _____
Title: _____

Appendix B-3 Marked

Gas Transmission Northwest LLC
FERC Gas Tariff, Fourth Revised Volume No. 1-A
Docket No. RP23-1099-000

Pro-Forma Revised Tariff Records

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1. Form: Shipper shall enter into a contract with GTN utilizing GTN's appropriate standard form of Transportation Service Agreement.
2. Term: The term of the Transportation Service Agreement shall be agreed upon between Shipper and GTN at the time of the execution thereof.

3. Evergreen Provision:

- (a) GTN may grant a Shipper's request for an evergreen right for any new firm contract with a term of five (5) years or more that is entered into after the Settlement Effective Date only if the Shipper agrees to provide GTN with its notice of termination no less than five (5) years prior to the termination date of such contract, which termination right the Shipper can elect unilaterally.
- (b) The evergreen provision in Section 6.17.3(a) above shall only apply to new firm contracts with a term of five (5) years or more and does not apply to (i) Transportation Service Agreements executed prior to the Effective Date of the Stipulation and Settlement approved by the Commission in Docket No. RP23-1099 ("Settlement Effective Date"), (ii) Transportation Service Agreements that may have been executed prior to the Settlement Effective Date but have been extended or renewed after the Settlement Effective Date, (iii) existing Transportation Service Agreements in which the Shipper reduces its MDQ, or (iv) Transportation Service Agreements containing capacity obtained as a result of a permanent capacity release pursuant to Section 6.28 of this Tariff.

6.35 RESERVED FOR FUTURE USE.~~REGULATORY ENVIRONMENTAL & COMPLIANCE COSTS~~

~~This Section 6.35 establishes the procedures to reflect adjustments for Regulatory Environmental & Compliance Costs (“RECC”), set forth on the Statement of Rates, to be applicable to GTN’s transportation services under Rate Schedule(s) FTS-1, LFS-1, ITS-1, FHS, and IHS, as may be revised from time to time (“Applicable Rate Schedules”).~~

~~1. GTN’s RECC Filings.~~

~~The first RECC Filing will implement RECC Surcharge to become effective April 1, 2025 to recover the Revenue Requirement related to Eligible Facilities that have been placed into service between April 1, 2024 through December 31, 2024 (“Initial RECC Period”) and any Eligible Expenses. Subsequently, GTN will have the right to file to adjust the RECC Surcharge annually to become effective April 1 to recover the Revenue Requirement related to Eligible Facilities placed into service during the January 1 through December 31 period (RECC Period(s)) prior to such RECC Filing, any trailing capital expenditures associated with such Eligible Facilities placed into service during such prior period(s), and any costs incurred to comply with state climate initiatives including the Washington State Cap and Invest Program (“Eligible Expenses”). Any filings by GTN pursuant to this Section 6.35 are referred to in this Tariff as a RECC Filing.~~

~~2. RECC Implementation.~~

~~(a) Eligible Facilities have been defined in the Eligible Facilities Plan (“EFP”) as filed by GTN with the FERC and also include the facilities added in accordance with Section 6.35.2(a)(i) and Section 6.35.2(a)(ii) of this Tariff. The initial RECC Surcharge will be set at \$0. Subsequently, the Revenue Requirement underlying each adjustment in the RECC Surcharge will be based on GTN’s capital expenditures for Eligible Facilities and/or incurrence of Eligible Expenses during all previous prior period(s) (“Prior RECC Period(s)”) to the extent not already included in the then effective RECC Surcharge. GTN’s RECC Filings will revise the RECC Surcharge to take into account both changes in the Revenue Requirement and the over/under recovered Revenue Requirement from Prior RECC Periods.~~

~~(i) GTN retains the discretion to recover capital expenditures associated with projects related to facilities not listed in the EFP through the RECC Surcharge set forth in any RECC Filing provided that the expenditures are associated with projects falling within one or both of the following categories: (1) projects to address issues that GTN believes could lead to imminent unsafe conditions; and (2) projects that GTN deems necessary to comply with new legislative and/or regulatory requirements. Such~~

~~facilities will be deemed to be Eligible Facilities for purposes of this Tariff. If GTN elects to include costs associated with such projects in the RECC Filing, GTN may not exceed the RECC Program Cost Cap set forth in Section 6.35.2(e) of this Tariff.~~

~~(ii) GTN shall be permitted to recover capital expenditures associated with facilities that are not listed in the EFP and that do not fall into one of the categories listed in Section 6.35.2(a)(i) provided that GTN receives the consent of a majority of shippers subject to the RECC Surcharge. Such facilities will be deemed to be Eligible Facilities for purposes of this Tariff.~~

~~(b) Shippers will retain the right to challenge the prudence of any costs included in the RECC Surcharge at the time GTN makes each RECC Filing.~~

~~(c) The total amount of prudent investment in Eligible Facilities incurred which may be recovered through the RECC Surcharge will not exceed the program cap of \$450 million, plus a 10 percent tolerance (“RECC Program Cost Cap”). Any costs exceeding the RECC Program Cost Cap shall be treated as General Plant Maintenance Capital (“GPMC”) under Section 6.35(d) of this Tariff. The RECC Program Cost Cap shall not apply to Eligible Expenses.~~

