

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

Gas Transmission Northwest LLC) Docket No. RP15-904-___

**PETITION OF GAS TRANSMISSION NORTHWEST LLC FOR APPROVAL OF
AMENDED STIPULATION AND AGREEMENT OF SETTLEMENT
AND REQUEST FOR EXPEDITED ACTION**

Pursuant to Rule 207(a)(5) of the Federal Energy Regulatory Commission's ("FERC" or "Commission") Rules of Practice and Procedure, 18 C.F.R. § 385.207(a)(5) (2018), Gas Transmission Northwest LLC ("GTN") hereby petitions the Commission for approval of the amended Stipulation and Agreement of Settlement ("Amended Settlement"), including associated Pro Forma tariff sections, submitted herewith. GTN respectfully requests that the Commission issue an order granting this Petition and approving the Amended Settlement prior to December 1, 2018, in order to permit GTN to implement reduced rates to be effective January 1, 2019. In support hereof, GTN shows as follows:

**I.
CORRESPONDENCE AND COMMUNICATION**

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II. BACKGROUND

On April 23, 2015, in Docket No. RP15-904-000, GTN filed a Petition for Approval of Stipulation and Agreement of Settlement (“2015 Settlement”) in order to resolve issues relating to a potential GTN general rate change filing pursuant to section 4 of the Natural Gas Act (“NGA”).¹ The Commission approved the 2015 Settlement on June 30, 2015.² The 2015 Settlement provided for a rate decrease effective July 1, 2015, and further provides for GTN to implement an additional rate decrease to become effective on January 1, 2020.³ The 2015 Settlement also requires GTN to submit a general rate filing pursuant to section 4 of the NGA⁴ such that the rates proposed therein will be effective no later than January 1, 2022.⁵

On July 18, 2018, the Commission issued Order No. 849⁶ and its Order on Rehearing of its previously-issued Revised Policy Statement on income tax allowances.⁷ In Order No. 849, the Commission offered pipelines four options: (1) file a limited NGA section 4 filing to reduce

¹ 15 U.S.C. § 717c.

² *Gas Transmission Northwest LLC*, 151 FERC ¶ 61,280 (2015).

³ 2015 Settlement, Article VI.A.

⁴ 15 U.S.C. § 717c.

⁵ 2015 Settlement, Article V.1.

⁶ *Interstate and Intrastate Natural Gas Pipelines; Rate Changes Relating to Federal Income Tax Rate*, Order No. 849, 83 Fed. Reg. 36,672 (Jul. 30, 2018).

⁷ *Inquiry Regarding the Commission’s Policy for Recovery of Income Tax Costs*, Revised Policy Statement on Treatment of Income Taxes, 162 FERC ¶ 61,227 (2018) (“Revised Policy Statement”), *order on reh’g*, 164 FERC ¶ 61,030 (2018).

its rates; (2) commit to file a general NGA section 4 rate case or pre-packaged uncontested rate settlement in the near future; (3) provide a statement explaining why an adjustment to its rates is not needed; or (4) take no action other than filing Form No. 501-G.⁸ The Commission encouraged interstate natural gas companies to enter into pre-packaged uncontested settlements in order to address rate issues arising from the Tax Cut and Jobs Act (“Tax Act”), Order No. 849, and the Revised Policy Statement, stating that pipelines that do so between March 26, 2018 and the date their Form No. 501-G would otherwise be due need not file Form No. 501-G.⁹

In response to Order No. 849 and the Revised Policy Statement, GTN has engaged in settlement discussions with its customers and other stakeholders in order to resolve the issues raised by these orders and the Tax Act through an amendment to the 2015 Settlement. GTN provided a settlement offer to stakeholders on September 12, 2018, and convened an in-person settlement conference in Seattle, Washington on September 18-19, 2018. As a result of these discussions, GTN and its customers have agreed to a settlement in principle that will provide customers with rate relief resulting from the Tax Act, Order No. 849, and the Commission’s revised tax allowance policy.¹⁰ That settlement in principle is reflected in the attached Amended Settlement.

III. PETITION FOR APPROVAL

The attached Amended Settlement reflects the agreement of GTN and the settling parties, and results from their significant efforts to resolve the issues arising from the Tax Act, Order No.

⁸ Order No. 849 at P 2, 31.

⁹ *Id.* at P 159.

¹⁰ Subsequent to reaching the settlement in principle, on September 24, 2018, GTN filed a petition for waiver of the requirement to file Form No. 501-G or, in the alternative, to postpone the due date until December 6, 2018. On October 5, 2018, the Commission issued an order granting GTN an extension of time until December 6, 2018 to file its Form No. 501-G.

849, and the Revised Policy Statement. The Commission has encouraged natural gas companies and their customers to resolve differences over rates before making any filing with the Commission,¹¹ because it enables the quick processing of a rate change “without the expense of a hearing and lengthy litigation.”¹² Moreover, as noted above, the Commission has encouraged natural gas companies to resolve rate issues resulting from the Tax Act, Order No. 849, and the Revised Policy Statement through pre-packaged, unopposed settlements.¹³ The Amended Settlement successfully resolves issues that may have been in dispute in a practical and carefully constructed fashion, eliminating the need for testimony, discovery, hearing and briefing of the matters resolved. The avoidance of litigation and resulting better use of resources is a valuable outcome, benefiting the participants, the Commission and the public interest. Therefore, GTN submits that the Amended Settlement is in the public interest and should be approved to become effective January 1, 2019 without modification or condition.

IV. REQUEST FOR EXPEDITED ACTION

The Amended Settlement provides for reduced rates to become effective January 1, 2019. GTN requests that the Commission grant this Petition and approve the Amended Settlement prior to December 1, 2018, in order to permit GTN to implement the reduced rates provided for in the Amended Settlement to be effective January 1, 2019. GTN submits that expedited action is appropriate, given that the reduced rates will benefit shippers and are consistent with the intent of the Commission to encourage pipelines to reflect the effect of the reduced corporate income tax rate arising from the Tax Act.

¹¹ See *Dominion Transmission, Inc.*, 111 FERC ¶ 61,285 at P 30 (2005).

¹² *Id.*

¹³ Order No. 849 at P 159. Consistent with the Commission’s declaration in Order No. 849, the filing of the Settlement will obviate the requirement that GTN submit Form No. 501-G.