~~(d) GTN will expend annual GPMC costs of \$30 million per year (“GPMC Projects”) during the proposed RECC Term and such GPMC Projects will not be considered Eligible Facilities. If GTN expends less than \$30 million in GPMC during any RECC Period(s), GTN will forgo the inclusion of any capital expenditures in the applicable RECC Filing.~~

~~(e) Regardless of annual GPMC spend, GTN shall have the right to recover Eligible Expenses in each RECC Filing.~~

~~3. RECC Surcharge Calculation:~~

~~In each RECC Filing, GTN will calculate the RECC Surcharge and allocate to the Applicable Rate Schedules (as defined above) in a manner consistent with GTN’s effective cost allocation and rate design, as set forth below:~~

~~(a) GTN will first calculate the Revenue Requirement related to Eligible Facilities that were placed in and remained in service during the prior RECC Period(s) set forth in Section 6.35.1 of this Tariff, any applicable trailing capital expenditures associated with such Eligible Facilities placed into service during such applicable prior RECC Period(s), and any Eligible Expenses incurred during such applicable prior RECC Period. The Revenue Requirement associated with the RECC Surcharge consists of the following:~~

~~(i) The Eligible Facilities will consist of the following rate base multipliers: (1) a pre-tax rate of return of 13.07 percent and (2) a Taxes Other than Income Taxes (TOIT) rate of 0.70 percent. These rate base multipliers will be multiplied by the “net rate base” (i.e., the gross plant minus accumulated depreciation and accumulated deferred income taxes) associated with GTN’s Eligible Facilities. (3) GTN’s depreciation rate of 1.94 percent and (4) GTN’s negative salvage rate of 0.43 percent will then be multiplied by the gross plant associated with GTN’s Eligible Facilities.~~

~~(ii) And any Eligible Expenses.~~

~~(b) GTN will allocate the Revenue Requirement across each Applicable Rate Schedule to derive the RECC Surcharge on a per unit basis, utilizing the greater of:~~

~~(i) The projected reservation billing units for Shippers under the Applicable Rate Schedules, based on the most recently available twelve (12) months of billing units, adjusted for anticipated contract expirations; or~~

~~(ii) The billing unit floor of 1,142,000,000 Dth Miles/day.~~

~~(c) If the billing units are lower than the floor set forth herein, GTN will impute billing units at the maximum applicable rate and the revenues that would be associated with such billing units to reflect the above stated billing unit levels in the calculation of the RECC Surcharge.~~

~~(d) Any over/under recovery of the Revenue Requirement will be recovered in the next succeeding RECC Filing. The over/under recovery will be calculated each year by comparing the actual Revenue Requirement, to the revenues received during the recovery period, including any revenues required to be imputed by GTN pursuant to Section 6.35.3(d) above.~~

~~4. Term of RECC Surcharge.~~

~~The RECC Surcharge will be effective for the term commencing April 1, 2024 and ending on March 31, 2032 (“RECC Term”). GTN shall have the right to seek to terminate the RECC Surcharge prior to the end of the RECC Term by filing a general NGA Section 4(e) rate case. Upon termination of the RECC Surcharge, Shippers under the Applicable Rate Schedules will remain subject to any unrecovered RECC costs and GTN will be required to refund any over recovered RECC costs. Any positive or negative balances in GTN’s RECC account as of the expiration of the RECC Surcharge will be charged or refunded to Shippers, as applicable, in the next~~

~~monthly billing cycle that is at least fifteen (15) days after the termination of the RECC Surcharge.~~

6.39 RESERVED FOR FUTURE USE~~ELECTRIC POWER COSTS ADJUSTMENT~~

~~This Section provides for the recovery of electric power costs incurred by GTN for compression of natural gas and for company use and operations (“EPC”). GTN shall recover its EPC, including carrying charges calculated under Section 154.501 or successor provision of the Commission's regulations, by means of an EPC Adjustment which shall be comprised of a Current EPC Rate and an EPC Surcharge as calculated in Section 6.39.2 below (hereinafter generally referred to as the “EPC Rate”). The EPC Rate shall be applicable to GTN's transportation services under Rate Schedules FTS 1, LFS 1, FHS, ITS and IHS, as may be revised from time to time (“Applicable Rate Schedules”).~~

~~1. GTN's EPC Filings.~~

~~Annually, or at such other times as GTN in its reasonable discretion determines necessary, GTN may adjust any of the EPC Rates to take into account both prospective changes in Electric Power Costs and unrecovered Electric Power Costs from the preceding period as described at Section 6.35.3(b) below. That adjustment shall be effected by GTN making an EPC filing with the Commission (i) at least thirty (30) days prior to each January 1, (“Annual EPC Filing”), and (ii) at such other times as GTN in its reasonable discretion determines necessary to become effective thirty (30) days after filing (“Periodic EPC Filing”).~~

~~2. Accounting for Activity.~~

~~GTN will account for all under or over recovered EPC Rates in Account Nos. 182.3 and 254.~~

~~3. Adjustments to Electric Power Costs Recovery.~~

~~GTN's Electric Power Costs recovery through its EPC Rate, as adjusted by GTN through its Annual EPC Filing or its Periodic EPC Filing (collectively “EPC Filing”), shall include the following components: (a) the current component of GTN's Electric Power Costs recovery (“the Current EPC Rate”), and (b) the unrecovered component of GTN's Electric Power Costs recovery from the preceding period (“the EPC Surcharge”).~~