V.
CONCLUSION

WHEREFORE, GTN respectfully requests that the Commission grant this Petition by approving the Amended Settlement without condition or modification. GTN further requests that the Commission grant any other authorizations or waivers that may be necessary to approve the Amended Settlement as proposed herein. Finally, GTN requests that the Commission grant this Petition and approve the Amended Settlement prior to December 1, 2018, in order to permit GTN to make the necessary tariff filing to implement the rate reduction provided for in the Amended Settlement.

Respectfully submitted,

/s/ Stefan M. Krantz

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ATTORNEYS FOR GAS TRANSMISSION NORTHWEST LLC

October 16, 2018

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

Gas Transmission Northwest LLC) Docket No. RP15-904-___

AMENDED STIPULATION AND AGREEMENT OF SETTLEMENT

Upon approval by the Federal Energy Regulatory Commission (“FERC” or the “Commission”) pursuant to Rule 207(a)(5) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.207(a)(5) (2018), this Amended Stipulation and Agreement of Settlement (“Amended Settlement”) shall serve to modify the transportation service rates set forth in Gas Transmission Northwest, LLC’s (“GTN’s”) FERC Gas Tariff, Fourth Revised Volume No. 1-A (“Tariff”), pursuant to the terms below. GTN and the Settling Parties (as defined below) stipulate and agree to the following:

**ARTICLE I
PROCEDURAL HISTORY**

1. On April 23, 2015, in Docket No. RP15-904-000, GTN filed a Petition for Approval of Stipulation and Agreement of Settlement (“2015 Settlement”) in order to resolve issues relating to a potential GTN general rate change filing pursuant to section 4 of the Natural Gas Act (“NGA”), 15 U.S.C. § 717c. The Commission approved the 2015 Settlement on June 30, 2015. *Gas Transmission Northwest LLC*, 151 FERC ¶ 61,280 (2015).

2. On July 18, 2018, the Commission issued Order No. 849. *Interstate and Intrastate Natural Gas Pipelines; Rate Changes Relating to Federal Income Tax Rate*, Order No. 849, 83 Fed. Reg. 36,672 (Jul. 30, 2018). Also on July 18, 2018, the Commission issued its Order on Rehearing of its previously-issued Revised Policy Statement on income tax allowances. *Inquiry Regarding the Commission’s Policy for Recovery of Income Tax Costs*, Revised Policy

Statement on Treatment of Income Taxes, 162 FERC ¶ 61,227 (2018) (“Revised Policy Statement”), *order on reh’g*, 164 FERC ¶ 61,030 (2018).

3. In Order No. 849, the Commission offered pipelines four options: (1) file a limited NGA section 4 filing to reduce its rates; (2) commit to file a general NGA section 4 rate case or pre-packaged uncontested rate settlement in the near future; (3) provide a statement explaining why an adjustment to its rates is not needed; or (4) take no action other than filing Form No. 501-G. Order No. 849 at P 2, 31. The Commission encouraged interstate natural gas companies to enter into pre-packaged uncontested settlements in order to address rate issues arising from the Tax Cut and Jobs Act (“Tax Act”), Order No. 849, and the Revised Policy Statement, stating that pipelines that do so between March 26, 2018 and the date their Form No. 501-G would otherwise be due need not file Form No. 501-G. *Id.* at P 159.

4. GTN provided a settlement offer to stakeholders on September 12, 2018, and convened an in-person settlement conference in Seattle, Washington on September 18-19, 2018. During the settlement discussions, the parties exchanged multiple offers of settlement and counteroffers. The Amended Settlement is the result of these negotiations. Through the Amended Settlement, participants have successfully resolved issues in a practical and carefully constructed fashion.

ARTICLE II EFFECT ON 2015 SETTLEMENT

1. Except as specifically amended in this Amended Settlement, the terms and conditions of the 2015 Settlement, as approved by the Commission on June 30, 2015, shall continue in full force and effect. Nothing in this Amended Settlement is intended to alter any provision of the 2015 Settlement, except as explicitly provided herein. Specifically, this

Amended Settlement does not alter the following provisions of the 2015 Settlement: Article II (Indivisibility of Settlement Terms); Article VII (Depreciation); Article IX (Post Retirement Benefits Other Than Pensions); Article X (Supersedure of the 2011 Settlement); Article XI.B. (Survivability); and Article XIV (Safety and Reliability Compliance).

**ARTICLE III
SETTLING PARTIES AND CONTESTING PARTIES**

A. Settling Parties

1. 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 Amended Settlement as a whole and/or any of its underlying provisions.

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 Amended 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 Amended 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 Amended Settlement as a whole and/or (iii) urges expedited approval of the Amended 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 Amended Settlement.

2. Contesting Parties shall forego any and all rights or obligations under the Amended 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 Amended Settlement. Any Commission orders during the term of this Amended Settlement related to such NGA section 4 filings that are otherwise precluded by the Amended 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
AMENDED SETTLEMENT EFFECTIVENESS**

A. Effective Date

1. This Amended Settlement shall become effective on December 1, 2018 (“Effective Date”). If a Commission order approving the Amended Settlement requires modification(s) or condition(s), then the Amended Settlement shall take effect with the modification(s) or condition(s) required by the Commission, subject to the rights of the parties enumerated in this Article. To the extent that this Amended Settlement is approved without modification or condition, the Settling Parties are bound by the terms of the Amended Settlement and waive any and all rights to file requests for rehearing, clarification and/or reconsideration of such an order.

2. In the event that the Commission issues an order approving the Amended Settlement subject to a modification(s) or condition(s), then, within seven (7) calendar days of the date of such a Commission order, the Settling Parties will initiate a good-faith meet-and-confer process to: (a) determine whether the Commission-imposed modification(s) or condition(s) can be accepted by all Settling Parties, or, if not, then (b) make such mutually agreeable changes to the Amended Settlement as are necessary so it is accepted by Settling Parties. If within fourteen (14) calendar days of the date of such a Commission order the Settling

Parties are unable to mutually agree as provided for in (a) or (b) in the preceding sentence, then the obligation to meet and confer in good faith shall cease and the Settlement will become effective subject to the rights of GTN and the other Settling Parties as set forth in Article IV.A.3. and Article IV.A.4., respectively.

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 Amended Settlement and, if it does not withdraw the Amended Settlement, whether it will seek rehearing of such Commission order. If GTN does not withdraw the Amended Settlement, then the Amended 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 other Settling Party. If GTN elects to file a request for rehearing that is consistent with the terms of the Amended Settlement, then no other 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 Article IV.A.3., GTN shall have the option to withdraw the Settlement by providing written notice of withdrawal of the Amended Settlement to the Commission and all parties in this proceeding.

4. If an order approving the Amended Settlement requires a modification(s) or imposes a condition(s) that materially and adversely affects any Settling Party other than GTN, 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 Amended 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 Amended Settlement, then the Amended 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 will oppose such request for rehearing. Such Settling Party providing notice that it elects not to continue to be bound by the Amended 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 Amended 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 Amended Settlement by providing written notice of withdrawal of the Amended 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 other than GTN, 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 Amended Settlement. Such Settling Party that elects not to be bound by the Amended 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 Amended Settlement by providing written notice of withdrawal of the Amended Settlement to the Commission and all parties in this proceeding.

6. For purposes of this Amended 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 Amended Settlement, all parties' rights, obligations and commitments under the Amended Settlement are deemed null and void, and all parties are returned to the status quo *ante*, and GTN shall file its Form No. 501-G within 30 (thirty) calendar days of such withdrawal; provided, however, the effective date of any rates that reflect a litigated outcome resulting from actions taken under Sections 4 or 5 of the NGA, following GTN's submission of its Form No. 501-G, shall be "X" days earlier than the date on which the Commission issues the order approving such new rates. "X" shall equal the number of days between October 11, 2018 and the date on which GTN submits its Form No. 501-G following the withdrawal of the Amended Settlement.

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

1. Any notice of withdrawal permitted by the Amended Settlement and provided by GTN, or any rejection of the Amended Settlement by the Commission or a court of competent jurisdiction, shall cause the Amended Settlement to be terminated and become null and void, the provisions of the 2015 Settlement, including the rates stated therein, shall be restored to full effectiveness, and GTN shall file its Form No. 501-G within 30 (thirty) calendar

days of such withdrawal; provided, however, the effective date of any rates that reflect a litigated outcome resulting from actions taken under Sections 4 or 5 of the NGA, following GTN's submission of its Form No. 501-G, shall be "X" days earlier than the date on which the Commission issues the order approving such new rates. "X" shall equal the number of days between October 11, 2018 and the date on which GTN submits its Form No. 501-G following the rejection of the Amended Settlement.

**ARTICLE V
MORATORIUM AND MANDATORY FILING REQUIREMENT**

Article V of the 2015 Settlement is amended and restated as follows:

A. Moratorium

1. The period from January 1, 2019 until December 31, 2021, 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 Amended Settlement to be effective during the Moratorium, including, without limitation, any increase, change or modification of the Amended 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 Amended 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

Amended Settlement Rates, or any other provision of this Amended Settlement, including but not limited to challenging, contesting or otherwise opposing the Amended 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 January 1, 2022 or from making any filing allowed under Article V.A.4. or Article V.A.5.

3. Each Settling Party other than GTN, 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 Amended 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 Amended 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 Amended 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 Amended Settlement or has applied the terms of this Amended 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 January 1, 2022.

4. During the Moratorium, and provided that any such activity is not inconsistent with the provisions of this Amended Settlement, GTN and any other 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 Amended Settlement, including the actions listed in Article V.A.5.(a) through (d) below. Parties may not challenge GTN's right to make such filings, but may otherwise take any position with respect to such filings.

- (a) 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;
- (b) make any filing pursuant to sections 4 or 7 of the NGA not inconsistent with the terms of the Amended Settlement for the following:

- (i) proposing to construct and operate new facilities or to provide new service(s) not covered by the Amended 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 terms or conditions of service;
- (c) provide discounts to the Amended Settlement Rates; and
- (d) enter into negotiated rate agreements.

6. During the Moratorium, Settling Parties other than GTN shall have the right to make any NGA section 5 filing not prohibited by the Amended 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.

7. To the extent that the Commission considers any change to the terms of the Amended Settlement during the Moratorium, the standard of review for any such proposed change shall be the most stringent standard permissible under applicable law.

B. Mandatory Rate Filing Requirement

1. 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 January 1, 2022. The filing shall be made within sufficient time to accommodate any Commission-imposed suspension period.

**ARTICLE VI
AMENDED SETTLEMENT RATES**

Article VI of the 2015 Settlement is amended and restated as follows:

A. Settlement Recourse Rates

1. The rates for all GTN mainline transportation services, to be effective on January 1, 2019 and through December 31, 2019, 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 “Amended Phase I Settlement Rates”).

2. Effective on January 1, 2020 and continuing until December 31, 2021, 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 “Amended Phase II Settlement Rates”).

B. Negotiated Rates

1. Effective on January 1, 2019 and continuing until December 31, 2021, GTN shall implement a five (5) percent reduction to reservation rates for all negotiated rate contracts entered into prior to the date of filing of this Amended Settlement. The parties understand and agree that effective on January 1, 2022, this rate reduction will expire and the rates under the affected negotiated rate contracts shall revert to the rates stated in the contracts.

C. Interim Rate Relief

1. If the Commission has not issued an order on the Amended Settlement as of December 1, 2018, on that date GTN shall make an NGA section 4 filing for the limited purpose of placing the Amended Phase I Settlement Rates into effect as of January 1, 2019 on an interim basis. To the extent that the Amended Settlement is rejected by the Commission or GTN withdraws the settlement, GTN shall have the right to charge each Settling Party to the extent such party has paid a lower rate by virtue of the Interim Rate Relief provided by this Article VI.C. The amount of the charge shall be the difference between the rates that were in effect

immediately prior to the date that the Interim Rate Relief took effect in accordance with this Article VI.C. and the rates collected from each Settling Party under each contract for the period commencing on the date that the Interim Rate Relief took effect according to this Article VI.C. until the date that the Amended Settlement is rejected by the Commission or withdrawn by GTN, plus interest at the applicable FERC interest rate (“Interim Rate Reduction Make-Up Charge”) applied from the date each GTN invoice reflecting the Interim Rate Relief was payable by the Settling Party to the date the Settling Party pays the Interim Rate Reduction Make-Up Charge. GTN shall apply any billing adjustment to the Settling Party’s next applicable monthly bill, following Commission acceptance of the appropriate tariff filing necessary to implement the Interim Rate Reduction Make-Up Charge. Each Settling Party agrees that it will not contest the lawfulness of the Interim Rate Reduction Make-Up Charge; provided, however, that any Settling Party may seek to correct a calculation or billing error pursuant to GT&C Section 6.8 of the Tariff.