~~(a) Current EPC Rate.~~

~~In each Annual EPC Filing, GTN shall calculate, and allocate to the Applicable Rate Schedules, the Current EPC Rate in a manner consistent with GTN's effective cost allocation and rate design by estimating the total Electric Power Costs for the twelve (12) month period commencing with the effective date of the prior Annual EPC Filing and dividing that amount by the projected billing~~

~~units for Shippers under the Applicable Rate Schedules, based on the most recently available twelve (12) months of billing units, adjusted for anticipated contract expirations.~~

~~(b) EPC Surcharge.~~

~~In each Annual EPC Filing, GTN shall calculate, and allocate to the Applicable Rate Schedules, the EPC Surcharge in a manner consistent with GTN's effective cost allocation and rate design by subtracting from the Electric Power Costs actually incurred by GTN during the preceding calendar year the amount collected by GTN during that period and dividing the difference, whether positive or negative, by the projected billing units for Shippers under the Applicable Rate Schedules, based on the most recently available twelve (12) months of billing units, adjusted for anticipated contract expirations.~~

~~4. Termination.~~

~~(a) If the provisions of this Section 6.39 are terminated or otherwise rendered inapplicable (termination), Shippers under the Rate Schedules subject to the EPC Rate from the date of GTN's most recent EPC Filing through the date of termination ("Termination Period") shall remain liable for any unrecovered Electric Power Costs.~~

~~(b) Any positive or negative balances in GTN's Unrecovered Electric Power Costs account at the date of termination (i) shall be allocated to any successor services offered by GTN, or (ii) if no successor services are offered by GTN, shall be charged or refunded to Shippers under the Rate Schedules subject to the EPC Rates based on the actual billing units and throughput, as applicable, during the Termination Period set forth above.~~

FORM OF SERVICE AGREEMENT

APPLICABLE TO FIRM TRANSPORTATION SERVICE
UNDER RATE SCHEDULE FTS-1

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between Gas Transmission Northwest LLC, a Delaware limited liability company (hereinafter referred to as "GTN"), and _____, (hereinafter referred to as "Shipper").

WHEREAS, GTN owns and operates an interstate natural gas pipeline; and

WHEREAS, Shipper desires GTN, on a firm basis, to transport certain quantities of natural gas; and

WHEREAS, GTN is willing to transport certain quantities of natural gas for Shipper, on a firm basis, (if applicable) and

WHEREAS, GTN and Shipper previously made and entered into Contract No. _____ on _____ for firm transportation service under Rate Schedule FTS-1. Service under Contract No. _____ commenced on _____, as reflected in Section 3.1 herein. GTN and Shipper now desire to amend, restate and supersede any prior agreements associated with services provided hereunder;

NOW, THEREFORE, the parties agree as follows:

I
General

- 1.1 Pursuant to the terms of this Agreement, GTN agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay GTN for such services.
- 1.2 This Firm Transportation Agreement ("Agreement") is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.
- 1.3 Shipper shall reimburse GTN for any and all filing fees incurred by GTN in seeking governmental authorization for the initiation, extension, or termination of service under this Agreement and Rate Schedule FTS-1. Shipper shall reimburse GTN for such fees at GTN's designated office within ten (10) days of receipt of notice from GTN that such fees are due and payable. Additionally, Shipper shall reimburse GTN for any and all penalty fees or fines assessed GTN caused by the negligence of Shipper in not obtaining all proper Canadian and domestic import/export licenses, surety bonds or any other documents and

Issued:
Effective:

Docket No.
Accepted:

approvals related to the Canadian exportation and subsequent domestic importation of natural gas transported by GTN hereunder.

- 1.4 (if applicable) As of _____, the terms and conditions of this Amended and Restated Agreement No. _____ represent the agreement between GTN and Shipper in its entirety and upon becoming effective supersedes any prior agreements associated with services provided hereunder, including the agreement with the same contract number as this Agreement and dated _____.

II

Quantity of Gas and Points of Receipt and Delivery

- 2.1 The point(s) of receipt and delivery, and the maximum quantities of gas to be delivered by GTN for Shipper's account at the point(s) of delivery are set forth in Exhibit A, attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.

III

Term

- 3.1 The service commencement date is _____, and service shall continue until _____.

(if applicable)

Thereafter, this Agreement shall continue in full force and effect for an additional term of _____ and Shipper shall provide GTN with its notice of termination no less than five (5) years prior to the termination date of such Agreement. ~~unless _____ gives at least _____ prior written notice of its desire to terminate this Agreement. Under this evergreen provision, parties capable of giving notice of termination may include only Shipper (unilateral evergreen) or may include both Shipper and GTN (bilateral evergreen).~~

(if applicable)

Shipper shall have a regulatory right of first refusal as set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff.

(if applicable)

Shipper shall have a contractual right of first refusal which (a) shall be exercised consistent with the procedures set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff; (b) exists by virtue of this written agreement, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.33; and (c) shall not extend or apply to any subsequent agreement or amendment arising from the exercise thereof.

Issued:
Effective:

Docket No.
Accepted:

(if applicable)
Shipper shall not have a right of first refusal.

IV
Rate(s), Rate Schedules,
and General Terms and Conditions of Service

- 4.1 Shipper shall pay GTN each month for services rendered pursuant to this Agreement in accordance with GTN's Rate Schedule FTS-1, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.
- 4.2 If GTN and Shipper have mutually agreed on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.
- 4.3 This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FTS-1, or superseding rate schedule(s) and of the applicable Transportation General Terms and Conditions of GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A on file with the FERC, all of which are by this reference made a part hereof.
- 4.4 GTN shall have the right to file with the FERC any changes in terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as GTN may deem necessary, and to make such changes effective at such times as GTN desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

V
Miscellaneous

- 5.1 This Agreement shall be interpreted according to the laws of the State of California.
- 5.2 Shipper warrants that the requisite upstream and downstream transportation arrangements to effectuate the service to be provided pursuant to the Agreement are in place, or will be in place as of the requested effective date of service.
- 5.3 Shipper agrees to indemnify and hold GTN harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- 5.4 Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, email or other means similarly agreed to:

Issued:
Effective:

Docket No.
Accepted:

"GTN" GAS TRANSMISSION NORTHWEST LLC
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Operations

"Shipper" _____

Attention: _____

- 5.5 A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.
- 5.6 This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- 5.7 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to GTN.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

GAS TRANSMISSION NORTHWEST LLC

By: _____
Name: _____
Title: _____

SHIPPER

By: _____
Name: _____
Title: _____

Issued:
Effective:

Docket No.
Accepted:

FORM OF SERVICE AGREEMENT

APPLICABLE TO FIRM HOURLY SERVICE
UNDER RATE SCHEDULE FHS

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between Gas Transmission Northwest LLC, a Delaware limited liability company (hereinafter referred to as "GTN"), and _____, (hereinafter referred to as "Shipper").

WHEREAS, GTN owns and operates an interstate natural gas pipeline; and

WHEREAS, Shipper desires GTN, on a firm basis, to transport certain quantities of natural gas; and

WHEREAS, GTN is willing to transport certain quantities of natural gas for Shipper, on a firm basis, (if applicable) and

WHEREAS, GTN and Shipper previously made and entered into Contract No. _____ on _____ for firm transportation service under Rate Schedule FHS. Service under Contract No. _____ commenced on _____, as reflected in Section 3.1 herein. GTN and Shipper now desire to amend, restate and supersede any prior agreements associated with services provided hereunder;

NOW, THEREFORE, the parties agree as follows:

I
General

- 1.1 Pursuant to the terms of this Agreement, GTN agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay GTN for such services.
- 1.2 This Firm Transportation Agreement ("Agreement") is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.
- 1.3 Shipper shall reimburse GTN for any and all filing fees incurred by GTN in seeking governmental authorization for the initiation, extension, or termination of service under this Agreement and Rate Schedule FHS. Shipper shall reimburse GTN for such fees at GTN's designated office within ten (10) days of receipt of notice from GTN that such fees are due and payable. Additionally, Shipper shall reimburse GTN for any and all penalty fees or fines assessed GTN caused by the negligence of Shipper in not obtaining all proper Canadian and domestic import/export licenses, surety bonds or any other documents and

Issued:
Effective:

Docket No.
Accepted:

approvals related to the Canadian exportation and subsequent domestic importation of natural gas transported by GTN hereunder.

- 1.4 (if applicable) As of _____, the terms and conditions of this Amended and Restated Agreement No. _____ represent the agreement between GTN and Shipper in its entirety and upon becoming effective supersedes any prior agreements associated with services provided hereunder, including the agreement with the same contract number as this Agreement and dated _____.

II

Quantity of Gas and Points of Receipt and Delivery

- 2.1 The point(s) of receipt and delivery, and the maximum quantities of gas to be delivered by GTN for Shipper's account at the point(s) of delivery are set forth in Exhibit A, attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.

III

Term

- 3.1 The service commencement date is _____, and service shall continue until _____.

(if applicable)

Thereafter, this Agreement shall continue in full force and effect for an additional term of _____ and Shipper shall provide GTN with its notice of termination no less than five (5) years prior to the termination date of such Agreement. ~~unless _____ gives at least _____ prior written notice of its desire to terminate this Agreement.~~

(if applicable)

Shipper shall have a regulatory right of first refusal as set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff.

(if applicable)

Shipper shall have a contractual right of first refusal which (a) shall be exercised consistent with the procedures set forth in Section 6.33 of the General Terms and Conditions of GTN's Tariff; (b) exists by virtue of this written agreement, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.33; and (c) shall not extend or apply to any subsequent agreement or amendment arising from the exercise thereof.

(if applicable)

Shipper shall not have a right of first refusal.