2. A Contesting Party shall not be entitled to Interim Rate Relief. To the extent that a Settling Party becomes a Contesting Party after the date that the Interim Rate Relief has become effective, GTN shall have the right to charge such party the difference between the rates that were in effect immediately prior to the date that the Interim Rate Relief took effect in accordance with this Article VI.C. and the rates collected from such party under each contract for the period commencing on the date that the Interim Rate Relief took effect according to this Article VI.C. until the date that such Settling Party became a Contesting Party, plus interest at the applicable FERC interest rate (“Contesting Party Interim Rate Reduction Make-Up Charge”). GTN shall apply any billing adjustment to the next applicable monthly bill to the Settling Party that became a Contesting Party, following Commission acceptance of the appropriate tariff filing

necessary to implement the Contesting Party Interim Rate Reduction Make-Up Charge. Such Settling Party that becomes a Contesting Party agrees that it will not contest the lawfulness of the Contesting Party Interim Rate Reduction Make-Up Charge; provided, however, that such Settling Party that became a Contesting Party may seek to correct a calculation or billing error pursuant to GT&C Section 6.8 of the Tariff.

ARTICLE VII RATE CREDIT

1. GTN will credit \$10 million to all firm shippers that are Settling Parties that also took firm service from GTN during the ten (10)-month period ending October 31, 2018 (“Rate Credit Parties”). The credit for each Rate Credit Party shall be credited to the Rate Credit Party’s invoice(s) from GTN issued and payable in December 2018. The amount to be refunded to each Rate Credit Party will be calculated based upon each Rate Credit Party’s pro rata share of the total reservation charges paid by all Rate Credit Parties for services provided by GTN during the ten (10)-month period ending October 31, 2018. Any GTN shipper who is not a Settling Party at the time GTN issues the credit will not receive a share of the credit. In the event that the Amended Settlement is rejected by the Commission or GTN withdraws the settlement, GTN shall have the right to charge each Rate Credit Party that has received a credit pursuant to this Article VI.D. by implementing a billing adjustment to the Rate Credit Party’s next applicable monthly bill. Each Rate Credit Party agrees that it will not contest the lawfulness of such billing adjustment; provided, however, that any Rate Credit Party may seek to correct a calculation or billing error pursuant to GT&C Section 6.8 of the Tariff.

**ARTICLE VIII
INCOME TAX ALLOWANCE/ADIT**

1. During the term of the Amended Settlement, the Amended Settlement Rates set forth in Article VI.A. reflect, as a settled practice, zero income tax allowance as well as elimination of accumulated deferred income tax (“ADIT”) and associated regulatory liability, based on the Commission’s rulings in Order No. 849 and Docket No. PL17-1 (“Tax Allowance Policy”). GTN and the Settling Parties specifically agree and acknowledge as follows: (a) for the period January 1, 2019 through December 31, 2021, the Amended Settlement Rates shall reflect zero income tax allowance and elimination of ADIT, regardless of any change in the Tax Allowance Policy during that term; (b) after December 31, 2021, to the extent that there is no change in the Commission’s Tax Allowance Policy with respect to income tax allowance and/or elimination of ADIT, or to GTN’s ownership structure, GTN’s treatment of these rate elements as reflected in the Amended Settlement shall continue as a settled practice; and (c) after December 31, 2021, to the extent there is or has been any change in (i) the Commission’s Tax Allowance Policy with respect to income tax allowance and/or elimination of ADIT, or (ii) GTN’s ownership structure, GTN and the Settling Parties agree to reserve all rights to address said changes in a subsequent proceeding following the expiration of the Amended Settlement.

**ARTICLE IX
TARIFF FILINGS**

1. GTN shall make a section 4 filing containing the actual Tariff sections as they appear in Appendix B-1 at least thirty (30) calendar days before the January 1, 2019 Effective Date. However, if a Commission order approving the Amended Settlement has not been issued by December 1, 2018, and if the Settlement is not withdrawn by GTN pursuant to

Article IV.A., GTN shall on that day file actual Tariff sections as they appear in Appendix B-1 to be effective January 1, 2019 on an interim basis, pending the Commission's approval of the Settlement. If Tariff sections have been filed on an interim basis and accepted by the Commission, GTN shall make additional filings, if any, necessary to implement the approved Amended Settlement. If Tariff sections implementing the Amended Phase I Settlement Rates on an interim basis have not been accepted by the FERC on or before January 1, 2019, and if the Settlement is not withdrawn by GTN pursuant to Article IV.A., then upon the Commission's approval of the Amended Settlement, GTN shall revise the actual Tariff sections, as they appear in Appendix B-1, to include a billing adjustment with interest, calculated in accordance with Section 154.501 of the Commission's regulations, 18 C.F.R. § 154.501 (2018), to reflect the effectiveness of the rates approved herein for the Settling Parties, effective January 1, 2019. GTN shall apply any billing adjustment to the Settling Party's next applicable monthly bill, following Commission acceptance of the Tariff sections filed pursuant to this Article VII.1.

2. GTN shall make an NGA section 4 filing containing the actual Tariff sections as they appear in Appendix B-2 to implement the Amended Phase II Settlement Rates at least thirty (30) calendar days before January 1, 2020.

ARTICLE X RESERVATIONS

1. No Settling Party shall be bound or prejudiced by any part of this Amended Settlement, unless it becomes effective in accordance with the provisions hereof.

A. Amended Settlement Has No Precedential Value

1. The Commission's approval of this Amended Settlement does not constitute approval of, or precedent regarding, any principle or issue. Unless this Amended

Settlement is approved and becomes effective in accordance with the provisions set forth herein, then in any proceeding before the Commission this Amended 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 Amended 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 Amended 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 Amended Settlement or collect rates due for the service provided while the Amended 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 Amended Settlement are for purposes of settlement only and shall have no precedential effect.

B. No Drafter

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

C. Severability

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

D. Negotiated Settlement

1. It is specifically understood and agreed by and among the Settling Parties that the Amended Settlement represents a negotiated settlement only with respect to the issues resolved by the Amended Settlement. Except to the extent explicitly set forth in the Amended Settlement, neither the Commission, its Staff 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 Amended Settlement.