IV
Rate(s), Rate Schedules,
and General Terms and Conditions of Service

- 4.1 Shipper shall pay GTN each month for services rendered pursuant to this Agreement in accordance with GTN's Rate Schedule FHS, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.
- 4.2 If GTN and Shipper have mutually agreed on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.
- 4.3 This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FHS, or superseding rate schedule(s) and of the applicable Transportation General Terms and Conditions of GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A on file with the FERC, all of which are by this reference made a part hereof.
- 4.4 GTN shall have the right to file with the FERC any changes in terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as GTN may deem necessary, and to make such changes effective at such times as GTN desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

V
Miscellaneous

- 5.1 This Agreement shall be interpreted according to the laws of the State of California.
- 5.2 Shipper warrants that the requisite upstream and downstream transportation arrangements to effectuate the service to be provided pursuant to the Agreement are in place, or will be in place as of the requested effective date of service.
- 5.3 Shipper agrees to indemnify and hold GTN harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- 5.4 Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, email or other means similarly agreed to:

"GTN" GAS TRANSMISSION NORTHWEST LLC

Issued:
Effective:

Docket No.
Accepted:

700 Louisiana Street, Suite 1300
Houston, Texas 77002-2700
Attention: Commercial Operations

"Shipper"

Attention: _____

- 5.5 A waiver by either party of any one or more defaults by the other hereunder shall not operate as a waiver of any future default or defaults, whether of a like or of a different character.
- 5.6 This Agreement may only be amended by an instrument in writing executed by both parties hereto.
- 5.7 Nothing in this Agreement shall be deemed to create any rights or obligations between the parties hereto after the expiration of the term set forth herein, except that termination of this Agreement shall not relieve either party of the obligation to correct any quantity imbalances or Shipper of the obligation to pay any amounts due hereunder to GTN.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

GAS TRANSMISSION NORTHWEST LLC

By: _____
Name: _____
Title: _____

SHIPPER

By: _____
Name: _____
Title: _____

APPENDIX C

Depreciation and Negative Salvage Rates

APPENDIX C

Summary of Book Depreciation Rates and Proposed Rate Changes:		
Depreciable Category	Account	Settlement Rates
Transmission Plant	365.2 - 371	1.50%
Negative Salvage for Mainline Transmission including Turbine (Current)	365.2 - 371	0.00%
Negative Salvage for Mainline Transmission except Turbine (Proposed)	365.2 - 371; except 368.1	0.18%
Intangible Plant - Computer Software - ZAM7	303.0	20.00%
Intangible Plant - Computer Software - ZAMR *	303.0	0.00%
TC Plus Software	303.4	19.17%
Kingsgate Launcher Receiver Access	303.9	2.35%
Leasehold Improvements *	390.1	10.00%
Office Furniture and Equipment	391.0	6.67%
Computer Equipment	391.1	20.00%
Transportation Equipment	392	10.00%
Stores Equipment	393	4.35%
Tools, Shop and Garage Equipment	394	4.00%
Power Operated Equipment	396	8.71%
Communications Equipment General Plant	397	10.00%
Miscellaneous Equipment	398	5.92%
Transmission Plant Medford Lateral	365 - 370	1.02%
Negative Salvage - Medford Lateral	365 - 370	0.44%
Transmission Plant Coyote Springs Lateral	365 - 370	1.46%
Negative Salvage - Coyote Springs Lateral	365 - 370	0.86%
Transmission Plant Carty Lateral	365 - 370	2.08%
Negative Salvage - Carty Lateral	365 - 370	0.16%
Transmission Plant - Project Template	365 - 370	0.00%
Negative Salvage - Project Template	365 - 370	0.00%
Compressor Turbine Plant	368.1	1.50%
* Fully depreciated		

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Gas Transmission Northwest LLC)	Docket Nos. RP23-1099-000
)	RP23-1099-001
)	RP23-1099-002

EXPLANATORY STATEMENT

Pursuant to Rule 602(c)(1) of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Rules of Practice and Procedure, 18 C.F.R. § 385.602(c)(1)(ii) (2024), Gas Transmission Northwest LLC (“GTN”) submits the following Explanatory Statement to the attached Stipulation and Agreement of Settlement (“Settlement”). The Settlement resolves all issues in the above-captioned proceedings. This Explanatory Statement is for informational purposes only; in the event of a conflict between the contents of this Explanatory Statement and terms of the Settlement, the terms of the Settlement govern:

ARTICLE I – PROCEDURAL HISTORY

Article I sets forth the procedural background to this proceeding.

ARTICLE II – INDIVISIBILITY OF SETTLEMENT TERMS/BLACK BOX SETTLEMENT

Article II.A. states that the Settlement is a compromise among many parties with diverse and often conflicting interests, and that it provides for a reasonable and comprehensive resolution of all issues and matters in dispute in this proceeding. It further emphasizes that the Settlement is an integrated package that GTN and the Settling Parties request be approved in its entirety, without modification.

Article II.B. states that the Settlement Rates and depreciation rates set forth in Articles VI and VIII, respectively, are “black box” rates.

ARTICLE III – SETTLING PARTIES AND CONTESTING PARTIES

Article III describes settlement procedures and the parties' rights in the event there is a Contesting Party as that term is defined in the Settlement.

Article III.A. defines "Settling Party" as any party or shipper on GTN that (i) expressly supports, or (ii) does not oppose the Settlement as a whole and/or any of its underlying provisions. It further provides that although GTN is a party to the Settlement, it is not a Settling Party as the term is defined, nor is Commission Trial Staff a Settling Party as the term is defined.

Article III.B.1. provides that any entity, party, or Settling Party shall become a Contesting Party on the date that it (a) files any pleading at the Commission concerning this Settlement, other than a request for rehearing in accordance with Article IV.A.3. or Article IV.A.4, that takes any position with regard to the Settlement other than that the entity, party, or Settling Party (i) unequivocally supports the Settlement as a whole and each of its underlying provisions, (ii) does not oppose approval of the Settlement as a whole and/or (iii) urges expedited approval of the Settlement as filed; (b) provides notice as set forth in Article IV.A.4. or Article IV.A.5. that it elects to become a Contesting Party; or (c) takes any action inconsistent with the terms of the Settlement.