E. Choice of Law

1. This Amended 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.

F. Standard of Review

1. To the extent that the Commission considers any changes to the terms of the Amended Settlement, the standard of review for any such proposed change shall be the most stringent standard permissible under applicable law.

**ARTICLE XI
PRIVILEGED DOCUMENT**

1. Unless the Amended Settlement shall have become effective in accordance with Article IV, this Amended Settlement shall be privileged, and all discussions held and materials provided by any party in reaching this Amended 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 (2018), regardless of whether Rule 602 applies.

ARTICLE XII
EFFECT OF COMMISSION APPROVAL

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

2. The Commission's approval of this Amended 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 Amended Settlement.

Respectfully submitted,

/s/ Stefan M. Krantz

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ATTORNEYS FOR GAS TRANSMISSION NORTHWEST LLC

October 16, 2018

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 Amended Stipulation and Agreement of Settlement.

Alliance of Western Energy Consumers
Apache Corporation
ARC Resources Ltd.
Avangrid Renewables, LLC
Avista Corporation
BP Canada Energy Marketing Corp.
California Public Utilities Commission
Canadian Association of Petroleum Producers
Cascade Natural Gas Corporation
Cenovus Energy Marketing Services Ltd.
Chevron U.S.A., Inc.
CIMA ENERGY, LP
Citadel Energy Marketing LLC
Encana Marketing (USA) Inc.
Gas Transmission Northwest LLC
Hammerhead Resources Inc.
Mercuria Commodities Canada Corporation
Northwest Natural Gas Company
PacifiCorp
Paramount Resources
Pacific Gas and Electric Company
Puget Sound Energy, Inc.
Sacramento Municipal Utility District
Shell Energy North America (US), L.P.
Sierra Pacific Power Company d/b/a NV Energy
Southern California Gas Company
Tenaska Marketing Ventures
Tourmaline Oil Marketing Corp.
Turlock Irrigation District

APPENDIX B

Tariff Sections

APPENDIX B-1

Amended Phase I Settlement Rate Tariff Sections

Gas Transmission Northwest LLC

FERC Gas Tariff, Fourth Revised Volume No. 1-A

Pro Forma (1/1/2019 – 12/31/2019)

Clean Tariff

Tariff Section

- 4.1 - Statement of Rates,
FTS-1, LFS-1, and FHS Rates
- 4.2 - Statement of Rates,
ITS-1 and IHS Rates
- 4.3 - Statement of Rates,
Footnotes to Statement of Effective Rates and Charges
- 4.5 - Statement of Rates,
Parking and Lending Service

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)		FUEL (d) (Dth-MILE)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	0.000391	0.000000	0.030954	0.000000	0.000016	0.000016	0.0050%	0.0000%
STF (e)	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (f)	0.002483	0.000000	0.004177	0.000000	0.000026	0.000026	---	---
E-2 (h) (Diamond 1)	0.002972	0.000000	---	---	0.000000	0.000000	---	---
E-2 (h) (Diamond 2)	0.001166	0.000000	---	---	0.000000	0.000000	---	---
COYOTE SPRINGS								
E-3 (i)	0.001154	0.000000	0.001155	0.000000	0.000000	0.000000	---	---
CARTY LATERAL								
E-4 (p)	---	---	0.149828	0.000000	0.000000	0.000000	---	---
OVERRUN CHARGE (j)								
	---	---	---	---	---	---	---	---
SURCHARGES								
ACA (k)	---	---	---	---	(k)	(k)	---	---

Issued:
 Effective:

Docket No.
 Accepted:

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 6 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)		FUEL (d) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (Medford) (f)	0.002483	0.000000	0.004177	0.000000	0.000026	0.000026	---	---
COYOTE SPRINGS								
E-3 (Coyote Springs) (i)	0.001154	0.000000	0.001155	0.000000	0.000000	0.000000	---	---
CARTY LATERAL								
E-4 (Carty Lateral) (p)	---	---	0.149828	0.000000	0.000000	0.000000	---	---
SURCHARGES								
ACA (k)	---	---	(k)	(k)	---	---	---	---

Rate Schedule IHS

	MILEAGE (n) (Dth-Mile)		NON-MILEAGE (o) (Dth)		DELIVERY (c) (Dth-Mile)		FUEL (d) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (Medford) (f)	0.005959	0.000000	0.010025	0.000000	0.000026	0.000026	---	---
COYOTE SPRINGS								
E-3 (Coyote Springs) (i)	0.002770	0.000000	0.002772	0.000000	0.000000	0.000000	---	---
CARTY LATERAL								
E-4 (Carty Lateral) (p)	---	---	0.359587	0.000000	0.000000	0.000000	---	---
SURCHARGES								
ACA (k)	---	---	(k)	(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 rate of 0.0050% per Dth per pipeline mile and the minimum rate of 0.0000% per Dth per mile. The fuel and line loss percentage surcharge is 0.0000% per Dth per pipeline 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-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.	\$0.043336	\$0.043336	\$0.043336	\$0.043336	\$0.030954
Peak Mi. Res.	\$0.000547	\$0.000547	\$0.000547	\$0.000547	\$0.000391
Off-Pk NM Res.	\$0.024763	\$0.026827	\$0.028478	\$0.029828	\$0.030954
Off-Pk Mi. Res.	\$0.000313	\$0.000339	\$0.000360	\$0.000377	\$0.000391

For IHS:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.104006	\$0.104006	\$0.104006	\$0.104006	\$0.074290
Peak Mi. Res.	\$0.001313	\$0.001313	\$0.001313	\$0.001313	\$0.000938
Off-Pk NM Res.	\$0.059431	\$0.064385	\$0.068347	\$0.071587	\$0.074290
Off-Pk Mi. Res.	\$0.000751	\$0.000814	\$0.000864	\$0.000905	\$0.000938

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-____, and as accepted by Order of the Commission dated _____, 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.
- (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)

RATE SCHEDULE AND TYPE OF CHARGE	BASE TARIFF RATE	
	MINIMUM	MAXIMUM
PAL Parking and Lending Service:	0.0	0.220149/d

Notes:

Gas Transmission Northwest LLC

FERC Gas Tariff, Fourth Revised Volume No. 1-A

Pro Forma (1/1/2019 – 12/31/2019)