Article III.B.2. provides that contesting Parties shall forego any and all rights or obligations under the Settlement. GTN shall retain all rights to file base rate or any other base or tariff changes pursuant to section 4 of the NGA that will be applicable to all Contesting Parties, notwithstanding anything in this Settlement. Any Commission orders during the term of this Settlement related to such NGA section 4 filings that are otherwise precluded by the Settlement shall only become effective as to Contesting Parties. Further, no rate, surcharge, or allocation of costs applicable to

any Settling Party shall be modified as a result of the election of any other party to be a Contesting Party.

ARTICLE IV – SETTLEMENT EFFECTIVENESS

Article IV generally governs when the Settlement shall become effective and sets forth the rights of various parties should the Commission issue an order approving the Settlement subject to a modification(s) or condition(s). In the event the Commission issues an order approving the Settlement subject to a modification(s) or condition(s), then GTN, Trial Staff, and the Settling Parties shall meet and confer to determine whether the modification(s) and condition(s) may be accepted by all Settling Parties and GTN, or, if not, whether agreeable changes to the Settlement may be made. If the Settling Parties, Trial Staff, and GTN are unable to agree on a suitable solution, the Settlement will become effective subject to the rights set forth in the paragraphs below.

Article IV.A.3. sets forth GTN's rights to seek rehearing of any Commission order approving the Settlement subject to a modification(s) or condition(s) that materially or adversely affects GTN as well as GTN's right to withdraw the Settlement if the Commission issues such an order. If the Commission issues an order approving the Settlement subject to a modification(s) or condition(s) that materially or adversely affects GTN, then GTN may elect to seek rehearing of the order or withdraw the Settlement. If GTN elects to seek rehearing that is consistent with the terms of the Settlement, then no Settling Party shall oppose such a request for rehearing. If the Commission issues a Final Order denying GTN's request for rehearing, GTN shall have the option to withdraw the Settlement.

If the Commission issues an order approving the Settlement subject to a modification(s) or condition(s) that materially or adversely affect a Settling Party other than GTN, then Article

IV.A.4. provides that the Settling Party may, upon notice, elect not to be bound by the Settlement and/or seek rehearing of such an order. If a Settling Party elects to seek rehearing that is consistent with the terms of the Settlement, then neither GTN nor any Settling Party will oppose the request for rehearing. A Settling Party that elects not to be bound by the Settlement shall be considered a Contesting Party and GTN shall have the option, but not the obligation, to withdraw the Settlement.

Article IV.B. provides that any notice of withdrawal permitted by the Settlement and provided by GTN, or any rejection of the Settlement by the Commission or a court of competent jurisdiction, shall cause the Settlement to be terminated and become null and void, and the parties shall be restored to the *status quo ante*. If GTN provides notice of withdrawal or the Settlement is rejected by the Commission or a court of competent jurisdiction, GTN may take any necessary action, including submission of a tariff filing, to restore or otherwise make effective subject to refund and the outcome following any hearing the Motion Rates, and no former Settling Party shall oppose that action taken by GTN.

ARTICLE V – MORATORIUM AND MANDATORY FILING REQUIREMENT

Article V.A. establishes a Moratorium during which GTN and the Settling Parties are prohibited from taking certain actions, including but not limited to any filings under sections 4 and 5 of the NGA that would be inconsistent with the Settlement or any of its constituent provisions. Article V.A. also enumerates various permissible filings by GTN and the Settling Parties during the Moratorium.

Article V.B. establishes that GTN shall file a general rate case pursuant to section 4 of the NGA such that the rates proposed therein will be effective no later than April 1, 2027, taking into account any suspension period that may be imposed by the Commission.

ARTICLE VI – SETTLEMENT RATES

Article VI.A. establishes the transportation rates that shall be in effect pursuant to the Settlement. The recourse rates for all GTN transportation services to be effective as of April 1, 2024 through March 31, 2026 shall be as set forth in the tariff records attached as Appendix B-1 to the Settlement (“Phase I Settlement Rates”). The recourse rates for all GTN transportation services to be effective as of April 1, 2026 through the end of the Settlement Term shall be as set forth in the tariff records attached as Appendix B-2 to the Settlement (“Phase II Settlement Rates”).

Article VI.B. provides that within sixty (60) days after the Effective Date and in accordance with the requirements of 18 C.F.R. §§ 154.501 and 154.502 (2024), GTN shall provide to each shipper that is not a Contesting Party a refund for the period April 1, 2024 through the Effective Date, via (i) a billing adjustment, or (ii) for such shippers providing valid wiring instructions to GTN prior to the Effective Date, a lump-sum wire transfer.

ARTICLE VII – REGULATORY ASSETS

Article VII provides for GTN to establish certain regulatory assets.

Article VII.A.1. sets forth the agreement of Settling Parties and GTN that the existing Washington State Cap and Invest Program (“CIP”) regulatory totals \$8.65 million through the end of the test period in this proceeding, and provides for that amount to be amortized over three (3) years (\$2.88 million each year).