Marked Tariff

Tariff Section

- 4.1 - Statement of Rates,
FTS-1, LFS-1, and FHS Rates
- 4.2 - Statement of Rates,
ITS-1 and IHS Rates
- 4.3 - Statement of Rates,
Footnotes to Statement of Effective Rates and Charges
- 4.5 - Statement of Rates,
Parking and Lending Service

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR
 TRANSPORTATION OF NATURAL GAS

Rate Schedules FTS-1, ~~and~~ 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)		FUEL (d) (Dth-MILE)	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
BASE	0.000434 <u>0.000391</u>	0.000000	0.034393 <u>0.030954</u>	0.000000	0.000016	0.000016	0.0050%	0.0050%
STF (e)	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (f)	0.002759 <u>0.002483</u>	0.000000	0.004641 <u>0.004177</u>	---	0.000026	0.000026	---	---
E-2 (h) (Diamond 1)	0.002972	0.000000	---	---	0.000000	0.000000	---	---
E-2 (h) (Diamond 2)	0.001166	0.000000	---	---	0.000000	0.000000	---	---
COYOTE SPRINGS								
E-3 (i)	0.001282 <u>0.001154</u>	0.000000	0.001283 <u>0.001155</u>	---	0.000000	0.000000	0.000000	---
<u>CARTY LATERAL</u>								
<u>E-4 (p)</u>	---	---	0.166475 <u>0.149828</u>	0.000000	0.000000	0.000000	---	---
OVERRUN CHARGE (j)								
	---	---	---	---	---	---	---	---
SURCHARGES								
ACA (k)	---	---	---	---	(k)	(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 6 decimal places:

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

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

where:

<u>FTS-1M</u>	<u>=</u>	<u>Applicable FTS-1 Mileage Reservation Charge</u>
<u>FTS-1NM</u>	<u>=</u>	<u>Applicable FTS-1 Non-Mileage Reservation Charge</u>
<u>Miles</u>	<u>=</u>	<u>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</u>
<u>HF</u>	<u>=</u>	<u>MDQ/MHQ</u>

Pro Forma Amended Phase I (1/1/2019 – 12/31/2019) v.6.0.0 ~~Superseding v.5.0.0~~

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)		FUEL (d) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (Medford) (f)	0.002759	<u>0.002483</u>	0.000000	0.004641	<u>0.004177</u>	0.000000	0.000026	
		0.000026	---	---				
COYOTE SPRINGS								
E-3 (Coyote Springs) (i)	0.001282	<u>0.001154</u>	0.000000	0.001283	<u>0.001155</u>	0.000000	0.000000	
		0.000000	---	---				
<u>CARTY LATERAL</u>								
<u>E-4 (Carty Lateral) (p)</u>								
	---	---	0.166475	<u>0.149828</u>	0.000000	0.000000	0.000000	---

SURCHARGES								
ACA (k)	---	---	(k)	(k)	---	---	---	---

Pro Forma Amended Phase I (1/1/2019 – 12/31/2019) v.6.0.0 ~~Superseding v.5.0.0~~

Rate Schedule IHS

	<u>MILEAGE (n)</u> <u>(Dth-Mile)</u>		<u>NON-MILEAGE (o)</u> <u>(Dth)</u>		<u>DELIVERY (c)</u> <u>(Dth-Mile)</u>		<u>FUEL (d)</u> <u>(Dth-Mile)</u>	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
<u>BASE</u> (e)	0.000000		(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
<u>EXTENSION CHARGES</u>								
<u>MEDFORD</u>								
<u>E-1 (Medford) (f)</u>	0.006622 <u>0.005959</u>			0.000000 <u>0.011138</u> <u>0.010025</u>	0.000000	0.000026	0.000026	---

<u>COYOTE SPRINGS</u>								
<u>E-3 (Coyote Springs) (i)</u>	0.003077 <u>0.002770</u>			0.000000 <u>0.003079</u> <u>0.002772</u>	0.000000	0.000000	0.000000	---

<u>CARTY LATERAL</u>								
<u>E-4 (Carty Lateral) (p)</u>	---	---	0.399540 <u>0.359587</u>	0.000000	0.000000	0.000000	---	---
<u>SURCHARGES</u>								
<u>ACA (k)</u>	---	---	(k)	(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 rate of 0.0050% per Dth per pipeline mile and the minimum rate of 0.0000% per Dth per mile. The fuel and line loss percentage surcharge is 0.0000% per Dth per pipeline 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-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.	\$0.048150 <u>0.043336</u>	\$0.048150 <u>0.043336</u>	\$0.048150 <u>0.043336</u>	\$0.048150 <u>0.043336</u>	
	\$0.048150 <u>0.043336</u>	\$0.034393 <u>0.030954</u>			
Peak Mi. Res.	\$0.000608 <u>0.000547</u>	\$0.000608 <u>0.000547</u>	\$0.000608 <u>0.000547</u>	\$0.000608 <u>0.000547</u>	
	\$0.000608 <u>0.000547</u>	\$0.000434 <u>0.000391</u>			
Off-Pk NM Res.	\$0.027515 <u>0.024763</u>	\$0.029807 <u>0.026827</u>	\$0.029807 <u>0.026827</u>	\$0.031642 <u>0.028478</u>	
	\$0.033142 <u>0.029828</u>	\$0.034393 <u>0.030954</u>			
Off-Pk Mi. Res.	\$0.000347 <u>0.000313</u>	\$0.000376 <u>0.000339</u>	\$0.000376 <u>0.000339</u>	\$0.000399 <u>0.000360</u>	
	\$0.000418 <u>0.000377</u>	\$0.000434 <u>0.000391</u>			

For IHS:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.115560 <u>0.104006</u>	\$0.115560 <u>0.104006</u>	\$0.115560 <u>0.104006</u>	\$0.115560 <u>0.104006</u>	
	\$0.115560 <u>0.104006</u>	\$0.082543 <u>0.074290</u>			
Peak Mi. Res.	\$0.001459 <u>0.001313</u>	\$0.001459 <u>0.001313</u>	\$0.001459 <u>0.001313</u>	\$0.001459 <u>0.001313</u>	
	\$0.001459 <u>0.001313</u>	\$0.001042 <u>0.000938</u>			
Off-Pk NM Res.	\$0.066036 <u>0.059431</u>	\$0.071537 <u>0.064385</u>	\$0.071537 <u>0.064385</u>	\$0.075941 <u>0.068347</u>	
	\$0.079541 <u>0.071587</u>	\$0.082543 <u>0.074290</u>			
Off-Pk Mi. Res.	\$0.000833 <u>0.000751</u>	\$0.000902 <u>0.000814</u>	\$0.000902 <u>0.000814</u>	\$0.000958 <u>0.000864</u>	
	\$0.001003 <u>0.000905</u>	\$0.001042 <u>0.000938</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-_____, and as accepted by Order of the Commission dated _____, 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.
- (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 Authorized Imbalance Services~~ Parking and Lending Service
(\$/Dth)