Article VII.A.2. provides that for the period from April 1, 2024 through March 31, 2027, GTN is authorized to establish a regulatory asset (“CIP Deferral Account”) to record Washington State CIP-related costs that GTN incurs during the term of the Settlement. Any costs recorded in the CIP Deferral Account regulatory asset shall accumulate interest at the Commission’s rate in accordance with 18 C.F.R. § 385.501(d) from the date incurred until GTN fully recovers the costs

through its rates. Article VII.A.3. provides that GTN shall be permitted to include the costs properly recorded in the CIP Deferral Account regulatory asset in rates proposed in GTN's next general NGA section 4 rate case or in any general investigation of GTN's rates under section 5 of the NGA. Such costs shall be amortized over a period of no less than seven (7) years. Article VII.A.4. provides that in GTN's next general NGA section 4 rate case or in any general investigation of GTN's rates under section 5 of the NGA, Settling Parties retain all rights to challenge GTN's recovery in rates of costs recorded in such CIP Deferral Account regulatory asset; provided, however, that no Settling Party shall challenge GTN's authority to record such Washington State CIP-related costs as a regulatory asset or that the costs were incurred outside of the applicable base period and test period.

Article VII.B. provides that GTN shall be permitted to include a \$3.0 million regulatory asset associated with rate case expenses incurred in preparation of this rate case filed in Docket No. RP23-1099 through the end of the test period. Such costs shall be amortized over a period of three (3) years.

Article VII.C. provides that GTN agrees that it will not establish a regulatory asset associated with Post-Retirement Benefits Other Than Pensions ("PBOP") expenses or costs. In its next Section 4 rate proceeding, GTN may seek recovery of its allocated portion of actuarially-determined annual net PBOP costs and/or expenses, if any, that are incurred during the base period of such rate case, as adjusted for known and measurable test period changes, and shippers may take any position with respect to such request.

ARTICLE VIII – DEPRECIATION AND NEGATIVE SALVAGE

Article VIII provides that effective April 1, 2024, GTN shall apply the depreciation rates and negative salvage percentages set forth in Appendix C for regulatory accounting purposes. A

Final Order approving the Settlement shall constitute all necessary authority, including under sections 8 and 9 of the NGA, for GTN to apply the Appendix C depreciation rates.

ARTICLE IX – FUTURE MODERNIZATION PROGRAM

Article IX provides that while the Settlement does not provide for GTN to implement an Regulatory Environmental & Compliance Costs (“RECC”) program, GTN shall retain the right to, at its sole discretion, engage with customers during the term of this Settlement to develop a mutually-agreeable proposal for a modernization program, including projects seeking to reduce costs to comply with the Washington CIP.

ARTICLE X – WASHINGTON CIP CUSTOMER MEETINGS

Article X provides that during the term of the Settlement, GTN shall convene three customer meetings, which may be conducted virtually or in-person (with a virtual option) as coordinated with Settling Parties, to discuss the status of the CIP Deferral Account and GTN’s efforts to optimize the account to minimize the expenses that are added to that account during the term of the Settlement. The first customer meeting will occur on or about April 1, 2025, and the subsequent meetings will occur on or about April 1, 2026, and on or about April 1, 2027.

ARTICLE XI – GTN EXPRESS

Article XI.A. provides that Settling Parties and GTN agree that the determination of whether any costs of the compressor replacements at the Athol, Starbuck and Kent Compressor Stations should be allocated from base system rates to the GTN XPress Project (“GTN XPress”) shall be deferred and reserved for discussion, either in GTN’s next general NGA section 4 rate case following the expiration of the term of this Settlement or in any general investigation of GTN’s rates under section 5 of the NGA; provided, however, that to the extent that any allocation

of those compressor replacement costs is determined by the Commission to be appropriate, such allocation shall be capped at \$50 million.

Article XI.B. provides that other than the cost allocation issue addressed in Article XI.A., Settling Parties and GTN retain all rights and arguments with respect to compressor cost allocation and any proposal to roll in the costs of GTN XPress, and this Article XI shall not constitute waiver of any such rights and arguments in GTN's next general NGA section 4 rate case or in any general investigation of GTN's rates under section 5 of the NGA.

ARTICLE XII – TARIFF CHANGE PROPOSALS

Article XII addresses tariff change proposals made by GTN in this proceeding.

Article XII.A. provides that GTN shall modify its *pro forma* service agreement (“PFSA”) and Section 6.17 of the General Terms and Conditions of GTN's Tariff to provide that GTN may grant a new shipper's (*i.e.*, a shipper that was not a shipper on the Effective Date of this settlement) request for an evergreen right for any new firm contract with a term of five (5) years or more that is entered into after the Effective Date only if the shipper agrees to provide GTN with its notice of termination no less than five (5) years prior to the termination date of such contract, which termination right the Shipper can elect unilaterally. Article XII.B. provides that the PFSA modification described in Article XII.A. shall not apply to contracts existing as of the Effective Date, whether such contracts are in their initial term or have been rolled over, and whether or not such contract is held by the original shipper or has been acquired pursuant to capacity release. All shippers under existing contracts will retain their existing evergreen rights. Furthermore, the PFSA modification described in Article XII.A. shall not apply where a shipper under a contract existing as of the Effective Date reduces the maximum daily quantity of that contract.

Article XII.C. provides that GTN shall be permitted to implement the definition of “Unauthorized Overrun” in Rate Schedules FTS-1, LFS-1, and FHS, to provide improved clarity in the GTN Tariff as proposed in the Rate Filing.

Article XII.D. provides that GTN shall be permitted to implement the revisions to Rate Schedule PAL and Section 6.18.1(B) of the General Terms and Conditions of the Tariff concerning Shipper Authorized Automatic Term Parking/Lending to add an enhancement option to its existing PAL Rate Schedule as proposed in the Rate Filing.

ARTICLE XIII – TARIFF FILING

Article XIII provides that within thirty (30) days of a “Final Order” as defined in Article IV.A.6. of this Settlement, GTN shall make an NGA section 4 filing to implement the *pro forma* Tariff records contained in Appendix B-3, which Tariff records reflect the Tariff changes described in Article XII.

ARTICLE XIV – THE SETTLEMENT SUPERCEDES THE 2021 SETTLEMENT

Article XIV provides that, subject to Article IV.B., the Settling Parties and GTN agree that as of the Effective Date, the 2021 Settlement is superseded in its entirety by this Settlement and shall be null and void, and no provision of the 2021 Settlement will continue to have any force or effect or be binding on any entity, party, Settling Party, or GTN, except with respect to the provision of Article XII of the 2021 Settlement that provides for the survival of the provisions of Article VI.E. of the 2007 Settlement in Docket No. RP06-407-000 relating to seasonal rates for short-term firm transportation and interruptible transportation service. However, this Settlement does not effectuate changes to GTN’s existing Tariff other than those set forth herein.

ARTICLE XV – RESERVATIONS

Article XV.A. provides that neither GTN nor any Settling Party shall be bound or prejudiced by any part of this Settlement, unless it becomes effective in accordance with the provisions hereof.

Article XV.B. provides that the Settlement shall have no precedential value (Article XV.B.1.) and that, except as explicitly stated in Article VIII, the methods or practices used in deriving rates shall not be considered settled practices (Article XV.B.2.).

Article XV.C. provides that no party shall be deemed the drafter of this Settlement, and this Settlement shall not be construed against any party as the drafter.

Article XV.D. provides that the provisions of the Settlement are not severable and may become effective only in accordance with the terms of the Settlement.

Article XV.E. provides that it is specifically understood and agreed by and among the Settling Parties that the Settlement represents a negotiated settlement only with respect to the issues resolved by the Settlement. Except to the extent explicitly set forth in the Settlement, neither the Commission, its Staff, GTN, nor any Settling Party shall be deemed to have approved, accepted, agreed to or consented to any policy, methodology or other principle underlying or supposed to underlie any of the matters provided for in the Settlement.

Article XV.F. provides that the Settlement shall be interpreted in accordance with and governed by the laws of the State of California, without regard to its conflicts of laws principles.

Article XV.G. provides that to the extent that the Commission considers any changes to the terms of the Settlement, the standard of review for any proposed modification to the provisions of the Settlement by the Commission acting *sua sponte*, by the Settling Parties and GTN acting unanimously, or upon complaint by a third party, will be the just and reasonable standard. The

standard for review for any proposed modifications to the provisions of the Settlement at the request of GTN, or of one or more, but fewer than all, Settling Parties will be the “public interest” standard for review set forth in *United Gas Pipe Line Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332 (1956) and *FPC v. Sierra Pac. Power Co.*, 350 U.S. 348 (1956).

ARTICLE XVI – PRIVILEGED DOCUMENT

Article XVI provides that unless the Settlement shall have become effective in accordance with Article IV, this Settlement shall be privileged, and all discussions held and materials provided by any party in reaching this Settlement shall be treated as if it were subject to Rule 602 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.602(2024), regardless of whether Rule 602 applies.

ARTICLE XVII – EFFECT OF COMMISSION APPROVAL

Article XVII.A. provides that the Commission’s approval of this Settlement shall constitute Commission (a) authorization and approval for GTN to implement the rates and Tariff changes set forth in this Settlement on their proposed effective dates without suspension and without conditions other than those specified herein, and (b) granting any waiver of Section 154 of the Commission’s regulations necessary to implement such Tariff sections in accordance with this Settlement.

Article XVII.B. provides that the Commission’s approval of this Settlement shall constitute Commission waiver of compliance, to the extent (if any) necessary, by GTN with the requirements of the Commission’s Rules and Regulations under the NGA and Natural Gas Policy Act including, but not limited to, Parts 154, 157, 201 and 284 as necessary to carry out any provision of this Settlement.

CERTIFICATION QUESTIONS

On December 15, 2016, the Chief Administrative Law Judge issued an Amended Notice to the Public requiring that each Explanatory Statement submitted in support of a proposed settlement filed with the Commission address the following four questions:

1. Does the settlement affect other pending cases?

GTN does not believe that the Settlement will affect other pending cases.

2. Does the settlement involve issues of first impression?

The Settlement does not involve any issues of first impression.

3. Does the settlement depart from Commission precedent?

The Settlement does not depart from Commission precedent.

4. Does the settlement seek to impose a standard of review other than the ordinary just and reasonable standard with respect to any changes to the settlement that might be sought either by a third party or the Commission acting *sua sponte*?

No.

Respectfully submitted,

/s/ Stefan M. Krantz

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