RATE SCHEDULE
AND TYPE OF CHARGE

BASE TARIFF RATE
MINIMUM MAXIMUM

~~PS-1 Parking Service~~ PAL Parking and Lending Service: 0.0
0.243541 0.220149/d

~~AIS-1 Authorized Imbalance Service:~~ ~~0.0~~ ~~0.223901/d~~

Notes:

APPENDIX B-2

Amended Phase II Settlement Rate Tariff Sections

Gas Transmission Northwest LLC

FERC Gas Tariff, Fourth Revised Volume No. 1-A

Pro Forma (1/1/2020 – 12/31/2021)

Clean Tariff

Tariff Section

- 4.1 - Statement of Rates,
FTS-1, LFS-1, and FHS Rates
- 4.2 - Statement of Rates,
ITS-1 and IHS Rates
- 4.3 - Statement of Rates,
Footnotes to Statement of Effective Rates and Charges
- 4.5 - Statement of Rates,
Parking and Lending Service

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)		FUEL (d) (Dth-MILE)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	0.000362	0.000000	0.028612	0.000000	0.000016	0.000016	0.0050%	0.0000%
STF (e)	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (f)	0.002511	0.000000	0.004223	0.000000	0.000026	0.000026	---	---
E-2 (h) (Diamond 1)	0.002972	0.000000	---	---	0.000000	0.000000	---	---
E-2 (h) (Diamond 2)	0.001166	0.000000	---	---	0.000000	0.000000	---	---
COYOTE SPRINGS								
E-3 (i)	0.001167	0.000000	0.001168	0.000000	0.000000	0.000000	---	---
CARTY LATERAL								
E-4 (p)	---	---	0.151492	0.000000	0.000000	0.000000	---	---
OVERRUN CHARGE (j)								
	---	---	---	---	---	---	---	---
SURCHARGES								
ACA (k)	---	---	---	---	(k)	(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 6 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)		FUEL (d) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (Medford) (f)	0.002511	0.000000	0.004223	0.000000	0.000026	0.000026	---	---
COYOTE SPRINGS								
E-3 (Coyote Springs) (i)	0.001167	0.000000	0.001168	0.000000	0.000000	0.000000	---	---
CARTY LATERAL								
E-4 (Carty Lateral) (p)	---	---	0.151492	0.000000	0.000000	0.000000	---	---
SURCHARGES								
ACA (k)	---	---	(k)	(k)	---	---	---	---

Rate Schedule IHS

	MILEAGE (n) (Dth-Mile)		NON-MILEAGE (o) (Dth)		DELIVERY (c) (Dth-Mile)		FUEL (d) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (Medford) (f)	0.006026	0.000000	0.010135	0.000000	0.000026	0.000026	---	---
COYOTE SPRINGS								
E-3 (Coyote Springs) (i)	0.002801	0.000000	0.002803	0.000000	0.000000	0.000000	---	---
CARTY LATERAL								
E-4 (Carty Lateral) (p)	---	---	0.363581	0.000000	0.000000	0.000000	---	---
SURCHARGES								
ACA (k)	---	---	(k)	(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 rate of 0.0050% per Dth per pipeline mile and the minimum rate of 0.0000% per Dth per mile. The fuel and line loss percentage surcharge is 0.0000% per Dth per pipeline 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-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.	\$0.040057	\$0.040057	\$0.040057	\$0.040057	\$0.028612
Peak Mi. Res.	\$0.000507	\$0.000507	\$0.000507	\$0.000507	\$0.000362
Off-Pk NM Res.	\$0.022890	\$0.024797	\$0.026323	\$0.027572	\$0.028612
Off-Pk Mi. Res.	\$0.000290	\$0.000314	\$0.000333	\$0.000349	\$0.000362

For IHS:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.096137	\$0.096137	\$0.096137	\$0.096137	\$0.068669
Peak Mi. Res.	\$0.001217	\$0.001217	\$0.001217	\$0.001217	\$0.000869
Off-Pk NM Res.	\$0.054936	\$0.059513	\$0.063175	\$0.066173	\$0.068669
Off-Pk Mi. Res.	\$0.000696	\$0.000754	\$0.000799	\$0.000838	\$0.000869

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-____, and as accepted by Order of the Commission dated _____, 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.
- (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)

RATE SCHEDULE AND TYPE OF CHARGE	BASE TARIFF RATE	
	MINIMUM	MAXIMUM
PAL Parking and Lending Service:	0.0	0.204356/d

Notes:

Gas Transmission Northwest LLC

FERC Gas Tariff, Fourth Revised Volume No. 1-A

Pro Forma (1/1/2020 – 12/31/2021)

Marked Tariff

Tariff Section

- 4.1 - Statement of Rates,
FTS-1, LFS-1, and FHS Rates
- 4.2 - Statement of Rates,
ITS-1 and IHS Rates
- 4.3 - Statement of Rates,
Footnotes to Statement of Effective Rates and Charges
- 4.5 - Statement of Rates,
Parking and Lending Service

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR
 TRANSPORTATION OF NATURAL GAS

Rate Schedules FTS-1, ~~and~~ 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)		FUEL (d) (Dth-MILE)	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
BASE	0.000398 <u>0.000362</u>	0.000000	0.031442 <u>0.028612</u>		0.000000	0.000016	0.000016	0.0050%
	0.0000%							
STF (e)	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (f)	0.002759 <u>0.002511</u>	0.000000	0.004641 <u>0.004223</u>		0.000000	0.000026	0.000026	---

E-2 (h)⊕ (Diamond 1)	0.002972	0.000000	---	---	0.000000	0.000000	---	---
E-2 (h)⊕ (Diamond 2)	0.001166	0.000000	---	---	0.000000	0.000000	---	---
COYOTE SPRINGS								
E-3 (i)	0.001282 <u>0.001167</u>	0.000000	0.001283 <u>0.001168</u>		0.000000	0.000000	0.000000	---

<u>CARTY LATERAL</u>								
<u>E-4 (p)</u>	---	---	0.166475 <u>0.151492</u>	0.000000	0.000000	0.000000	---	---
OVERRUN CHARGE (j)								
	---	---	---	---	---	---	---	---
SURCHARGES								
ACA (k)	---	---	---	---	(k)	(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 6 decimal places:

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

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

where:

<u>FTS-1M</u>	<u>=</u>	<u>Applicable FTS-1 Mileage Reservation Charge</u>
<u>FTS-1NM</u>	<u>=</u>	<u>Applicable FTS-1 Non-Mileage Reservation Charge</u>
<u>Miles</u>	<u>=</u>	<u>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</u>
<u>HF</u>	<u>=</u>	<u>MDQ/MHQ</u>

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)		FUEL (d) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (Medford) (f)	0.002759	<u>0.002511</u>	0.000000	0.004641	<u>0.004223</u>	0.000000	0.000026	
		0.000026	---	---				
COYOTE SPRINGS								
E-3 (Coyote Springs) (i)	0.001282	<u>0.001167</u>	0.000000	0.001283	<u>0.001168</u>	0.000000	0.000000	
		0.000000	---	---				
<u>CARTY LATERAL</u>								
<u>E-4 (Carty Lateral) (p)</u>								
	---	---	0.166475	<u>0.151492</u>	0.000000	0.000000	0.000000	---

SURCHARGES								
ACA (k)	---	---	(k)	(k)	---	---	---	---

Rate Schedule IHS

	<u>MILEAGE (n)</u> <u>(Dth-Mile)</u>		<u>NON-MILEAGE (o)</u> <u>(Dth)</u>		<u>DELIVERY (c)</u> <u>(Dth-Mile)</u>		<u>FUEL (d)</u> <u>(Dth-Mile)</u>	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
<u>BASE</u>	<u>(e)</u>	<u>0.000000</u>	<u>(e)</u>	<u>0.000000</u>	<u>0.000016</u>	<u>0.000016</u>	<u>0.0050%</u>	<u>0.0000%</u>
<u>EXTENSION CHARGES</u>								
<u>MEDFORD</u>								
<u>E-1 (Medford) (f)</u>	<u>0.006026</u>	<u>0.000000</u>	<u>0.010135</u>	<u>0.000000</u>	<u>0.000026</u>	<u>0.000026</u>	<u>---</u>	<u>---</u>
<u>COYOTE SPRINGS</u>								
<u>E-3 (Coyote Springs) (i)</u>	<u>0.002801</u>	<u>0.000000</u>	<u>0.002803</u>	<u>0.000000</u>	<u>0.000000</u>	<u>0.000000</u>	<u>---</u>	<u>---</u>
<u>CARTY LATERAL</u>								
<u>E-4 (Carty Lateral) (p)</u>	<u>---</u>	<u>---</u>	<u>0.363581</u>	<u>0.000000</u>	<u>0.000000</u>	<u>0.000000</u>	<u>---</u>	<u>---</u>
<u>SURCHARGES</u>								
<u>ACA (k)</u>	<u>---</u>	<u>---</u>	<u>(k)</u>	<u>(k)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

~~v.8.0.0 Superseding v.7.0.0~~

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 rate of 0.0050% per Dth per pipeline mile and the minimum rate of 0.0000% per Dth per mile. The fuel and line loss percentage surcharge is 0.0000% per Dth per pipeline 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-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):

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For STF and ITS-1

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.044019 <u>0.040057</u>	\$0.044019 <u>0.040057</u>	\$0.044019 <u>0.040057</u>	\$0.044019 <u>0.040057</u>	\$0.044019 <u>0.040057</u>
	\$0.044019 <u>0.040057</u>	\$0.031442 <u>0.028612</u>			
Peak Mi. Res.	\$0.000557 <u>0.000507</u>	\$0.000557 <u>0.000507</u>	\$0.000557 <u>0.000507</u>	\$0.000557 <u>0.000507</u>	
	\$0.000557 <u>0.000507</u>	\$0.000398 <u>0.000362</u>			
Off-Pk NM Res.	\$0.025154 <u>0.022890</u>	\$0.027250 <u>0.024797</u>	\$0.028927 <u>0.026323</u>		
	\$0.030299 <u>0.027572</u>	\$0.031442 <u>0.028612</u>			
Off-Pk Mi. Res.	\$0.000319 <u>0.000290</u>	\$0.000345 <u>0.000314</u>	\$0.000366 <u>0.000333</u>		
	\$0.000384 <u>0.000349</u>	\$0.000398 <u>0.000362</u>			

For IHS:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.096137	\$0.096137	\$0.096137	\$0.096137	\$0.068669
Peak Mi. Res.	\$0.001217	\$0.001217	\$0.001217	\$0.001217	\$0.000869
Off-Pk NM Res.	\$0.054936	\$0.059513	\$0.063175	\$0.066173	\$0.068669
Off-Pk Mi. Res.	\$0.000696	\$0.000754	\$0.000799	\$0.000838	\$0.000869

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) ~~Applies to Diamond Energy service, which commences 1998. Rate is negotiated reservation charge of \$0.002972 per Dth per day for first 45,000 Dth/d and \$0.001166 per Dth per day for the second 45,000 Dth/d. Revenues will be applied to annual revenue requirement on the Medford Extension.~~ 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- , and as accepted by Order of the Commission dated , the Diamond 1 and Diamond 2 Negotiated Rates in Section 4.1, above, shall be modified as follows: 1) from January 1, 2019, through

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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) ~~Daily reservation charges will be reset for leap years.~~ Reserved for Future Use.
- (m) Reserved.
- (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.

~~v.3.0.0 Superseding v.2.0.0~~

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

~~Parking and Authorized Imbalance Services~~ Parking and Lending Service
(\$/Dth)

RATE SCHEDULE
AND TYPE OF CHARGE

BASE TARIFF RATE
MINIMUM MAXIMUM

~~PS-1 Parking Service~~ PAL Parking and Lending Service: 0.0
~~0.223901~~ 0.204356/d

~~AIS-1 Authorized Imbalance Service:~~ ~~0.0~~ ~~0.223901/d~~

Notes: