



September 29, 2023

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Gas Transmission Northwest LLC**  
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*via eTariff Filing*

Re: Gas Transmission Northwest LLC  
General Section 4 Rate Filing & Tariff Changes  
Docket No. RP23-

Dear Secretary Bose:

Pursuant to section 4(e) of the Natural Gas Act (“NGA”), 15 U.S.C. § 717c(e), and Subpart D of Part 154 of the regulations of the Federal Energy Regulatory Commission (“FERC” or “Commission”), 18 C.F.R. §§ 154.301-315, Gas Transmission Northwest LLC (“GTN”) hereby submits the revised tariff records in Appendix A to be part of its FERC Gas Tariff, Fourth Revised Volume No. 1-A (“Tariff”). The tariff records support a system-wide general increase in GTN’s rates, and include changes to GTN’s rates, rate schedules, and General Terms and Conditions (“GT&C”).

While the tariff sections that GTN is proposing as its “Primary Case” reflect an effective date of November 1, 2023, GTN requests that the Commission suspend the Primary Case tariff sections for the full five-month suspension period so that the sheets do not become effective until April 1, 2024. Doing so would be consistent with the Commission’s long-standing practice with respect to proposed rates in general section 4 rate filings, and would also ensure that the proposed rates would only be effective commencing on April 1, 2024, consistent with Article V.B.1. of the pre-filing settlement dated September 29, 2021 (“2021 Settlement”), which was filed in lieu of a general NGA section 4 rate case.<sup>1</sup>

In addition, GTN is filing on a *pro forma* basis the tariff records contained in Appendix B. These tariff records, which constitute GTN’s “Preferred Case,” reflect a change in GTN’s rate structure from the existing dekatherm-mile (“Dth-mile”) rate design included in GTN’s Primary Case to a

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<sup>1</sup> *Gas Transmission Northwest LLC*, 177 FERC ¶ 61,110 (2021). Article V.A.1. of the 2021 Settlement established a moratorium that will expire on December 31, 2023. Pursuant to Article V.B.1. of the 2021 Settlement, however, GTN is required to file a new NGA section 4 rate case with rates to be effective no later than April 1, 2024. GTN is submitting the instant rate case filing in fulfillment of that requirement.

two-zone rate design structure, and are proposed to become effective prospectively upon Commission review and approval and subsequent to GTN making all business system modifications necessary for the implementation of a two-zone rate design structure. GTN will file the Appendix B *pro forma* tariff records as “live” tariff records following Commission authorization.

### **Service and Communications**

The exact legal name of the entity for whom the filing is made is Gas Transmission Northwest LLC, which has its principal place of business at 700 Louisiana Street, Houston, Texas 77002. The names, addresses, and telephone numbers of the responsible company officials to whom questions regarding the filing may be addressed, and of the persons upon whom service is to be made, are as follows:

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Each of the foregoing persons has been designated for service in accordance with Rule 203(b)(3) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3). GTN respectfully requests that the Commission waive Rule 203(b)(3) to allow more than two persons to be designated to receive service. The foregoing individuals are also designated pursuant to 18 C.F.R. § 154.7(a)(2) of the Commission’s regulations.

The materials specified in 18 C.F.R. § 154.208(a) are being served upon GTN’s customers and affected state regulatory commissions. In accordance with 18 C.F.R. § 154.208(e), GTN is posting a link to the filing on its Informational Postings website at <http://tcplus.com/gtn>, where it may be found by clicking the “Regulatory” link on the left-hand side of the page. Additionally, a complete copy of this filing is available for public inspection during regular business hours in a convenient form and place at GTN’s offices in Houston, Texas, in accordance with 18 C.F.R. § 154.2(d) of the Commission’s regulations.

## **Statement of Nature, Reasons and Basis**

### **Overview of GTN's System**

The purpose of this filing is to restate GTN's rates for service on its interstate transportation system. GTN's system consists of approximately 1,377 miles of pipeline (including looping) and has the capacity to deliver approximately 3 billion cubic feet per day of natural gas annually. GTN's system extends from the International Boundary in the vicinity of Kingsgate, British Columbia, through parts of Idaho, Washington, and Oregon to the California border near Malin, Oregon. GTN has points of interconnection with Northwest Pipeline LLC ("Northwest") at Spokane and Palouse, Washington, and at GTN's geographic mid-point at Stanfield, Oregon; with Ruby Pipeline Company ("Ruby") at Turquoise Flats, Oregon; and with Pacific Gas & Electric Company ("PG&E") and Tuscarora Gas Transmission Company ("Tuscarora") at Malin, Oregon. GTN's system also includes several laterals that GTN owns and operates.

GTN's shippers, and thus GTN as a pipeline system, primarily rely on the Western Canada Sedimentary Basin ("WCSB") for natural gas supply. GTN currently sources the vast majority of its natural gas supply from the WCSB, with only small amounts of supply sourced from the U.S. Rocky Mountain region through GTN's interconnects at Stanfield and Turquoise Flats/Malin. GTN supplies approximately 80 percent of its volumes to other interstate and intrastate pipelines, namely Northwest, Tuscarora, and PG&E. The balance of GTN's deliveries is made directly to a variety of end-use customers along GTN's corridor through Idaho, Washington, and Oregon, including local distribution companies ("LDCs"), industrials, and power generators.

### **Basis of Current Rates and Evolution of GTN's Business Environment**

GTN's last filed general NGA section 4 case was resolved by settlement in 2007, nearly twenty years ago ("RP06-407 Settlement").<sup>2</sup> Most recently, GTN's rates for service were established as part of settlements in 2015 ("2015 Settlement")<sup>3</sup> and 2018 ("2018 Settlement").<sup>4</sup> The 2015 Settlement was submitted in lieu of GTN submitting a general section 4 rate case in accordance with an obligation under a prior settlement. The 2018 Settlement provided phased rate step downs to GTN's base tariff rates to address the issues raised by the Commission's Order No. 849 and Form No. 501-G filing requirement.<sup>5</sup> The 2021 Settlement extended the terms of the 2015 and 2018 Settlements, and thus GTN's current rates were essentially established in the 2018 Settlement.

Since GTN filed its last general section 4 rate case in 2006, GTN has been impacted by significant changes in the natural gas marketplace, as described in greater detail by GTN witness Alex Kearley. The development of U.S. Rocky Mountain supply, and the subsequent construction of pipelines (notably including Ruby and Rockies Express Pipeline) to transport this supply to nearby markets, resulted in changes to regional market dynamics, and led to GTN being significantly

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<sup>2</sup> *Gas Transmission Northwest Corp.*, 122 FERC ¶ 61,012 (2008).

<sup>3</sup> *Gas Transmission Northwest LLC*, 151 FERC ¶ 61,280 (2015).

<sup>4</sup> *Gas Transmission Northwest LLC*, 165 FERC ¶ 61,195 (2018).

<sup>5</sup> *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).

undersubscribed by 2015. Declines in U.S. Rocky Mountain supply, coupled with displacement of WCSB supply for service to midwestern and eastern U.S. markets by Appalachian supply, led to increasingly price-competitive WCSB supply serving Pacific Northwest and California markets, consistent with GTN’s original operations. Today, GTN is much closer to being fully subscribed than had been the case for much of the preceding decade. However, as Mr. Kearley explains, there are multiple market developments that could impact GTN’s ability to attract WCSB supply and could lead to such supply being transported to Canadian markets or to markets in the midwestern and/or eastern U.S.

In addition, as explained by Mr. Kearley and GTN witness Alexander J. Kirk, there have been numerous federal, state, and local initiatives directed at drastically reducing greenhouse gas (“GHG”) emissions below certain historical levels by 2050 or earlier. These requirements will significantly impact demand for GTN’s services into the future. Furthermore, as explained by GTN witness Mili Patel, Washington state has adopted a “Cap-and-Invest” program (“CIP”) that is causing GTN to incur significant costs which will continue into the future.

Of particular significance to this filing, GTN has continued to assess its system and invest in projects that sustain and improve reliability or address third-party regulatory and/or environmental mandates. The need for these projects has been heightened by the increase in system demand that GTN has experienced in recent years. GTN has undertaken work at various compressor stations to replace outdated, less efficient compressor units that are no longer supported by the manufacturer. In addition, GTN constructed a new Coyote Springs Booster Station in order to remove operational limitations on the system and allow GTN to reliably satisfy system delivery and pressure obligations. GTN is reflecting these capital expenditures, in addition to regular capital maintenance, in its proposed rates as part of this filing. In addition, as explained further by various GTN witnesses, GTN faces the need to engage in work to comply with new and anticipated Pipeline and Hazardous Materials Safety Administration (“PHMSA”) regulations. Therefore, GTN is proposing to implement a program to recover regulatory and environmental compliance costs, as described below.

### Summary of Testimony

Included with this filing is Statement P, which contains the prepared direct testimony and exhibits supporting GTN’s proposed rate increase and tariff changes. A list of GTN’s witnesses is set forth below, along with a brief summary of the principal topics addressed in each witness’s testimony.

<u>Witness</u>	<u>Testimony</u>
Sorana Linder	Overview of need for, and contents of, filing; policy support for Regulatory Environmental & Compliance Costs program and Electric Power Cost Adjustment; support for tariff changes to implement Preferred Case two-zone rate design proposal

Alex Kearley	Overview of GTN system and operations, assessment of supply and market changes since GTN's last rate case, commercial environment and business risks faced by GTN
Anul Thapa	Comparative business risk analysis
Dr. Bente Villadsen	Selection of proxy group and recommended ROE
Mili Patel	Description of Washington's mandatory Cap and Invest Program and its financial impacts on GTN
Matt Parks	Eligible Facilities Plan
David Haag	Policy support for Preferred Case two-zone rate design proposal
Jonathan Fasullo	Operational support for Preferred Case two-zone rate design proposal
Alexander J. Kirk	Gas supply projections to support the economic life of GTN's system
Steven R. Fall	Depreciation and negative salvage
Kevin H. Lange	Cost analysis of retiring and removing facilities to support net negative salvage rate, and pipeline integrity costs
Jonathan Scullion	Policy support for various proposed tariff changes
Burton D. Cole	Overall cost-of-service consisting of operations and maintenance expenses, depreciation and amortization, return allowance, income taxes and taxes other than income taxes, rate base and return, capital structure, cost of debt, and regulatory assets and liabilities
Alisa Williams	Income tax allowance and accumulated deferred income tax ("ADIT") balance

Gregory S. Barry	Cost allocation, functionalization, and rate design
Eric J. Miller, Jr.	Billing determinants and revenues, including Statement G; discount adjustments; commercial support for Preferred Case two-zone rate design proposal

**Reasons for Proposed Rate Increase**

GTN’s cost-of-service and rate calculations are based upon the costs and throughput levels for the base period (twelve months ended June 30, 2023) as adjusted for known and measurable changes through the test period ending March 31, 2024. As a result of the changes proposed herein, GTN’s maximum recourse rates for service under its various rate schedules will be as set forth on Statement J included with this filing.

GTN’s existing rates are designed using a Dth-mile approach. GTN’s costs are classified to three cost categories, including non-mileage reservation, mileage-related reservation, and mileage-related delivery. Non-mileage reservation rates are designed by dividing non-mileage costs by non-mileage reservation rate design units in order to design non-mileage reservation rates that apply equally to all contractual lengths-of-haul. Mileage-related reservation costs are divided by mileage-related reservation rate design units to derive mileage-related reservation rates. Mileage-related delivery costs are divided by mileage-related delivery units to derive mileage-related delivery rates.

In compliance with section 154.7(a)(6) of the Commission’s regulations, the following table compares the cost-of-service, rate base, and throughput contained in this filing with the same information underlying GTN’s last rates found to be just and reasonable by the Commission:

	<u>This Filing</u>	<u>RP06-407 Rates<sup>6</sup></u>
Mainline Cost-of-Service	\$ 258,036,159	\$294,608,644
Mainline Total Rate Base	\$1,005,863,884	\$868,221,495
Mainline Throughput	517,977,932,557 Dth-mile	327,067,816,932 Dth-mile

The proposed rate increase is largely due to the substantial increase in GTN’s rate base, much of which is a result of the substantial investment that GTN has made in upgrading its system to address regulatory and environmental requirements, as described by GTN witnesses Linder and Parks. The proposed rate increase also reflects the significantly higher business risk that GTN now faces. GTN witness Anul Thapa demonstrates that GTN has significantly higher business risk relative to the relevant pipeline proxy group. Mr. Thapa and GTN witness Kearley describe the three principle risks that GTN faces in the current environment: (1) regulatory risk;

<sup>6</sup> The RP06-407 Settlement and subsequent GTN rate settlements were “black box” settlements that did not establish a stipulated cost-of-service or rate base. The figures below are taken from GTN’s rate filing in Docket No. RP06-407-000.

(2) operating risk associated with increased capital maintenance and modernization costs; and  
(3) supply risk.

**Regulatory Risk.** As explained by GTN witness Kearley, GTN is facing increased regulatory risk as a result of significant and increasingly successful opposition to the development of new pipeline infrastructure, which opposition is being pressed at the Commission, in courts, and before environmental and land use regulators. Mr. Kearley also explains how GTN is facing increased regulatory risk associated with federal and state policy and legislative initiatives that uniquely impact GTN's ability to maintain and expand its system to serve new and existing markets, including state efforts to deny needed permits. In addition, GTN witness Patel describes the Washington CIP and the additional costs that GTN has already incurred and is now facing in order to comply with regulatory mandates from the state of Washington. GTN witness Kirk details federal, state and local governmental initiatives that impact GTN by virtue of their objective to stop the growth of natural gas demand and reduce the use of natural gas as a fuel source. GTN witness Thapa explains how these factors demonstrate that GTN has a higher level of regulatory risk than the median of the proxy group pipelines.

**Operating Risk.** As described by GTN witness Thapa, GTN has a higher level of maintenance and capital expenditures compared to the median of the proxy group pipelines, which indicates GTN's higher degree of operating risk. In addition to the higher level of maintenance, and as described by GTN witness Kearley, GTN is also experiencing additional operating risk resulting from opposition in regulatory proceedings to GTN's effort to properly maintain and expand its system to meet customer demands, including opposition from state attorneys general, U.S. Senators and Congressman, and governors in the states which GTN operates and delivers gas to.

**Supply Risk.** As GTN witness Kearley explains, GTN is almost exclusively dependent on supply from the WCSB. As a result, any market changes that increase demand for WCSB gas or any decline in WCSB production could adversely impact GTN. As Mr. Kearley explains, certain market changes are increasing competition for WCSB gas supply including: (1) increasing intra-provincial demand in Western Canada; (2) market demand in the East and Midcontinent regions of both Canada and the United States; and (3) foreign market demand via the LNG Canada facility expected to come online in the mid-2020s. These developments could attract WCSB supply to markets other than those served by GTN, reducing the supply available for transportation by GTN.

**Return on Equity.** Following the Commission's Policy Statement on Determining Return on Equity for Natural Gas and Oil Pipelines,<sup>7</sup> GTN witness Bente Villadsen supports an appropriate return on common equity of 12.95 percent. Dr. Villadsen's recommended ROE is an equally-weighted average of the results from the Commission's discounted cash flow model and capital asset pricing model. Dr. Villadsen recommends an ROE at the median of the upper third of the zone of reasonableness, to reflect GTN's increased business risks compared to those of the proxy group as determined by Mr. Thapa.

The proposed rates thus reflect the increased business and financial risks that GTN now faces. As detailed in the testimony of GTN witness Burton D. Cole, GTN's proposed rates include an overall

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<sup>7</sup> *Inquiry Regarding the Commission's Policy for Determining Return on Equity*, 171 FERC ¶ 61,155 (2020).

cost of capital of 12.95 percent. Mr. Cole establishes GTN's overall cost-of-service, including mainline and lateral facilities, for the twelve-month base period ending June 30, 2023, adjusted for known and measurable changes for the test period ending March 31, 2024, as approximately \$272 million. This cost-of-service is based on GTN's actual capital structure of 34.82 percent debt/65.18 percent equity and the depreciation rates calculated by GTN witness Steven R. Fall. GTN witness Cole supports the use of GTN's own capital structure, which conforms to the Commission's policy in that GTN issues its own non-guaranteed debt, has its own debt ratings separate from its parent, and has a common equity ratio in line with others previously approved by the Commission. GTN witness Alisa Williams supports GTN's proposed income tax allowance and ADIT balance.

The following table summarizes GTN's overall rate of return:

	<u>Capitalization Ratio</u>	<u>Cost</u>	<u>Weighted Cost</u>
Long-Term Debt	34.82%	5.23%	1.82%
Equity	65.18%	12.95%	8.44%
Overall Rate of Return			10.26%

As supported by GTN witnesses Fall, Kirk and Kevin H. Lange, GTN's rates also reflect the following: (1) a depreciation rate for GTN's total transmission plant of 1.94 percent; (2) adjustments to the depreciation rates for other elements of GTN's system; and (3) the establishment of total negative salvage and terminal decommissioning rates of 0.43 percent for transmission plant and other rates for GTN's three laterals.

### **Other Rate-Related Proposals**

#### **Discount Adjustment**

GTN's proposed rates reflect a discount adjustment for service provided at discounted rates. GTN's adjustments are consistent with its Tariff and with Commission policies that allow a pipeline to seek a reduction in the volumes used to design its maximum rates, if it obtained those volumes by offering reduced rates in order to meet competition.<sup>8</sup> GTN witness Barry describes how GTN effectuates the discount adjustment.

#### **Rate Zone Structure**

As reflected in GTN's Primary Case, GTN is proposing to continue GTN's current Dth-mile rate design on an interim basis. In its Preferred Case, GTN proposes to change its current Dth-mile rate design to a two-zone rate structure, with the change to become effective prospectively following a Commission order approving GTN's proposal. Specifically, GTN proposes to establish North and South Zones. As explained in the testimony of GTN witnesses Barry, Jonathan Fasullo, and Eric Miller, the proposed zone boundary is located at the approximate mid-point of the GTN system, near Stanfield, Oregon, where GTN interconnects with Northwest.

<sup>8</sup> See *Policy for Selective Discounting by Natural Gas Pipelines*, 111 FERC ¶ 61,309 (2005).



As explained above, the GTN system was constructed to primarily connect supplies from the WCSB with high-demand California markets. As such, the majority of flows on the system have historically traversed the full length of the pipeline from Kingsgate to Malin. However, as discussed by GTN witness Fasullo, deliveries on the GTN system are now more evenly distributed across the system, with over 500,000 Dth/d of system deliveries being made on the northern half of the system (*i.e.*, within the proposed North Zone) on an average day, with the balance of deliveries being made on the southern half of the system (*i.e.*, within the proposed South Zone). Major receipt points are also available in both proposed zones. Therefore, establishing a two-zone rate design better reflects the current utilization of the GTN system. As GTN witness Barry discusses, GTN's proposed two-zone rate design also incorporates a Dth-mile calculation in its rate computations, so that the resulting rates remain distance sensitive. GTN's two-zone rate design proposal therefore incorporates a relatively gradual change from the existing Dth-mile rate design.

In addition, as explained by GTN witness Miller, the two-zone rate design encourages the continued development of a market center at Stanfield, as well as the development of a market center and utilization of alternative available supply sources from other interconnecting pipelines at Malin/Turquoise Flats, all to the benefit of GTN shippers.

GTN witness David Haag explains how the proposed two-zone structure is consistent with the Commission's rate design policies, because it will: (1) enable GTN to maximize throughput; (2) reflect material variations in the cost of providing service due to the distance over which transportation will occur; (3) reflect the operational characteristics of GTN's system; and (4) encourage the continued development of Stanfield and Malin/Turquoise Flats as market centers.

### **Summary of Proposed Tariff Changes**

GTN is proposing to implement the following tariff changes reflected on the revised tariff records in Appendix A, to be effective April 1, 2024:

#### **Revised Base Rates**

As explained above, GTN is updating its cost-of-service and proposing to increase its base transportation rates (maximum recourse rates) for Rate Schedules FTS-1, LFS-1, FHS, ITS-1, IHS, and PAL.

#### **Regulatory Environmental & Compliance Costs Program**

As noted above, GTN has an ongoing need to comply with existing and emerging regulatory requirements, and anticipates the need to spend significant amounts in the next seven years to address these requirements. Accordingly, GTN is proposing a Regulatory Environmental & Compliance Costs ("RECC") program to recover costs associated with its continuing and necessary work to ensure that its system complies with regulatory requirements. As GTN witness Linder explains, the RECC is designed to allow GTN to recover specified costs for projects necessary to allow GTN to continue improving the reliability, integrity, safety, and efficiency of its system and to address compliance with existing and emerging regulatory requirements.

GTN witness Parks sponsors the Eligible Facilities Plan (“EFP”) that describes the projects that GTN has identified at this time that would be eligible for recovery through the RECC over the proposed seven-year term of the program. As Mr. Parks testifies, the projects listed in the EFP were selected based on GTN’s prioritization of its needs such that each of the facilities listed in the EFP meet one or more of the following criteria: (1) it operates at a relatively high level of risk; (2) it requires upgrades to meet current or emerging regulations; and/or (3) its reliability is lower than necessary to meet current or future service requirements. As Ms. Linder explains, GTN’s RECC proposal is consistent with Commission policy governing cost recovery mechanisms for modernization of natural gas pipeline facilities, as stated by the Commission in its Modernization Policy Statement.<sup>9</sup>

GTN is proposing to add Section 6.35 to its GT&C to implement the RECC. The tariff records included with this filing reflect an initial RECC surcharge of \$0.00. The RECC sets forth procedures pursuant to which GTN will make annual limited NGA section 4 filings to implement an additive surcharge to recover GTN’s cumulative revenue requirement for capital investments made in certain defined Eligible Facilities as identified in the EFP described by GTN witness Parks. GTN commits to spending at least \$30 million in general plant maintenance capital (“GPMC”); if GTN expends less than \$30 million in GPMC in any given year, GTN will forego recovery of any capital expenditure in the applicable RECC filing. In addition, GTN proposes to recover a limited number of expenses, defined as Eligible Expenses, that are incurred by GTN as a result of mandatory state environmental programs, such as the mandatory CIP implemented in Washington state.<sup>10</sup> GTN witness Patel describes the costs that GTN has already incurred and will incur by the end of the test period, as well as GTN’s financial exposure for the first compliance period from 2023 to 2026, due to mandatory compliance with the CIP requirements.

This NGA section 4 rate proceeding, GTN’s first filed rate case in nearly twenty years, will provide GTN and its shippers ample opportunity to collaborate on its RECC proposal.

### **Electric Power Costs Adjustment**

As explained by GTN witness Linder, GTN is evaluating the potential to electrify some of its compressor unit fleet as part of the EFP. To the extent that this evaluation results in GTN installing electric compression, GTN proposes to implement an Electric Power Costs Adjustment (“EPC”) to recover electric costs incurred for compression or processing of natural gas and for company use and operations at these stations. This surcharge will be assessed on service provided pursuant to Rate Schedules FTS-1, LFS-1, FHS, ITS-1, and IHS. The EPC will be established pursuant to a limited NGA section 4 filing to be submitted annually.

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<sup>9</sup> *Cost Recovery Mechanisms for Modernization of Natural Gas Facilities*, 151 FERC ¶ 61,047 (2015) (“Modernization Policy Statement”), *clarification denied*, 152 FERC ¶ 61,046 (2015).

<sup>10</sup> The Commission has approved recovery of similar GHG costs through a tracker for one of GTN’s competitors, Ruby. *See Ruby Pipeline, L.L.C.*, 131 FERC ¶ 61,007 at P 36 (2010). *See also Ruby Pipeline, L.L.C.*, FERC Gas Tariff, Original Volume No. 1, GT&C § 29 (Greenhouse Gas Costs).

### **Prospective Elimination of Evergreen Provisions**

The *pro forma* service agreement (“PFSA”) in GTN’s Tariff references an evergreen provision as a term that the parties may choose to include in the service agreement. GTN is proposing to eliminate this language from the PFSA, and to remove subsection 3 from Section 6.17 of the GT&C of GTN’s Tariff, which permits GTN and a shipper to mutually agree to include an evergreen provision in the shipper’s service agreement. Elimination of these evergreen provisions will improve GTN’s ability to forecast the amount of capacity that will be turned back at the end of contract terms. This change will only apply to newly-executed service agreements, and therefore removal of these provisions will not impact current shippers.

### **Clarification of Unauthorized Overrun Penalty Provisions**

Section 6.21.1(a) of the GT&C of GTN’s Tariff provides that an imbalance exists when GTN has not authorized deliveries in excess of a shipper’s Maximum Daily Quantity (“MDQ”). This section further provides that, if a shipper takes unauthorized deliveries over its MDQ, it will be assessed a penalty equal to two times the maximum applicable interruptible transportation rate for the quantity that is greater than 10 percent of the MDQ or 1,000 Dth, whichever is greater. The term “Authorized Overrun Charge” is defined in various rate schedules within GTN’s Tariff, but the term “unauthorized overrun” is not defined in the Tariff; rather, various combinations of terms are used to discuss the concept and its associated penalty. GTN is proposing to clearly define the term Unauthorized Overrun within Rate Schedules FTS-1, LFS-1, and FHS, and thus to provide improved clarity in the Tariff.

### **Enhanced Parking and Lending Service**

GTN is proposing to add an enhancement option to its existing PAL Rate Schedule that grants more certainty to shippers by providing them with a higher scheduling priority and allows shippers with highly varying demands for gas, such as electric generators, to balance their usage of GTN’s system. Under the proposed enhancement option, a shipper will be pre-authorized to nominate parking and/or lending service quantities at a designated parking and lending point for a term agreed upon by GTN and the shipper. However, GTN will only enter into an enhanced PAL service agreement under circumstances when it can be reasonably certain of its ability to provide the enhanced service for the requested level and duration. GT&C Section 6.18.1(B) requires the shipper to provide specific quantity and location information, and the requested service commencement and termination dates, as part of a request for enhanced PAL Service in order to provide GTN the ability to assess whether it can reasonably provide the requested service.

A shipper electing the enhanced PAL Service will establish a maximum quantity equal to the maximum quantity of natural gas that a shipper would be automatically authorized to park or loan on a given Gas Day. Additionally, the shipper will establish a maximum cumulative tolerance level equal to the maximum cumulative gas quantity that the shipper would be pre-authorized to park or loan during the term of the shipper’s enhanced PAL Service contract. GTN’s proposed enhancement to its PAL Service will provide shippers with more certainty by allowing them to obtain a higher scheduling priority than existing PAL service and will enable shippers to respond to the evolving demands of serving variable load markets, while also giving shippers greater ability to remain in balance and avoid penalties.

### **Preferred Case**

GTN has included *pro forma* tariff records in Appendix B that include modifications necessary to reflect the proposed two-zone rate structure, including rates and housekeeping changes to the Tariff. GTN proposes to make these changes effective only after a Commission order approving the proposed two-zone structure.

### **Other Filings Which May Affect This Proceeding**

Pursuant to 18 C.F.R. § 154.204(f), GTN states that as of the time of this filing, it has no filings pending before the Commission that may significantly affect the changes proposed herein.

### **Materials Submitted**

In accordance with sections 154.7 and 154.201 of the Commission's regulations and Order No. 714,<sup>11</sup> GTN is submitting an eTariff XML filing package, which includes the following:

1. The tariff records being revised in RTF format with metadata attached;
2. This transmittal letter, which incorporates the Statement of Nature, Reasons and Basis as required by 18 C.F.R. § 154.7(a)(6), in PDF format;
3. Appendix A, a list in PDF format of revised tariff records being filed;
4. Appendix A-1, a clean version of the revised tariff records in PDF format for publishing in eLibrary;
5. Appendix A-2, a marked version of the revised tariff records in accordance with the provisions of section 154.201(a) of the Commission's regulations;
6. Appendix B, a list of *pro forma* tariff records related to the Preferred Case's two-zone rate proposal;
7. Appendix B-1, a clean version of the *pro forma* tariff records in PDF format related to the Preferred Case's two-zone rate proposal;
8. Appendix B-2, a marked version of the *pro forma* tariff records related to the Preferred Case's two-zone rate proposal in accordance with the provisions of section 154.201(a) of the Commission's regulations;
9. Appendix C, a table of contents that associates the statements and schedules included in the filing with the corresponding exhibit number and electronic file name;

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<sup>11</sup> *Electronic Tariff Filings*, Order No. 714, 2008-2013 FERC Stats. & Regs. [Regs. Preambles] ¶ 31,276 (2008), *final rule*, Order No. 714-A, III FERC Stats. & Regs. [Regs. Preambles] ¶ 31,356 (2014).

10. Appendix D, a representation by GTN's authorized accounting representative, as required by 18 C.F.R. § 154.308;
11. Statements A through P, and related statements, schedules and workpapers, in PDF or (in the case of statements, schedules and workpapers) in native format with all links and formulas included), as required by 18 C.F.R. § 154.312.
12. The necessary documentation to support the revised tariff sections, as required by 18 C.F.R. §§ 154.201 and 154.207; and
13. A statement that all affected customers and state regulatory commissions have received an abbreviated electronic version of this rate filing, as required by 18 C.F.R. § 154.208.

### **Proposed Effective Date and Motion to Place Rates Into Effect**

As noted above, while the tariff sections that GTN is proposing as its "Primary Case" reflect an effective date of November 1, 2023, GTN requests that the Commission suspend the Primary Case tariff sections for the full five-month suspension period so that the sheets do not become effective until April 1, 2024. Pursuant to 18 C.F.R. § 154.7(a)(9), GTN hereby requests that the Commission accept and suspend the tariff sections, as described above. GTN will file a separate motion pursuant to 18 C.F.R. § 154.206 to place the tariff sections into effect at the end of the suspension period.

### **Requests for Waivers**

Pursuant to 18 C.F.R. §§ 154.7(a)(7) and 154.207, GTN respectfully requests that the Commission grant all waivers necessary to allow the tariff sections to become effective as proposed herein, including any necessary waivers of Parts 154, 157, 284 and 385 of the Commission's regulations, as well as any other rule, policy, pronouncement or order.

### **Certificate of Service**

In accordance with Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010, a copy of this filing, together with all enclosures, is being served upon all jurisdictional customers and interested state regulatory agencies.

Ms. Kimberly D. Bose

September 29, 2023

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**Certification**

Pursuant to 18 C.F.R. §§ 385.2005 and 385.2011, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of her knowledge and belief. Additionally, the undersigned possesses full power and authority to sign such filing.

Respectfully submitted,

/s/ Sorana Linder

Sorana Linder

Director, Rates, Tariffs & Modernization

Enclosures

## APPENDIX A

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

#### List of Proposed Pro Forma Tariff Records Primary Case

<b><u>Tariff Section</u></b>	<b><u>Version</u></b>	
1	Table of Contents	14.0.0
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4.2	Statement of Rates, ITS-1 and IHS Rates	12.0.0
4.3	Statement of Rates, Footnotes to Statement of Effective Rates and Charges	19.0.0
4.5	Statement of Rates, Parking and Lending Service	10.0.0
5.1.2	Rate Schedule FTS-1, Applicability and Character of Service	4.0.0
5.1.3.4	Rate Schedule FTS-1, Authorized and Unauthorized Overruns	4.0.0
5.1.3.5	Rate Schedule FTS-1, Applicability of Surcharges	4.0.0
5.2.3.4	Rate Schedule LFS-1, Authorized and Unauthorized Overruns	4.0.0
5.3.6	Rate Schedule ITS-1, Transportation General Terms and Conditions	4.0.0
5.5.2	Rate Schedule PAL, Applicability and Character of Service	6.0.0
5.5.3	Rate Schedule PAL, Rates	6.0.0
5.5.3.1	Rate Schedule PAL, ATPL Reservation Charge Credits	0.0.0
5.6.3.4	Rate Schedule FHS, Authorized and Unauthorized Overruns	3.0.0
5.7.5	Rate Schedule IHS, Transportation General Terms and Conditions	3.0.0
6.1	GT&C, Definitions	13.0.0
6.17	GT&C, Transportation Service Agreement	4.0.0
6.18.1	GT&C, Requests for Service	7.0.0
6.18.3	GT&C, Interruptible Service	6.0.0
6.18.4.5	GT&C, Credit Requirement for Loaned Gas	6.0.0
6.19.5	GT&C, Priority of Parking and Lending Service	5.0.0
6.21.1	GT&C, Balancing Gas Receipts and Deliveries	4.0.0

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6.29.1	GT&C, Firm Service	4.0.0
6.30	GT&C, OFO	5.0.0
6.35	GT&C, Regulatory Environmental & Compliance Costs (“RECC”)	4.0.0
6.36	Reserved for Future Use	6.0.0
6.39	GT&C, Electric Power Costs (EPC) Adjustment	4.0.0
7.3.1	Service Agmts, Rate Schedule PAL - Exhibit A	7.0.0
7.4	Service Agmts, Rate Schedule FHS	10.0.0



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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>
<b>BASE</b>	0.0004344	0.0000000	0.0300336	0.0000000	0.0000092	0.0000092
<b>STF (e)</b>	(e)	0.0000000	(e)	0.0000000	0.0000092	0.0000092
<b>EXTENSION CHARGES</b>						
<b>MEDFORD</b>						
E-1 (f)	0.0017946	0.0000000	0.0083069	0.0000000	0.0000000 0	0.0000000 0
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
<b>COYOTE SPRINGS</b>						
E-3 (i)	0.0023497	0.0000000	0.0047306	0.0000000	0.0000000	0.0000000
<b>CARTY LATERAL</b>						
E-4 (p)	---	---	0.1124403	0.0000000	0.0000000	0.0000000
<b>OVERRUN CHARGE (j)</b>						
	---	---	---	---	---	---

	RESERVATION (Dth-Mile)	COMMODITY (Dth-Mile)
<b>FUEL (d)</b>		
MAXIMUM FUEL AND LINE LOSS PERCENTAGE	---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE	---	0.0000%
<b>SURCHARGES</b>		
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 =  $FTS-1M \times \text{Miles} \times (24/HF)$
- (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>
<b>BASE</b>	(e)	0.0000000	(e)	0.0000000	0.0000092	0.0000092
<b>EXTENSION CHARGES</b>						
<b>MEDFORD</b>						
E-1 (Medford) (f)	0.0017946	0.0000000	0.0083069	0.0000000	0.0000000	0.0000000
<b>COYOTE SPRINGS</b>						
E-3 (i) (Coyote Springs) (i)	0.0023497	0.0000000	0.0047306	0.0000000	0.0000000	0.0000000
<b>CARTY LATERAL</b>						
E-4 (Carty Lateral) (p)	---	---	0.1124403	0.0000000	0.0000000	0.0000000
					<u>RESERVATION (Dth-Mile)</u>	<u>COMMODITY (Dth-Mile)</u>
<b>FUEL (d)</b>						
MAXIMUM FUEL AND LINE LOSS PERCENTAGE					---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE					---	0.0000%
<b>SURCHARGES</b>						
ACA					(k)	
ELECTRIC POWER COSTS (EPC) (g)					0.0000000	0.0000000
REGULATORY ENVIRONMENTAL & COMPLIANCE COSTS (RECC) (l)					0.0000000	---

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>
<b>BASE</b>	(e)	0.0000000	(e)	0.0000000	0.0000092	0.0000092
<b>EXTENSION CHARGES</b>						
<b>MEDFORD</b>						
E-1 (Medford) (f)	0.0043070	0.0000000	0.0199366	0.0000000	0.0000000	0.0000000
<b>COYOTE SPRINGS</b>						
E-3 (i) (Coyote Springs) (i)	0.0056393	0.0000000	0.0113534	0.0000000	0.0000000	0.0000000
<b>CARTY LATERAL</b>						
E-4 (Carty Lateral) (p)	---	---	0.2698567	0.0000000	0.0000000	0.0000000
					<b>RESERVATION (Dth-Mile)</b>	<b>COMMODITY (Dth-Mile)</b>
<b>FUEL (d)</b>						
FUEL AND LINE LOSS PERCENTAGE					---	0.0050%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE					---	0.0000%
<b>SURCHARGES</b>						
ACA (k)					(k)	
ELECTRIC POWER COSTS (EPC) (g)					0.0000000	0.0000000
REGULATORY ENVIRONMENTAL & COMPLIANCE COSTS (RECC) (l)					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.	0.0570638	0.0570638	0.0570638	0.0570638	0.0300336
Peak Mi. Res.	0.0008254	0.0008254	0.0008254	0.0008254	0.0004344
Off-Pk NM Res.	0.0165185	0.0210235	0.0246276	0.0275763	0.0300336
Off-Pk Mi. Res.	0.0002389	0.0003041	0.0003562	0.0003989	0.0004344

For IHS:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo	0 Peak Mos.
Peak NM Res.	0.1369531	0.1369531	0.1369531	0.1369531	0.0720806
Peak Mi. Res.	0.0019810	0.0019810	0.0019810	0.0019810	0.0010426
Off-Pk NM Res.	0.0396444	0.0504564	0.0591062	0.0661831	0.0720806
Off-Pk Mi. Res.	0.0005734	0.0007298	0.0008549	0.0009574	0.0010426

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 (12) 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.
- (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](http://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.
- (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	0.3017209/d

Notes:

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

## 5.1.2 APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to firm gas transportation services performed by GTN for Shipper pursuant to the executed Firm Transportation Service Agreement between GTN and Shipper. GTN shall receive from Shipper such daily quantities of gas up to the Shipper's Maximum Daily Quantity as specified in the executed Firm Transportation Service Agreement between GTN and Shipper plus the required quantity of gas for fuel and line loss associated with service under this Rate Schedule FTS-1 and redeliver an amount equal to the quantity received less the required quantity of gas for fuel and line loss, plus all applicable surcharges. This transportation service shall be firm and not subject to curtailment or interruption except as provided in the Transportation General Terms and Conditions. A Shipper's Maximum Daily Quantity shall be a uniform quantity throughout the contract term, except that GTN may, on a not unduly discriminatory basis, agree to differing monthly levels in the Shipper's Maximum Daily Quantity during the term of Shipper's contract. Shipper's Maximum Daily Quantity and any differing levels in the Maximum Daily Quantity, as well as the period of such differing Maximum Daily Quantity levels, shall be specified in the executed Firm Transportation Service Agreement.

Firm transportation service shall be subject to all provisions of the executed Firm Transportation Service Agreement between GTN and Shipper and the applicable Transportation General Terms and Conditions.

5.1.3.4 Authorized and Unauthorized Overruns.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ shall be transported when capacity is available on the GTN system and when the provision of such Authorized Overruns shall not affect any Shipper's rights on the GTN System. Authorized Overruns are interruptible in nature. The rate charged for Authorized Overruns shall be the same as the rates and charges for interruptible transportation under Rate Schedule ITS-1 as set forth in Section 4.1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.1.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

5.1.3.5 Applicability of Surcharges.

The applicable rates for service under this Rate Schedule are set forth in the currently effective Statement of Rates of this Tariff (Section 4.1) and are hereby incorporated herein.

Shipper shall pay all reservation and all surcharges applicable to this rate schedule for service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A.

5.2.3.4 Authorized and Unauthorized Overruns.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ shall be transported when capacity is available on the GTN system and when the provision of such Authorized Overruns shall not affect any Shipper's rights on the GTN System. Authorized Overruns are interruptible in nature. The rate charged for Authorized Overruns shall be the same as the rates and charges for interruptible transportation under Rate Schedule ITS-1 as set forth in Section 4.1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.2.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

### 5.3.6 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions except Sections 6.28, 6.31, 6.33, and 6.37 are applicable to this rate schedule, unless otherwise expressed in the executed Interruptible Transportation Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to interruptible transportation service rendered under this rate schedule, and, by this reference, are made a part hereof.



## 5.5.2 APPLICABILITY AND CHARACTER OF SERVICE

1. This rate schedule shall apply to Parking and Lending Service (“PAL”) performed by GTN, where gas may be received (park) or advanced (loan) by GTN for a Shipper.
2. Notwithstanding the provisions applicable to ATPL as defined below, service under this rate schedule shall be provided up to Shipper’s Maximum Quantity, as set forth on Exhibit A of Shipper’s effective PAL Service Agreement, to the extent GTN’s system permits the provision of such service and that the provision of such service shall not prevent GTN from meeting all of its firm and interruptible service obligations, including GTN’s system needs.
  - (a) Parking Service is an interruptible service that provides for:
    - (i) The receipt by GTN of gas quantities that have been delivered by Shipper at a PAL Point, as set forth on Exhibit A of an effective PAL Service Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be parked, which may include a requirement for Shipper to park such quantities ratably;
    - (ii) GTN holding the parked gas quantities; and
    - (iii) The subsequent return of parked gas quantities to the Shipper at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to receive such quantities ratably.
  - (b) Lending Service is an interruptible service that provides for:
    - (i) The receipt of gas quantities by Shipper from GTN at a PAL Point, as set forth on Exhibit A of an effective PAL Service Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be loaned, which may include a requirement for Shipper to receive such quantities ratably; and
    - (ii) The subsequent return of the loaned gas quantities to GTN at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to return such quantities ratably.

3. Shipper Authorized Automatic Term Parking/Lending (“ATPL”) is an enhanced PAL Service option that allows a Shipper to nominate, parking and/or lending service at a designated PAL Point within a supported nomination cycle for a mutually agreed upon term and Maximum Quantity that a Shipper is authorized to automatically park or loan on a given Gas Day. ATPL receives a higher level of scheduling priority than GTN’s interruptible services.

A Maximum Cumulative Tolerance Level shall be established under ATPL which shall be equivalent to the maximum cumulative quantity of natural gas that Shipper is pre-authorized, subject to availability, to park or loan at a designated PAL Point during the term of the applicable ATPL, as set forth on Exhibit A to the PAL Service Agreement.

To initiate on a prospective basis, Shipper must complete and submit to GTN a proposed Exhibit A to an effective PAL Service Agreement. Shipper retains the right to prospectively adjust scheduled parking and/or lending activity nominated via ATPL in subsequent nomination cycles.

4. GTN shall maintain separate Parking Service and Lending Service PAL Account(s) for each Shipper utilizing the services herein.

GTN shall receive from, or advance to, Shipper such daily quantities of gas nominated and scheduled for receipt or delivery by GTN, and park or lend such gas for a minimum of one (1) day. Such quantities received or advanced shall be recorded in Shipper's PAL Account, as applicable.

Shippers electing to withdraw parked gas or redeliver loaned gas from their respective PAL Account shall nominate a quantity up to the quantity of gas available in their respective PAL Account at the point the gas was either received or advanced by GTN.

5. If GTN and Shipper agree that Shipper may receive parked gas quantities or return loaned gas quantities at point(s) that are different from those specified on Exhibit A of Shipper’s effective PAL Service Agreement, then Shipper and GTN must utilize a separate Transportation Service Agreement(s) to effectuate receipt or delivery of such gas at the new point(s).
6. In the event GTN does not have sufficient capacity on a given day to satisfy all nominations under this PAL rate schedule, GTN shall schedule nominations in sequence, starting with the nomination of the Shipper paying the highest rate for service under this rate schedule. If two or more Shippers are paying the same rate for service under this rate schedule, the nominations of such Shippers shall be scheduled on a pro- rata basis, using confirmed quantities.

7. If GTN, upon nomination by Shipper fails to schedule quantities of gas for withdrawals from Shipper's PAL Account for a period of thirty (30) consecutive days, GTN will be obligated to purchase the quantity of gas in Shipper's PAL Account at a price equal to 120% of the average daily midpoint prices, as published in the daily price survey by Gas Daily for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, for the thirty (30) days in which the curtailment occurs.
8. Unless otherwise agreed to by GTN, if Shipper fails to return to GTN loaned quantities of gas as agreed to in Exhibit A of an effective PAL Service Agreement, Shipper will be obligated to purchase such quantities of gas from GTN at the highest price, determined as 200% of the highest daily midpoint price for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, as published in the daily price survey by Gas Daily, that occurred either:
  - (a) within the month in which the loan of the gas quantities occurred; or
  - (b) within the month in which return of the loaned gas quantities was scheduled but did not occur.

GTN may require Shipper to withdraw all, or any portion of the gas quantities parked by GTN for Shipper, as agreed to in Exhibit A of an effective PAL Service Agreement, within thirty (30) days of GTN's notice to Shipper. If Shipper fails to arrange for the withdrawal of such parked quantities as specified in GTN's notice, despite the availability of capacity for the withdrawal of Shipper's gas under its PAL Service Agreement, GTN shall take title to that portion of Shipper's PAL Account that Shipper was instructed to withdraw, free and clear of any adverse claims. GTN's notice to Shipper may be verbal and in such case shall be followed by a written confirmation. To protect its system, GTN may require the withdrawal of quantities of parked gas in Shipper's PAL Account within 24 hours. In the event Shipper does not cause the withdrawal of such parked gas within 24 hours, GTN shall have the right to take title to those quantities of parked gas in Shipper's PAL Account free and clear of any adverse claims.

9. Not more than thirty (30) days after the termination of Shipper's PAL Service Agreement, GTN will notify Shipper of Shipper's PAL Account balance. Shipper will nominate to eliminate any remaining balance within thirty (30) days of the date of GTN's notice.
10. PAL Service and ATPL, if elected, shall be subject to curtailment pursuant to the applicable Transportation General Terms and Conditions contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A.

### 5.5.3 RATES

Shipper shall pay GTN, each month, for services provided under Rate Schedule PAL. The maximum and minimum rate(s) set forth under Rate Schedule PAL in GTN's current Statement of Effective Rates and Charges for Transportation of Natural Gas in this FERC Gas Tariff, Fourth Revised Volume No. 1-A are applicable to PAL Service rendered hereunder.

The monthly charges for PAL Service in each PAL Account shall be the product of the quantity of gas in Shipper's PAL Account and the maximum PAL rate as set forth in the current Statement of Rates and Charges for the Transportation of Natural Gas, unless GTN elects to discount such rate, for each day gas remains in the PAL Account.

The monthly charge for ATPL is the Maximum Quantity multiplied by the maximum PAL rate multiplied by the number of days within such month that service is in effect, all as set forth in the Exhibit A of the executed PAL Service Agreement.

If, on any day, Shipper submits a nomination with GTN to receive parked, or return loaned, quantities of gas which are reflected in its PAL Account, but GTN is unable to schedule all such quantities nominated, GTN shall suspend the PAL rate charges for that quantity not scheduled until GTN is able to schedule the quantity nominated.

#### 1. Negotiated Rates.

Notwithstanding any provision of GTN's Tariff to the contrary, GTN and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this rate schedule or by any other applicable provision of GTN's Tariff.

#### 2. Discounted Rates.

GTN may offer to discount the maximum rate for service under this rate schedule. If GTN elects to discount its rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected, provided, however, such discount shall not be unduly discriminatory between individual Shippers. The rate for service under this rate schedule shall not be discounted below the Minimum Base Tariff Rate.

5.5.3.1 ATPL Reservation Charge Credits.

For purposes of this Section, Firm Daily Volume shall mean the volume of gas which GTN is obligated to park and/or loan at or from Shipper's PAL Point on a Gas Day, based on confirmable nominations within Shipper's Maximum Quantity. Sections 5.1.3.9 (Rate Schedule FTS-1, Reservation Charge Credit – Force Majeure Event), 5.1.3.10 (Rate Schedule FTS-1, Reservation Charge Credit – Non-Force Majeure Event), and 5.1.3.11 (Rate Schedule FTS-1, Reservation Charge Credit – Confirmable Nominations) are incorporated herein by reference and applicable solely to ATPL.

In accordance with Section 5.5.2, in the event that on any day GTN fails to park and/or lend all of Shipper's quantities scheduled for such day, due to GTN's allocation and curtailment of such service, then GTN shall credit to Shipper an amount equal to the applicable reservation charge as specified on Exhibit A of the PAL Service Agreement multiplied by the quantity of gas which was scheduled but not provided due to GTN's allocation and curtailment of service.

5.6.3.4 Authorized and Unauthorized Overruns.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ or MHQ shall be transported when capacity is available on the GTN system. Authorized Overruns are interruptible in nature. The rate charged for Authorized Overruns shall be the same as the rates and charges for interruptible transportation under Rate Schedule IHS as set forth in Section 4.2, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.6.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

#### 5.7.5 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions except Sections 6.28 and 6.31 are applicable to this rate schedule, unless otherwise stated in the executed Firm Hourly Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to firm transportation service rendered under this rate schedule, and by this reference, are made a part hereof.

## 6.1 DEFINITIONS

1. **Gas Day:** In accordance with NAESB Standard 1.3.1, the term "Gas Day" shall be 9:00 a.m. to 9:00 a.m. Central Clock Time (7:00 a.m. to 7:00 a.m. Pacific Clock Time).
2. **Business Day:** The term "Business Day" shall mean Monday through Friday, excluding U.S. Federal Banking Holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.
3. **Month:** The word "month" shall mean a period extending from the beginning of the first day in a calendar month to the beginning of the first day in the next succeeding calendar month.
4. **Maximum Daily Quantity:** The term "Maximum Daily Quantity" (MDQ) shall mean the maximum daily quantity in Dth of gas which GTN agrees to deliver exclusive of an allowance for compressor station fuel, line loss and other unaccounted for gas and transport for the account of Shipper to Shipper's point(s) of delivery on each day during each year during the term of Shipper's Transportation Service Agreement with GTN.
5. **Energy Affiliate:** The term "Energy Affiliate" shall have the meaning provided in Commission Order No. 2004, et seq.
6. **Gas:** The word "gas" shall mean natural gas.
7. **Cubic Foot of Gas:** The term "cubic foot of gas" is defined in accordance with NAESB Standard 2.3.9 as that quantity of gas which measures one (1) cubic foot at standard conditions of 14.73 dry psia, 60 degrees F. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C. Standard 2.3.9 states in full "Standardize the reporting basis for Btu as 14.73 psia at 60 degrees F (101.325 kPa and 15 degrees C), and dry. Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm<sup>2</sup> and 15.6 degrees C and dry. Standardize the reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, at 60 degrees, F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, at 15 degrees C, and dry."

NAESB WGQ takes no position on the basis upon which transactions are communicated to trading partners and/or regulatory agencies, as applicable, nor does NAESB WGQ state whether transactions may take place between parties on a volumetric basis.



8. Mcf: The term "Mcf" shall mean one thousand (1,000) cubic feet of gas and shall be measured as set forth in Section 6.1 paragraph 7 hereof. The term "MMcf" shall mean one million (1,000,000) cubic feet of gas.
9. Dekatherm: The term "Dekatherm" (or "Dth") is the quantity of heat energy equivalent to one million (1,000,000 British Thermal Units (MMBtu). Dth is the standard quantity for Nominations, confirmations and Scheduled Quantities in the United States. For purposes of this Tariff and associated Service Agreements, the terms MMBtu and Dth are synonymous.
10. Btu: The term "Btu" shall mean British Thermal Unit. The term "MMBtu" shall mean one million (1,000,000) British Thermal Units. The reporting basis for Btu shall be standardized as 14.73 dry psia and 60 degrees (60°) Fahrenheit (101.325 kPa and 15.6 degrees C).
11. Gross Heating Value: The term "gross heating value" shall mean the number of Btus in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.
12. Psig: The term "psig" shall mean pounds per square inch gauge.
13. Releasing Shipper: A firm transportation Shipper which intends to post its service to be released to a Replacement Shipper, has posted the service for release, or has released its service.
14. Replacement Shipper: A Shipper which has contracted to utilize a Releasing Shipper's service for a specified period of time.
15. Posting Period: The period of time during which a Releasing Shipper may post, or have posted by the pipeline, all or a part of its service for release to a Replacement Shipper.
16. Release Term: The period of time during which a Releasing Shipper intends to release, or has released all or a portion of its contracted quantity of service to a Replacement Shipper.
17. Bid Period: The period of time during which a Replacement Shipper may bid to contract for a parcel which has been posted for release by a Releasing Shipper.
18. Parcel: The term utilized to describe an amount of capacity, expressed in Dth/d, from a specific receipt point to a specific delivery point for a specific period of time which is released and bid on pursuant to the capacity release provisions contained in Section 6.28 of these Transportation General Terms and Conditions.

19. **Primary Release:** The term used to describe the release of capacity by a Releasing Shipper receiving service under a Part 284 firm transportation rate schedule.
20. **Secondary Release:** The term used to describe the release of capacity by a Replacement Shipper receiving service under a Part 284 firm transportation rate schedule.
21. **Bid Reconciliation Period:** The period of time subsequent to the Bid Period during which bids are evaluated by GTN.
22. **Match Period:** The period of time subsequent to the Bid Reconciliation Period and before the notification deadline for awarding capacity for Prearranged Deals that require bidding. During this period, the Prearranged Shipper may match any higher bids for the Parcel.
23. **Mainline Facilities:** The term "Mainline Facilities" shall mean the 36-inch and 42-inch mains and appurtenant facilities extending from the interconnection with the pipeline facilities of TransCanada PipeLines Limited B.C. System and Foothills Pipe Lines (South B.C.) Ltd., near Kingsgate, British Columbia to the interconnection with the pipeline facilities of Pacific Gas and Electric Company near Malin, Oregon.
24. **Extension Facilities:** The term "Extension Facilities" shall mean the 12-inch mains and appurtenant facilities extending from GTN's mainline facilities at Milepost 304.25 and the 16-inch and 12-inch mains and appurtenant facilities extending from GTN's Mainline Facilities at Milepost 599.20 that were authorized in Docket No. CP93-618-000. The term "Extension Facility" shall mean one of the Extension Facilities.
25. **Subject Shipper:** The term "Subject Shipper" shall mean the Shippers identified in Appendix G of the Stipulation and Agreement in Docket No. RP94-149-000, et al., and Shippers that have obtained service rights from such Shippers.
26. **Nominations:** A "Nomination" shall be the provision of information to GTN necessary to effectuate a transportation transaction. Specific Nomination procedures are set forth in Section 6.19.4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
27. **Intraday Nomination:** An "Intraday Nomination" is a Nomination submitted after the Nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of the Gas Day.

28. North American Energy Standards Board Standards: The term "North American Energy Standards Board Standards" or "NAESB Standards" shall mean the standardized business practices and electronic communication practices promulgated by the North American Energy Standards Board from time to time and incorporated in the Code of Federal Regulations by the Federal Energy Regulatory Commission.
29. Asset Manager: A party that agrees to manage gas supply and delivery arrangements, including transportation and storage capacity, for another party. The asset manager uses released capacity to serve the gas supply requirements of the releasing shipper and, when the capacity is not needed for that purpose, uses the capacity to make releases or bundled sales to third parties.
30. Forward Haul: The term "Forward Haul" shall refer to (1) transportation service on GTN's mainline system in which the nominated direction of flow from receipt point to delivery point is from north to south or (2) transportation service on a GTN lateral in which the nominated direction of flow from receipt point to delivery point is from GTN's mainline system to the terminus of the lateral.
31. Backhaul: The term "Backhaul" shall refer to transportation service on GTN's mainline system and laterals that is in the opposite direction of a Forward Haul as defined in Section 6.1 paragraph 30 above.
32. Primary Path: The term "Primary Path" shall mean the transportation path established by the receipt and delivery points as set forth in Shipper's executed Service Agreement. A shipper's Primary Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 30 and 31 above.
33. Reverse Path: The term "Reverse Path" shall mean the transportation path that is in the opposite direction of that Shipper's Primary Path as defined in Section 6.1 paragraph 32 above. A Shipper's Reverse Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 30 and 31 above. Reverse Path transactions rely on secondary point rights and are subject to the operating conditions of GTN's pipeline and will not be made available to Shipper if GTN determines, in its sole discretion, that such transportation is operationally infeasible or otherwise not available.
34. Negotiated Rate: The term "Negotiated Rate" shall mean a rate (including a Negotiated Rate Formula) that GTN and a Shipper have agreed will be charged for service under Rate Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or be less than the minimum rate, for such component set forth in GTN's tariff for the given service. Any Agreement entered into after the effective date of this subsection which provides for a rate under Rate

Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discounted rate or a negotiated rate.

35. **Negotiated Rate Formula:** The term "Negotiated Rate Formula" shall mean a rate formula that GTN and a Shipper have agreed will apply to service under a specific contract under Rate Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or may be less than the minimum rate, for such component set forth in GTN's Tariff for the given service.
36. **Recourse Rate:** The term "Recourse Rate" shall mean the applicable maximum rate that would apply to each respective Rate Schedule as set forth in the Statement of Rates of this FERC Gas Tariff.
37. **Existing Capacity:** The term "Existing Capacity" shall mean capacity that has been in-service beyond the initial terms of Agreements that originally supported the construction of such capacity. Existing Capacity additionally includes capacity that is still within such initial terms where Shipper Agreements pertaining to the capacity have been terminated by the pipeline. Existing Capacity additionally includes unsubscribed capacity created as part of a pipeline expansion project.
38. **Expansion Capacity:** The term "Expansion Capacity" shall mean capacity that is added to the pipeline system as part of a system expansion project where such capacity is still within the initial contract term(s) of the Agreement(s) that originally supported the construction of such capacity. Expansion Capacity includes permanent releases of capacity that are within the initial term of an original Shipper's contract.
39. **Long-Term Firm Capacity:** The term "Long-Term Firm Capacity" shall mean firm capacity that is provided on GTN's system for periods of 365 days or longer, but which may also be sold as Short-Term Firm Capacity. Unsubscribed Long-Term Firm Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.
40. **Short-Term Firm Capacity:** The term "Short-Term Firm Capacity" shall mean firm capacity that is provided on GTN's system for periods of time that are less than 365 days. Unsubscribed Short-Term Firm Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.
41. **Operationally Available Capacity:** The term "Operationally Available Capacity" shall mean capacity that is available on a day-to-day basis and is equal to the

physical capacities of individual receipt and delivery points less amounts scheduled to be received/delivered at such points. Operationally Available Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.

42. The term “PAL Point” shall mean the point on GTN’s system referenced on Exhibit A of a PAL Service Agreement where a Shipper can park or GTN can lend quantities of gas.
43. The term “Maximum Quantity” shall mean the maximum quantity of gas available to Shipper for PAL Service as stated on Exhibit A of a PAL Service Agreement.
44. The term “Hour” shall mean a period of sixty consecutive minutes beginning at the top of the hour, e.g., 9:00, or such other period of sixty consecutive minutes mutually acceptable to GTN and Shipper.
45. The term “Maximum Hourly Quantity” (“MHQ”) shall mean the greatest number of Dekatherms that GTN is obligated to deliver at a Primary Point of Delivery to or on behalf of Shipper up to Shipper’s MDQ, during any Hour. Shipper shall have the right to take up to the MHQ any Hour of the Gas Day, unless GTN and Shipper agree otherwise, in which case GTN and Shipper shall set forth the MHQ by Hour in the Firm Hourly Service Agreement.
46. Electric Power Costs: The “Electric Power Costs” adjustment is defined and computed in accordance with Section 6.39 of the General Terms and Conditions of GTN’s FERC Gas Tariff.
47. Regulatory Environmental & Compliance Costs: The “Regulatory Environmental & Compliance Costs” is defined and computed in accordance with Section 6.35 of the General Terms and Conditions of GTN’s FERC Gas Tariff.

## 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.

6.18.1 Requests for Service:

- (a) Any Shipper or prospective shipper desiring service on GTN's system must fully complete the request for service available through the customer activities link on GTN's Internet website.
- (b) Any Shipper desiring enhanced PAL Service under GTN's ATPL must provide the Maximum Quantity Dekatherms and the Maximum Cumulative Tolerance Level, which it desires to be parked and/or loaned on Exhibit A of the PAL Service Agreement as part of the request. Additionally, such Shipper shall identify the designated PAL Point being requested for ATPL.
- (c) GTN will begin processing Shipper's request for service, but GTN does not guarantee that service will be available. GTN will not provide service until Shipper has executed a service agreement. Shipper also shall be required to meet other provisions of this FERC Gas Tariff, including the credit requirements set out in Section 6.18.4 of this Tariff. Standard form Service Agreements for each service offered by GTN are set out in the Form of Service Agreement portion of this Tariff.

Shipper shall not be entitled to receive transportation service under this FERC Gas Tariff, Fourth Revised Volume No. 1-A if Shipper is not current in its payments to GTN for any charge, rate or fee authorized by the Commission for transportation service; provided, however, if the amount not current pertains to a bona fide dispute, including but not limited to force majeure claims relating to this FERC Gas Tariff, Shipper shall be entitled to receive or continue to receive transportation service if it complies with Section 6.8 paragraph 3.

- (d) Shipper's request for service shall be considered null and void if GTN has notified Shipper that a Service Agreement is ready for execution, and Shipper fails to execute the Service Agreement within fifteen (15) days thereafter.
- (e) A Service Agreement will be deemed executed on the earlier of (1) execution of the Service Agreement in writing by Shipper and GTN or (2) execution of the Service Agreement in writing by Shipper and Shipper's subsequent nomination pursuant to such Service Agreement.

### 6.18.3 Interruptible Service.

The provisions of this Section 6.18.3 shall be applicable to interruptible transportation service under Rate Schedules ITS-1 and IHS contained in this Fourth Revised Volume No. 1-A.

- (a) Interruptible transportation service under this Fourth Revised Volume No. 1-A shall be provided when, and to the extent that, capacity is available in GTN's existing facilities, which capacity is not subject to a prior claim under a pre-existing agreement pursuant to Rate Schedule FTS-1, ATPL, or under another class of firm service.
- (b) In the event where natural gas tendered by Shipper to GTN at the receipt point(s) for transportation, or delivered by GTN to Shipper (or for Shipper's account) at the delivery point(s), is commingled with other natural gas at the time of measurement, the determination of deliveries applicable to Shipper shall be made in accordance with operating arrangements satisfactory to Shipper, GTN and any third party transporting to or from GTN's system.
- (c) GTN shall process requests for interruptible transportation service on a non-discriminatory basis. Available interruptible capacity shall be allocated by GTN first to the Shipper(s) paying the highest rate, followed by a pro-rata tie breaker, as provided for in Section 6.19 of these General Terms and Conditions.



6.18.4.5 Credit Requirement for Loaned Gas.

For lending services under GTN Rate Schedule PAL, the credit requirement shall include an amount to adequately account for the value of loaned gas. Such amount will be up to Shipper's Maximum Quantity or Shipper's Maximum Cumulative Tolerance Level for ATPL, as set forth on Exhibit A of its PAL Service Agreement multiplied by the midpoint "Malin" price applicable to the last day of the preceding month, as reported in Platts Gas Daily (Daily Price Survey) or any successor publication thereto. GTN shall have no obligation to lend any quantity of gas beyond amounts for which GTN holds security.

6.19.5 Priority of Parking and Lending (PAL) Service.

ATPL shall be confirmed and scheduled before PAL Service and all other GTN interruptible services provided for in GTN's Tariff.

PAL Service shall have the lowest priority on GTN's system. All other transportation service, including rectification of imbalances, have superior priority to these services.

### 6.21.1 Balancing Gas Receipts and Deliveries.

Balancing of thermally equivalent quantities of gas received and delivered by GTN shall be achieved as nearly as feasible on a daily basis, with any cumulative imbalance accounted for on a monthly basis. Correction of imbalances shall be the responsibility of the Shipper whether or not notified by GTN at the time of incurrence of the imbalance. Correction of imbalances shall be scheduled with GTN using the nomination process as soon as an imbalance is known to exist based on the best available current data. Nominations to correct imbalances shall have the lowest priority for scheduling purposes and shall be subject to the availability of capacity and other operational constraints for imbalance correction. If on any day capacity is insufficient to schedule all imbalance nominations, all such nominations shall be prorated accordingly. To maintain the operational integrity of its system, GTN shall have the right to balance any Shipper's account as conditions may warrant.

Imbalance penalties will apply during constraint periods when it is necessary to maintain or restore the operational integrity of the pipeline system and to ensure: adequate pipeline pressures to provide efficient and reliable transportation services; adequate system line pack to deliver on demand; service to all Shippers for all firm services; and a balanced system for the foregoing purposes. Imbalances shall exist as defined below and be subject to the applicable charges and penalties if not corrected.

(a) Actual Delivered Quantity Exceeds MDQ.

Authorized Overruns are interruptible in nature and will be subject to the Authorized Overrun charge, which is equal to the rates and charges set forth for interruptible service under Rate Schedule ITS-1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of these Transportation General Terms and Conditions.

Unauthorized Overruns exist when GTN has not authorized deliveries in excess of a Shipper's MDQ. Under these circumstances, GTN may, without notice, adjust Shipper requests for confirmation from receipt and delivery markets on GTN's system.

Penalty: For Unauthorized Overruns, a Shipper shall be assessed a penalty equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

(b) Actual Delivered Quantity Exceeds Receipt Quantity.

A net negative imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for compressor fuel use, yields a negative result. Commencing upon notification by

GTN of the existence of the negative imbalance, and to the extent that the GTN system is not constrained or its integrity is not threatened, Shipper shall have three (3) days to correct the imbalance.

Remedies: Shippers may schedule with GTN using the nomination process to eliminate or reduce negative imbalances. In addition, in accordance with this Section 6.21, Shippers may net or trade imbalances to eliminate or reduce positive imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual delivered quantity and the receipt quantity is in excess of 10% of the delivered quantity or 1000 Dth, whichever is greater, the Shipper shall be assessed a charge of \$5/Dth applied to the excess quantities. If the imbalance is not corrected within 45 days of GTN's notice of an imbalance, the Shipper shall be assessed an additional charge of \$5/Dth, applied to the net imbalance remaining at the end of the 45 day balancing period.

(c) Actual Quantity Received Exceeds Delivered Quantity.

A net positive imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for compressor fuel use, yields a positive result. Commencing upon notification by GTN of the existence of the imbalance, and to the extent that the GTN system is not constrained or its integrity threatened, Shipper shall have three (3) days to correct the imbalance.

Remedies: Shippers may schedule with GTN using the nomination process to eliminate or reduce positive imbalances. In addition, in accordance with this Section 6.21, Shippers may net or trade imbalances to eliminate or reduce positive imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual quantity received and the delivered quantity is in excess of 10% of the delivered quantity or 1000 Dth, whichever is greater, the Shipper shall be assessed a penalty of \$2/Dth applied to the excess quantity. If the imbalance is not corrected within 45 days of GTN's notice of an imbalance, GTN shall be able to retain the remaining imbalance quantity without compensation to the Shipper and free and clear of any adverse claim. Quantities retained by GTN will be sold in accordance with Section 6.40 of these Transportation General Terms and Conditions, and the proceeds from the sale of confiscated gas will be credited to all Shippers in accordance with Section 6.21.6.

(d) Scheduled Delivery Quantity Exceeds Actual Delivered Quantity.

An imbalance shall exist when the quantity scheduled (nominated and confirmed) for delivery exceeds the actual delivered quantity.

Penalty: When the difference between the scheduled delivery quantity and actual delivered quantity is in excess of 10% of the actual deliveries, or 1000 Dth, whichever is greater, the Shipper shall be assessed the maximum applicable interruptible transportation rate applied to the excess quantities.

(e) Actual Delivered Quantity Exceeds Scheduled Delivery Quantity.

An imbalance shall exist when the quantity delivered exceeds the quantity scheduled (nominated and confirmed).

Penalty: When the difference between the actual delivered quantity and the scheduled delivery quantity is in excess of 10% of the scheduled quantity or 1000 Dth whichever is greater, the Shipper shall be assessed the maximum applicable interruptible transportation rate applied to the excess quantities.

#### 6.21.2 Imbalances.

Imbalance determinations as described above will be performed on a daily basis and each daily occurrence will constitute a separate incident. It is recognized and understood that more than one penalty provision may apply to each imbalance incident.

Imbalance and Unauthorized Overruns will be based on the lesser of the impact from operational or actual data. In the event that any penalty would otherwise be applicable under these provisions as a direct consequence of any action or failure to take action by GTN or the failure of any facility under GTN's control, or an event of force majeure as defined in these Transportation General Terms and Conditions, said penalty shall not apply.

6.29.1 Firm Service.

(a) Addition of a Receipt Point.

Any firm Shipper receiving service under Part 284 of the Commission's regulations is entitled to use the receipt point specified in its service agreement as a primary receipt point. A firm Shipper may add a secondary receipt point at any time during the life of the contract provided that secondary receipt point is within the Shipper's Primary Path.

Firm Shippers who are billed under a reservation charge and a delivery rate will continue to be billed reservation charges based on the primary receipt point while delivery rates, including fuel and all applicable surcharges, will be calculated on the receipt point actually used.

To the extent additional meter station capacity or other facilities are required to effect the receipt point change, GTN will construct the additional capacity consistent with Section 6.18.6.

(b) Changing a Receipt Point.

A firm Shipper may change primary receipt points to a different receipt point within its Original Primary Path but will continue to be billed reservation charges and all applicable surcharges based on the original primary receipt point. A firm Shipper may change primary receipt points to a different receipt point outside its Original Primary Path provided that Shipper agrees to pay additional applicable transportation charges. Changes in receipt points will be permitted provided sufficient receipt point capacity exists at the receiving meter station and subject to any operating constraints. To the extent additional meter station capacity or other facilities are required to effect the receipt point change, GTN will construct the additional capacity at the firm Shipper's expense consistent with Section 6.18.6.

(c) Addition of a Delivery Point.

Each firm Shipper is entitled to an allocation of its MDQ to a delivery point(s) as its primary delivery point(s).

A firm Shipper may add secondary delivery points at any time during the life of the contract provided that the secondary delivery points are within the Shipper's Primary Path. In this case, the firm Shipper will continue to be billed any applicable reservation charges based on the primary delivery point; however, delivery rates, including fuel and all applicable surcharges, will be calculated based on the delivery point actually used.

A firm Shipper with primary deliveries allocated to a minor delivery point may add secondary delivery points to its contract provided that the addition of the secondary delivery point does not materially impact service to other firm Shippers.

To the extent additional meter station capacity is required to effect the delivery point(s) change, and subject to any operating constraints GTN will construct the additional capacity consistent with Section 6.18.6.

(d) Changing a Delivery Point.

A firm Shipper may change primary delivery points to a different delivery point within its Original Primary Path but will continue to be billed reservation charges based on the original primary delivery point. A firm Shipper may change primary delivery points to a different delivery point outside its Original Primary Path provided that Shipper agrees to pay additional applicable transportation charges. A firm Shipper may not change its Primary Delivery Point to a location that would change the direction of flow of the Shipper's Primary Path as defined in Section 6.1 paragraph 32 of this Gas Tariff, although a Firm Shipper may initiate Reverse Path transactions which rely upon secondary point rights. Changes in delivery points will be permitted provided sufficient delivery point capacity exists at the delivery meter station. To the extent additional meter station and subject to any operating constraints capacity is required to effect the delivery point change, GTN will construct the additional capacity at the firm Shipper's expense consistent with Section 6.18.6.

A firm Shipper with primary deliveries allocated to a minor delivery point may change primary delivery points in its contract provided that the change of primary delivery point does not materially impact service to other firm Shippers.

(e) Returning to a Former Receipt or Delivery Point.

A Firm Shipper that changes a Receipt or Delivery Point in accordance with this Section 6.29 or which reacquires capacity that Shipper had released shall be entitled to return to its original Receipt or Delivery Points provided sufficient capacity exists at such point and subject to any operating constraints. To the extent additional facilities are necessary to effectuate such a return, GTN will construct additional capacity at the Firm Shipper's consistent with Section 6.18.6.



## 6.30 OPERATIONAL FLOW ORDER (OFO) PROCEDURES

1. GTN, in its sole discretion, will have the right to issue OFOs when in its judgment it is necessary to maintain or restore the operational integrity of its system.
2. Whenever possible, GTN will identify those Shipper(s) or Operational Balancing Agreement (“OBA”) Operator(s) whose action(s) require GTN to issue an OFO and will limit the applicability of the OFO to such Shipper(s)/OBA Operator(s). If GTN is unable to identify those Shipper(s)/OBA Operator(s) whose action(s) require issuance of an OFO, or if issuance of an OFO to discrete Shipper(s)/OBA Operator(s) is insufficient to alleviate the conditions requiring the issuance of such OFO, GTN may issue an additional OFO applicable to all Shippers and OBA Operators on a nondiscriminatory basis.
3. All OFOs will be posted on GTN's website, to be followed by a facsimile, written notice or other mutually agreeable means of electronic communication to affected Shippers/OBA Operators that will set forth the causes or conditions necessitating the OFO. GTN will issue an OFO as expeditiously as is reasonable and practicable in the circumstances. When practicable, GTN will provide sufficient notice to Shippers to accommodate scheduling requirements on upstream pipelines. Each OFO will contain the following provisions:
  - (a) time and date of issuance;
  - (b) time that the OFO is considered to be effective (if no time is specified, the OFO will be effective immediately);
  - (c) duration of the OFO (if not specified, the OFO will be effective until further notice);
  - (d) the quantity of gas required to remedy the operational condition requiring the issuance of the OFO; and
  - (e) any other term GTN may reasonably require to ensure the effectiveness of the OFO.

GTN will post information, as soon as possible, about the status of operational variables that will determine when an OFO will begin and end. GTN will post a notice on its website informing Shipper(s)/OBA Operator(s) when any OFO in effect will be canceled. Following the issuance of an OFO, GTN will post information on the factors that caused the OFO to be issued and then lifted as soon as it is available.

4. Except in cases where the curtailment of interruptible services would not alleviate the causes and conditions necessitating the issuance of an OFO, GTN will, where

practicable, curtail interruptible services prior to issuing an OFO. GTN shall not be required to curtail interruptible services to individual Shippers when curtailment of service to those Shippers would not affect the OFO.

5. Upon the issuance of an OFO by GTN, it shall be incumbent upon Shipper/OBA Operator to adjust Gas supplies as directed within the time frame specified in the OFO. Failure to comply in a timely fashion with an OFO may result in an immediate interruption of all or a portion of Shipper's service or service at a point covered by an OBA and cause Shipper/OBA Operator to incur a penalty based on the higher of \$25/Dth or a price per Dth equal to three times the midpoint price reported for Malin, Oregon as published in the daily price survey by Platts Gas Daily for all quantities in excess of that allowed under the OFO for the day on which the penalty is incurred. The payment of penalties for Unauthorized Overruns does not create the right to exceed the levels established by an OFO.
6. In the event Shipper/OBA Operator does not respond to the OFO and GTN believes it is necessary to take actions such as buying or selling gas to maintain system integrity or to prevent interrupting service to another Shipper, GTN shall have the right, but not the obligation, to take such remedial actions as it deems necessary. If GTN takes these actions, it shall be made whole by the non-responding Shipper/OBA Operator for all costs that GTN incurs either through retention of penalty revenues or by direct reimbursement by Shipper/OBA Operator. GTN shall not be liable for any costs incurred by any Shipper/OBA Operator in complying with an OFO.
7. GTN shall not be responsible for any damages that result from any interruption in Shipper's/OBA Operator's service that is a result of Shipper's/OBA Operator's failure to comply promptly and fully with an OFO and the non-complying Shipper(s)/OBA Operator(s) shall indemnify GTN against any claims of responsibility.
8. Notwithstanding the foregoing, when gas supplies necessary to effectuate transportation deliveries are not flowing on the system, GTN will not be responsible for backing up such supplies and the associated deliveries will be subject to interruption.
9. Where a nomination is required by GTN to make an effective physical change necessary to comply with an OFO, unless circumstances dictate otherwise, an OFO penalty should not be assessed unless the Shipper/OBA Operator is given the opportunity to correct the circumstance giving rise to the OFO and fails to do so, or the action(s) taken fails to do so. The opportunity to correct the critical circumstance should include the opportunity to:
  - (a) make a nomination, which, once confirmed and scheduled would cure the circumstance giving rise to the OFO, or

- (b) take other appropriate action which cures the circumstance giving rise to the OFO.

A Shipper's response to an OFO should not be constrained by restrictions on the submittal and processing of intra-day nominations.

## 6.35 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(c) 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.

6.36 RESERVED FOR FUTURE USE

## 6.39 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.

GAS TRANSMISSION NORTHWEST LLC  
PARKING AND LENDING (PAL)  
AGREEMENT

EXHIBIT A TO PARKING AND LENDING (PAL) SERVICE AGREEMENT

This Exhibit A is entered into by Gas Transmission Northwest LLC (GTN) and \_\_\_\_\_ (Shipper) and;

WHEREAS, Shipper and GTN have entered into PAL Service Agreement No. \_\_\_\_\_ to facilitate the contracting process.

NOW, THEREFORE, Shipper and GTN agree that the terms below, together with the terms and conditions of the previously executed PAL Service Agreement, constitute a single Parking and Lending Service Agreement and fully describe the service to be provided and the rights and obligations of Shipper and GTN.

COMPANY – Gas Transmission Northwest LLC

COMPANY ADDRESS - Commercial Operations  
700 Louisiana Street, Suite 1300  
Houston, Texas 77002-2700

SHIPPER -

SHIPPER'S ADDRESS -

PAL Term: \_\_\_\_\_ to \_\_\_\_\_

Maximum Quantity ("MQ"): \_\_\_\_\_

PAL Point: \_\_\_\_\_

Check applicable PAL Service Option (Parking **and/or** Lending):

\_\_\_\_\_ PARKING Service

<u>PARKING INFORMATION</u>			<u>INTERIM INFORMATION</u>		<u>PARK RETURN INFORMATION</u>		
Ratable (Y or N)	Park Period (Date Range)	PAL Rate (\$/Dth/D)	Interim Period (Date Range)	PAL Rate (\$/Dth/D)	Ratable (Y or N)	Return Period (Date Range)	PAL Rate (\$/Dth/D)
_____	_____ to _____	_____	_____ to _____	_____	_____	_____ to _____	_____

\_\_\_\_\_ LENDING Service

<u>LENDING INFORMATION</u>			<u>INTERIM INFORMATION</u>		<u>LEND RETURN INFORMATION</u>		
Ratable (Y or N)	Lend Period (Date Range)	PAL Rate (\$/Dth/D)	Interim Period (Date Range)	PAL Rate (\$/Dth/D)	Ratable (Y or N)	Return Period (Date Range)	PAL Rate (\$/Dth/D)
_____	_____ to _____	_____	_____ to _____	_____	_____	_____ to _____	_____

\_\_\_\_\_ Enhanced PAL Service  
 (ATPL)

Shipper Authorized Automatic Term Parking/Lending Service (ATPL)	Commencement of Service Option	Termination of Service Date	Maximum Quantity Dekatherms	Daily Rate per Dekatherm	PAL Point
_____	_____	_____	_____	* \$ _____	_____

Maximum Cumulative Tolerance Level: \_\_\_\_\_ dth

\*Maximum Quantity available on a daily basis during the term of this Exhibit A.

This Exhibit A is made and entered into as of \_\_\_\_\_, 20\_\_.

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 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 \_\_\_\_\_ 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  
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: \_\_\_\_\_



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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) <del>HE</del>		DAILY NON-MILEAGE (b) (Dth)		DELIVERY (c) (Dth-Mile) <del>HE</del>		FUEL (d) Dth-MILE	
	Max	Min	Max	Min	Max	Min	Ma x	Min
<b>BASE</b>	<u>0.0003620</u> <u>.0004344</u>	0.0000000	<u>0.0286120</u> <u>0300336</u>	0.0000000	<u>0.0000160</u> <u>0000092</u>	<u>0.0000160</u> <u>0000092</u>	0.0 050 %	0.0000 %
<b>STF (e)</b>	(e)	0.0000000	(e)	0.0000000	<u>0.0000160</u> <u>0000092</u>	<u>0.0000160</u> <u>0000092</u>	0.0 050 %	0.0000 %
<b>EXTENSION CHARGES</b>								
<b>_MEDFORD</b>								
_E-1 (f)	<u>0.0025110</u> <u>0017946</u>	0.0000000	<u>0.0042230</u> <u>0083069</u>	0.0000000	<u>0.0000260</u> <u>0000000</u>	<u>0.0000260</u> <u>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	---	---
<b>_COYOTE SPRINGS</b>								
_E-3 (i)	<u>0.0011670</u> <u>0023497</u>	0.0000000	<u>0.0011680</u> <u>0047306</u>	0.0000000	0.0000000	0.0000000	---	---
<b>_CARTY LATERAL</b>								
_E-4 (p)	---	---	<u>0.1514920</u> <u>1124403</u>	0.0000000	0.0000000	0.0000000	---	---
<b>OVERRUN CHARGE: (j)</b>	---	---	---	---	---	---	---	---

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

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 67 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)		NON-MILEAGE (o)		DELIVERY (c)		FUEL (d)	
	(Dth-Mile/HE)		(Dth)		(Dth-Mile/HE)		(Dth-Mile/HE)	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
<b>BASE</b>					0.0000160	0.0000160	0.0	0.0
					0000092	0000092	0.50	0.0
	(e)	0.0000000	(e)	0.0000000			%	0.0
								0.0
								0.0
								%
<b>EXTENSION CHARGES</b>								
<b>_MEDFORD</b>								
_E-1 (Medford) (f)	0.0025110	0.0000000	0.0042230	0.0000000	0.0000260	0.0000260	-	-
	0017946		.0083069		0000000	0000000	-	-
							-	-
<b>_COYOTE SPRINGS</b>								
_E-3 (i) (Coyote Springs)-(i)	0.0011670	0.0000000	0.0011680	0.0000000	0.0000000	0.0000000	-	-
	0023497		.0047306				-	-
							-	-
<b>_CARTY LATERAL</b>								
_E-4 (Carty Lateral) (p)	---	---	0.1514920	0.0000000	0.0000000	0.0000000	-	-
			.1124403				-	-
							-	-

RESERVATION COMMODITY

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

Rate Schedule IHS

	MILEAGE (n)		NON-MILEAGE (o)		DELIVERY (c)		FUEL (d) (Dth-Mile)
	(Dth-Mile)	(Dth-Mile)	(Dth)	(Dth)	(Dth-Mile)	(Dth-Mile)	
	Max	Min	Max	Min	Max	Min	Max
<b>BASE</b>	(e)	0.0000000	(e)	0.0000000	0.0000160 0000092	0.0000160 0000092	0.0000160 0000092

**EXTENSION CHARGES**

**MEDFORD**

<u>E-1 (Medford) (f)</u>	0.0060260 .0043070	0.0000000	0.0101350 0199366	0.0000000	0.0000260 0000000	0.0000260 0000000	-
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**COYOTE SPRINGS**

<u>E-3 (i) (Coyote Springs) (i)</u>	0.0056393 0.002801	0.0000000	0.0028030 0113534	0.0000000	0.0000000	0.0000000	-
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**CARTY LATERAL**

<u>E-4 (Carty Lateral) (p)</u>	---	---	0.3635810 2698567	0.0000000	0.0000000	0.0000000	-
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	RESERVATION (Dth-Mile)	COMMODITY (Dth-Mile)
<b><u>FUEL (d)</u></b>		
<b><u>FUEL AND LINE LOSS PERCENTAGE</u></b>	---	0.0050%



<u>FUEL AND LINE LOSS PERCENTAGE SURCHARGE</u>					---	0.0000%
<b>SURCHARGES</b>						
<u>ACA (k)</u>	---	---	(k)	(k)	(k)---	- - -
<u>ELECTRIC POWER COSTS (EPC) (g)</u>					0.0000000	0.0000000
<u>REGULATORY ENVIRONMENTAL &amp; COMPLIANCE COSTS (RECC) (l)</u>					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~~ 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 ~~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 ~~(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.	<u>\$0.0400570.</u> <u>0570638</u>	<u>\$0.0400570.</u> <u>0570638</u>	<u>\$0.0400570.</u> <u>0570638</u>	<u>\$0.0400570.</u> <u>0570638</u>	<u>\$0.0286120.</u> <u>.0300336</u>
Peak Mi. Res.	<u>\$0.0005070.</u> <u>0008254</u>	<u>\$0.0005070.</u> <u>0008254</u>	<u>\$0.0005070.</u> <u>0008254</u>	<u>\$0.005070.0</u> <u>008254</u>	<u>\$0.003620.</u> <u>0004344</u>
Off-Pk NM Res.	<u>\$0.0228900.</u> <u>0165185</u>	<u>\$0.0247970.</u> <u>0210235</u>	<u>\$0.0263230.</u> <u>0246276</u>	<u>\$0.0275720.</u> <u>0275763</u>	<u>\$0.0286120.</u> <u>.0300336</u>
Off-Pk Mi. Res.	<u>\$0.0002900.</u> <u>0002389</u>	<u>\$0.0003140.</u> <u>0003041</u>	<u>\$0.0003330.</u> <u>0003562</u>	<u>\$0.0003490.</u> <u>0003989</u>	<u>\$0.0003620.</u> <u>.0004344</u>

For IHS:

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo	0 Peak Mos.
Peak NM Res.	<u>\$0.0961370.</u> <u>1369531</u>	<u>\$0.0961370.</u> <u>1369531</u>	<u>\$0.0961370.</u> <u>1369531</u>	<u>\$0.091370.1</u> <u>369531</u>	<u>\$0.0686690.</u> <u>0720806</u>
Peak Mi. Res.	<u>\$0.0012170.</u> <u>0019810</u>	<u>\$0.0012170.</u> <u>0019810</u>	<u>\$0.0012170.</u> <u>0019810</u>	<u>\$0.0012170.</u> <u>0019810</u>	<u>0.0008690.0</u> <u>010426</u>
Off-Pk NM Res.	<u>\$0.0549360.</u> <u>0396444</u>	<u>\$0.0595130.</u> <u>0504564</u>	<u>\$0.0631750.</u> <u>0591062</u>	<u>\$0.0661730.</u> <u>0661831</u>	<u>\$0.0686690.</u> <u>0720806</u>
Off-Pk Mi. Res.	<u>\$0.0006960.</u> <u>0005734</u>	<u>\$0.0007540.</u> <u>0007298</u>	<u>\$0.0007990.</u> <u>0008549</u>	<u>\$0.0008380.</u> <u>0009574</u>	<u>\$0.0008690.</u> <u>0010426</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 (12)-month period beginning June 1 of the same year.

- (f) Applicable to firm service on GTN's Medford Extension.
- (g) ~~Reserved for Future Use.~~ Electric Power Costs ("EPC") Adjustment is charged in accordance with Section 6.39 of the General Terms and Conditions.
- (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](http://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.~~ Regulatory Environmental & Compliance Costs ("RECC") will be charged in accordance with Section 6.35 of the General Terms and Conditions.
- (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 href="#">(a)</a> :	0.0	<del>0.204356</del> <a href="#">0.3017209</a> /d
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Notes:

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

## 5.1.2 APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to firm gas transportation services performed by GTN for Shipper pursuant to the executed Firm Transportation Service Agreement between GTN and Shipper. GTN shall receive from Shipper such daily quantities of gas up to the Shipper's Maximum Daily Quantity as specified in the executed Firm Transportation Service Agreement between GTN and Shipper plus the required quantity of gas for fuel and line loss associated with service under this Rate Schedule FTS-1 and redeliver an amount equal to the quantity received less the required quantity of gas for fuel and line loss, plus all applicable surcharges. This transportation service shall be firm and not subject to curtailment or interruption except as provided in the Transportation General Terms and Conditions. A Shipper's Maximum Daily Quantity shall be a uniform quantity throughout the contract term, except that GTN may, on a not unduly discriminatory basis, agree to differing monthly levels in the Shipper's Maximum Daily Quantity during the term of Shipper's contract. Shipper's Maximum Daily Quantity and any differing levels in the Maximum Daily Quantity, as well as the period of such differing Maximum Daily Quantity levels, shall be specified in the executed Firm Transportation Service Agreement.

Firm transportation service shall be subject to all provisions of the executed Firm Transportation Service Agreement between GTN and Shipper and the applicable Transportation General Terms and Conditions.

5.1.3.4 Authorized and Unauthorized Overruns ~~Charge~~.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ shall be transported when capacity is available on the GTN system and when the provision of such Authorized Overruns shall not affect any Shipper's rights on the GTN System. Authorized Overruns are interruptible in nature. The rate charged for Authorized Overruns shall be the same as the rates and charges for interruptible transportation under Rate Schedule ITS-1 as set forth in Section 4.1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.1.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

5.1.3.5 Applicability of Surcharges.

The applicable rates for service under this Rate Schedule are set forth in the currently effective Statement of Rates of this Tariff (Section 4.1) and are hereby incorporated herein.

Shipper shall pay all reservation and all usage-surcharges applicable to this rate schedule for e-service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A. ~~Such surcharges shall be deemed to be part of Shipper's Reservation and Delivery Charges.~~



5.2.3.4 Authorized and Unauthorized Overruns ~~Charge~~.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ shall be transported when capacity is available on the GTN system and when the provision of such Authorized Overruns shall not affect any Shipper's rights on the GTN System. Authorized Overruns are interruptible in nature. The rate charged for Authorized Overruns shall be the same as the rates and charges for interruptible transportation under Rate Schedule ITS-1 as set forth in Section 4.1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.2.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

### 5.3.6 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions except Sections 6.28, 6.31, 6.33, ~~6.35~~ and 6.37 are applicable to this rate schedule, unless otherwise expressed in the executed Interruptible Transportation Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to interruptible transportation service rendered under this rate schedule, and, by this reference, are made a part hereof.

## 5.5.2 APPLICABILITY AND CHARACTER OF SERVICE

1. This rate schedule shall apply to Parking and Lending Service (“PAL”) performed by GTN, where gas may be received (park) or advanced (loan) by GTN for a Shipper.
2. Notwithstanding the provisions applicable to ATPL as defined below, ~~S~~service under this rate schedule shall be provided up to Shipper’s Maximum Quantity, as set forth on Exhibit A of Shipper’s effective PAL Service Agreement, to the extent GTN’s system permits the provision of such service and that the provision of such service shall not prevent GTN from meeting all of its firm and interruptible service obligations, including GTN’s system needs.
  - (a) Parking Service is an interruptible service that provides for:
    - (i) The receipt by GTN of gas quantities that have been delivered by Shipper at a PAL Point, as set forth on Exhibit A of an effective PAL Service Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be parked, which may include a requirement for Shipper to park such quantities ratably;
    - (ii) GTN holding the parked gas quantities; and
    - (iii) The subsequent return of parked gas quantities to the Shipper at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to receive such quantities ratably.
  - (b) Lending Service is an interruptible service that provides for:
    - (i) The receipt of gas quantities by Shipper from GTN at a PAL Point, as set forth on Exhibit A of an effective PAL Service Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be loaned, which may include a requirement for Shipper to receive such quantities ratably; and
    - (ii) The subsequent return of the loaned gas quantities to GTN at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to return such quantities ratably.

3. Shipper Authorized Automatic Term Parking/Lending (“ATPL”) is an enhanced PAL Service option that allows a Shipper to nominate, parking and/or lending service at a designated PAL Point within a supported nomination cycle for a mutually agreed upon term and Maximum Quantity that a Shipper is authorized to automatically park or loan on a given Gas Day. ATPL receives a higher level of scheduling priority than GTN’s interruptible services.

A Maximum Cumulative Tolerance Level shall be established under ATPL which shall be equivalent to the maximum cumulative quantity of natural gas that Shipper is pre-authorized, subject to availability, to park or loan at a designated PAL Point during the term of the applicable ATPL, as set forth on Exhibit A to the PAL Service Agreement.

To initiate on a prospective basis, Shipper must complete and submit to GTN a proposed Exhibit A to an effective PAL Service Agreement. Shipper retains the right to prospectively adjust scheduled parking and/or lending activity nominated via ATPL in subsequent nomination cycles.

4. GTN shall maintain separate Parking Service and Lending Service PAL Account(s) for each Shipper utilizing the services herein.

GTN shall receive from, or advance to, Shipper such daily quantities of gas nominated and scheduled for receipt or delivery by GTN, and park or lend such gas for a minimum of one (1) day. Such quantities received or advanced shall be recorded in Shipper's PAL Account, as applicable.

Shippers electing to withdraw parked gas or redeliver loaned gas from their respective PAL Account shall nominate a quantity up to the quantity of gas available in their respective PAL Account at the point the gas was either received or advanced by GTN.

54. If GTN and Shipper agree that Shipper may receive parked gas quantities or return loaned gas quantities at point(s) that are different from those specified on Exhibit A of Shipper’s effective PAL Service Agreement, then Shipper and GTN must utilize a separate Transportation Service Agreement(s) to effectuate receipt or delivery of such gas at the new point(s).

65. In the event GTN does not have sufficient capacity on a given day to satisfy all nominations under this PAL rate schedule, GTN shall schedule nominations in sequence, starting with the nomination of the Shipper paying the highest rate for service under this rate schedule. If two or more Shippers are paying the same rate for service under this rate schedule, the nominations of such Shippers shall be scheduled on a pro-rata basis, using confirmed quantities.

~~6.~~  
7. If GTN, upon nomination by Shipper fails to schedule quantities of gas for withdrawals from Shipper's PAL Account for a period of thirty (30) consecutive days, GTN will be obligated to purchase the quantity of gas in Shipper's PAL Account at a price equal to 120% of the average daily midpoint prices, as published in the daily price survey by Gas Daily for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, for the thirty (30) days in which the curtailment occurs.

87. Unless otherwise agreed to by GTN, if Shipper fails to return to GTN loaned quantities of gas as agreed to in Exhibit A of an effective PAL Service Agreement, Shipper will be obligated to purchase such quantities of gas from GTN at the highest price, determined as 200% of the highest daily midpoint price for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, as published in the daily price survey by Gas Daily, that occurred either:

- (a) within the month in which the loan of the gas quantities occurred; or
- (b) within the month in which return of the loaned gas quantities was scheduled but did not occur.

GTN may require Shipper to withdraw all, or any portion of the gas quantities parked by GTN for Shipper, as agreed to in Exhibit A of an effective PAL Service Agreement, within thirty (30) days of GTN's notice to Shipper. If Shipper fails to arrange for the withdrawal of such parked quantities as specified in GTN's notice, despite the availability of capacity for the withdrawal of Shipper's gas under its PAL Service Agreement, GTN shall take title to that portion of Shipper's PAL Account that Shipper was instructed to withdraw, free and clear of any adverse claims. GTN's notice to Shipper may be verbal and in such case shall be followed by a written confirmation. To protect its system, GTN may require the withdrawal of quantities of parked gas in Shipper's PAL Account within 24 hours. In the event Shipper does not cause the withdrawal of such parked gas within 24 hours, GTN shall have the right to take title to those quantities of parked gas in Shipper's PAL Account free and clear of any adverse claims.

98. Not more than thirty (30) days after the termination of Shipper's PAL Service Agreement, GTN will notify Shipper of Shipper's PAL Account balance. Shipper will nominate to eliminate any remaining balance within thirty (30) days of the date of GTN's notice.

109. PAL Service and ATPL, if elected, shall be subject to curtailment pursuant to the applicable Transportation General Terms and Conditions contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A.



### 5.5.3 RATES

Shipper shall pay GTN, each month, for services provided under Rate Schedule PAL. The maximum and minimum rate(s) set forth under Rate Schedule PAL in GTN's current Statement of Effective Rates and Charges for Transportation of Natural Gas in this FERC Gas Tariff, Fourth Revised Volume No. 1-A are applicable to PAL Service rendered hereunder.

The monthly charges for PAL Service in each PAL Account shall be the product of the quantity of gas in Shipper's PAL Account and the maximum PAL rate as set forth in the current Statement of Rates and Charges for the Transportation of Natural Gas, unless GTN elects to discount such rate, for each day gas remains in the PAL Account.

The monthly charge for ATPL is the Maximum Quantity multiplied by the maximum PAL rate multiplied by the number of days within such month that service is in effect, all as set forth in the Exhibit A of the executed PAL Service Agreement.

If, on any day, Shipper submits a nomination with GTN to receive parked, or return loaned, quantities of gas which are reflected in its PAL Account, but GTN is unable to schedule all such quantities nominated, GTN shall suspend the PAL rate charges for that quantity not scheduled until GTN is able to schedule the quantity nominated.

#### 1. Negotiated Rates.

Notwithstanding any provision of GTN's Tariff to the contrary, GTN and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this rate schedule or by any other applicable provision of GTN's Tariff.

#### 2. Discounted Rates.

GTN may offer to discount the maximum rate for service under this rate schedule. If GTN elects to discount its rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected, provided, however, such discount shall not be unduly discriminatory between individual Shippers. The rate for service under this rate schedule shall not be discounted below the Minimum Base Tariff Rate.

5.5.3.1 ATPL Reservation Charge Credits.

For purposes of this Section, Firm Daily Volume shall mean the volume of gas which GTN is obligated to park and/or loan at or from Shipper's PAL Point on a Gas Day, based on confirmable nominations within Shipper's Maximum Quantity. Sections 5.1.3.9 (Rate Schedule FTS-1, Reservation Charge Credit – Force Majeure Event), 5.1.3.10 (Rate Schedule FTS-1, Reservation Charge Credit – Non-Force Majeure Event), and 5.1.3.11 (Rate Schedule FTS-1, Reservation Charge Credit – Confirmable Nominations) are incorporated herein by reference and applicable solely to ATPL.

In accordance with Section 5.5.2, in the event that on any day GTN fails to park and/or lend all of Shipper's quantities scheduled for such day, due to GTN's allocation and curtailment of such service, then GTN shall credit to Shipper an amount equal to the applicable reservation charge as specified on Exhibit A of the PAL Service Agreement multiplied by the quantity of gas which was scheduled but not provided due to GTN's allocation and curtailment of service.



5.6.3.4 Authorized and Unauthorized Overruns ~~Charge~~.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ or MHQ shall be transported when capacity is available on the GTN system. Authorized Overruns are interruptible in nature. The rate charged for Authorized Overruns shall be the same as the rates and charges for interruptible transportation under Rate Schedule IHS as set forth in Section 4.2, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.6.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

## 5.7.5 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions except Sections 6.28 [and](#) ~~6.31, 6.35, and 6.36~~ are applicable to this rate schedule, unless otherwise stated in the executed Firm Hourly Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to firm transportation service rendered under this rate schedule, and by this reference, are made a part hereof.

## 6.1 DEFINITIONS

1. **Gas Day:** In accordance with NAESB Standard 1.3.1, the term "Gas Day" shall be 9:00 a.m. to 9:00 a.m. Central Clock Time (7:00 a.m. to 7:00 a.m. Pacific Clock Time).
2. **Business Day:** The term "Business Day" shall mean Monday through Friday, excluding U.S. Federal Banking Holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.
3. **Month:** The word "month" shall mean a period extending from the beginning of the first day in a calendar month to the beginning of the first day in the next succeeding calendar month.
4. **Maximum Daily Quantity:** The term "Maximum Daily Quantity" (MDQ) shall mean the maximum daily quantity in Dth of gas which GTN agrees to deliver exclusive of an allowance for compressor station fuel, line loss and other unaccounted for gas and transport for the account of Shipper to Shipper's point(s) of delivery on each day during each year during the term of Shipper's Transportation Service Agreement with GTN.
5. **Energy Affiliate:** The term "Energy Affiliate" shall have the meaning provided in Commission Order No. 2004, et seq.
6. **Gas:** The word "gas" shall mean natural gas.
7. **Cubic Foot of Gas:** The term "cubic foot of gas" is defined in accordance with NAESB Standard 2.3.9 as that quantity of gas which measures one (1) cubic foot at standard conditions of 14.73 dry psia, 60 degrees F. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C. Standard 2.3.9 states in full "Standardize the reporting basis for Btu as 14.73 psia at 60 degrees F (101.325 kPa and 15 degrees C), and dry. Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm<sup>2</sup> and 15.6 degrees C and dry. Standardize the reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, at 60 degrees, F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, at 15 degrees C, and dry."

NAESB WGQ takes no position on the basis upon which transactions are communicated to trading partners and/or regulatory agencies, as applicable, nor does NAESB WGQ state whether transactions may take place between parties on a volumetric basis.

8. Mcf: The term "Mcf" shall mean one thousand (1,000) cubic feet of gas and shall be measured as set forth in Section 6.1 paragraph 7 hereof. The term "MMcf" shall mean one million (1,000,000) cubic feet of gas.
9. Dekatherm: The term "Dekatherm" (or "Dth") is the quantity of heat energy equivalent to one million (1,000,000 British Thermal Units (MMBtu). Dth is the standard quantity for Nominations, confirmations and Scheduled Quantities in the United States. For purposes of this Tariff and associated Service Agreements, the terms MMBtu and Dth are synonymous.
10. Btu: The term "Btu" shall mean British Thermal Unit. The term "MMBtu" shall mean one million (1,000,000) British Thermal Units. The reporting basis for Btu shall be standardized as 14.73 dry psia and 60 degrees (60°) Fahrenheit (101.325 kPa and 15.6 degrees C).
11. Gross Heating Value: The term "gross heating value" shall mean the number of Btus in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.
12. Psig: The term "psig" shall mean ~~s~~ pounds per square inch gauge.
13. Releasing Shipper: A firm transportation Shipper which intends to post its service to be released to a Replacement Shipper, has posted the service for release, or has released its service.
14. Replacement Shipper: A Shipper which has contracted to utilize a Releasing Shipper's service for a specified period of time.
15. Posting Period: The period of time during which a Releasing Shipper may post, or have posted by the pipeline, all or a part of its service for release to a Replacement Shipper.
16. Release Term: The period of time during which a Releasing Shipper intends to release, or has released all or a portion of its contracted quantity of service to a Replacement Shipper.
17. Bid Period: The period of time during which a Replacement Shipper may bid to contract for a parcel which has been posted for release by a Releasing Shipper.
18. Parcel: The term utilized to describe an amount of capacity, expressed in Dth/d, from a specific receipt point to a specific delivery point for a specific period of time which is released and bid on pursuant to the capacity release provisions contained in Section 6.28 of these Transportation General Terms and Conditions.

19. **Primary Release:** The term used to describe the release of capacity by a Releasing Shipper receiving service under a Part 284 firm transportation rate schedule.
20. **Secondary Release:** The term used to describe the release of capacity by a Replacement Shipper receiving service under a Part 284 firm transportation rate schedule.
21. **Bid Reconciliation Period:** The period of time subsequent to the Bid Period during which bids are evaluated by GTN.
22. **Match Period:** The period of time subsequent to the Bid Reconciliation Period and before the notification deadline for awarding capacity for Prearranged Deals that require bidding. During this period, the Prearranged Shipper may match any higher bids for the Parcel.
23. **Mainline Facilities:** The term "Mainline Facilities" shall mean the 36-inch and 42-inch mains and appurtenant facilities extending from the interconnection with the pipeline facilities of TransCanada PipeLines Limited B.C. System and Foothills Pipe Lines (South B.C.) Ltd., near Kingsgate, British Columbia to the interconnection with the pipeline facilities of Pacific Gas and Electric Company near Malin, Oregon.
24. **Extension Facilities:** The term "Extension Facilities" shall mean the 12-inch mains and appurtenant facilities extending from GTN's mainline facilities at Milepost 304.25 and the 16-inch and 12-inch mains and appurtenant facilities extending from GTN's Mainline Facilities at Milepost 599.20 that were authorized in Docket No. CP93-618-000. The term "Extension Facility" shall mean one of the Extension Facilities.
25. **Subject Shipper:** The term "Subject Shipper" shall mean the Shippers identified in Appendix G of the Stipulation and Agreement in Docket No. RP94-149-000, et al., and Shippers that have obtained service rights from such Shippers.
26. **Nominations:** A "Nomination" shall be the provision of information to GTN necessary to effectuate a transportation transaction. Specific Nomination procedures are set forth in Section 6.19.4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
27. **Intraday Nomination:** An "Intraday Nomination" is a Nomination submitted after the Nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of the Gas Day.

28. North American Energy Standards Board Standards: The term "North American Energy Standards Board Standards" or "NAESB Standards" shall mean the standardized business practices and electronic communication practices promulgated by the North American Energy Standards Board from time to time and incorporated in the Code of Federal Regulations by the Federal Energy Regulatory Commission.
29. Asset Manager: A party that agrees to manage gas supply and delivery arrangements, including transportation and storage capacity, for another party. The asset manager uses released capacity to serve the gas supply requirements of the releasing shipper and, when the capacity is not needed for that purpose, uses the capacity to make releases or bundled sales to third parties.
30. Forward Haul: The term "Forward Haul" shall refer to (1) transportation service on GTN's mainline system in which the nominated direction of flow from receipt point to delivery point is from north to south or (2) transportation service on a GTN lateral in which the nominated direction of flow from receipt point to delivery point is from GTN's mainline system to the terminus of the lateral.
31. Backhaul: The term "Backhaul" shall refer to transportation service on GTN's mainline system and laterals that is in the opposite direction of a Forward Haul as defined in Section 6.1 paragraph 30 above.
32. Primary Path: The term "Primary Path" shall mean the transportation path established by the receipt and delivery points as set forth in Shipper's executed Service Agreement. A shipper's Primary Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 30 and 31 above.
33. Reverse Path: The term "Reverse Path" shall mean the transportation path that is in the opposite direction of that Shipper's Primary Path as defined in Section 6.1 paragraph 32 above. A Shipper's Reverse Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 30 and 31 above. Reverse Path transactions rely on secondary point rights and are subject to the operating conditions of GTN's pipeline and will not be made available to Shipper if GTN determines, in its sole discretion, that such transportation is operationally infeasible or otherwise not available.
34. Negotiated Rate: The term "Negotiated Rate" shall mean a rate (including a Negotiated Rate Formula) that GTN and a Shipper have agreed will be charged for service under Rate Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or be less than the minimum rate, for such component set forth in GTN's tariff for the given service. Any Agreement entered into after the effective date of this subsection which provides for a rate under Rate

Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discounted rate or a negotiated rate.

35. **Negotiated Rate Formula:** The term "Negotiated Rate Formula" shall mean a rate formula that GTN and a Shipper have agreed will apply to service under a specific contract under Rate Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or may be less than the minimum rate, for such component set forth in GTN's Tariff for the given service.
36. **Recourse Rate:** The term "Recourse Rate" shall mean the applicable maximum rate that would apply to each respective Rate Schedule as set forth in the Statement of Rates of this FERC Gas Tariff.
37. **Existing Capacity:** The term "Existing Capacity" shall mean capacity that has been in-service beyond the initial terms of Agreements that originally supported the construction of such capacity. Existing Capacity additionally includes capacity that is still within such initial terms where Shipper Agreements pertaining to the capacity have been terminated by the pipeline. Existing Capacity additionally includes unsubscribed capacity created as part of a pipeline expansion project.
38. **Expansion Capacity:** The term "Expansion Capacity" shall mean capacity that is added to the pipeline system as part of a system expansion project where such capacity is still within the initial contract term(s) of the Agreement(s) that originally supported the construction of such capacity. Expansion Capacity includes permanent releases of capacity that are within the initial term of an original Shipper's contract.
39. **Long-Term Firm Capacity:** The term "Long-Term Firm Capacity" shall mean firm capacity that is provided on GTN's system for periods of 365 days or longer, but which may also be sold as Short-Term Firm Capacity. Unsubscribed Long-Term Firm Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.
40. **Short-Term Firm Capacity:** The term "Short-Term Firm Capacity" shall mean firm capacity that is provided on GTN's system for periods of time that are less than 365 days. Unsubscribed Short-Term Firm Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.
41. **Operationally Available Capacity:** The term "Operationally Available Capacity" shall mean capacity that is available on a day-to-day basis and is equal to the

physical capacities of individual receipt and delivery points less amounts scheduled to be received/delivered at such points. Operationally Available Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.

42. The term "PAL Point" shall mean the point on GTN's system referenced on Exhibit A of a PAL Service Agreement where a Shipper can park or GTN can lend quantities of gas.
43. The term "Maximum Quantity" shall mean the maximum quantity of gas available to Shipper for PAL Service as stated on Exhibit A of a PAL Service Agreement.
44. The term "Hour" shall mean a period of sixty consecutive minutes beginning at the top of the hour, e.g., 9:00, or such other period of sixty consecutive minutes mutually acceptable to GTN and Shipper.
45. The term "Maximum Hourly Quantity" ("MHQ") shall mean the greatest number of Dekatherms that GTN is obligated to deliver at a Primary Point of Delivery to or on behalf of Shipper up to Shipper's MDQ, during any Hour. Shipper shall have the right to take up to the MHQ any Hour of the Gas Day, unless GTN and Shipper agree otherwise, in which case GTN and Shipper shall set forth the MHQ by Hour in the Firm Hourly Service Agreement.
46. Electric Power Costs: The "Electric Power Costs" adjustment is defined and computed in accordance with Section 6.39 of the General Terms and Conditions of GTN's FERC Gas Tariff.
47. Regulatory Environmental & Compliance Costs: The "Regulatory Environmental & Compliance Costs" is defined and computed in accordance with Section 6.35 of the General Terms and Conditions of GTN's FERC Gas Tariff.



## 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: GTN and Shipper may mutually agree to include an evergreen provision in Shipper's Firm Transportation Service Agreement that will allow the agreement to continue in effect beyond its primary term. GTN will make evergreen provisions available to shippers on a not unduly discriminatory basis.~~

6.18.1 Requests for Service:

- (aA) Any Shipper or prospective shipper desiring service on GTN's system must fully complete the request for service available through the customer activities link on GTN's Internet website.
- (bB) Any Shipper desiring enhanced PAL Service under GTN's ATPL must provide the Maximum Quantity Dekatherms and the Maximum Cumulative Tolerance Level, which it desires to be parked and/or loaned on Exhibit A of the PAL Service Agreement as part of the request. Additionally, such Shipper shall identify the designated PAL Point being requested for ATPL.
- (c) GTN will begin processing Shipper's request for service, but GTN does not guarantee that service will be available. GTN will not provide service until Shipper has executed a service agreement. Shipper also shall be required to meet other provisions of this FERC Gas Tariff, including the credit requirements set out in Section 6.18.4 of this Tariff. Standard form Service Agreements for each service offered by GTN are set out in the Form of Service Agreement portion of this Tariff.

Shipper shall not be entitled to receive transportation service under this FERC Gas Tariff, Fourth Revised Volume No. 1-A if Shipper is not current in its payments to GTN for any charge, rate or fee authorized by the Commission for transportation service; provided, however, if the amount not current pertains to a bona fide dispute, including but not limited to force majeure claims relating to this FERC Gas Tariff, Shipper shall be entitled to receive or continue to receive transportation service if it complies with Section 6.8 paragraph 3.

- (dE) Shipper's request for service shall be considered null and void if GTN has notified Shipper that a Service Agreement is ready for execution, and Shipper fails to execute the Service Agreement within fifteen (15) days thereafter.
- (eD) A Service Agreement will be deemed executed on the earlier of (1) execution of the Service Agreement in writing by Shipper and GTN or (2) execution of the Service Agreement in writing by Shipper and Shipper's subsequent nomination pursuant to such Service Agreement.

### 6.18.3 Interruptible Service.

The provisions of this Section 6.18.3 shall be applicable to interruptible transportation service under Rate Schedules ITS-1 and IHS contained in this Fourth Revised Volume No. 1-A.

- (a) Interruptible transportation service under this Fourth Revised Volume No. 1-A shall be provided when, and to the extent that, capacity is available in GTN's existing facilities, which capacity is not subject to a prior claim under a pre-existing agreement pursuant to Rate Schedule FTS-1, [ATPL](#), or under another class of firm service.
- (b) In the event where natural gas tendered by Shipper to GTN at the receipt point(s) for transportation, or delivered by GTN to Shipper (or for Shipper's account) at the delivery point(s), is commingled with other natural gas at the time of measurement, the determination of deliveries applicable to Shipper shall be made in accordance with operating arrangements satisfactory to Shipper, GTN and any third party transporting to or from GTN's system.
- (c) GTN shall process requests for interruptible transportation service on a non-discriminatory basis. Available interruptible capacity shall be allocated by GTN first to the Shipper(s) paying the highest rate, followed by a pro-rata tie breaker, as provided for in Section 6.19 of these General Terms and Conditions.

6.18.4.5 Credit Requirement for Loaned Gas.

For lending services under GTN Rate Schedule PAL, the credit requirement shall include an amount to adequately account for the value of loaned gas. Such amount will be up to Shipper's Maximum Quantity or Shipper's Maximum Cumulative Tolerance Level for ATPL, as set forth on Exhibit A of its PAL Service Agreement multiplied by the midpoint "Malin" price applicable to the last day of the preceding month, as reported in Platts Gas Daily (Daily Price Survey) or any successor publication thereto. GTN shall have no obligation to lend any quantity of gas beyond amounts for which GTN holds security.

6.19.5 Priority of Parking and Lending (PAL) Service.

ATPL shall be confirmed and scheduled before PAL Service and all other GTN interruptible services provided for in GTN's Tariff.

PAL Service shall have the lowest priority on GTN's system. All other transportation service, including rectification of imbalances, have superior priority to these services.

### 6.21.1 Balancing Gas Receipts and Deliveries.

Balancing of thermally equivalent quantities of gas received and delivered by GTN shall be achieved as nearly as feasible on a daily basis, with any cumulative imbalance accounted for on a monthly basis. Correction of imbalances shall be the responsibility of the Shipper whether or not notified by GTN at the time of incurrence of the imbalance. Correction of imbalances shall be scheduled with GTN using the nomination process as soon as an imbalance is known to exist based on the best available current data. Nominations to correct imbalances shall have the lowest priority for scheduling purposes and shall be subject to the availability of capacity and other operational constraints for imbalance correction. If on any day capacity is insufficient to schedule all imbalance nominations, all such nominations shall be prorated accordingly. To maintain the operational integrity of its system, GTN shall have the right to balance any Shipper's account as conditions may warrant.

Imbalance penalties will apply during constraint periods when it is necessary to maintain or restore the operational integrity of the pipeline system and to ensure: adequate pipeline pressures to provide efficient and reliable transportation services; adequate system line pack to deliver on demand; service to all Shippers for all firm services; and a balanced system for the foregoing purposes. Imbalances shall exist as defined below and be subject to the applicable charges and penalties if not corrected.

(a) Actual Delivered Quantity Exceeds MDQ.

Authorized Overruns are interruptible in nature and will be subject to the Authorized Overrun charge, which is equal to the rates and charges set forth for interruptible service under Rate Schedule ITS-1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of these Transportation General Terms and Conditions.

~~An imbalance shall~~ Unauthorized Overruns exist when GTN has not authorized deliveries in excess of a Shipper's MDQ. Under these circumstances, GTN may, without notice, adjust Shipper requests for confirmation from receipt and delivery markets on GTN's system.

Penalty: For ~~u~~Unauthorized Overruns ~~deliveries in excess of a Shipper's MDQ~~, a Shipper shall be assessed a penalty equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

(b) Actual Delivered Quantity Exceeds Receipt Quantity.

A net negative imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for

compressor fuel use, yields a negative result. Commencing upon notification by GTN of the existence of the negative imbalance, and to the extent that the GTN system is not constrained or its integrity is not threatened, Shipper shall have three (3) days to correct the imbalance.

Remedies: Shippers may schedule with GTN using the nomination process to eliminate or reduce negative imbalances. In addition, in accordance with this Section 6.21, Shippers may net or trade imbalances to eliminate or reduce positive imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual delivered quantity and the receipt quantity is in excess of 10% of the delivered quantity or 1000 Dth, whichever is greater, the Shipper shall be assessed a charge of \$5/Dth applied to the excess quantities. If the imbalance is not corrected within 45 days of GTN's notice of an imbalance, the Shipper shall be assessed an additional charge of \$5/Dth, applied to the net imbalance remaining at the end of the 45 day balancing period.

(c) Actual Quantity Received Exceeds Delivered Quantity.

A net positive imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for compressor fuel use, yields a positive result. Commencing upon notification by GTN of the existence of the imbalance, and to the extent that the GTN system is not constrained or its integrity threatened, Shipper shall have three (3) days to correct the imbalance.

Remedies: Shippers may schedule with GTN using the nomination process to eliminate or reduce positive imbalances. In addition, in accordance with this Section 6.21, Shippers may net or trade imbalances to eliminate or reduce positive imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual quantity received and the delivered quantity is in excess of 10% of the delivered quantity or 1000 Dth, whichever is greater, the Shipper shall be assessed a penalty of \$2/Dth applied to the excess quantity. If the imbalance is not corrected within 45 days of GTN's notice of an imbalance, GTN shall be able to retain the remaining imbalance quantity without compensation to the Shipper and free and clear of any adverse claim. Quantities retained by GTN will be sold in accordance with Section 6.40 of these Transportation General Terms and Conditions, and the proceeds from the sale of confiscated gas will be credited to all Shippers in accordance with Section 6.21.6.

(d) Scheduled Delivery Quantity Exceeds Actual Delivered Quantity.

An imbalance shall exist when the quantity scheduled (nominated and confirmed) for delivery exceeds the actual delivered quantity.

Penalty: When the difference between the scheduled delivery quantity and actual delivered quantity is in excess of 10% of the actual deliveries, or 1000 Dth, whichever is greater, the Shipper shall be assessed the maximum applicable interruptible transportation rate applied to the excess quantities.

(e) Actual Delivered Quantity Exceeds Scheduled Delivery Quantity.

An imbalance shall exist when the quantity delivered exceeds the quantity scheduled (nominated and confirmed).

Penalty: When the difference between the actual delivered quantity and the scheduled delivery quantity is in excess of 10% of the scheduled quantity or 1000 Dth whichever is greater, the Shipper shall be assessed the maximum applicable interruptible transportation rate applied to the excess quantities.



6.21.2 Imbalances.

Imbalance determinations as described above will be performed on a daily basis and each daily occurrence will constitute a separate incident. It is recognized and understood that more than one penalty provision may apply to each imbalance incident.

Imbalance and Unauthorized ~~Overruns~~ penalties will be based on the lesser of the impact from operational or actual data. In the event that any penalty would otherwise be applicable under these provisions as a direct consequence of any action or failure to take action by GTN or the failure of any facility under GTN's control, or an event of force majeure as defined in these Transportation General Terms and Conditions, said penalty shall not apply.

#### 6.29.1 Firm Service.

##### (a) Addition of a Receipt Point.

Any firm Shipper receiving service under Part 284 of the Commission's regulations is entitled to use the receipt point specified in its service agreement as a primary receipt point. A firm Shipper may add a secondary receipt point at any time during the life of the contract provided that secondary receipt point is within the Shipper's Primary Path.

Firm Shippers who are billed under a reservation charge and a delivery rate will continue to be billed reservation charges based on the primary receipt point while delivery rates, including fuel and all applicable surcharges, will be calculated on the receipt point actually used.

To the extent additional meter station capacity or other facilities are required to effect the receipt point change, GTN will construct the additional capacity consistent with Section 6.18.6.

##### (b) Changing a Receipt Point.

A firm Shipper may change primary receipt points to a different receipt point within its Original Primary Path but will continue to be billed reservation charges and all applicable surcharges based on the original primary receipt point. A firm Shipper may change primary receipt points to a different receipt point outside its Original Primary Path provided that Shipper agrees to pay additional applicable transportation charges. Changes in receipt points will be permitted provided sufficient receipt point capacity exists at the receiving meter station and subject to any operating constraints. To the extent additional meter station capacity or other facilities are required to effect the receipt point change, GTN will construct the additional capacity at the firm Shipper's expense consistent with Section 6.18.6.

##### (c) Addition of a Delivery Point.

Each firm Shipper is entitled to an allocation of its MDQ to a delivery point(s) as its primary delivery point(s).

A firm Shipper may add secondary delivery points at any time during the life of the contract provided that the secondary delivery points are within the Shipper's Primary Path. In this case, the firm Shipper will continue to be billed any applicable reservation charges based on the primary delivery point; however, delivery rates, including fuel and all applicable surcharges, will be calculated based on the delivery point actually used.

A firm Shipper with primary deliveries allocated to a minor delivery point may add secondary delivery points to its contract provided that the addition of the secondary delivery point does not materially impact service to other firm Shippers.

To the extent additional meter station capacity is required to effect the delivery point(s) change, and subject to any operating constraints GTN will construct the additional capacity consistent with Section 6.18.6.

(d) Changing a Delivery Point.

A firm Shipper may change primary delivery points to a different delivery point within its Original Primary Path but will continue to be billed reservation charges based on the original primary delivery point. A firm Shipper may change primary delivery points to a different delivery point outside its Original Primary Path provided that Shipper agrees to pay additional applicable transportation charges. A firm Shipper may not change its Primary Delivery Point to a location that would change the direction of flow of the Shipper's Primary Path as defined in Section 6.1 paragraph 32 of this Gas Tariff, although a Firm Shipper may initiate Reverse Path transactions which rely upon secondary point rights. Changes in delivery points will be permitted provided sufficient delivery point capacity exists at the delivery meter station. To the extent additional meter station and subject to any operating constraints capacity is required to effect the delivery point change, GTN will construct the additional capacity at the firm Shipper's expense consistent with Section 6.18.6.

A firm Shipper with primary deliveries allocated to a minor delivery point may change primary delivery points in its contract provided that the change of primary delivery point does not materially impact service to other firm Shippers.

(e) Returning to a Former Receipt or Delivery Point.

A Firm Shipper that changes a Receipt or Delivery Point in accordance with this Section 6.29 or which reacquires capacity that Shipper had released shall be entitled to return to its original Receipt or Delivery Points provided sufficient capacity exists at such point and subject to any operating constraints. To the extent additional facilities are necessary to effectuate such a return, GTN will construct additional capacity at the Firm Shipper's consistent with Section 6.18.6.

## 6.30 OPERATIONAL FLOW ORDER (OFO) PROCEDURES

1. GTN, in its sole discretion, will have the right to issue OFOs when in its judgment it is necessary to maintain or restore the operational integrity of its system.
2. Whenever possible, GTN will identify those Shipper(s) or Operational Balancing Agreement (“OBA”) Operator(s) whose action(s) require GTN to issue an OFO and will limit the applicability of the OFO to such Shipper(s)/OBA Operator(s). If GTN is unable to identify those Shipper(s)/OBA Operator(s) whose action(s) require issuance of an OFO, or if issuance of an OFO to discrete Shipper(s)/OBA Operator(s) is insufficient to alleviate the conditions requiring the issuance of such OFO, GTN may issue an additional OFO applicable to all Shippers and OBA Operators on a nondiscriminatory basis.
3. All OFOs will be posted on GTN's website, to be followed by a facsimile, written notice or other mutually agreeable means of electronic communication to affected Shippers/OBA Operators that will set forth the causes or conditions necessitating the OFO. GTN will issue an OFO as expeditiously as is reasonable and practicable in the circumstances. When practicable, GTN will provide sufficient notice to Shippers to accommodate scheduling requirements on upstream pipelines. Each OFO will contain the following provisions:
  - (a) time and date of issuance;
  - (b) time that the OFO is considered to be effective (if no time is specified, the OFO will be effective immediately);
  - (c) duration of the OFO (if not specified, the OFO will be effective until further notice);
  - (d) the quantity of gas required to remedy the operational condition requiring the issuance of the OFO; and
  - (e) any other term GTN may reasonably require to ensure the effectiveness of the OFO.

GTN will post information, as soon as possible, about the status of operational variables that will determine when an OFO will begin and end. GTN will post a notice on its website informing Shipper(s)/OBA Operator(s) when any OFO in effect will be canceled. Following the issuance of an OFO, GTN will post information on the factors that caused the OFO to be issued and then lifted as soon as it is available.

4. Except in cases where the curtailment of interruptible services would not alleviate the causes and conditions necessitating the issuance of an OFO, GTN will, where

practicable, curtail interruptible services prior to issuing an OFO. GTN shall not be required to curtail interruptible services to individual Shippers when curtailment of service to those Shippers would not affect the OFO.

5. Upon the issuance of an OFO by GTN, it shall be incumbent upon Shipper/OBA Operator to adjust Gas supplies as directed within the time frame specified in the OFO. Failure to comply in a timely fashion with an OFO may result in an immediate interruption of all or a portion of Shipper's service or service at a point covered by an OBA and cause Shipper/OBA Operator to incur a penalty based on the higher of \$25/Dth or a price per Dth equal to three times the midpoint price reported for Malin, Oregon as published in the daily price survey by Platts Gas Daily for all quantities in excess of that allowed under the OFO for the day on which the penalty is incurred. The payment of ~~penalties for uUnauthorized eOverruns penalties~~ does not create the right to exceed the levels established by an OFO.
6. In the event Shipper/OBA Operator does not respond to the OFO and GTN believes it is necessary to take actions such as buying or selling gas to maintain system integrity or to prevent interrupting service to another Shipper, GTN shall have the right, but not the obligation, to take such remedial actions as it deems necessary. If GTN takes these actions, it shall be made whole by the non-responding Shipper/OBA Operator for all costs that GTN incurs either through retention of penalty revenues or by direct reimbursement by Shipper/OBA Operator. GTN shall not be liable for any costs incurred by any Shipper/OBA Operator in complying with an OFO.
7. GTN shall not be responsible for any damages that result from any interruption in Shipper's/OBA Operator's service that is a result of Shipper's/OBA Operator's failure to comply promptly and fully with an OFO and the non-complying Shipper(s)/OBA Operator(s) shall indemnify GTN against any claims of responsibility.
8. Notwithstanding the foregoing, when gas supplies necessary to effectuate transportation deliveries are not flowing on the system, GTN will not be responsible for backing up such supplies and the associated deliveries will be subject to interruption.
9. Where a nomination is required by GTN to make an effective physical change necessary to comply with an OFO, unless circumstances dictate otherwise, an OFO penalty should not be assessed unless the Shipper/OBA Operator is given the opportunity to correct the circumstance giving rise to the OFO and fails to do so, or the action(s) taken fails to do so. The opportunity to correct the critical circumstance should include the opportunity to:
  - (a) make a nomination, which, once confirmed and scheduled would cure the circumstance giving rise to the OFO, or

- (b) take other appropriate action which cures the circumstance giving rise to the OFO.

A Shipper's response to an OFO should not be constrained by restrictions on the submittal and processing of intra-day nominations.

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(c) 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.

6.36 ~~RESERVED FOR FUTURE USE~~ ~~CREDITING OF INTERRUPTIBLE TRANSPORTATION REVENUES ON EXTENSIONS~~

~~(1) Interruptible Transportation Revenue Credits on Coyote Springs Extension.~~

~~(a) Applicability. Revenue credits from interruptible transportation revenues received by GTN from Rate Schedules ITS-1 (E-3) and IHS (E-3) Shippers shall be provided to GTN's firm Shippers under Rate Schedules FTS-1 (E-3) and FHS (E-3) ("Eligible Shippers"), excluding Shippers receiving service under a Capacity Release Service Agreement.~~

~~(b) Crediting Percentage. GTN shall credit to Eligible Shippers 90 percent of interruptible transportation revenues received during each 12-month period, commencing November 1st of each year, but only to the extent that such transportation revenues exceed the amount of fixed costs which were allocated to interruptible transportation (Cost Allocation Amount) by GTN as part of designing GTN's effective transportation rates during such 12-month period. To the extent that GTN is required to provide interruptible transportation revenue credits during any period during which this Section 6.36 shall be or shall have been in effect for less than 12 months, a "Short Period", GTN shall pro rate the Cost Allocation Amount by the number of days during such Short Period as compared to the total number of days in such 12 months. To calculate the interruptible transportation revenue credit due under the provisions of this section, where applicable, such prorated Cost Allocation Amount shall be compared to GTN's actual interruptible revenues for the Short Period.~~

~~(c) Timing of Credits. Within 45 days after November 1st of each 12-month period or after the end of a Short Period, if applicable, GTN shall determine the total amount of the applicable Rate Schedules ITS-1 (E-3) and IHS (E-3) revenues received during the 12-month period or Short Period and the distribution of the interruptible revenue credits due to Eligible Shippers as described below. Such revenue credits shall be reflected as a credit billing adjustment in the next invoices rendered to the Eligible Shippers. In the event that such credit billing adjustment would result in a credit total invoice to any Shipper, GTN will refund the excess credit billing adjustment to the Shipper in cash within 15 days after determination of the amount of the credit due to the Shipper.~~

~~(d) Exclusion. Revenue credits shall not be awarded for that portion of interruptible revenues that are attributable to: (1) the recovery by GTN of variable costs, which portion shall be equal to the minimum usage charge for Rate Schedules ITS-1 (E-3) and IHS (E-3), and (2) relate to other volumetric surcharges such as ACA.~~

~~(e) Distribution Method. Interruptible transportation revenue credits shall be credited to each Eligible Shipper on a pro rata basis in proportion to the reservation revenues received during the 12-month period or Short Period from each Eligible Shipper divided by the total reservation revenue for each Eligible Shipper received during such period. The~~

- ~~reservation revenues shall include the reservation charges which the Eligible Shippers actually pay prior to the distribution of all revenue credits, and including reservation charges applicable to capacity which was released into GTN's Capacity Release Programs during the 12-month period year or Short Period by the Eligible Shipper.~~
- ~~(f) GTN shall pay interest to Eligible Shippers on any revenue credits from the date such credits accrue. Such interest shall be calculated based upon the rate of interest specified in Section 154.67(e) of the Commission's regulations.~~
- ~~(2) Interruptible Transportation Revenue Credits on Medford Extension.~~
- ~~(a) Applicability. Revenue credits from interruptible transportation revenues received by GTN from Rate Schedules ITS 1 (E 1) and IHS (E 3) Shippers shall be credited to the deferred account for Washington Water Power Company's WP Natural Gas subsidiary in accordance with the mechanism approved by Order of June 1, 1995, 71 FERC Paragraph 61,268.~~
- ~~(b) Crediting Percentage. GTN shall credit to the deferred account 90 percent of interruptible transportation revenues received during each 12-month period, commencing November 1st of each year, but only to the extent that such transportation revenues exceed the amount of fixed costs which were allocated to interruptible transportation (Cost Allocation Amount) by GTN as part of designing GTN's effective transportation rates during such 12-month period. To the extent that GTN is required to provide interruptible transportation revenue credits during any period during which this Section 6.36 shall be or shall have been in effect for less than 12 months, a "Short Period", GTN shall pro rate the Cost Allocation Amount by the number of days during such Short Period as compared to the total number of days in such 12 months. To calculate the interruptible transportation revenue credit due under the provisions of this section, where applicable, such pro-rated Cost Allocation Amount shall be compared to GTN's actual interruptible revenues for the Short Period.~~
- ~~(c) Exclusion. Revenue credits shall not be awarded for that portion of interruptible revenues that are attributable to the recovery by GTN of variable costs, which portion shall be equal to the minimum usage charge for Rate Schedules ITS 1 (E 1) and IHS (E 3).~~

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.

GAS TRANSMISSION NORTHWEST LLC  
PARKING AND LENDING (PAL)  
AGREEMENT

EXHIBIT A TO PARKING AND LENDING (PAL) SERVICE AGREEMENT

This Exhibit A is entered into by Gas Transmission Northwest LLC (GTN) and \_\_\_\_\_ (Shipper) and;

WHEREAS, Shipper and GTN have entered into PAL Service Agreement No. \_\_\_\_\_ to facilitate the contracting process.

NOW, THEREFORE, Shipper and GTN agree that the terms below, together with the terms and conditions of the previously executed PAL Service Agreement, constitute a single Parking and Lending Service Agreement and fully describe the service to be provided and the rights and obligations of Shipper and GTN.

COMPANY – Gas Transmission Northwest LLC

COMPANY ADDRESS - Commercial Operations  
700 Louisiana Street, Suite ~~7~~1300  
Houston, Texas, ~~-77002-2700~~

SHIPPER -

SHIPPER'S ADDRESS -

PAL Term: \_\_\_\_\_ to \_\_\_\_\_

Maximum Quantity ("MQ"): \_\_\_\_\_

PAL Point: \_\_\_\_\_

Check applicable PAL Service Option (Parking and/or Lending):

       PARKING Service

<u>PARKING INFORMATION</u>			<u>INTERIM INFORMATION</u>		<u>PARK RETURN INFORMATION</u>		
<u>Ratable (Y or N)</u>	<u>Park Period (Date Range)</u>	<u>PAL Rate (\$/Dth/D)</u>	<u>Interim Period (Date Range)</u>	<u>PAL Rate (\$/Dth/D)</u>	<u>Ratable (Y or N)</u>	<u>Return Period (Date Range)</u>	<u>PAL Rate (\$/Dth/D)</u>
<u>      </u>	<u>      </u> to <u>      </u>	<u>      </u>	<u>      </u> to <u>      </u>	<u>      </u>	<u>      </u>	<u>      </u> to <u>      </u>	<u>      </u>

       LENDING Service

<u>LENDING INFORMATION</u>			<u>INTERIM INFORMATION</u>		<u>LEND RETURN INFORMATION</u>		
<u>Ratable (Y or N)</u>	<u>Lend Period (Date Range)</u>	<u>PAL Rate (\$/Dth/D)</u>	<u>Interim Period (Date Range)</u>	<u>PAL Rate (\$/Dth/D)</u>	<u>Ratable (Y or N)</u>	<u>Return Period (Date Range)</u>	<u>PAL Rate (\$/Dth/D)</u>
<u>      </u>	<u>      </u> to <u>      </u>	<u>      </u>	<u>      </u> to <u>      </u>	<u>      </u>	<u>      </u>	<u>      </u> to <u>      </u>	<u>      </u>

Enhanced PAL Service (ATPL)

<u>Shipper Authorized</u>	<u>Commencement of Service Option</u>	<u>Termination of Service Date</u>	<u>Maximum Quantity Dekatherms</u>	<u>Daily Rate per Dekatherm</u>	<u>PAL Point</u>
<u>Automatic Term</u>					
<u>Parking/Lending Service (ATPL)</u>				<u>* \$</u>	

Maximum Cumulative Tolerance Level: \_\_\_\_\_ dth

\*Maximum Quantity available on a daily basis during the term of this Exhibit A.

This Exhibit A is made and entered into as of \_\_\_\_\_, 20\_\_.

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 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 \_\_\_\_\_ 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.

(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  
700 Louisiana Street, Suite 71300  
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 B

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

#### List of Proposed Pro Forma Tariff Records Preferred Case

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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 (a) (e):

ZONE OF RECEIPT	ZONE OF DELIVERY			
	NORTH ZONE		SOUTH ZONE	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
<b>NORTH ZONE</b>				
Reservation (Dth/d)	0.1468179	0.0000000	0.2705877	0.0000000
Delivery (Dth)	0.0024914	0.0024914	0.0051194	0.0051194
<b>SOUTH ZONE</b>				
Reservation (Dth/d)	0.2705877	0.0000000	0.1535749	0.0000000
Delivery (Dth)	0.0051194	0.0051194	0.0026280	0.0026280

	DAILY NON-MILEAGE (b) (Dth)		DELIVERY (Dth)	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
	<b>EXTENSION CHARGES:</b>			
<b>MEDFORD</b>				
E-1 (f)	0.0825054	0.0000000	0.0000000	0.0000000
<b>COYOTE SPRINGS</b>				
E-3 (i)	0.0480758	0.0000000	0.0000000	0.0000000
<b>CARTY LATERAL</b>				
E-4 (p)	0.1124403	0.0000000	0.0000000	0.0000000
<b>OVERRUN CHARGE (j)</b>	---	---	---	---

*Appendix B-1 - Preferred Case Clean  
Pro Forma*

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

PART 4.1  
4.1 - Statement of Rates  
FTS-1, LFS-1, and FHS Rates  
v.21.1.0

	<u>RESERVATION (Dth/d)</u>	<u>COMMODITY (Dth/d)</u>
<b>FUEL: (d)</b>		
<u>NORTH FUEL</u>		
MAXIMUM FUEL AND LINE LOSS PERCENTAGE	---	1.7310%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE	---	0.0000%
<u>SOUTH FUEL</u>		
MAXIMUM FUEL AND LINE LOSS PERCENTAGE	---	1.3315%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE	---	0.0000%
<hr/>		
<b>SURCHARGES:</b>		
ACA	(k)	---
<u>ELECTRIC POWER COSTS (EPC) (g)</u>		
NORTH EPC	0.0000000	0.0000000
SOUTH EPC	0.0000000	0.0000000
<u>REGULATORY ENVIRONMENTAL &amp; COMPLIANCE COSTS (RECC) (l)</u>		
NORTH RECC	0.0000000	---
SOUTH RECC	0.0000000	---

Issued: September 29, 2023  
Effective:

Docket No.  
Accepted:

*Appendix B-1 - Preferred Case Clean  
Pro Forma*

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

PART 4.1  
4.1 - Statement of Rates  
FTS-1, LFS-1, and FHS Rates  
v.21.1.0

For Rate Schedule FHS (a):

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 Reservation Charge shall be adjusted to reflect the expedited hours of gas flow (“HF”) utilizing the following formula, rounded to 7 decimal places:

$$(a) \text{ Reservation Charge} = \text{FTS-1RC} \times (24/\text{HF})$$

where:

$$\begin{aligned} \text{FTS-1RC} &= \text{Applicable FTS-1 Reservation Charge} \\ \text{HF} &= \text{MDQ/MHQ} \end{aligned}$$

Issued: September 29, 2023  
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STATEMENT OF EFFECTIVE RATES AND CHARGES FOR  
TRANSPORTATION OF NATURAL GAS

Rate Schedule ITS-1 (e)

ZONE OF RECEIPT	ZONE OF DELIVERY			
	NORTH		SOUTH	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
<b>NORTH ZONE</b>				
Delivery (Dth)	0.0024914	0.0024914	0.0051194	0.0051194
<b>SOUTH ZONE</b>				
Delivery (Dth)	0.0051194	0.0051194	0.0026280	0.0026280

	DAILY NON-MILEAGE (b) (Dth)		DELIVERY (Dth)	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
<b>EXTENSION CHARGES:</b>				
<b>MEDFORD</b>				
E-1 (f)	0.0825054	0.0000000	0.0000000	0.0000000
<b>COYOTE SPRINGS</b>				
E-3 (i)	0.0480758	0.0000000	0.0000000	0.0000000
<b>CARTY LATERAL</b>				
E-4 (p)	0.1124403	0.0000000	0.0000000	0.0000000
<b>OVERRUN CHARGE (j)</b>	---	---	---	---

Rate Schedule ITS-1

	RESERVATION <u>(Dth/d)</u>	COMMODITY <u>(Dth/d)</u>
<b>FUEL: (d)</b>		
<u>NORTH FUEL</u>		
MAXIMUM FUEL AND LINE LOSS PERCENTAGE	---	1.7310%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE	---	0.0000%
<u>SOUTH FUEL</u>		
MAXIMUM FUEL AND LINE LOSS PERCENTAGE	---	1.3315%
FUEL AND LINE LOSS PERCENTAGE SURCHARGE	---	0.0000%
<hr/>		
<b>SURCHARGES:</b>		
ACA	(k)	---
<u>ELECTRIC POWER COSTS (EPC) (g)</u>		
NORTH EPC	0.000000	0.000000
SOUTH EPC	0.000000	0.000000
<u>REGULATORY ENVIRONMENTAL &amp; COMPLIANCE COSTS (RECC) (l)</u>		
NORTH RECC	0.000000	---
SOUTH RECC	0.000000	---



Rate Schedule IHS

ZONE OF RECEIPT	ZONE OF DELIVERY			
	NORTH		SOUTH	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
<b>NORTH ZONE</b>				
Delivery (Dth)	0.0024914	0.0024914	0.0051194	0.0051194
<b>SOUTH ZONE</b>				
Delivery (Dth)	0.0051194	0.0051194	0.0026280	0.0026280

	DAILY NON-MILEAGE (b) (Dth)		DELIVERY (Dth)	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
<b>EXTENSION CHARGES:</b>				
<b>MEDFORD</b>				
E-1 (f)	0.1980130	0.0000000	0.0000000	0.0000000
<b>COYOTE SPRINGS</b>				
E-3 (i)	0.1153819	0.0000000	0.0000000	0.0000000
<b>CARTY LATERAL</b>				
E-4 (p)	0.2698567	0.0000000	0.0000000	0.0000000
<b>OVERRUN CHARGE (j)</b>	---	---	---	---

Rate Schedule IHS

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

STATEMENT OF EFFECTIVE RATES AND CHARGES  
FOR TRANSPORTATION OF NATURAL GAS

Notes:

- (a) Transportation quantities that are delivered to points in either Zone(s) shall be assessed the applicable Zone(s) path Reservation Charge(s), the Delivery Charges, plus any applicable Extension Charge(s), Overrun Charge(s), Fuel and Line Loss Percentages and applicable surcharges.
- (b) The Reservation Charge is applied per Shipper's MDQ based upon Shipper's Primary Point(s) of Receipt and Delivery on Mainline Facilities.
- (c) Reserved for Future Use.
- (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. 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) Delivery rates short-term firm (STF) service under Rate Schedule FTS-1 and LFS-1 and FHS are identical to long-term firm service. Seasonal Recourse Reservation Rates apply to short-term firm 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):

*Appendix B-1 - Preferred Case Clean  
Pro Forma*

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

PART 4.3  
4.3 - Statement of Rates  
Footnotes to Statement of Effective Rates and Charges  
v.19.1.0

For STF and ITS-1:

Peak Months Elected	Peak		
	<u>North Zone – North Zone</u>	<u>South Zone – South Zone</u>	<u>North Zone – South Zone</u>
0	0.1468179	0.1535749	0.2705877
1	0.2789540	0.2917923	0.5141166
2	0.2789540	0.2917923	0.5141166
3	0.2789540	0.2917923	0.5141166
4	0.2789540	0.2917923	0.5141166

Peak Months Elected	Off Peak		
	<u>North Zone – North Zone</u>	<u>South Zone – South Zone</u>	<u>North Zone – South Zone</u>
0	0.1468179	0.1535749	0.2705877
1	0.1348055	0.1410097	0.2484487
2	0.1203907	0.1259314	0.2218819
3	0.1027726	0.1075025	0.1894115
4	0.0807499	0.0844662	0.1488233

For IHS:

Peak Months Elected	Peak		
	<u>North Zone – North Zone</u>	<u>South Zone – South Zone</u>	<u>North Zone – South Zone</u>
0	0.3523629	0.3685797	0.6494104
1	0.6694896	0.7003015	1.2338798
2	0.6694896	0.7003015	1.2338798
3	0.6694896	0.7003015	1.2338798
4	0.6694896	0.7003015	1.2338798

Peak Months Elected	Off Peak		
	<u>North Zone – North Zone</u>	<u>South Zone – South Zone</u>	<u>North Zone – South Zone</u>
0	0.3523629	0.3685797	0.6494104
1	0.3235332	0.3384233	0.5962769
2	0.2889377	0.3022354	0.5325166
3	0.2466542	0.2580060	0.4545876
4	0.1937997	0.2027189	0.3571759

Issued: September 29, 2023  
Effective:

Docket No.  
Accepted:

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 (12) month period beginning June 1 of the same year. For Rate Schedules FTS-1 STF, ITS-1, and IHS, the North Zone to South Zone path rates are identical to the South Zone to North Zone path rates.

- (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.
- (h) Reserved for Future Use.
- (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](http://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.
- (m) Reserved for Future Use.
- (n) Reserved for Future Use.
- (o) Reserved for Future Use.
- (p) Applicable to firm service on GTN's Carty Lateral Extension.

RESERVATION (a)

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>

**EXTENSION CHARGES:**

**MEDFORD**

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	---	---

- (a) 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.

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	0.2757071/d

Notes:

- (a) Applicable to both PAL Service and ATPL enhancement option as defined in Section 5.5.2.

## 5.1.2 APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to firm gas transportation services performed by GTN for Shipper pursuant to the executed Firm Transportation Service Agreement between GTN and Shipper. GTN shall receive from Shipper such daily quantities of gas up to the Shipper's Maximum Daily Quantity as specified in the executed Firm Transportation Service Agreement between GTN and Shipper plus the required quantity of gas for fuel and line loss associated with service under this Rate Schedule FTS-1 and redeliver an amount equal to the quantity received less the required quantity of gas for fuel and line loss, plus all applicable surcharges. This transportation service shall be firm and not subject to curtailment or interruption except as provided in the Transportation General Terms and Conditions. A Shipper's Maximum Daily Quantity shall be a uniform quantity throughout the contract term, except that GTN may, on a not unduly discriminatory basis, agree to differing monthly levels in the Shipper's Maximum Daily Quantity during the term of Shipper's contract. Shipper's Maximum Daily Quantity and any differing levels in the Maximum Daily Quantity, as well as the period of such differing Maximum Daily Quantity levels, shall be specified in the executed Firm Transportation Service Agreement.

Firm transportation service shall be subject to all provisions of the executed Firm Transportation Service Agreement between GTN and Shipper and the applicable Transportation General Terms and Conditions.



5.1.3.1 Reservation Charge.

The Reservation Charge shall be the product of the currently effective reservation rates and the Maximum Daily Quantity for the appropriate Zone(s) of service as set forth in Section 4.1 of this FERC Gas Tariff, Fourth Revised Volume No. 1-A.

- (a) If, in any month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within the Zone for which capacity is reserved pursuant to this Section 5.1.3.1, no additional Reservation Charge shall be applicable. However, if the Secondary Receipt Point(s) or Secondary Delivery Point(s) are outside of the Zone, for which capacity is reserved pursuant to this Section 5.1.3.1, Shipper shall pay for each Gas Day of such nomination the applicable Reservation Rate, as stated in Section 4.1 that GTN otherwise would charge for transportation to or from those additional Zones.
- (b) Shipper's obligation to pay the Reservation Charge is independent of Shipper's ability to obtain export authorization from the National Energy Board of Canada, Canadian provincial removal authority, and/or import authorization from the United States Department of Energy, and shall begin with the execution of the Firm Transportation Service Agreement by both parties. The Reservation Charge due and payable shall be computed beginning in the month in which service is first available (prorated if beginning in the month in which service is available on a date other than the first day of the month). Thereafter, the daily Reservation Charge shall be due and payable each month during the Initial (and Subsequent) Term(s) of the Shipper's executed Firm Transportation Service Agreement and is unaffected by the quantity of gas transported by GTN to Shipper's delivery point(s) in any month except as provided for in Sections 5.1.3.9 and 5.1.3.10 of this Rate Schedule.

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5.1.3.2 Delivery Charge.

The Delivery Charge shall be the product of the applicable Delivery Rate, as set forth in Section 4.1 and the quantities of gas delivered by GTN to or for the account of Shipper in the Month (in Dth) at point(s) of delivery on Mainline Facilities. a

5.1.3.3 Extension Charge.

If Shipper designates a Primary Point of delivery on an Extension Facility, then in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall consist of a Reservation and Delivery Component.

- (a) The Reservation Component of the Extension Charge shall be the product of Shipper's Maximum Daily Quantity at the Primary Point(s) of delivery on the Extension Facility and the applicable Extension reservation rate as set forth in Section 4.1.
- (b) The Delivery Component of the Extension Surcharge shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility and the applicable Extension delivery rate as set forth in Section 4.1.

5.1.3.4 Authorized and Unauthorized Overruns.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ shall be transported when capacity is available on the GTN system and when the provision of such Authorized Overruns shall not affect any Shipper's rights on the GTN System. Authorized Overruns are interruptible in nature. The rate charged shall be the same as the rates and charges for interruptible transportation under Rate Schedule ITS-1 as set forth in Section 4.1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.1.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

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5.1.3.5 Applicability of Surcharges.

The applicable rates for service under this Rate Schedule are set forth in the currently effective Statement of Rates of this Tariff (Section 4.1) and are hereby incorporated herein.

Shipper shall pay all surcharges applicable to this Rate Schedule for service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A.

5.1.3.6 Discounts.

Shipper shall pay the Maximum Reservation Charge, and the Maximum Delivery Charge for service under its applicable Zone(s) in this Rate Schedule unless GTN offers to discount the Reservation Rate or the Delivery Rate under this rate schedule. If GTN elects to discount any such rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected; provided, however, such discount shall not be unduly discriminatory between individual shippers. The rates for service under this rate schedule shall not be discounted below the Minimum Reservation Charge, the Minimum Delivery Rate, and applicable surcharges.

5.1.3.8 Capacity Release.

(a) Releasing Shippers:

Shipper shall have the option to release capacity pursuant to the provisions of GTN's capacity release program as specified in the Transportation General Terms and Conditions. Shipper may release its capacity, up to Shipper's Maximum Daily Quantity under this rate schedule, in accordance with the provisions of Section 6.28 of GTN's Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. Shipper shall pay a fee associated with the marketing of capacity by GTN (if applicable) in accordance with Section 6.28 of the Transportation General Terms and Conditions. This fee shall be negotiated between GTN and the Releasing Shipper.

(b) Replacement Shippers:

Shipper may receive released capacity service under this rate schedule pursuant to Section 6.28 of the Transportation General Terms and Conditions and is required to execute a service agreement in the form contained for capacity release under Rate Schedule FTS-1 in this Fourth Revised Volume No. 1-A.

Shipper shall pay GTN each month for transportation service under this rate schedule and as set forth in GTN's current Statement of Effective Rates and Charges in this Fourth Revised Volume No. 1-A. Charges to be paid shall be the sum of the Reservation Charge, Delivery Charge, and other applicable surcharges or penalties.

If the Replacement Shipper nominates to Secondary Point(s) outside of the Zone where the Releasing Shipper's Primary Point is located, then the Replacement Shipper shall be billed the additional currently effective Zone Charge as set forth in Section 4.1 and Section 4.2, to the Secondary Point.

5.2.3.1 Reservation Charge.

The Reservation Charge shall be the product of the currently effective reservations rates and the Maximum Daily Quantity for the appropriate Zone(s) of service as set forth in Section 4.1 of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. To the extent service is provided for a Partial Volume Day, an LFS shipper's MDQ for that day will be equal to its contractual MDQ multiplied by the ratio of the daily LFS quantity made available to the shipper's contractual MDQ.

- (a) If, in any month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within the Zone for which capacity is reserved pursuant to this Section 5.2.3.1, no additional Reservation Charge shall be applicable. However, if the Secondary Receipt Point(s) or Secondary Delivery Point(s) are outside of the Zone, for which capacity is reserved pursuant to this Section 5.2.3.1, Shipper shall pay for each Gas Day of such nomination the applicable Reservation Rate, as stated in Section 4.1 that GTN otherwise would charge for transportation to or from those additional Zones.
- (b) Shipper's obligation to pay the Reservation Charge is independent of Shipper's ability to obtain export authorization from the National Energy Board of Canada, Canadian provincial removal authority, and/or import authorization from the United States Department of Energy, and shall begin with the execution of the Limited Firm Transportation Service Agreement by both parties. The Reservation Charge due and payable shall be computed beginning in the month in which service is first available (prorated if beginning in the month in which service is available on a date other than the first day of the month). Thereafter, the daily Reservation Charge shall be due and payable each month during the Initial (and Subsequent) Term(s) of the Shipper's executed Limited Firm Transportation Service Agreement and is unaffected by the quantity of gas transported by GTN to Shipper's delivery point(s) in any month except as provided for in Sections 5.1.3.9 and 5.1.3.10 of Rate Schedule FTS-1.



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5.2.3.2 Delivery Charge.

The Delivery Charge shall be the product of the applicable Delivery Rate as set forth in Section 4.1 and the quantities of gas delivered by GTN to or for the account of Shipper in the Month (in Dth) at point(s) of delivery on Mainline Facilities.

5.2.3.3 Extension Charge.

If Shipper designates a Primary Point of delivery on an Extension Facility, then in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall consist of a reservation and delivery component.

- (a) The reservation component of the Extension Charge shall be the product of the Daily Extension Reservation Rate, the number of days in the month less the number of Limited Days and the Shipper's Maximum Daily Quantity at such Point(s). To the extent service is provided for a Partial Volume Day, an LFS shipper's MDQ for that day will be equal to its contractual MDQ multiplied by the ratio of the daily LFS quantity made available to the shipper's contractual MDQ.
- (b) The delivery component of the Extension Surcharge shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility and the applicable Extension delivery rate as set forth in Section 4.1.

5.2.3.4 Authorized and Unauthorized Overruns.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ shall be transported when capacity is available on the GTN system and when the provision of such Authorized Overruns shall not affect any Shipper's rights on the GTN System. Authorized Overruns are interruptible in nature. The rate charged for Authorized Overruns shall be the same as the rates and charges for interruptible transportation under Rate Schedule ITS-1 as set forth in Section 4.1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.2.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

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5.2.3.5 Applicability of Surcharges.

The applicable rates for service under this Rate Schedule are set forth in the currently effective Statement of Rates of this Tariff (Section 4.1) and are hereby incorporated herein.

Shipper shall pay all surcharges applicable to this Rate Schedule for service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A.

5.2.3.6 Discounted Transportation Rates.

Shipper shall pay the Maximum Reservation Charge and the Maximum Delivery Charge for service under its applicable Zone(s) in this Rate Schedule unless GTN offers to discount the Reservation Rate or the Delivery Rate under this rate schedule. If GTN elects to discount any such rate, such discount shall not be anticompetitive or unduly discriminatory between individual shippers. The rates for service under this rate schedule shall not be discounted below the Minimum Reservation Charge, the Minimum Delivery Rate, and applicable surcharges.

5.2.3.8 Capacity Release.

(a) Releasing Shippers:

Shipper shall have the option to release capacity pursuant to the provisions of GTN's capacity release program as specified in the Transportation General Terms and Conditions. Shipper may release its capacity, up to Shipper's Maximum Daily Quantity under this rate schedule, in accordance with the provisions of Section 6.28 of GTN's Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. Shipper shall pay a fee associated with the marketing of capacity by GTN (if applicable) in accordance with Section 6.28 of the Transportation General Terms and Conditions. This fee shall be negotiated between GTN and the Releasing Shipper.

(b) Replacement Shippers:

Shipper may receive released capacity service under this rate schedule pursuant to Section 6.28 of the Transportation General Terms and Conditions and is required to execute a service agreement in the form contained for capacity release under Rate Schedule LFS-1 in this Fourth Revised Volume No. 1-A.

All replacement shippers must accept the same provisions regarding and circumstances relating to Limited Days as apply under the Releasing Shipper's Agreement, including the number of Limited Days remaining in an applicable defined period. Any required capacity release posting must state and describe the contract provisions relating to Limited Days. When a Releasing Shipper releases a volumetric portion of its full contract path, capacity on a Limited or Partial Volume Day shall be prorated among the original and replacement Shippers based on their respective MDQs. When a Releasing Shipper releases a segment of its full contract path, the number of Limited Days that apply to the Replacement will be the number of Limited Days that remain on the Releasing Shipper's Agreement.

In this case, the Releasing and Replacement Shipper Agreements will be treated separately for purposes of calling Limited or Partial Volume Days. In the event of a recall of segmented released capacity, once the capacity reverts to the original Shipper, that Shipper is bound by the greater of the number of Limited Days remaining for either the original or Replacement Shipper in the relevant defined time period. GTN will notify Replacement Shippers, both permanent and temporary, of whether days are Limited or Partial Volume Days.

*Appendix B-1 - Preferred Case Clean*

*Pro Forma*

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PART 5.2.3.8  
5.2.3.8- Rate Sched LFS-1  
Capacity Release  
v.4.1.0

Shipper shall pay GTN each month for transportation service under this rate schedule and as set forth in GTN's current Statement of Effective Rates and Charges in this Fourth Revised Volume No. 1-A. Charges to be paid shall be the sum of the Reservation Charge, Delivery Charge, and other applicable surcharges or penalties.

If the Replacement Shipper nominates to Secondary Point(s) outside of the Zone where the Releasing Shipper's Primary Point is located, then the Replacement Shipper shall be billed the additional currently effective Zone Charge as set forth in Section 4.1 and Section 4.2, to the Secondary Point.

The rates paid by Shipper receiving capacity release transportation service shall be adjusted as provided in the executed Limited Firm Transportation Service Agreement between GTN and Shipper.

Issued: September 29, 2023  
Effective:

Docket No.  
Accepted:

5.3.3.1 Interruptible Transportation Charge.

The monthly Interruptible Transportation Charge shall be the product of the currently effective Reservation Rate components as set forth in Section 4.2 and the quantities of gas delivered during the Month (Dth) at point(s) of delivery on Mainline Facilities for immediate delivery to the facilities of another entity or to an Extension Facility.



5.3.3.2 Extension Charge.

If Shipper designates a point(s) of delivery on an Extension Facility, then, in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility, the applicable Extension Delivery Rate as set forth in Section 4.2.

5.3.3.3 Applicability of Surcharges.

The applicable rates for service under this Rate Schedule are set forth in the currently effective Statement of Rates for this Tariff (Section 4.2) and are hereby incorporated herein.

Shipper shall pay all surcharges applicable to this Rate Schedule for service provided to Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A.

5.3.3.4 Discounts.

Shipper shall pay the Maximum Delivery Rate for service under its applicable Zone(s) in this Rate Schedule, unless GTN offers to discount its rate to Shipper under this Rate Schedule. If GTN elects to discount its rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected, provided, however, such discount shall not be unduly discriminatory between individual Shippers. The rate for service under this Rate Schedule shall not be discounted below the Minimum Delivery Rate. The Minimum Delivery Rate shall be the Minimum Base Tariff Rate and applicable surcharges.

### 5.3.6 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions except Sections 6.28, 6.31, 6.33 and 6.37 are applicable to this rate schedule, unless otherwise expressed in the executed Interruptible Transportation Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to interruptible transportation service rendered under this rate schedule, and, by this reference, are made a part hereof.

## 5.5.2 APPLICABILITY AND CHARACTER OF SERVICE

1. This rate schedule shall apply to Parking and Lending Service (“PAL”) performed by GTN, where gas may be received (park) or advanced (loan) by GTN for a Shipper.
2. Notwithstanding the provisions applicable to the ATPL as defined below, service under this rate schedule shall be provided up to Shipper’s Maximum Quantity, as set forth on Exhibit A of Shipper’s effective PAL Service Agreement, to the extent GTN's system permits the provision of such service and that the provision of such service shall not prevent GTN from meeting all of its firm and interruptible service obligations, including GTN's system needs.
  - (a) Parking Service is an interruptible service that provides for:
    - (i) The receipt by GTN of gas quantities that have been delivered by Shipper at a PAL Point, as set forth on Exhibit A of an effective PAL Service Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be parked, which may include a requirement for Shipper to park such quantities ratably;
    - (ii) GTN holding the parked gas quantities; and
    - (iii) The subsequent return of parked gas quantities to the Shipper at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to receive such quantities ratably.
  - (b) Lending Service is an interruptible service that provides for:
    - (i) The receipt of gas quantities by Shipper from GTN at a PAL Point, as set forth on Exhibit A of an effective PAL Service Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be loaned, which may include a requirement for Shipper to receive such quantities ratably; and
    - (ii) The subsequent return of the loaned gas quantities to GTN at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to return such quantities ratably.

3. Shipper Authorized Automatic Term Parking/Lending (“ATPL”) is an enhanced PAL Service option that allows a Shipper to nominate, parking and/or lending service at a designated PAL Point within a supported nomination cycle for a mutually agreed upon term and Maximum Quantity that a Shipper is authorized to automatically park or loan on a given Gas Day. ATPL receives a higher level of scheduling priority than GTN’s interruptible services.

A Maximum Cumulative Tolerance Level shall be established under ATPL which shall be equivalent to the maximum cumulative quantity of natural gas that Shipper is pre-authorized, subject to availability, to park or loan at a designated PAL Point during the term of the applicable ATPL, as set forth on Exhibit A to the PAL Service Agreement.

To initiate on a prospective basis, Shipper must complete and submit to GTN a proposed Exhibit A to an effective PAL Service Agreement. Shipper retains the right to prospectively adjust scheduled parking and/or lending activity nominated via ATPL in subsequent nomination cycles.

4. GTN shall maintain separate Parking Service and Lending Service PAL Account(s) for each Shipper utilizing the services herein.

GTN shall receive from, or advance to, Shipper such daily quantities of gas nominated and scheduled for receipt or delivery by GTN, and park or lend such gas for a minimum of one (1) day. Such quantities received or advanced shall be recorded in Shipper's PAL Account, as applicable.

Shippers electing to withdraw parked gas or redeliver loaned gas from their respective PAL Account shall nominate a quantity up to the quantity of gas available in their respective PAL Account at the point the gas was either received or advanced by GTN.

5. If GTN and Shipper agree that Shipper may receive parked gas quantities or return loaned gas quantities at point(s) that are different from those specified on Exhibit A of Shipper’s effective PAL Service Agreement, then Shipper and GTN must utilize a separate Transportation Service Agreement(s) to effectuate receipt or delivery of such gas at the new point(s).
6. In the event GTN does not have sufficient capacity on a given day to satisfy all nominations under this PAL rate schedule, GTN shall schedule nominations in sequence, starting with the nomination of the Shipper paying the highest rate for service under this rate schedule. If two or more Shippers are paying the same rate for service under this rate schedule, the nominations of such Shippers shall be scheduled on a pro-rata basis, using confirmed quantities.

7. If GTN, upon nomination by Shipper fails to schedule quantities of gas for withdrawals from Shipper's PAL Account for a period of thirty (30) consecutive days, GTN will be obligated to purchase the quantity of gas in Shipper's PAL Account at a price equal to 120% of the average daily midpoint prices, as published in the daily price survey by Gas Daily for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, for the thirty (30) days in which the curtailment occurs.
8. Unless otherwise agreed to by GTN, if Shipper fails to return to GTN loaned quantities of gas as agreed to in Exhibit A of an effective PAL Service Agreement, Shipper will be obligated to purchase such quantities of gas from GTN at the highest price, determined as 200% of the highest daily midpoint price for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, as published in the daily price survey by Gas Daily, that occurred either:
  - (a) within the month in which the loan of the gas quantities occurred; or
  - (b) within the month in which return of the loaned gas quantities was scheduled but did not occur.

GTN may require Shipper to withdraw all, or any portion of the gas quantities parked by GTN for Shipper, as agreed to in Exhibit A of an effective PAL Service Agreement, within thirty (30) days of GTN's notice to Shipper. If Shipper fails to arrange for the withdrawal of such parked quantities as specified in GTN's notice, despite the availability of capacity for the withdrawal of Shipper's gas under its PAL Service Agreement, GTN shall take title to that portion of Shipper's PAL Account that Shipper was instructed to withdraw, free and clear of any adverse claims. GTN's notice to Shipper may be verbal and in such case shall be followed by a written confirmation. To protect its system, GTN may require the withdrawal of quantities of parked gas in Shipper's PAL Account within 24 hours. In the event Shipper does not cause the withdrawal of such parked gas within 24 hours, GTN shall have the right to take title to those quantities of parked gas in Shipper's PAL Account free and clear of any adverse claims.

9. Not more than thirty (30) days after the termination of Shipper's PAL Service Agreement, GTN will notify Shipper of Shipper's PAL Account balance. Shipper will nominate to eliminate any remaining balance within thirty (30) days of the date of GTN's notice.
10. PAL Service and ATPL, if elected, shall be subject to curtailment pursuant to the applicable Transportation General Terms and Conditions contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A.

### 5.5.3 RATES

Shipper shall pay GTN, each month, for services provided under Rate Schedule PAL. The maximum and minimum rate(s) set forth under Rate Schedule PAL in GTN's current Statement of Effective Rates and Charges for Transportation of Natural Gas in this FERC Gas Tariff, Fourth Revised Volume No. 1-A are applicable to PAL Service rendered hereunder.

The monthly charges for PAL Service in each PAL Account shall be the product of the quantity of gas in Shipper's PAL Account and the maximum PAL rate as set forth in the current Statement of Rates and Charges for the Transportation of Natural Gas, unless GTN elects to discount such rate, for each day gas remains in the PAL Account.

The monthly charge for ATPL is the Maximum Quantity multiplied by the maximum PAL rate multiplied by the number of days within such month that service is in effect, all as set forth in the Exhibit A of the executed PAL Service Agreement.

If, on any day, Shipper submits a nomination with GTN to receive parked, or return loaned, quantities of gas which are reflected in its PAL Account, but GTN is unable to schedule all such quantities nominated, GTN shall suspend the PAL rate charges for that quantity not scheduled until GTN is able to schedule the quantity nominated.

#### 1. Negotiated Rates.

Notwithstanding any provision of GTN's Tariff to the contrary, GTN and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this rate schedule or by any other applicable provision of GTN's Tariff.

#### 2. Discounted Rates.

GTN may offer to discount the maximum rate for service under this rate schedule. If GTN elects to discount its rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected, provided, however, such discount shall not be unduly discriminatory between individual Shippers. The rate for service under this rate schedule shall not be discounted below the Minimum Base Tariff Rate.



5.5.3.1 ATPL Reservation Charge Credits.

For purposes of this Section, Firm Daily Volume shall mean the volume of gas which GTN is obligated to park and/or loan at or from Shipper's PAL Point on a Gas Day, based on confirmable nominations within Shipper's Maximum Quantity. Sections 5.1.3.9 (Rate Schedule FTS-1, Reservation Charge Credit – Force Majeure Event), 5.1.3.10 (Rate Schedule FTS-1, Reservation Charge Credit – Non-Force Majeure Event), and 5.1.3.11 (Rate Schedule FTS-1, Reservation Charge Credit – Confirmable Nominations) are incorporated herein by reference and applicable solely to ATPL.

In accordance with Section 5.5.2, in the event that on any day GTN fails to park and/or lend all of Shipper's quantities scheduled for such day, due to GTN's allocation and curtailment of such service, then GTN shall credit to Shipper an amount equal to the applicable reservation charge as specified on Exhibit A of the PAL Service Agreement multiplied by the quantity of gas which was scheduled but not provided due to GTN's allocation and curtailment of service.

5.6.3.1 Reservation Charge.

The Reservation Charge shall be the product of the currently effective reservation rates and the Maximum Daily Quantity for the appropriate Zone(s) of service as set forth in Section 4.1 of this FERC Gas Tariff, Fourth Revised Volume No. 1-A.

- (a) If, in any month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within the Zone for which capacity is reserved pursuant to this Section 5.6.3.1, no additional Reservation Charge shall be applicable. However, if the Secondary Receipt Point(s) or Secondary Delivery Point(s) are outside of the Zone, for which capacity is reserved pursuant to this Section 5.6.3.1, Shipper shall pay for each Gas Day of such nomination the applicable Reservation Rate, as stated in Section 4.1 that GTN otherwise would charge for transportation to or from those additional Zones.
- (b) Shipper's obligation to pay the Reservation Charge is independent of Shipper's ability to obtain export authorization from the National Energy Board of Canada, Canadian provincial removal authority, and/or import authorization from the United States Department of Energy, and shall begin with the execution of the Firm Hourly Service Agreement by both parties. The Reservation Charge due and payable shall be computed beginning in the month in which service is first available (prorated if beginning in the month in which service is available on a date other than the first day of the month). Thereafter, the daily Reservation Charge shall be due and payable each month during the Initial (and Subsequent) Term(s) of the Shipper's executed Firm Hourly Service Agreement and is unaffected by the quantity of gas transported by GTN to Shipper's delivery point(s) in any month except as provided for in Section 5.6.3.8 of this Rate Schedule.

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5.6.3.2 Delivery Charge.

The Delivery Charge shall be the product of the applicable Delivery Rate, as set forth in Section 4.1 and the quantities of gas delivered by GTN to or for the account of Shipper in the Month (in Dth) at point(s) of delivery on Mainline Facilities.

5.6.3.3 Extension Charge.

If Shipper designates in its Firm Hourly Service Agreement a Primary Point of delivery on an Extension Facility, then in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall consist of a Reservation and Delivery Component.

- (a) The reservation component of the Extension Charge shall be the product of the Shipper's Maximum Daily Quantity at the Primary Point(s) of delivery on the Extension Facility and the applicable Extension reservation rate as set forth in Section 4.1.
  
- (b) The Delivery Component of the Extension Surcharge shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility and the applicable Extension delivery rate as set forth in Section 4.1.

5.6.3.4 Authorized and Unauthorized Overruns.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ or MHQ shall be transported when capacity is available on the GTN system. Authorized Overruns are interruptible in nature. The rate charged for Authorized Overruns shall be the same as the rates and charges for interruptible transportation under Rate Schedule IHS as set forth in Section 4.2, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.6.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

5.6.3.5 Applicability of Surcharges.

The applicable rates for service under this Rate Schedule are set forth in the currently effective Statement of Rates in this Tariff (Section 4.1) and are hereby incorporated herein.

Shipper shall pay all surcharges applicable to this Rate Schedule for service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A.

5.6.3.6 Discounts.

Shipper shall pay the Maximum Reservation Charge, and the Maximum Delivery Charge for service under its applicable Zone(s) in this Rate Schedule unless GTN offers to discount the Reservation Rate or the Delivery Rate under this rate schedule. If GTN elects to discount any such rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected; provided, however, such discount shall not be unduly discriminatory between individual shippers. The rates for service under this rate schedule shall not be discounted below the Minimum Reservation Charge, the Minimum Delivery Rate, and applicable surcharges.

5.6.3.8 Capacity Release.

(a) Releasing Shippers:

Shipper shall have the option to release capacity pursuant to the provisions of GTN's capacity release program as specified in the Transportation General Terms and Conditions. Shipper may release its capacity, up to Shipper's MDQ and at hourly rates up to Shipper's MHQ under this rate schedule, in accordance with the provisions of Section 6.28 of GTN's Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. Shipper shall pay a fee associated with the marketing of capacity by GTN (if applicable) in accordance with Section 6.28 of the Transportation General Terms and Conditions. This fee shall be negotiated between GTN and the Releasing Shipper.

(b) Replacement Shippers:

Shipper may receive released capacity service under this rate schedule pursuant to Section 6.28 of the Transportation General Terms and Conditions and is required to execute a service agreement in the form contained for capacity release under Rate Schedule FHS in this Fourth Revised Volume No. 1-A.

Shipper shall pay GTN each month for transportation service under this rate schedule and as set forth in GTN's current Statement of Effective Rates and Charges in this Fourth Revised Volume No. 1-A. Charges to be paid shall be the sum of the Reservation Charge, Delivery Charge, and other applicable surcharges or penalties.

If the Replacement Shipper nominates to Secondary Point(s) outside of the Zone where the Releasing Shipper's Primary Point is located, then the Replacement Shipper shall be billed the additional currently effective Zone Charge as set forth in Section 4.1 and Section 4.2, to the Secondary Point.



5.7.3.1 Interruptible Charge.

The monthly Interruptible Charge for Interruptible Hourly Service (“IHS”) shall be the sum of the Reservation Rate and the Delivery Components:

(a) Reservation Rate Non-Mileage Component.

The Reservation Rate Component for IHS shall be the product of the currently effective IHS Non-Mileage Rate as set forth in Section 4.2 and the quantities of gas delivered during the Month (Dth) at point(s) of delivery on Mainline Facilities for immediate delivery to the facilities of another entity or to an Extension Facility.

(b) Delivery Component.

The Delivery Component shall be the product of the Delivery Rate as set forth in Section 4.2, the quantities of gas delivered in the Month (in Dth) at point(s) of delivery on Mainline Facilities.

5.7.3.2 Extension Charge.

If Shipper designates a point(s) of delivery on an Extension Facility, then, in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility, the applicable IHS Extension Delivery Rate as set forth in Section 4.2.

5.7.3.3 Applicability of Surcharges.

The applicable rates for service under this Rate Schedule are set forth in the currently effective Statement of Rates for this Tariff (Section 4.2) and are hereby incorporated herein.

Shipper shall pay all usage surcharges applicable to this Rate Schedule for service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A.

5.7.3.4 Discounts.

Shipper shall pay the Maximum Delivery Charge for service under its applicable Zone(s) in this Rate Schedule, unless GTN offers to discount its IHS rate. If GTN elects to discount its rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected; provided, however, such discount shall not be unduly discriminatory between individual shippers. The rates for service under this Rate Schedule shall not be discounted below the Minimum Delivery Rate and applicable surcharges.

5.7.5 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions except Sections 6.28 and 6.31 are applicable to this rate schedule, unless otherwise stated in the executed Firm Hourly Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to firm transportation service rendered under this rate schedule, and by this reference, are made a part hereof.

6.1 DEFINITIONS

1. Gas Day: In accordance with NAESB Standard 1.3.1, the term "Gas Day" shall be 9:00 a.m. to 9:00 a.m. Central Clock Time (7:00 a.m. to 7:00 a.m. Pacific Clock Time).
2. Business Day: The term "Business Day" shall mean Monday through Friday, excluding U.S. Federal Banking Holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.
3. Month: The word "month" shall mean a period extending from the beginning of the first day in a calendar month to the beginning of the first day in the next succeeding calendar month.
4. Maximum Daily Quantity: The term "Maximum Daily Quantity" (MDQ) shall mean the maximum daily quantity in Dth of gas which GTN agrees to deliver exclusive of an allowance for compressor station fuel, line loss and other unaccounted for gas and transport for the account of Shipper to Shipper's point(s) of delivery on each day during each year during the term of Shipper's Transportation Service Agreement with GTN.
5. Energy Affiliate: The term "Energy Affiliate" shall have the meaning provided in Commission Order No. 2004, et seq.
6. Gas: The word "gas" shall mean natural gas.
7. Cubic Foot of Gas: The term "cubic foot of gas" is defined in accordance with NAESB Standard 2.3.9 as that quantity of gas which measures one (1) cubic foot at standard conditions of 14.73 dry psia, 60 degrees F. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C. Standard 2.3.9 states in full "Standardize the reporting basis for Btu as 14.73 psia at 60 degrees F (101.325 kPa and 15 degrees C), and dry. Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm<sup>2</sup> and 15.6 degrees C and dry. Standardize the reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, at 60 degrees, F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, at 15 degrees C, and dry."

NAESB WGQ takes no position on the basis upon which transactions are communicated to trading partners and/or regulatory agencies, as applicable, nor does NAESB WGQ state whether transactions may take place between parties on a volumetric basis.

8. Mcf: The term "Mcf" shall mean one thousand (1,000) cubic feet of gas and shall be measured as set forth in Section 6.1 paragraph 7 hereof. The term "MMcf" shall mean one million (1,000,000) cubic feet of gas.
9. Dekatherm: The term "Dekatherm" (or "Dth") is the quantity of heat energy equivalent to one million (1,000,000 British Thermal Units (MMBtu). Dth is the standard quantity for Nominations, confirmations and Scheduled Quantities in the United States. For purposes of this Tariff and associated Service Agreements, the terms MMBtu and Dth are synonymous.
10. Btu: The term "Btu" shall mean British Thermal Unit. The term "MMBtu" shall mean one million (1,000,000) British Thermal Units. The reporting basis for Btu shall be standardized as 14.73 dry psia and 60 degrees (60°) Fahrenheit (101.325 kPa and 15.6 degrees C).
11. Gross Heating Value: The term "gross heating value" shall mean the number of Btus in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.
12. Psig: The term "psig" shall mean pounds per square inch gauge.
13. Releasing Shipper: A firm transportation Shipper which intends to post its service to be released to a Replacement Shipper, has posted the service for release, or has released its service.
14. Replacement Shipper: A Shipper which has contracted to utilize a Releasing Shipper's service for a specified period of time.
15. Posting Period: The period of time during which a Releasing Shipper may post, or have posted by the pipeline, all or a part of its service for release to a Replacement Shipper.
16. Release Term: The period of time during which a Releasing Shipper intends to release, or has released all or a portion of its contracted quantity of service to a Replacement Shipper.
17. Bid Period: The period of time during which a Replacement Shipper may bid to contract for a parcel which has been posted for release by a Releasing Shipper.
18. Parcel: The term utilized to describe an amount of capacity, expressed in Dth/d, from a specific receipt point to a specific delivery point for a specific period of time which is released and bid on pursuant to the capacity release provisions contained in Section 6.28 of these Transportation General Terms and Conditions.

19. **Primary Release:** The term used to describe the release of capacity by a Releasing Shipper receiving service under a Part 284 firm transportation rate schedule.
20. **Secondary Release:** The term used to describe the release of capacity by a Replacement Shipper receiving service under a Part 284 firm transportation rate schedule.
21. **Bid Reconciliation Period:** The period of time subsequent to the Bid Period during which bids are evaluated by GTN.
22. **Match Period:** The period of time subsequent to the Bid Reconciliation Period and before the notification deadline for awarding capacity for Prearranged Deals that require bidding. During this period, the Prearranged Shipper may match any higher bids for the Parcel.
23. **Mainline Facilities:** The term "Mainline Facilities" shall mean the 36-inch and 42-inch mains and appurtenant facilities extending from the interconnection with the pipeline facilities of TransCanada PipeLines Limited B.C. System and Foothills Pipe Lines (South B.C.) Ltd., near Kingsgate, British Columbia to the interconnection with the pipeline facilities of Pacific Gas and Electric Company near Malin, Oregon.
24. **Extension Facilities:** The term "Extension Facilities" shall mean the 12-inch mains and appurtenant facilities extending from GTN's mainline facilities at Milepost 304.25 and the 16-inch and 12-inch mains and appurtenant facilities extending from GTN's Mainline Facilities at Milepost 599.20 that were authorized in Docket No. CP93-618-000. The term "Extension Facility" shall mean one of the Extension Facilities.
25. **Subject Shipper:** The term "Subject Shipper" shall mean the Shippers identified in Appendix G of the Stipulation and Agreement in Docket No. RP94-149-000, et al., and Shippers that have obtained service rights from such Shippers.
26. **Nominations:** A "Nomination" shall be the provision of information to GTN necessary to effectuate a transportation transaction. Specific Nomination procedures are set forth in Section 6.19.4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
27. **Intraday Nomination:** An "Intraday Nomination" is a Nomination submitted after the Nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of the Gas Day.



28. North American Energy Standards Board Standards: The term "North American Energy Standards Board Standards" or "NAESB Standards" shall mean the standardized business practices and electronic communication practices promulgated by the North American Energy Standards Board from time to time and incorporated in the Code of Federal Regulations by the Federal Energy Regulatory Commission.
29. Asset Manager: A party that agrees to manage gas supply and delivery arrangements, including transportation and storage capacity, for another party. The asset manager uses released capacity to serve the gas supply requirements of the releasing shipper and, when the capacity is not needed for that purpose, uses the capacity to make releases or bundled sales to third parties.
30. Forward Haul: The term "Forward Haul" shall refer to (1) transportation service on GTN's mainline system in which the nominated direction of flow from receipt point to delivery point is from north to south or (2) transportation service on a GTN lateral in which the nominated direction of flow from receipt point to delivery point is from GTN's mainline system to the terminus of the lateral.
31. Backhaul: The term "Backhaul" shall refer to transportation service on GTN's mainline system and laterals that is in the opposite direction of a Forward Haul as defined in Section 6.1 paragraph 30 above.
32. Primary Path: The term "Primary Path" shall mean the transportation path established by the receipt and delivery points as set forth in Shipper's executed Service Agreement. A shipper's Primary Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 30 and 31 above.
33. Reverse Path: The term "Reverse Path" shall mean the transportation path that is in the opposite direction of that Shipper's Primary Path as defined in Section 6.1 paragraph 32 above. A Shipper's Reverse Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 30 and 31 above. Reverse Path transactions rely on secondary point rights and are subject to the operating conditions of GTN's pipeline and will not be made available to Shipper if GTN determines, in its sole discretion, that such transportation is operationally infeasible or otherwise not available.
34. Negotiated Rate: The term "Negotiated Rate" shall mean a rate (including a Negotiated Rate Formula) that GTN and a Shipper have agreed will be charged for service under Rate Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or be less than the minimum rate, for such component set forth in GTN's tariff for the given service. Any Agreement entered into after the effective date of this subsection which provides for a rate under Rate

Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discounted rate or a negotiated rate.

35. **Negotiated Rate Formula:** The term "Negotiated Rate Formula" shall mean a rate formula that GTN and a Shipper have agreed will apply to service under a specific contract under Rate Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or may be less than the minimum rate, for such component set forth in GTN's Tariff for the given service.
36. **Recourse Rate:** The term "Recourse Rate" shall mean the applicable maximum rate that would apply to each respective Rate Schedule as set forth in the Statement of Rates of this FERC Gas Tariff.
37. **Existing Capacity:** The term "Existing Capacity" shall mean capacity that has been in-service beyond the initial terms of Agreements that originally supported the construction of such capacity. Existing Capacity additionally includes capacity that is still within such initial terms where Shipper Agreements pertaining to the capacity have been terminated by the pipeline. Existing Capacity additionally includes unsubscribed capacity created as part of a pipeline expansion project.
38. **Expansion Capacity:** The term "Expansion Capacity" shall mean capacity that is added to the pipeline system as part of a system expansion project where such capacity is still within the initial contract term(s) of the Agreement(s) that originally supported the construction of such capacity. Expansion Capacity includes permanent releases of capacity that are within the initial term of an original Shipper's contract.
39. **Long-Term Firm Capacity:** The term "Long-Term Firm Capacity" shall mean firm capacity that is provided on GTN's system for periods of 365 days or longer, but which may also be sold as Short-Term Firm Capacity. Unsubscribed Long-Term Firm Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.
40. **Short-Term Firm Capacity:** The term "Short-Term Firm Capacity" shall mean firm capacity that is provided on GTN's system for periods of time that are less than 365 days. Unsubscribed Short-Term Firm Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.
41. **Operationally Available Capacity:** The term "Operationally Available Capacity" shall mean capacity that is available on a day-to-day basis and is equal to the

physical capacities of individual receipt and delivery points less amounts scheduled to be received/delivered at such points. Operationally Available Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.

42. The term "PAL Point" shall mean the point on GTN's system referenced on Exhibit A of a PAL Service Agreement where a Shipper can park or GTN can lend quantities of gas.
43. The term "Maximum Quantity" shall mean the maximum quantity of gas available to Shipper for PAL Service as stated on Exhibit A of a PAL Service Agreement.
44. The term "Hour" shall mean a period of sixty consecutive minutes beginning at the top of the hour, e.g., 9:00, or such other period of sixty consecutive minutes mutually acceptable to GTN and Shipper.
45. The term "Maximum Hourly Quantity" ("MHQ") shall mean the greatest number of Dekatherms that GTN is obligated to deliver at a Primary Point of Delivery to or on behalf of Shipper up to Shipper's MDQ, during any Hour. Shipper shall have the right to take up to the MHQ any Hour of the Gas Day, unless GTN and Shipper agree otherwise, in which case GTN and Shipper shall set forth the MHQ by Hour in the Firm Hourly Service Agreement.
46. Electric Power Costs: The "Electric Power Costs" adjustment is defined and computed in accordance with Section 6.39 of the General Terms and Conditions of GTN's FERC Gas Tariff.
47. Regulatory Environmental & Compliance Costs: The "Regulatory Environmental & Compliance Costs" is defined and computed in accordance with Section 6.35 of the General Terms and Conditions of GTN's FERC Gas Tariff.
48. The term Zone(s) shall include collectively both the "North Zone" and "South Zone". North Zone shall mean Mainline Facilities between Kingsgate and Stanfield. South Zone shall mean Mainline Facilities between Stanfield and Malin.

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.

6.18.1 Requests for Service:

- (a) Any Shipper or prospective shipper desiring service on GTN's system must fully complete the request for service available through the customer activities link on GTN's Internet website.
- (b) Any Shipper desiring enhanced PAL Service under GTN's ATPL must provide the Maximum Quantity Dekatherms and the Maximum Cumulative Tolerance Level, which it desires to be parked and/or loaned on Exhibit A of the PAL Service Agreement as part of the request. Additionally, such Shipper shall identify the designated PAL Point being requested for ATPL.
- (c) GTN will begin processing Shipper's request for service, but GTN does not guarantee that service will be available. GTN will not provide service until Shipper has executed a service agreement. Shipper also shall be required to meet other provisions of this FERC Gas Tariff, including the credit requirements set out in Section 6.18.4 of this Tariff. Standard form Service Agreements for each service offered by GTN are set out in the Form of Service Agreement portion of this Tariff.

Shipper shall not be entitled to receive transportation service under this FERC Gas Tariff, Fourth Revised Volume No. 1-A if Shipper is not current in its payments to GTN for any charge, rate or fee authorized by the Commission for transportation service; provided, however, if the amount not current pertains to a bona fide dispute, including but not limited to force majeure claims relating to this FERC Gas Tariff, Shipper shall be entitled to receive or continue to receive transportation service if it complies with Section 6.8 paragraph 3.

- (d) Shipper's request for service shall be considered null and void if GTN has notified Shipper that a Service Agreement is ready for execution, and Shipper fails to execute the Service Agreement within fifteen (15) days thereafter.
- (e) A Service Agreement will be deemed executed on the earlier of (1) execution of the Service Agreement in writing by Shipper and GTN or (2) execution of the Service Agreement in writing by Shipper and Shipper's subsequent nomination pursuant to such Service Agreement.

6.18.3 Interruptible Service.

The provisions of this Section 6.18.3 shall be applicable to interruptible transportation service under Rate Schedules ITS-1 and IHS contained in this Fourth Revised Volume No. 1-A.

- (a) Interruptible transportation service under this Fourth Revised Volume No. 1-A shall be provided when, and to the extent that, capacity is available in GTN's existing facilities, which capacity is not subject to a prior claim under a pre-existing agreement pursuant to Rate Schedule FTS-1, ATPL, or under another class of firm service.
- (b) In the event where natural gas tendered by Shipper to GTN at the receipt point(s) for transportation, or delivered by GTN to Shipper (or for Shipper's account) at the delivery point(s), is commingled with other natural gas at the time of measurement, the determination of deliveries applicable to Shipper shall be made in accordance with operating arrangements satisfactory to Shipper, GTN and any third party transporting to or from GTN's system.
- (c) GTN shall process requests for interruptible transportation service on a non-discriminatory basis. Available interruptible capacity shall be allocated by GTN first to the Shipper(s) paying the highest rate, followed by a pro-rata tie breaker, as provided for in Section 6.19 of these General Terms and Conditions.

6.18.4.5 Credit Requirement for Loaned Gas.

For lending services under GTN Rate Schedule PAL, the credit requirement shall include an amount to adequately account for the value of loaned gas. Such amount will be up to Shipper's Maximum Quantity or Shipper's Maximum Cumulative Tolerance Level for ATPL, as set forth on Exhibit A of its PAL Service Agreement multiplied by the midpoint "Malin" price applicable to the last day of the preceding month, as reported in Platts Gas Daily (Daily Price Survey) or any successor publication thereto. GTN shall have no obligation to lend any quantity of gas beyond amounts for which GTN holds security.

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6.19.2 Priority of Interruptible Service.

Interruptible transportation service under this FERC Gas Tariff, Fourth Revised Volume No. 1-A, shall be provided when and to the extent that capacity is available in GTN's existing facilities, subject to the priorities of service set forth herein. GTN will provide interruptible transportation service first to the Shipper(s) paying the highest rate. (Shippers paying a Negotiated Rate that exceeds the maximum applicable tariff rate shall be considered to be paying the maximum applicable tariff rate). In the event of a tie, GTN shall allocate interruptible capacity among interruptible Shippers on a pro-rata basis based on confirmable nominations.



6.19.5 Priority of Parking and Lending (PAL) Service.

ATPL shall be confirmed and scheduled before PAL Service and all other GTN interruptible services provided for in GTN's Tariff.

PAL Service shall have the lowest priority on GTN's system. All other transportation service, including rectification of imbalances, have superior priority to these services.

### 6.21.1 Balancing Gas Receipts and Deliveries.

Balancing of thermally equivalent quantities of gas received and delivered by GTN shall be achieved as nearly as feasible on a daily basis, with any cumulative imbalance accounted for on a monthly basis. Correction of imbalances shall be the responsibility of the Shipper whether or not notified by GTN at the time of incurrence of the imbalance. Correction of imbalances shall be scheduled with GTN using the nomination process as soon as an imbalance is known to exist based on the best available current data. Nominations to correct imbalances shall have the lowest priority for scheduling purposes and shall be subject to the availability of capacity and other operational constraints for imbalance correction. If on any day capacity is insufficient to schedule all imbalance nominations, all such nominations shall be prorated accordingly. To maintain the operational integrity of its system, GTN shall have the right to balance any Shipper's account as conditions may warrant.

Imbalance penalties will apply during constraint periods when it is necessary to maintain or restore the operational integrity of the pipeline system and to ensure: adequate pipeline pressures to provide efficient and reliable transportation services; adequate system line pack to deliver on demand; service to all Shippers for all firm services; and a balanced system for the foregoing purposes. Imbalances shall exist as defined below and be subject to the applicable charges and penalties if not corrected.

(a) Actual Delivered Quantity Exceeds MDQ.

Authorized Overruns are interruptible in nature and will be subject to the Authorized Overrun charge, which is equal to the rates and charges set forth for interruptible service under Rate Schedule ITS-1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of these Transportation General Terms and Conditions.

Unauthorized Overruns exist when GTN has not authorized deliveries in excess of a Shipper's MDQ. Under these circumstances, GTN may, without notice, adjust Shipper requests for confirmation from receipt and delivery markets on GTN's system.

Penalty: For Unauthorized Overruns, a Shipper shall be assessed a penalty equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

(b) Actual Delivered Quantity Exceeds Receipt Quantity.

A net negative imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for compressor fuel use, yields a negative result. Commencing upon notification by

GTN of the existence of the negative imbalance, and to the extent that the GTN system is not constrained or its integrity is not threatened, Shipper shall have three (3) days to correct the imbalance.

Remedies: Shippers may schedule with GTN using the nomination process to eliminate or reduce negative imbalances. In addition, in accordance with this Section 6.21, Shippers may net or trade imbalances to eliminate or reduce positive imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual delivered quantity and the receipt quantity is in excess of 10% of the delivered quantity or 1000 Dth, whichever is greater, the Shipper shall be assessed a charge of \$5/Dth applied to the excess quantities. If the imbalance is not corrected within 45 days of GTN's notice of an imbalance, the Shipper shall be assessed an additional charge of \$5/Dth, applied to the net imbalance remaining at the end of the 45 day balancing period.

(c) Actual Quantity Received Exceeds Delivered Quantity.

A net positive imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for compressor fuel use, yields a positive result. Commencing upon notification by GTN of the existence of the imbalance, and to the extent that the GTN system is not constrained or its integrity threatened, Shipper shall have three (3) days to correct the imbalance.

Remedies: Shippers may schedule with GTN using the nomination process to eliminate or reduce positive imbalances. In addition, in accordance with this Section 6.21, Shippers may net or trade imbalances to eliminate or reduce positive imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual quantity received and the delivered quantity is in excess of 10% of the delivered quantity or 1000 Dth, whichever is greater, the Shipper shall be assessed a penalty of \$2/Dth applied to the excess quantity. If the imbalance is not corrected within 45 days of GTN's notice of an imbalance, GTN shall be able to retain the remaining imbalance quantity without compensation to the Shipper and free and clear of any adverse claim. Quantities retained by GTN will be sold in accordance with Section 6.40 of these Transportation General Terms and Conditions, and the proceeds from the sale of confiscated gas will be credited to all Shippers in accordance with Section 6.21.6.

(d) Scheduled Delivery Quantity Exceeds Actual Delivered Quantity.

An imbalance shall exist when the quantity scheduled (nominated and confirmed) for delivery exceeds the actual delivered quantity.

Penalty: When the difference between the scheduled delivery quantity and actual delivered quantity is in excess of 10% of the actual deliveries, or 1000 Dth, whichever is greater, the Shipper shall be assessed the maximum applicable interruptible transportation rate for the Zone(s) of the service to be provided, applied to the excess quantities.

(e) Actual Delivered Quantity Exceeds Scheduled Delivery Quantity.

An imbalance shall exist when the quantity delivered exceeds the quantity scheduled (nominated and confirmed).

Penalty: When the difference between the actual delivered quantity and the scheduled delivery quantity is in excess of 10% of the scheduled quantity or 1000 Dth whichever is greater, the Shipper shall be assessed the maximum applicable interruptible transportation rate for the Zone(s) of the service to be provided, applied to the excess quantities.

6.21.2 Imbalances.

Imbalance determinations as described above will be performed on a daily basis and each daily occurrence will constitute a separate incident. It is recognized and understood that more than one penalty provision may apply to each imbalance incident.

Imbalance and Unauthorized Overruns will be based on the lesser of the impact from operational or actual data. In the event that any penalty would otherwise be applicable under these provisions as a direct consequence of any action or failure to take action by GTN or the failure of any facility under GTN's control, or an event of force majeure as defined in these Transportation General Terms and Conditions, said penalty shall not apply.

The netting and trading of imbalances is permitted pursuant to Sections 6.21.7 and 6.21.8. Nothing herein shall limit GTN's right to take actions of whatever nature as may be required to correct imbalances which threaten the integrity of its system, including maintenance of service to other customers.

6.21.7.1 Imbalance Netting.

- (a) At the end of each month, GTN shall net all of a Shipper's imbalances within each Zone on and across its Transportation Service Agreements to provide the Shipper with the lowest possible net imbalance or to accumulate imbalances within each Zone to facilitate the trading of imbalances with other Shippers. GTN will first net imbalances among a Shipper's service agreements under the same Rate Schedule and then will net imbalances across the Shipper's service agreements under all Rate Schedules.
- (b) A Shipper may net imbalances within and across both Zones, provided that GTN will be reimbursed for any transportation, fuel and applicable surcharges necessary to effectuate such netting. Resolution of imbalances by netting the Shipper's Transportation Service Agreement(s) shall be scheduled with GTN using the nomination process.
- (c) In the event that Shipper desires to net imbalances across Zones, Shipper shall be subject to the applicable charges and fees for transportation service across the Zones only if any such charges and fees for the service have not already been paid. Any such transportation service necessary to effectuate imbalance netting across Zones shall be administered under the Transportation Service Agreement of the Shipper's choosing. Shipper must notify GTN of its desire to net imbalances across Zones under the Transportation Service Agreement chosen by the Shipper.

6.21.8 Imbalance Trading.

- (a) A Shipper, or its agent, may trade imbalances with other Shippers, their agents or other third-party firms that may conduct imbalance trading for Shippers, provided that GTN will be reimbursed for any transportation, fuel, and all applicable surcharges necessary to effectuate such trading. Resolution of imbalances by trading imbalances between Shippers shall be scheduled with GTN using the nomination process.
- (b) Any trading of imbalances must result in each Shipper's imbalance decreasing.
- (c) GTN shall process all imbalance trades at no additional administrative charge.
- (d) Third party imbalance management services will be accommodated on a nondiscriminatory basis as long as these services comply with applicable NAESB standards and do not adversely impact the pipeline's system operations. Third party services will be required to comply with NAESB Nominations and Confirmation Time Limits and meet transporter credit requirements appropriate for the quantity of Shipper imbalance gas for which such third party may be responsible.
- (e) In the event that Shipper desires to trade imbalances across Zones, the Shipper initiating the trade shall be subject to the applicable charges and fees for transportation service across the Zones only if any such charges and fees for the service have not already been paid. Any such transportation service necessary to effectuate imbalance trading across Zones shall be administered under the Transportation Service Agreement of the initiating Shipper's choosing. Shipper must notify GTN of its desire to trade imbalances across Zones under the Transportation Service Agreement chosen by the Shipper.

6.29.1 Firm Service.

(a) Addition of a Receipt Point.

Any firm Shipper receiving service under Part 284 of the Commission's regulations is entitled to use the receipt point specified in its service agreement as a primary receipt point. A firm Shipper may add a secondary receipt point at any time during the life of the contract at no additional charge provided that the secondary receipt point is within the Zone(s) for which Shipper is paying and the Shipper's Primary Path. Shipper may nominate any secondary receipt point beyond the Zone covered by its existing contract provided that Shipper pays all additional reservation and delivery charges applicable to the additional Zone.

Firm Shippers who are billed under a reservation charge and a delivery rate will continue to be billed the reservation charge based on the primary receipt point within the Zone(s) for which Shipper is paying unless that rate is less than the maximum applicable rate in which case the Shipper shall pay the maximum applicable rate at the secondary receipt point, including fuel and all applicable surcharges.

To the extent additional meter station capacity or other facilities are required to effect the receipt point change, GTN will construct the additional capacity consistent with Section 6.18.6.

(b) Changing a Receipt Point.

A firm Shipper may change primary receipt points to a different receipt point within the Zone(s) for which Shipper is paying and Shipper's Original Primary Path at no additional charge. A firm Shipper may change primary receipt points to a different receipt point outside its Original Primary Path provided that, if the change to Shipper's primary receipt point results in a path utilizing both Zones, Shipper shall pay the applicable transportation charges and fees for transportation service across both Zones. GTN shall not be obligated to accept any changed point(s) if such request would reduce the economic value of the Shipper's Service Agreement to GTN, taking into consideration either: (a) the revenues projected to be received by GTN at the existing point(s) under the Service Agreement; or (b) any potential loss of incremental revenues associated with new service opportunities for which a Request for Service form is then pending and that would be precluded if the request were granted. GTN shall evaluate any primary point change request on a not unduly discriminatory basis. Changes in receipt points will be permitted provided GTN accepts Shipper's primary point change request, sufficient receipt point capacity exists at the receiving meter station and subject to any operating constraints. To the extent additional meter station capacity or other



facilities are required to effect the receipt point change, GTN will construct the additional capacity at the firm Shipper's expense consistent with Section 6.18.6.

(c) Addition of a Delivery Point.

Each firm Shipper is entitled to an allocation of its MDQ to a delivery point(s) as its primary delivery point(s).

A firm Shipper may add secondary delivery points at any time during the life of the contract at no additional charge provided that the secondary delivery points are within the Zone(s) for which Shipper is paying and the Shipper's Primary Path. In this case, the firm Shipper will continue to be billed any applicable reservation charge, including fuel and all applicable surcharges, based on the primary delivery point.

A firm Shipper with primary deliveries allocated to a minor delivery point may add secondary delivery points to its contract provided that the addition of the secondary delivery point does not materially impact service to other firm Shippers, and provided further, Shipper pays all additional reservation and delivery charges applicable to the secondary delivery point if such point is beyond the Zone covered by the Shipper's existing service agreement.

To the extent additional meter station capacity is required to effect the delivery point(s) change, and subject to any operating constraints GTN will construct the additional capacity consistent with Section 6.18.6.

(d) Changing a Delivery Point.

A firm Shipper may change primary delivery points to a different delivery point within the Zone(s) for which Shipper is paying and Shipper's Original Primary Path at no additional charge. A firm Shipper may change primary delivery points to a different delivery point outside its Original Primary Path provided that, if the change to Shipper's primary delivery point results in a path utilizing both Zones, Shipper shall pay the applicable transportation charges and fees for transportation service across both Zones. A firm Shipper may not change its Primary Delivery Point to a location that would change the direction of flow of the Shipper's Primary Path as defined in Section 6.1 paragraph 32 of this Gas Tariff, although a Firm Shipper may initiate Reverse Path transactions which rely upon secondary point rights. GTN shall not be obligated to accept any changed point(s) if such request would reduce the economic value of the Shipper's Service Agreement to GTN, taking into consideration either: (a) the revenues projected to be received by Transporter at the existing point(s) under the Service Agreement; or (b) any potential loss of incremental revenues associated with new service opportunities for which a Request for Service form is then pending and that would be precluded

if the request were granted. Transporter shall evaluate any primary point change request on a not unduly discriminatory basis. Changes in delivery points will be permitted provided GTN accepts Shipper's primary point change request and sufficient delivery point capacity exists at the delivery meter station. To the extent additional meter station and subject to any operating constraints capacity is required to effect the delivery point change, GTN will construct the additional capacity at the firm Shipper's expense consistent with Section 6.18.6.

A firm Shipper with primary deliveries allocated to a minor delivery point may change primary delivery points in its contract provided that the change of primary delivery point does not materially impact service to other firm Shippers, and provided further, Shipper pays the additional charges applicable to the new primary delivery point if such point is beyond the Zone covered by the Shipper's existing service agreement.

(e) Returning to a Former Receipt or Delivery Point.

A Firm Shipper that changes a Receipt or Delivery Point in accordance with this Section 6.29 or which reacquires capacity that Shipper had released shall be entitled to return to its original Receipt or Delivery Points provided sufficient capacity exists at such point and subject to any operating constraints. To the extent additional facilities are necessary to effectuate such a return, GTN will construct additional capacity at the firm Shipper's expense consistent with Section 6.18.6.

### 6.30 OPERATIONAL FLOW ORDER (OFO) PROCEDURES

1. GTN, in its sole discretion, will have the right to issue OFOs when in its judgment it is necessary to maintain or restore the operational integrity of its system.
2. Whenever possible, GTN will identify those Shipper(s) or Operational Balancing Agreement (“OBA”) Operator(s) whose action(s) require GTN to issue an OFO and will limit the applicability of the OFO to such Shipper(s)/OBA Operator(s). If GTN is unable to identify those Shipper(s)/OBA Operator(s) whose action(s) require issuance of an OFO, or if issuance of an OFO to discrete Shipper(s)/OBA Operator(s) is insufficient to alleviate the conditions requiring the issuance of such OFO, GTN may issue an additional OFO applicable to all Shippers and OBA Operators on a nondiscriminatory basis.
3. All OFOs will be posted on GTN's website, to be followed by a facsimile, written notice or other mutually agreeable means of electronic communication to affected Shippers/OBA Operators that will set forth the causes or conditions necessitating the OFO. GTN will issue an OFO as expeditiously as is reasonable and practicable in the circumstances. When practicable, GTN will provide sufficient notice to Shippers to accommodate scheduling requirements on upstream pipelines. Each OFO will contain the following provisions:
  - (a) time and date of issuance;
  - (b) time that the OFO is considered to be effective (if no time is specified, the OFO will be effective immediately);
  - (c) duration of the OFO (if not specified, the OFO will be effective until further notice);
  - (d) the quantity of gas required to remedy the operational condition requiring the issuance of the OFO; and
  - (e) any other term GTN may reasonably require to ensure the effectiveness of the OFO.

GTN will post information, as soon as possible, about the status of operational variables that will determine when an OFO will begin and end. GTN will post a notice on its website informing Shipper(s)/OBA Operator(s) when any OFO in effect will be canceled. Following the issuance of an OFO, GTN will post information on the factors that caused the OFO to be issued and then lifted as soon as it is available.

4. Except in cases where the curtailment of interruptible services would not alleviate the causes and conditions necessitating the issuance of an OFO, GTN will, where

practicable, curtail interruptible services prior to issuing an OFO. GTN shall not be required to curtail interruptible services to individual Shippers when curtailment of service to those Shippers would not affect the OFO.

5. Upon the issuance of an OFO by GTN, it shall be incumbent upon Shipper/OBA Operator to adjust Gas supplies as directed within the time frame specified in the OFO. Failure to comply in a timely fashion with an OFO may result in an immediate interruption of all or a portion of Shipper's service or service at a point covered by an OBA and cause Shipper/OBA Operator to incur a penalty based on the higher of \$25/Dth or a price per Dth equal to three times the midpoint price reported for Malin, Oregon as published in the daily price survey by Platts Gas Daily for all quantities in excess of that allowed under the OFO for the day on which the penalty is incurred. The payment of penalties for Unauthorized Overruns does not create the right to exceed the levels established by an OFO.
6. In the event Shipper/OBA Operator does not respond to the OFO and GTN believes it is necessary to take actions such as buying or selling gas to maintain system integrity or to prevent interrupting service to another Shipper, GTN shall have the right, but not the obligation, to take such remedial actions as it deems necessary. If GTN takes these actions, it shall be made whole by the non-responding Shipper/OBA Operator for all costs that GTN incurs either through retention of penalty revenues or by direct reimbursement by Shipper/OBA Operator. GTN shall not be liable for any costs incurred by any Shipper/OBA Operator in complying with an OFO.
7. GTN shall not be responsible for any damages that result from any interruption in Shipper's/OBA Operator's service that is a result of Shipper's/OBA Operator's failure to comply promptly and fully with an OFO and the non-complying Shipper(s)/OBA Operator(s) shall indemnify GTN against any claims of responsibility.
8. Notwithstanding the foregoing, when gas supplies necessary to effectuate transportation deliveries are not flowing on the system, GTN will not be responsible for backing up such supplies and the associated deliveries will be subject to interruption.
9. Where a nomination is required by GTN to make an effective physical change necessary to comply with an OFO, unless circumstances dictate otherwise, an OFO penalty should not be assessed unless the Shipper/OBA Operator is given the opportunity to correct the circumstance giving rise to the OFO and fails to do so, or the action(s) taken fails to do so. The opportunity to correct the critical circumstance should include the opportunity to:
  - (a) make a nomination, which, once confirmed and scheduled would cure the circumstance giving rise to the OFO, or

- (b) take other appropriate action which cures the circumstance giving rise to the OFO.

A Shipper's response to an OFO should not be constrained by restrictions on the submittal and processing of intra-day nominations.

## 6.35 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(s) 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(s) will be set at \$0. Subsequently, the Revenue Requirement underlying each adjustment in the RECC Surcharge(s) 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(s). GTN’s RECC Filings will revise the RECC Surcharge(s) 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(s) 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(c) 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(s). 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(s) 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(s) 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(s) Calculation.

In each RECC Filing, GTN will calculate the RECC Surcharge(s) 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(s) 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 Zone and Applicable Rate Schedule to derive the RECC Surcharge(s) 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) A North Zone billing unit floor of 2,000,000 Dth/day and a South Zone billing unit floor of 1,900,000 Dth/day.
- (c) If the billing units are lower than the floors 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(s).
- (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(s).

The RECC Surcharge(s) 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(s) prior to the end of the RECC Term by filing a general NGA Section 4(e) rate case. Upon termination of the RECC Surcharge(s), 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(s) will be charged or refunded to Shippers, as applicable, in the next



*Appendix B-1 - Preferred Case Clean*

*Pro Forma*

PART 6.35

6.35 - GT&C

Regulatory Environmental & Compliance Costs (RECC)

v.4.1.0

Gas Transmission Northwest LLC  
FERC Gas Tariff  
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monthly billing cycle that is at least fifteen (15) days after the termination of the RECC Surcharge(s).

Issued: September 29, 2023  
Effective:

Docket No.  
Accepted:

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

PART 6.36  
6.36 - GT&C  
Reserved for Future Use  
v.6.1.0

6.36 RESERVED FOR FUTURE USE.

6.38 ADJUSTMENT MECHANISM FOR FUEL, LINE LOSS, AND OTHER UNACCOUNTED FOR GAS PERCENTAGES

The effective fuel and line loss percentages under Rate Schedules FTS-1, LFS-1, FHS, ITS-1, and IHS shall be adjusted downward to reflect reductions and may be adjusted upward to reflect increases in fuel usage and line loss in accordance with this Section 6.38.

1. Computation of Effective Fuel and Line Loss Percentage.

The effective fuel and line loss percentage shall be the sum of the current fuel and line loss percentage and the fuel and line loss surcharge percentage.

2. The Current Fuel and Line Loss Percentage.

(a) For each month, the current fuel and line loss percentage shall be determined in accordance with Section 6.38 paragraph 2(c) hereof. The current fuel and line loss shall be effective from the first day of such month and shall remain in effect for the month.

(b) The current fuel and line loss percentage to be applicable for the month shall be posted on GTN's Internet website not less than seven (7) days prior to the beginning of the month.

(c) The current fuel and line loss percentage for the month shall be determined for each Zone on the basis of (1) the estimated quantities of gas to be received by GTN for the account of Shippers during such month and (2) the projected quantities of gas that shall be required for fuel and line loss during such month, adjusted for overrecoveries or underrecoveries of fuel and line loss during such month preceding the month in which the current fuel and line loss percentage is posted; provided, that the percentage shall not exceed the maximum current fuel and line loss percentage and shall not be less than the minimum current fuel and line loss percentage set forth on the Statement of Effective Rates and Charges.

(d) At least thirty (30) days prior to January 1, GTN shall file with the Commission schedules supporting the current fuel and line loss percentages applicable during the twelve (12) months ending October 31.

3. The Fuel and Line Loss Surcharge Percentage.

(a) For each twelve (12) month period beginning January 1, the fuel and line loss surcharge percentage shall be determined in accordance with Section 6.38 paragraph 3(c) hereof. The fuel and line loss surcharge percentage shall

become effective on January 1 and shall remain in effect for the twelve (12) month period ending December 31.

- (b) At least thirty (30) days prior to each January 1, GTN shall file with the Commission and post, as defined by Section 154.2(d) of the Commission's regulations, the fuel and line loss surcharge percentage, together with supporting documentation.
- (c) The fuel and line loss percentage shall be computed by quantifying GTN's actual fuel and line loss over/under collection position at October 31 of each year and dividing the result by an estimate of the quantities of gas to be delivered in the applicable Zone(s) by GTN for the account of Shippers over the following twelve (12) month period. The over/under position will be quantified by (i) determining GTN's actual fuel consumption and line losses for each month of the preceding twelve (12) month period and (ii) subtracting the quantities retained by GTN during each month of the preceding twelve (12) month period. If the percentage so determined is +/- 0.0001%, the fuel and line loss surcharge percentage shall be deemed to be zero.

## 6.39 ELECTRIC POWER COSTS ADJUSTMENT

This Section provides for the recovery of electric power costs incurred by GTN in each applicable Zone 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.

Gas Transmission Northwest LLC  
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PART 7.3.1  
7.3.1 - Service Agmts  
Rate Schedule PAL - Exhibit A  
v.7.1.0

GAS TRANSMISSION NORTHWEST LLC  
PARKING AND LENDING (PAL)  
AGREEMENT

EXHIBIT A TO PARKING AND LENDING (PAL) SERVICE AGREEMENT

This Exhibit A is entered into by Gas Transmission Northwest LLC (GTN) and \_\_\_\_\_ (Shipper) and;

WHEREAS, Shipper and GTN have entered into PAL Service Agreement No. \_\_\_\_\_ to facilitate the contracting process.

NOW, THEREFORE, Shipper and GTN agree that the terms below, together with the terms and conditions of the previously executed PAL Service Agreement, constitute a single Parking and Lending Service Agreement and fully describe the service to be provided and the rights and obligations of Shipper and GTN.

COMPANY – Gas Transmission Northwest LLC

COMPANY ADDRESS - Commercial Operations  
700 Louisiana Street, Suite 1300  
Houston, Texas 77002-2700

SHIPPER -

SHIPPER’S ADDRESS -

PAL Term: \_\_\_\_\_ to \_\_\_\_\_

Maximum Quantity (“MQ”): \_\_\_\_\_

PAL Point: \_\_\_\_\_

Check applicable PAL Service Option (Parking **and/or** Lending):

\_\_\_\_\_ PARKING Service

<u>PARKING INFORMATION</u>			<u>INTERIM INFORMATION</u>		<u>PARK RETURN INFORMATION</u>		
Ratable (Y or N)	Park Period (Date Range)	PAL Rate (\$/Dth/D)	Interim Period (Date Range)	PAL Rate (\$/Dth/D)	Ratable (Y or N)	Return Period (Date Range)	PAL Rate (\$/Dth/D)
_____	_____ to _____	_____	_____ to _____	_____	_____	_____ to _____	_____

\_\_\_\_\_ LENDING Service

<u>LENDING INFORMATION</u>			<u>INTERIM INFORMATION</u>		<u>LEND RETURN INFORMATION</u>		
Ratable (Y or N)	Lend Period (Date Range)	PAL Rate (\$/Dth/D)	Interim Period (Date Range)	PAL Rate (\$/Dth/D)	Ratable (Y or N)	Return Period (Date Range)	PAL Rate (\$/Dth/D)
_____	_____ to _____	_____	_____ to _____	_____	_____	_____ to _____	_____

\_\_\_\_\_ Enhanced PAL Service  
 (ATPL)

	Commencement of Service Option	Termination of Service Date	Maximum Quantity Dekatherms	Daily Rate per Dekatherm	PAL Point
Shipper Authorized Automatic Term Parking/Lending Service (ATPL)	_____	_____	_____	* \$ _____	_____

Maximum Cumulative Tolerance Level: \_\_\_\_\_ dth

\*Maximum Quantity available on a daily basis during the term of this Exhibit A.

This Exhibit A is made and entered into as of \_\_\_\_\_, 20\_\_.

GAS TRANSMISSION NORTHWEST LLC

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

Issued: September 29, 2023  
 Effective:

Docket No.  
 Accepted:



Gas Transmission Northwest LLC  
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PART 7.3.1  
7.3.1 - Service Agmts  
Rate Schedule PAL - Exhibit A  
v.7.1.0

**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 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 \_\_\_\_\_ 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  
700 Louisiana Street, Suite 1300  
Houston, Texas 77002-2700

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

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: \_\_\_\_\_

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**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 (a) (e):

<u>ZONE OF RECEIPT</u>	<u>ZONE OF DELIVERY</u>			
	<u>NORTH ZONE</u>		<u>SOUTH ZONE</u>	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
<b><u>NORTH ZONE</u></b>				
<u>Reservation (Dth/d)</u>	<u>0.1468179</u>	<u>0.0000000</u>	<u>0.2705877</u>	<u>0.0000000</u>
<u>Delivery (Dth)</u>	<u>0.0024914</u>	<u>0.0024914</u>	<u>0.0051194</u>	<u>0.0051194</u>
<b><u>SOUTH ZONE</u></b>				
<u>Reservation (Dth/d)</u>	<u>0.2705877</u>	<u>0.0000000</u>	<u>0.1535749</u>	<u>0.0000000</u>
<u>Delivery (Dth)</u>	<u>0.0051194</u>	<u>0.0051194</u>	<u>0.0026280</u>	<u>0.0026280</u>

	<u>DAILY NON-MILEAGE (b) (Dth)</u>		<u>DELIVERY (Dth)</u>	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
	<b><u>EXTENSION CHARGES:</u></b>			
<b><u>MEDFORD</u></b>				
<u>E-1 (f)</u>	<u>0.0825054</u>	<u>0.0000000</u>	<u>0.0000000</u>	<u>0.0000000</u>
<b><u>COYOTE SPRINGS</u></b>				
<u>E-3 (i)</u>	<u>0.0480758</u>	<u>0.0000000</u>	<u>0.0000000</u>	<u>0.0000000</u>
<b><u>CARTY LATERAL</u></b>				
<u>E-4 (p)</u>	<u>0.1124403</u>	<u>0.0000000</u>	<u>0.0000000</u>	<u>0.0000000</u>
<b><u>OVERRUN CHARGE (j)</u></b>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

	<u>RESERVATION</u> (Dth/d)	<u>COMMODITY</u> (Dth/d)
<b><u>FUEL: (d)</u></b>		
<u>NORTH FUEL</u>		
<u>MAXIMUM FUEL AND LINE LOSS PERCENTAGE</u>	---	<u>1.7310%</u>
<u>FUEL AND LINE LOSS PERCENTAGE SURCHARGE</u>	---	<u>0.0000%</u>
<u>SOUTH FUEL</u>		
<u>MAXIMUM FUEL AND LINE LOSS PERCENTAGE</u>	---	<u>1.3315%</u>
<u>FUEL AND LINE LOSS PERCENTAGE SURCHARGE</u>	---	<u>0.0000%</u>

**SURCHARGES:**

<u>ACA</u>	<u>(k)</u>	---
<u>ELECTRIC POWER COSTS (EPC) (g)</u>		
<u>NORTH EPC</u>	<u>0.0000000</u>	<u>0.0000000</u>
<u>SOUTH EPC</u>	<u>0.0000000</u>	<u>0.0000000</u>
<u>REGULATORY ENVIRONMENTAL &amp; COMPLIANCE COSTS (RECC) (l)</u>		
<u>NORTH RECC</u>	<u>0.0000000</u>	---
<u>SOUTH RECC</u>	<u>0.0000000</u>	---

**RESERVATION**

**DAILY  
MILEAGE (a)  
Dth-MILE**

**DAILY  
NON-MILEAGE (b)  
(Dth)**

**DELIVERY (e)  
(Dth-MILE)**

**FUEL (d)  
Dth-MILE**

Max      Min

Max      Min

Max      Min

Max      Min

<b>BASE</b>	0.000362	0.000000	0.028612	0.000000	0.000016	0.000016	0.005 0%	0.0000%
<b>STE (e)</b>	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.005 0%	0.0000%

**EXTENSION CHARGES**

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

**MEDFORD**

-E 1 (f) 0.002511 0.000000 0.004223 0.000000 0.000026 0.000026 — —

-E 2 (h) 0.002972 0.000000 — — 0.000000 0.000000 — —  
 — (Diamond 1)

-E 2 (h) 0.001166 0.000000 — — 0.000000 0.000000 — —  
 — (Diamond 2)

**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)**

— — — — — — — —

*Appendix B-2 - Preferred Case Marked  
Pro Forma*

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

PART 4.1  
4.1 - Statement of Rates  
FTS-1, LFS-1, and FHS Rates  
v.21.1.0

**SURCHARGES**

~~ACA~~ ~~(k)~~

— — —

—

~~(k)~~  
~~(k)~~

— —

For Rate Schedule FHS (a):

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 Reservation Charge Mileage and Non-Mileage Components shall be adjusted to reflect the expedited hours of gas flow (“HF”) utilizing the following formulas, rounded to 67 decimal places:

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

(a) ~~Non-Mileage~~ Reservation Charge Component = FTS-1NMRC x (24/HF)

where:

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

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

Rate Schedule ITS-1 (e)

<u>ZONE OF RECEIPT</u>	<u>ZONE OF DELIVERY</u>			
	<u>NORTH</u>		<u>SOUTH</u>	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
<u>NORTH ZONE</u>				
Delivery (Dth)	0.0024914	0.0024914	0.0051194	0.0051194
<u>SOUTH ZONE</u>				
Delivery (Dth)	0.0051194	0.0051194	0.0026280	0.0026280

	<u>DAILY NON-MILEAGE (b) (Dth)</u>		<u>DELIVERY (Dth)</u>	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
<u>EXTENSION CHARGES:</u>				
<u>MEDFORD</u>				
E-1 (f)	0.0825054	0.0000000	0.0000000	0.0000000
<u>COYOTE SPRINGS</u>				
E-3 (i)	0.0480758	0.0000000	0.0000000	0.0000000
<u>CARTY LATERAL</u>				
E-4 (p)	0.1124403	0.0000000	0.0000000	0.0000000
<u>OVERRUN CHARGE (j)</u>	---	---	---	---

Rate Schedule ITS-1

	<u>RESERVATION</u> <u>(Dth/d)</u>	<u>COMMODITY</u> <u>(Dth/d)</u>
<b><u>FUEL: (d)</u></b>		
<u>NORTH FUEL</u>		
<u>MAXIMUM FUEL AND LINE LOSS PERCENTAGE</u>	---	<u>1.7310%</u>
<u>FUEL AND LINE LOSS PERCENTAGE SURCHARGE</u>	---	<u>0.0000%</u>
<u>SOUTH FUEL</u>		
<u>MAXIMUM FUEL AND LINE LOSS PERCENTAGE</u>	---	<u>1.3315%</u>
<u>FUEL AND LINE LOSS PERCENTAGE SURCHARGE</u>	---	<u>0.0000%</u>
<hr/>		
<b><u>SURCHARGES:</u></b>		
<u>ACA</u>	<u>(k)</u>	---
<u>ELECTRIC POWER COSTS (EPC) (g)</u>		
<u>NORTH EPC</u>	<u>0.0000000</u>	<u>0.0000000</u>
<u>SOUTH EPC</u>	<u>0.0000000</u>	<u>0.0000000</u>
<u>REGULATORY ENVIRONMENTAL &amp; COMPLIANCE COSTS (RECC) (l)</u>		
<u>NORTH RECC</u>	<u>0.0000000</u>	---
<u>SOUTH RECC</u>	<u>0.0000000</u>	---

	<u>MILEAGE (n)</u> <u>(Dth-MILE)</u>		<u>NON-MILEAGE (o)</u> <u>(Dth)</u>		<u>DELIVERY (e)</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>
<b>BASE</b>	<u>(e)</u>	<u>0.000000</u>	<u>(e)</u>	<u>0.000000</u>	<u>0.000016</u>	<u>0.000016</u>	<u>0.005</u>	<u>0.000</u>
							<u>0%</u>	<u>0%</u>
<b><u>EXTENSION CHARGES</u></b>								
<b><u>MEDFORD:</u></b>								
<u>-E 1 (Medford) (f)</u>	<u>0.002511</u>	<u>0.000000</u>	<u>0.004223</u>	<u>0.000000</u>	<u>0.000026</u>	<u>0.000026</u>	---	---
<b><u>COYOTE SPRINGS:</u></b>								
<u>-E 3 (i) (Coyote Springs) (i)</u>	<u>0.001167</u>	<u>0.000000</u>	<u>0.001168</u>	<u>0.000000</u>	<u>0.000000</u>	<u>0.000000</u>	---	---

Issued: September 29, 2023  
Effective:

Docket No.  
Accepted:

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

**CARTY LATERAL:**

<del>E 4 (Carty Lateral) (p)</del>	—	—	0.151492	0.000000	0.000000	0.000000	—	—
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**SURCHARGES**

<del>ACA (k)</del>	—	—	—	—	(k)	—	—
					(k)		



**Appendix B-2 - Preferred Case Marked  
Pro Forma**

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

PART 4.2  
4.2 - Statement of Rates  
ITS-1 and IHS Rates  
v.12.1.0

Rate Schedule IHS

<u>ZONE OF RECEIPT</u>	<u>ZONE OF DELIVERY</u>			
	<u>NORTH</u>		<u>SOUTH</u>	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
<u>NORTH ZONE</u>				
<u>Delivery (Dth)</u>	<u>0.0024914</u>	<u>0.0024914</u>	<u>0.0051194</u>	<u>0.0051194</u>
<u>SOUTH ZONE</u>				
<u>Delivery (Dth)</u>	<u>0.0051194</u>	<u>0.0051194</u>	<u>0.0026280</u>	<u>0.0026280</u>

	<u>DAILY NON-MILEAGE (b) (Dth)</u>		<u>DELIVERY (Dth)</u>	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
<u>EXTENSION CHARGES:</u>				
<u>MEDFORD</u>				
<u>E-1 (f)</u>	<u>0.1980130</u>	<u>0.0000000</u>	<u>0.0000000</u>	<u>0.0000000</u>
<u>COYOTE SPRINGS</u>				
<u>E-3 (i)</u>	<u>0.1153819</u>	<u>0.0000000</u>	<u>0.0000000</u>	<u>0.0000000</u>
<u>CARTY LATERAL</u>				
<u>E-4 (p)</u>	<u>0.2698567</u>	<u>0.0000000</u>	<u>0.0000000</u>	<u>0.0000000</u>
<u>OVERRUN CHARGE (j)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

Issued: September 29, 2023  
Effective:

Docket No.  
Accepted:

Rate Schedule IHS

	<u>RESERVATION</u> (Dth/d)		<u>COMMODITY</u> (Dth/d)	
<b><u>FUEL: (d)</u></b>				
<u>NORTH FUEL</u>				
<u>MAXIMUM FUEL AND LINE LOSS PERCENTAGE</u>		---		<u>0.0050%</u>
<u>FUEL AND LINE LOSS PERCENTAGE SURCHARGE</u>		---		<u>0.0000%</u>
<u>SOUTH FUEL</u>				
<u>MAXIMUM FUEL AND LINE LOSS PERCENTAGE</u>		---		<u>0.0050%</u>
<u>FUEL AND LINE LOSS PERCENTAGE SURCHARGE</u>		---		<u>0.0000%</u>
<hr/>				
<b><u>SURCHARGES:</u></b>				
<u>ACA</u>		(k)		---
<u>ELECTRIC POWER COSTS (EPC) (g)</u>				
<u>NORTH EPC</u>		0.0000000		<u>0.0000000</u>
<u>SOUTH EPC</u>		0.0000000		<u>0.0000000</u>
<u>REGULATORY ENVIRONMENTAL &amp; COMPLIANCE COSTS (RECC) (l)</u>				
<u>NORTH RECC</u>		0.0000000		---
<u>SOUTH RECC</u>		0.0000000		---
	<u>MILEAGE (n)</u> (Dth-Mile)		<u>NON-MILEAGE (o)</u> (Dth)	
	<u>Max</u>	<u>Min</u>	<u>Max</u>	<u>Min</u>
<b><u>BASE</u></b>			<u>DELIVERY (e)</u> (Dth-Mile)	
	(e)	0.000000	(e)	0.000000
			<u>Max</u>	<u>Min</u>
			0.000016	0.000016
			<u>Max</u>	<u>Min</u>
			0.005	0.0
			0%	000
				%
<b><u>EXTENSION CHARGES</u></b>				
<b><u>MEDFORD</u></b>				
<u>E-1 (Medford) (f)</u>	0.006026	0.000000	0.010135	0.000000
			0.000026	0.000026
			---	---

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

~~COYOTE SPRINGS~~

<del>E-3 (i) (Coyote Springs) (i)</del>	<del>0.002801</del>	<del>0.000000</del>	<del>0.002803</del>	<del>0.000000</del>	<del>0.000000</del>	<del>0.000000</del>	<del>—</del>	<del>—</del>
---	---------------------	---------------------	---------------------	---------------------	---------------------	---------------------	--------------	--------------

~~CARTY LATERAL~~

<del>E-4 (Carty Lateral) (p)</del>	<del>—</del>	<del>—</del>	<del>0.363581</del>	<del>0.000000</del>	<del>0.000000</del>	<del>0.000000</del>	<del>—</del>	<del>—</del>
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~~SURCHARGES:~~

<del>ACA (k)</del>	<del>—</del>	<del>—</del>	<del>(k)</del>	<del>(k)</del>	<del>(k)</del>	<del>—</del>	<del>—</del>	<del>—</del>
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STATEMENT OF EFFECTIVE RATES AND CHARGES  
FOR TRANSPORTATION OF NATURAL GAS

Notes:

- (a) Transportation quantities that are delivered to points in either Zone(s) shall be assessed the applicable Zone(s) path Reservation Charge(s), the Delivery Charges, plus any applicable Extension Charge(s), Overrun Charge(s), Fuel and Line Loss Percentages and applicable surcharges. ~~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 Reservation Charge non mileage component is applied per Shipper's MDQ based upon Shipper's at Primary Point(s) of Receipt and Delivery on Mainline Facilities.
- (c) Reserved for Future Use. ~~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 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) Delivery rates short-term firm (STF) service under Rate Schedule FTS-1 and LFS-1 and FHS are identical to long-term firm service. Seasonal ~~†Recourse~~ Reservation †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~~ C 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):

**Appendix B-2 - Preferred Case Marked  
Pro Forma**

Gas Transmission Northwest LLC  
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PART 4.3  
4.3 - Statement of Rates  
Footnotes to Statement of Effective Rates and Charges  
v.19.1.0

For STF and ITS-1:

<u>Peak Months Elected</u>	<u>North Zone – North Zone</u>	<u>South Zone – South Zone</u>	<u>North Zone – South Zone</u>
<u>0</u>	<u>0.1468179</u>	<u>0.1535749</u>	<u>0.2705877</u>
<u>1</u>	<u>0.2789540</u>	<u>0.2917923</u>	<u>0.5141166</u>
<u>2</u>	<u>0.2789540</u>	<u>0.2917923</u>	<u>0.5141166</u>
<u>3</u>	<u>0.2789540</u>	<u>0.2917923</u>	<u>0.5141166</u>
<u>4</u>	<u>0.2789540</u>	<u>0.2917923</u>	<u>0.5141166</u>

<u>Peak Months Elected</u>	<u>North Zone – North Zone</u>	<u>South Zone – South Zone</u>	<u>North Zone – South Zone</u>
<u>0</u>	<u>0.1468179</u>	<u>0.1535749</u>	<u>0.2705877</u>
<u>1</u>	<u>0.1348055</u>	<u>0.1410097</u>	<u>0.2484487</u>
<u>2</u>	<u>0.1203907</u>	<u>0.1259314</u>	<u>0.2218819</u>
<u>3</u>	<u>0.1027726</u>	<u>0.1075025</u>	<u>0.1894115</u>
<u>4</u>	<u>0.0807499</u>	<u>0.0844662</u>	<u>0.1488233</u>

	<b>4-Peak Mos.</b>	<b>3-Peak Mos.</b>	<b>2-Peak Mos.</b>	<b>1-Peak Mo.</b>	<b>0-Peak Mos.</b>
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:

<u>Peak Months Elected</u>	<u>North Zone – North Zone</u>	<u>South Zone – South Zone</u>	<u>North Zone – South Zone</u>
<u>0</u>	<u>0.3523629</u>	<u>0.3685797</u>	<u>0.6494104</u>
<u>1</u>	<u>0.6694896</u>	<u>0.7003015</u>	<u>1.2338798</u>
<u>2</u>	<u>0.6694896</u>	<u>0.7003015</u>	<u>1.2338798</u>
<u>3</u>	<u>0.6694896</u>	<u>0.7003015</u>	<u>1.2338798</u>
<u>4</u>	<u>0.6694896</u>	<u>0.7003015</u>	<u>1.2338798</u>

  

<u>Peak</u>	<u>Off Peak</u>
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Issued: September 29, 2023  
Effective:

Docket No.  
Accepted:

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<u>Months Elected</u>	<u>North Zone – North Zone</u>	<u>South Zone – South Zone</u>	<u>North Zone – South Zone</u>
<u>0</u>	<u>0.3523629</u>	<u>0.3685797</u>	<u>0.6494104</u>
<u>1</u>	<u>0.3235332</u>	<u>0.3384233</u>	<u>0.5962769</u>
<u>2</u>	<u>0.2889377</u>	<u>0.3022354</u>	<u>0.5325166</u>
<u>3</u>	<u>0.2466542</u>	<u>0.2580060</u>	<u>0.4545876</u>
<u>4</u>	<u>0.1937997</u>	<u>0.2027189</u>	<u>0.3571759</u>

	<u>4 Peak Mos.</u>	<u>3 Peak Mos.</u>	<u>2 Peak Mos.</u>	<u>1 Peak Mo.</u>	<u>0 Peak Mos.</u>
Peak NM Res.	\$0.096137	\$0.096137	\$0.096137	\$0.09137	\$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 (12)-month period beginning June 1 of the same year. For Rate Schedules FTS-1 STF, ITS-1, and IHS, the North Zone to South Zone path rates are identical to the South Zone to North Zone path rates.

- (f) Applicable to firm service on GTN's Medford Extension.
- (g) Reserved for Future Use Electric Power Costs ("EPC") Adjustment is charged in accordance with Section 6.39 of the General Terms and Conditions.
- (h) ~~Reserved for Future Use. 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.~~

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- (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](http://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.~~ Regulatory Environmental & Compliance Costs ("RECC") will be charged in accordance with Section 6.35 of the General Terms and Conditions.
- (m) Reserved for Future Use.
- (n) ~~Reserved for Future Use. 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) ~~Reserved for Future Use. 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.

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~~RESERVED FOR FUTURE USE~~

RESERVATION (a)

<u>DAILY</u>		<u>DAILY</u>					
<u>MILEAGE (a)</u>		<u>NON-MILEAGE (b)</u>		<u>DELIVERY (c)</u>		<u>FUEL (d)</u>	
<u>(Dth-MILE)</u>		<u>(Dth)</u>		<u>(Dth-MILE)</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>

**EXTENSION CHARGES:**

**MEDFORD**

<u>E-2 (h)</u>	0.002972	0.000000	---	---	0.000000	0.000000	---	---
<u>(Diamond 1)</u>								
<u>E-2 (h)</u>	0.001166	0.000000	---	---	0.000000	0.000000	---	---
<u>(Diamond 2)</u>								

(a) 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.



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      ~~0.204356/d~~ 0.2757071/d

Notes:

(a) [Applicable to both PAL Service and ATPL enhancement option as defined in Section 5.5.2.](#)

## 5.1.2 APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to firm gas transportation services performed by GTN for Shipper pursuant to the executed Firm Transportation Service Agreement between GTN and Shipper. GTN shall receive from Shipper such daily quantities of gas up to the Shipper's Maximum Daily Quantity as specified in the executed Firm Transportation Service Agreement between GTN and Shipper plus the required quantity of gas for fuel and line loss associated with service under this Rate Schedule FTS-1 and redeliver an amount equal to the quantity received less the required quantity of gas for fuel and line loss, plus all applicable surcharges. This transportation service shall be firm and not subject to curtailment or interruption except as provided in the Transportation General Terms and Conditions. A Shipper's Maximum Daily Quantity shall be a uniform quantity throughout the contract term, except that GTN may, on a not unduly discriminatory basis, agree to differing monthly levels in the Shipper's Maximum Daily Quantity during the term of Shipper's contract. Shipper's Maximum Daily Quantity and any differing levels in the Maximum Daily Quantity, as well as the period of such differing Maximum Daily Quantity levels, shall be specified in the executed Firm Transportation Service Agreement.

Firm transportation service shall be subject to all provisions of the executed Firm Transportation Service Agreement between GTN and Shipper and the applicable Transportation General Terms and Conditions.

5.1.3.1 Reservation Charge.

~~The Reservation Charge shall be the sum of the Mileage and the Non Mileage Component:~~

~~(a) Mileage Component.~~

~~The Reservation Charge Mileage Component shall be the product of the currently effective reservation rates and the Maximum Daily Quantity for the appropriate Zone(s) of service as set forth in Section 4.1 of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. Mileage Rate as set forth in Section 4.1, the distance, in pipeline miles, from the Primary Point(s) of receipt to the Primary Point(s) of Delivery on Mainline Facilities as set forth in Shipper's Contract, and the Shipper's Maximum Daily Quantity at such Point(s).~~

~~(a**b**) If, in any month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within the Zone for which capacity is reserved pursuant to this Section 5.1.3.1, no additional Reservation Charge shall be applicable. However, if the Secondary Receipt Point(s) or Secondary Delivery Point(s) are outside of the Zone, for which capacity is reserved pursuant to this Section 5.1.3.1, Shipper shall pay for each Gas Day of such nomination the applicable Reservation Rate, as stated in Section 4.1 that GTN otherwise would charge for transportation to or from those additional Zones. Non Mileage Component.~~

~~The Non Mileage Component shall be the product of the currently effective Non Mileage Rate as set forth in Section 4.1 and the Shipper's Maximum Daily Quantity at Primary Point(s) of Delivery on Mainline Facilities.~~

(b**e**) Shipper's obligation to pay the Reservation Charge is independent of Shipper's ability to obtain export authorization from the National Energy Board of Canada, Canadian provincial removal authority, and/or import authorization from the United States Department of Energy, and shall begin with the execution of the Firm Transportation Service Agreement by both parties. The Reservation Charge due and payable shall be computed beginning in the month in which service is first available (prorated if beginning in the month in which service is available on a date other than the first day of the month). Thereafter, the daily Reservation Charge shall be due and payable each month during the Initial (and Subsequent) Term(s) of the Shipper's executed Firm Transportation Service Agreement and is unaffected by the quantity of gas transported by GTN to Shipper's delivery point(s) in any month except as provided for in Sections 5.1.3.9 and 5.1.3.10 of this ~~r~~Rate ~~s~~Schedule.

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*Pro Forma*

PART 5.1.3.1

5.1.3.1- Rate Sched FTS-1

Reservation Charge

v.5.1.0

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5.1.3.2 Delivery Charge.

The Delivery Charge shall be the product of the applicable Delivery Rate, as set forth in Section 4.1 ~~and~~, the quantities of gas delivered by GTN to or for the account of Shipper in the ~~m~~Month (in Dth) ~~(excluding Authorized Overrun)~~ at point(s) of delivery on Mainline Facilities, ~~and the distance, in pipeline miles, from the point(s) of receipt to point(s) of delivery on Mainline Facilities.~~

5.1.3.3 Extension Charge.

If Shipper designates a Primary Point of delivery on an Extension Facility, then in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall consist of a ~~R~~Reservation and ~~D~~Delivery ~~e~~Component.

- (a) The ~~R~~Reservation ~~e~~Component of the Extension Charge shall be the product of Shipper's Maximum Daily Quantity at the Primary Point(s) of delivery on the Extension Facility and, the applicable Extension reservation rate as set forth in Section 4.1, ~~and the distance, in pipeline miles, from the Receipt Point(s) on the Extension Facility to the Primary Point(s) of delivery.~~
- (b) The ~~D~~Delivery ~~e~~Component of the Extension Surcharge shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility and, the applicable Extension delivery rate as set forth in Section 4.1, ~~and the distance, in pipeline miles, from the Receipt Point(s) on the Extension Facility to the point(s) of delivery.~~

5.1.3.4 Authorized and Unauthorized Overruns ~~Charge~~.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ shall be transported when capacity is available on the GTN system and when the provision of such Authorized Overruns shall not affect any Shipper's rights on the GTN System. Authorized Overruns are interruptible in nature. The rate charged shall be the same as the rates and charges for interruptible transportation under Rate Schedule ITS-1 as set forth in Section 4.1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.1.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

5.1.3.5 Applicability of Surcharges.

The applicable rates for service under this Rate Schedule are set forth in the currently effective Statement of Rates of this Tariff (Section 4.1) and are hereby incorporated herein.

Shipper shall pay all ~~reservation and usage~~ surcharges applicable to this Rate Schedule for service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A. ~~Such surcharges shall be deemed to be part of Shipper's Reservation and Delivery Charges.~~



5.1.3.6 Discounts.

Shipper shall pay the Maximum Reservation Charge, and the Maximum Delivery Charge for service under [its applicable Zone\(s\) in](#) this Rate Schedule unless GTN offers to discount the ~~Mileage Rate components or the Non-Mileage Rate components of the~~ Reservation Rate or the Delivery Rate under this rate schedule. If GTN elects to discount any such rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected; provided, however, such discount shall not be unduly discriminatory between individual shippers. The rates for service under this rate schedule shall not be discounted below the Minimum Reservation Charge, the Minimum Delivery Rate, and applicable ~~ACA S~~[urcharges](#).

5.1.3.8 Capacity Release.

(a) Releasing Shippers:

Shipper shall have the option to release capacity pursuant to the provisions of GTN's capacity release program as specified in the Transportation General Terms and Conditions. Shipper may release its capacity, up to Shipper's Maximum Daily Quantity under this rate schedule, in accordance with the provisions of Section 6.28 of GTN's Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. Shipper shall pay a fee associated with the marketing of capacity by GTN (if applicable) in accordance with Section 6.28 of the Transportation General Terms and Conditions. This fee shall be negotiated between GTN and the Releasing Shipper.

(b) Replacement Shippers:

Shipper may receive released capacity service under this rate schedule pursuant to Section 6.28 of the Transportation General Terms and Conditions and is required to execute a service agreement in the form contained for capacity release under Rate Schedule FTS-1 in this Fourth Revised Volume No. 1-A.

Shipper shall pay GTN each month for transportation service under this rate schedule and as set forth in GTN's current Statement of Effective Rates and Charges in this Fourth Revised Volume No. 1-A. Charges to be paid shall be the sum of the Reservation Charge, Delivery Charge, and other applicable surcharges or penalties.

If the Replacement Shipper nominates to Secondary Point(s) outside of the Zone where the Releasing Shipper's Primary Point is located, then the Replacement Shipper shall be billed the additional currently effective Zone Charge as set forth in Section 4.1 and Section 4.2, to the Secondary Point.

5.2.3.1 Reservation Charge.

~~The Reservation Charge shall be the sum of the Mileage and the Non Mileage Component:~~

~~(a) Mileage Component.~~

The ~~Mileage Component~~ Reservation Charge shall ~~equal be~~ the product of the currently effective reservations rates and the Maximum Daily Quantity for the appropriate Zone(s) of service as set forth in Section 4.1 of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. ~~Daily Mileage Charge, the number of days in the month less the number of Limited Days, the distance in pipeline miles from the Primary Point(s) of receipt to the Primary Point(s) of delivery on Mainline Facilities as set forth in Shipper's Contract, and the Shippers Maximum Daily Quantity at such Point(s).~~ To the extent service is provided for a Partial Volume Day, an LFS shipper's MDQ for that day will be equal to its contractual MDQ multiplied by the ratio of the daily LFS quantity made available to the shipper's contractual MDQ.

~~(a)~~ (b) If, in any month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within the Zone for which capacity is reserved pursuant to this Section 5.2.3.1, no additional Reservation Charge shall be applicable. However, if the Secondary Receipt Point(s) or Secondary Delivery Point(s) are outside of the Zone, for which capacity is reserved pursuant to this Section 5.2.3.1, Shipper shall pay for each Gas Day of such nomination the applicable Reservation Rate, as stated in Section 4.1 that GTN otherwise would charge for transportation to or from those additional Zones. ~~Non-Mileage Component.~~

(b)

~~The Non Mileage Component shall be the product of the Daily Non Mileage Charge, the number of days in the month less the number of Limited Days, and the Shipper's Maximum Daily Quantity at Primary Point(s) of Delivery on Mainline Facilities. To the extent service is provided for a Partial Volume Day, an LFS shipper's MDQ for that day will be equal to its contractual MDQ multiplied by the ratio of the daily LFS quantity made available to the shipper's contractual MDQ.~~

~~(c) Obligation to Pay.~~

Shipper's obligation to pay the Reservation Charge is independent of Shipper's ability to obtain export authorization from the National Energy Board of

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*Pro Forma*

PART 5.2.3.1

5.2.3.1- Rate Sched LFS-1

Reservation Charge

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Canada, Canadian provincial removal authority, and/or import authorization from the United States Department of Energy, and shall begin with the execution of the Limited Firm Transportation Service Agreement by both parties. The Reservation Charge due and payable shall be computed beginning in the month in which service is first available (prorated if beginning in the month in which service is available on a date other than the first day of the month). Thereafter, the daily Reservation Charge shall be due and payable each month during the Initial (and Subsequent) Term(s) of the Shipper's executed Limited Firm Transportation Service Agreement and is unaffected by the quantity of gas transported by GTN to Shipper's delivery point(s) in any month except as provided for in Sections 5.1.3.9 and 5.1.3.10 of Rate Schedule FTS-1.

Issued: September 29, 2023  
Effective:

Docket No.  
Accepted:

5.2.3.2 Delivery Charge.

The Delivery Charge shall be the product of the applicable Delivery Rate as set forth in Section 4.1; and the quantities of gas delivered by GTN to or for the account of Shipper in the Mmonth (in Dth) ~~(excluding Authorized Overrun)~~ at point(s) of delivery on Mainline Facilities, ~~and the distance, in pipeline miles, from the point(s) of receipt to point(s) of delivery on Mainline Facilities.~~

5.2.3.3 Extension Charge.

If Shipper designates a Primary Point of delivery on an Extension Facility, then in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall consist of a reservation and delivery component.

- (a) The reservation component of the Extension Charge shall be the product of the Daily Extension Reservation Rate, the number of days in the month less the number of Limited Days, ~~the distance in pipeline miles from the Receipt Point(s) to the Primary Point(s) of delivery on the Extension Facility as set forth in Shipper's Contract,~~ and the Shipper's Maximum Daily Quantity at such Point(s). To the extent service is provided for a Partial Volume Day, an LFS shipper's MDQ for that day will be equal to its contractual MDQ multiplied by the ratio of the daily LFS quantity made available to the shipper's contractual MDQ.
- (b) The delivery component of the Extension Surcharge shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility and, the applicable Extension delivery rate as set forth in Section 4.1., ~~and the distance, in pipeline miles, from the Receipt Point(s) on the Extension Facility to the point(s) of delivery.~~

5.2.3.4 Authorized and Unauthorized Overruns ~~Charge~~.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ shall be transported when capacity is available on the GTN system and when the provision of such Authorized Overruns shall not affect any Shipper's rights on the GTN System. Authorized Overruns are interruptible in nature. The rate charged for Authorized Overruns shall be the same as the rates and charges for interruptible transportation under Rate Schedule ITS-1 as set forth in Section 4.1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.2.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

5.2.3.5 Applicability of Surcharges.

The applicable rates for service under this Rate Schedule are set forth in the currently effective Statement of Rates of this Tariff (Section 4.1) and are hereby incorporated herein.

Shipper shall pay all ~~reservation and usage~~ surcharges applicable to this Rate Schedule for the service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A. ~~Such surcharges shall be deemed to be part of Shipper's Reservation and Delivery Charges.~~



5.2.3.6 Discounted Transportation Rates.

Shipper shall pay the Maximum Reservation Charge and the Maximum Delivery Charge for service under its applicable Zone(s) in this Rate Schedule unless GTN offers to discount the ~~Mileage Rate components or the Non Mileage Rate components of the~~ Reservation Rate or the Delivery Rate under this rate schedule. If GTN elects to discount any such rate, such discount shall not be anticompetitive or unduly discriminatory between individual shippers. The rates for service under this rate schedule shall not be discounted below the Minimum Reservation Charge, the Minimum Delivery Rate, and applicable ~~ACA~~ Surcharges.

5.2.3.8 Capacity Release.

(a) Releasing Shippers:

Shipper shall have the option to release capacity pursuant to the provisions of GTN's capacity release program as specified in the Transportation General Terms and Conditions. Shipper may release its capacity, up to Shipper's Maximum Daily Quantity under this rate schedule, in accordance with the provisions of Section 6.28 of GTN's Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. Shipper shall pay a fee associated with the marketing of capacity by GTN (if applicable) in accordance with Section 6.28 of the Transportation General Terms and Conditions. This fee shall be negotiated between GTN and the Releasing Shipper.

(b) Replacement Shippers:

Shipper may receive released capacity service under this rate schedule pursuant to Section 6.28 of the Transportation General Terms and Conditions and is required to execute a service agreement in the form contained for capacity release under Rate Schedule LFS-1 in this Fourth Revised Volume No. 1-A.

All replacement shippers must accept the same provisions regarding and circumstances relating to Limited Days as apply under the Releasing Shipper's Agreement, including the number of Limited Days remaining in an applicable defined period. Any required capacity release posting must state and describe the contract provisions relating to Limited Days. When a Releasing Shipper releases a volumetric portion of its full contract path, capacity on a Limited or Partial Volume Day shall be prorated among the original and replacement Shippers based on their respective MDQs. When a Releasing Shipper releases a segment of its full contract path, the number of Limited Days that apply to the Replacement will be the number of Limited Days that remain on the Releasing Shipper's Agreement.

In this case, the Releasing and Replacement Shipper Agreements will be treated separately for purposes of calling Limited or Partial Volume Days. In the event of a recall of segmented released capacity, once the capacity reverts to the original Shipper, that Shipper is bound by the greater of the number of Limited Days remaining for either the original or Replacement Shipper in the relevant defined time period. GTN will notify Replacement Shippers, both permanent and temporary, of whether days are Limited or Partial Volume Days.

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PART 5.2.3.8  
5.2.3.8- Rate Sched LFS-1  
Capacity Release  
v.4.1.0

Shipper shall pay GTN each month for transportation service under this rate schedule and as set forth in GTN's current Statement of Effective Rates and Charges in this Fourth Revised Volume No. 1-A. Charges to be paid shall be the sum of the Reservation Charge, Delivery Charge, and other applicable surcharges or penalties.

If the Replacement Shipper nominates to Secondary Point(s) outside of the Zone where the Releasing Shipper's Primary Point is located, then the Replacement Shipper shall be billed the additional currently effective Zone Charge as set forth in Section 4.1 and Section 4.2, to the Secondary Point.

The rates paid by Shipper receiving capacity release transportation service shall be adjusted as provided in the executed Limited Firm Transportation Service Agreement between GTN and Shipper.

Issued: September 29, 2023  
Effective:

Docket No.  
Accepted:

5.3.3.1 Interruptible Transportation Charge.

The monthly Interruptible Transportation Charge shall be the product of the currently effective Reservation Rate components as set forth in Section 4.2 and the quantities of gas delivered during the Month (Dth) at point(s) of delivery on Mainline Facilities for immediate delivery to the facilities of another entity or to an Extension Facility. ~~sum of the Mileage Component and Non Mileage Component.~~

~~(a) Mileage Component.~~

~~The Mileage Component shall be the product of the currently effective Mileage Rate as set forth in Section 4.2, the distance, in pipeline miles, from the point(s) of receipt to the point(s) of delivery, and the quantities of gas delivered at such point(s) during the month (Dth).~~

~~(b) Non Mileage Component.~~

~~The Non Mileage Component shall be the product of the currently effective Non Mileage Rate as set forth in Section 4.2 and the quantities of gas delivered during the month (Dth) at point(s) of delivery on Mainline Facilities for immediate delivery to the facilities of another entity or to an Extension Facility.~~

5.3.3.2 Extension Charge.

If Shipper designates a point(s) of delivery on an Extension Facility, then, in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility, the applicable Extension Delivery Rate as set forth in Section 4.2., ~~and the distance, in pipeline miles, from the point(s) of receipt(s) on the Extension Facility to the point(s) of delivery.~~

5.3.3.3 Applicability of Surcharges.

The applicable rates for service under this Rate Schedule are set forth in the currently effective Statement of Rates for this Tariff (Section 4.2) and are hereby incorporated herein.

Shipper shall pay all surcharges applicable to this Rate Schedule for the service provided to Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A. ~~Such surcharges shall be deemed to be part of Shipper's Delivery Charge.~~

5.3.3.4 Discounts.

Shipper shall pay the Maximum Delivery Rate for service under its applicable Zone(s) in this ~~Rate Schedule~~, unless GTN offers to discount its rate to Shipper under this ~~Rate Schedule~~. If GTN elects to discount its rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected, provided, however, such discount shall not be unduly discriminatory between individual Shippers. The rate for service under this ~~Rate Schedule~~ shall not be discounted below the Minimum Delivery Rate. The Minimum Delivery Rate shall be the Minimum Base Tariff Rate and applicable ~~ACA-Surcharges~~.

### 5.3.6 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions except Sections 6.28, 6.31, 6.33, ~~6.35~~ and 6.37 are applicable to this rate schedule, unless otherwise expressed in the executed Interruptible Transportation Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to interruptible transportation service rendered under this rate schedule, and, by this reference, are made a part hereof.



## 5.5.2 APPLICABILITY AND CHARACTER OF SERVICE

1. This rate schedule shall apply to Parking and Lending Service (“PAL”) performed by GTN, where gas may be received (park) or advanced (loan) by GTN for a Shipper.
2. Notwithstanding the provisions applicable to the ATPL as defined below, Sservice under this rate schedule shall be provided up to Shipper’s Maximum Quantity, as set forth on Exhibit A of Shipper’s effective PAL Service Agreement, to the extent GTN’s system permits the provision of such service and that the provision of such service shall not prevent GTN from meeting all of its firm and interruptible service obligations, including GTN’s system needs.
  - (a) Parking Service is an interruptible service that provides for:
    - (i) The receipt by GTN of gas quantities that have been delivered by Shipper at a PAL Point, as set forth on Exhibit A of an effective PAL Service Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be parked, which may include a requirement for Shipper to park such quantities ratably;
    - (ii) GTN holding the parked gas quantities; and
    - (iii) The subsequent return of parked gas quantities to the Shipper at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to receive such quantities ratably.
  - (b) Lending Service is an interruptible service that provides for:
    - (i) The receipt of gas quantities by Shipper from GTN at a PAL Point, as set forth on Exhibit A of an effective PAL Service Agreement; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be loaned, which may include a requirement for Shipper to receive such quantities ratably; and
    - (ii) The subsequent return of the loaned gas quantities to GTN at such PAL Point, or a mutually agreeable alternative point; provided that GTN and Shipper may agree in Exhibit A to the PAL Service Agreement to a schedule of the quantities to be returned, which may include a requirement for Shipper to return such quantities ratably.

3. Shipper Authorized Automatic Term Parking/Lending (“ATPL”) is an enhanced PAL Service option that allows a Shipper to nominate, parking and/or lending service at a designated PAL Point within a supported nomination cycle for a mutually agreed upon term and Maximum Quantity that a Shipper is authorized to automatically park or loan on a given Gas Day. ATPL receives a higher level of scheduling priority than GTN’s interruptible services.

A Maximum Cumulative Tolerance Level shall be established under ATPL which shall be equivalent to the maximum cumulative quantity of natural gas that Shipper is pre-authorized, subject to availability, to park or loan at a designated PAL Point during the term of the applicable ATPL, as set forth on Exhibit A to the PAL Service Agreement.

To initiate on a prospective basis, Shipper must complete and submit to GTN a proposed Exhibit A to an effective PAL Service Agreement. Shipper retains the right to prospectively adjust scheduled parking and/or lending activity nominated via ATPL in subsequent nomination cycles.

4. GTN shall maintain separate Parking Service and Lending Service PAL Account(s) for each Shipper utilizing the services herein.

GTN shall receive from, or advance to, Shipper such daily quantities of gas nominated and scheduled for receipt or delivery by GTN, and park or lend such gas for a minimum of one (1) day. Such quantities received or advanced shall be recorded in Shipper's PAL Account, as applicable.

Shippers electing to withdraw parked gas or redeliver loaned gas from their respective PAL Account shall nominate a quantity up to the quantity of gas available in their respective PAL Account at the point the gas was either received or advanced by GTN.

45. If GTN and Shipper agree that Shipper may receive parked gas quantities or return loaned gas quantities at point(s) that are different from those specified on Exhibit A of Shipper’s effective PAL Service Agreement, then Shipper and GTN must utilize a separate Transportation Service Agreement(s) to effectuate receipt or delivery of such gas at the new point(s).

56. In the event GTN does not have sufficient capacity on a given day to satisfy all nominations under this PAL rate schedule, GTN shall schedule nominations in sequence, starting with the nomination of the Shipper paying the highest rate for service under this rate schedule. If two or more Shippers are paying the same rate for service under this rate schedule, the nominations of such Shippers shall be scheduled on a pro-rata basis, using confirmed quantities.

67. If GTN, upon nomination by Shipper fails to schedule quantities of gas for withdrawals from Shipper's PAL Account for a period of thirty (30) consecutive days, GTN will be obligated to purchase the quantity of gas in Shipper's PAL Account at a price equal to 120% of the average daily midpoint prices, as published in the daily price survey by Gas Daily for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, for the thirty (30) days in which the curtailment occurs.

78. Unless otherwise agreed to by GTN, if Shipper fails to return to GTN loaned quantities of gas as agreed to in Exhibit A of an effective PAL Service Agreement, Shipper will be obligated to purchase such quantities of gas from GTN at the highest price, determined as 200% of the highest daily midpoint price for GTN-Kingsgate, Stanfield, Ore., or PG&E-Malin, as applicable, as published in the daily price survey by Gas Daily, that occurred either:

- (a) within the month in which the loan of the gas quantities occurred; or
- (b) within the month in which return of the loaned gas quantities was scheduled but did not occur.

GTN may require Shipper to withdraw all, or any portion of the gas quantities parked by GTN for Shipper, as agreed to in Exhibit A of an effective PAL Service Agreement, within thirty (30) days of GTN's notice to Shipper. If Shipper fails to arrange for the withdrawal of such parked quantities as specified in GTN's notice, despite the availability of capacity for the withdrawal of Shipper's gas under its PAL Service Agreement, GTN shall take title to that portion of Shipper's PAL Account that Shipper was instructed to withdraw, free and clear of any adverse claims. GTN's notice to Shipper may be verbal and in such case shall be followed by a written confirmation. To protect its system, GTN may require the withdrawal of quantities of parked gas in Shipper's PAL Account within 24 hours. In the event Shipper does not cause the withdrawal of such parked gas within 24 hours, GTN shall have the right to take title to those quantities of parked gas in Shipper's PAL Account free and clear of any adverse claims.

89. Not more than thirty (30) days after the termination of Shipper's PAL Service Agreement, GTN will notify Shipper of Shipper's PAL Account balance. Shipper will nominate to eliminate any remaining balance within thirty (30) days of the date of GTN's notice.

910. PAL Service and ATPL, if elected, shall be subject to curtailment pursuant to the applicable Transportation General Terms and Conditions contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A.

### 5.5.3 RATES

Shipper shall pay GTN, each month, for services provided under Rate Schedule PAL. The maximum and minimum rate(s) set forth under Rate Schedule PAL in GTN's current Statement of Effective Rates and Charges for Transportation of Natural Gas in this FERC Gas Tariff, Fourth Revised Volume No. 1-A are applicable to PAL Service rendered hereunder.

The monthly charges for PAL Service in each PAL Account shall be the product of the quantity of gas in Shipper's PAL Account and the maximum PAL rate as set forth in the current Statement of Rates and Charges for the Transportation of Natural Gas, unless GTN elects to discount such rate, for each day gas remains in the PAL Account.

The monthly charge for ATPL is the Maximum Quantity multiplied by the maximum PAL rate multiplied by the number of days within such month that service is in effect, all as set forth in the Exhibit A of the executed PAL Service Agreement.

If, on any day, Shipper submits a nomination with GTN to receive parked, or return loaned, quantities of gas which are reflected in its PAL Account, but GTN is unable to schedule all such quantities nominated, GTN shall suspend the PAL rate charges for that quantity not scheduled until GTN is able to schedule the quantity nominated.

#### 1. Negotiated Rates.

Notwithstanding any provision of GTN's Tariff to the contrary, GTN and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this rate schedule or by any other applicable provision of GTN's Tariff.

#### 2. Discounted Rates.

GTN may offer to discount the maximum rate for service under this rate schedule. If GTN elects to discount its rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected, provided, however, such discount shall not be unduly discriminatory between individual Shippers. The rate for service under this rate schedule shall not be discounted below the Minimum Base Tariff Rate.

5.5.3.1 ATPL Reservation Charge Credits.

For purposes of this Section, Firm Daily Volume shall mean the volume of gas which GTN is obligated to park and/or loan at or from Shipper's PAL Point on a Gas Day, based on confirmable nominations within Shipper's Maximum Quantity. Sections 5.1.3.9 (Rate Schedule FTS-1, Reservation Charge Credit – Force Majeure Event), 5.1.3.10 (Rate Schedule FTS-1, Reservation Charge Credit – Non-Force Majeure Event), and 5.1.3.11 (Rate Schedule FTS-1, Reservation Charge Credit – Confirmable Nominations) are incorporated herein by reference and applicable solely to ATPL.

In accordance with Section 5.5.2, in the event that on any day GTN fails to park and/or lend all of Shipper's quantities scheduled for such day, due to GTN's allocation and curtailment of such service, then GTN shall credit to Shipper an amount equal to the applicable reservation charge as specified on Exhibit A of the PAL Service Agreement multiplied by the quantity of gas which was scheduled but not provided due to GTN's allocation and curtailment of service.

5.6.3.1 Reservation Charge.

~~The Reservation Charge for Firm Hourly Service (“FHS”) shall be the sum of the Mileage and the Non Mileage Components:~~

~~(a) Mileage Component.~~

~~The Reservation Charge Mileage Component for FHS shall be the product of based upon the currently effective reservation rates and the Maximum Daily Quantity for the appropriate Zone(s) of service Mileage Rate and FHS mileage formula as set forth in Section 4.1 of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. ~~The Mileage formula shall take into consideration the distance, in pipeline miles, from the Primary Point(s) of Receipt to the Primary Point(s) of Delivery on Mainline Facilities as set forth in Shipper's Contract, as well as the Shipper's MDQ and MHQ at such Point.~~~~

~~(a**b**) Non Mileage Component.~~

~~The Non Mileage Component for FHS shall be based upon the currently effective Non Mileage Rate and FHS Non Mileage formula as set forth in Section 4.1. The Non Mileage formula shall take into consideration the Shipper's MDQ and MHQ at Primary Point(s) of Delivery on Mainline Facilities. If, in any month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within the Zone for which capacity is reserved pursuant to this Section 5.6.3.1, no additional Reservation Charge shall be applicable. However, if the Secondary Receipt Point(s) or Secondary Delivery Point(s) are outside of the Zone, for which capacity is reserved pursuant to this Section 5.6.3.1, Shipper shall pay for each Gas Day of such nomination the applicable Reservation Rate, as stated in Section 4.1 that GTN otherwise would charge for transportation to or from those additional Zones.~~

(b)e) Shipper's obligation to pay the Reservation Charge is independent of Shipper's ability to obtain export authorization from the National Energy Board of Canada, Canadian provincial removal authority, and/or import authorization from the United States Department of Energy, and shall begin with the execution of the Firm Hourly Service Agreement by both parties. The Reservation Charge due and payable shall be computed beginning in the month in which service is first available (prorated if beginning in the month in which service is available on a date other than the first day of the month). Thereafter, the daily Reservation Charge shall be due and payable each month during the Initial (and Subsequent) Term(s) of the Shipper's executed Firm Hourly Service Agreement and is unaffected by the quantity of gas transported by GTN to Shipper's delivery

*Appendix B-2 - Preferred Case Marked*

*Pro Forma*

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

PART 5.6.3.1  
5.6.3.1 - Rate Sched FHS  
Reservation Charge  
v.3.1.0

| point(s) in any month except as provided for in Section 5.6.3.8 of this  
Rate Schedule.

Issued: September 29, 2023  
Effective:

Docket No.  
Accepted:

5.6.3.2 Delivery Charge.

The Delivery Charge shall be the product of the applicable Delivery Rate, as set forth in Section 4.1 ~~and,~~ the quantities of gas delivered by GTN to or for the account of Shipper in the ~~m~~Month (in Dth) at point(s) of delivery on Mainline Facilities, ~~and the distance, in pipeline miles, from the point(s) of receipt to point(s) of delivery on Mainline Facilities.~~



5.6.3.3 Extension Charge.

If Shipper designates in its Firm Hourly Service Agreement a Primary Point of delivery on an Extension Facility, then in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall consist of a ~~f~~Reservation and ~~d~~Delivery ~~e~~Component.

(a) The reservation component of the Extension Charge shall be the product of the Shipper's Maximum Daily Quantity at the Primary Point(s) of delivery on the Extension Facility and the applicable Extension reservation rate as set forth in Section 4.1.~~sum of the Mileage and the Non Mileage Component:~~

~~a. The Mileage Component shall be based upon the currently effective Mileage Extension reservation rate and the FHS Mileage formula as set forth in Section 4.1. The FHS Mileage formula shall take into consideration the distance, in pipeline miles, from the Receipt Point(s) on the Extension Facility to the Primary Point(s) of Delivery, as well as Shipper's MDQ and MHQ at the Primary Point(s) of Delivery on the Extension Facility.~~

~~b. The Non Mileage Component shall be based upon the currently effective Non Mileage Extension reservation rate and the FHS Non-Mileage formula as set forth in Section 4.1. The Non Mileage formula shall take into consideration the Shipper's MDQ and MHQ at Primary Point(s) of Delivery on the Extension Facility.~~

(b) The ~~d~~Delivery ~~e~~Component of the Extension Surcharge shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility and, the applicable Extension delivery rate as set forth in Section 4.1, ~~and the distance, in pipeline miles, from the Receipt Point(s) on the Extension Facility to the point(s) of delivery.~~

5.6.3.4 Authorized and Unauthorized Overruns ~~Charge~~.

(a) Authorized Overruns:

Quantities in excess of Shipper's MDQ or MHQ shall be transported when capacity is available on the GTN system. Authorized Overruns are interruptible in nature. The rate charged for Authorized Overruns shall be the same as the rates and charges for interruptible transportation under Rate Schedule IHS as set forth in Section 4.2, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

(b) Unauthorized Overruns:

Quantities in excess of Shipper's MDQ, which have not been authorized under Section 5.6.3.4 of this Rate Schedule, shall be considered "Unauthorized Overruns" and shall be subject to a penalty rate equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

5.6.3.5 Applicability of Surcharges.

The applicable rates for service under this Rate Schedule are set forth in the currently effective Statement of Rates in this Tariff (Section 4.1) and are hereby incorporated herein.

Shipper shall pay all ~~reservation and usage~~ surcharges applicable to this Rate Schedule for the service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A. ~~Such surcharges shall be deemed to be part of Shipper's Reservation and Delivery Charges.~~

5.6.3.6 Discounts.

Shipper shall pay the Maximum Reservation Charge, and the Maximum Delivery Charge for service under its applicable Zone(s) in this Rate Schedule unless GTN offers to discount the ~~Mileage Rate Component or the Non-Mileage Rate Component of the~~ Reservation Rate or the Delivery Rate under this rate schedule. If GTN elects to discount any such rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected; provided, however, such discount shall not be unduly discriminatory between individual shippers. The rates for service under this rate schedule shall not be discounted below the Minimum Reservation Charge, the Minimum Delivery Rate, and applicable ~~ACA S~~urcharges.

5.6.3.8 Capacity Release.

(a) Releasing Shippers:

Shipper shall have the option to release capacity pursuant to the provisions of GTN's capacity release program as specified in the Transportation General Terms and Conditions. Shipper may release its capacity, up to Shipper's MDQ and at hourly rates up to Shipper's MHQ under this rate schedule, in accordance with the provisions of Section 6.28 of GTN's Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. Shipper shall pay a fee associated with the marketing of capacity by GTN (if applicable) in accordance with Section 6.28 of the Transportation General Terms and Conditions. This fee shall be negotiated between GTN and the Releasing Shipper.

(b) Replacement Shippers:

Shipper may receive released capacity service under this rate schedule pursuant to Section 6.28 of the Transportation General Terms and Conditions and is required to execute a service agreement in the form contained for capacity release under Rate Schedule FHS in this Fourth Revised Volume No. 1-A.

Shipper shall pay GTN each month for transportation service under this rate schedule and as set forth in GTN's current Statement of Effective Rates and Charges in this Fourth Revised Volume No. 1-A. Charges to be paid shall be the sum of the Reservation Charge, Delivery Charge, and other applicable surcharges or penalties.

If the Replacement Shipper nominates to Secondary Point(s) outside of the Zone where the Releasing Shipper's Primary Point is located, then the Replacement Shipper shall be billed the additional currently effective Zone Charge as set forth in Section 4.1 and Section 4.2, to the Secondary Point.

5.7.3.1 Interruptible Charge.

The monthly Interruptible Charge for Interruptible Hourly Service (“IHS”) shall be the sum of ~~the Mileage~~, the Reservation Rate ~~Non Mileage~~, and the Delivery Components:

~~(a) Mileage Component.~~

~~The Mileage Component for IHS shall be the product of the currently effective IHS Mileage Rate as set forth in Section 4.2, the distance, in pipeline miles, from the point(s) of receipt to the point(s) of delivery on Mainline Facilities, and the quantities of gas delivered at such point(s) during the month (Dth).~~

~~(a)~~ Reservation Rate Non-Mileage Component.

The ~~Non Mileage~~Reservation Rate Component for IHS shall be the product of the currently effective IHS Non-Mileage Rate as set forth in Section 4.2 and the quantities of gas delivered during the ~~m~~Month (Dth) at point(s) of delivery on Mainline Facilities for immediate delivery to the facilities of another entity or to an Extension Facility.

~~(b)~~ e Delivery Component.

The Delivery Component shall be the product of the Delivery Rate as set forth in Section 4.2, the quantities of gas delivered in the ~~m~~Month (in Dth) at point(s) of delivery on Mainline Facilities, ~~and the distance, in pipeline miles, from the point(s) of receipt to point(s) of delivery on Mainline Facilities.~~

5.7.3.2 Extension Charge.

If Shipper designates a point(s) of delivery on an Extension Facility, then, in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility, the applicable IHS Extension Delivery Rate as set forth in Section 4.2., ~~and the distance, in pipeline miles, from the point(s) of receipt(s) on the Extension Facility to the point(s) of delivery.~~

5.7.3.3 Applicability of Surcharges.

The applicable rates for service under this Rate Schedule are set forth in the currently effective Statement of Rates for this Tariff (Section 4.2) and are hereby incorporated herein.

Shipper shall pay all usage surcharges applicable to this Rate Schedule for ~~the~~ service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A. ~~Such surcharges shall be deemed to be part of Shipper's Delivery Charges.~~



5.7.3.4 Discounts.

Shipper shall pay the Maximum Delivery Charge for service under [its applicable Zone\(s\) in](#) this Rate Schedule, unless GTN offers to discount its IHS rate. If GTN elects to discount its rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected; provided, however, such discount shall not be unduly discriminatory between individual shippers. The rates for service under this Rate Schedule shall not be discounted below the Minimum Delivery Rate and applicable ~~ACA S~~ surcharges.

#### 5.7.5 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions except Sections 6.28 and ~~6.31, 6.35, and 6.36~~ are applicable to this rate schedule, unless otherwise stated in the executed Firm Hourly Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to firm transportation service rendered under this rate schedule, and by this reference, are made a part hereof.

6.1 DEFINITIONS

1. Gas Day: In accordance with NAESB Standard 1.3.1, the term "Gas Day" shall be 9:00 a.m. to 9:00 a.m. Central Clock Time (7:00 a.m. to 7:00 a.m. Pacific Clock Time).
2. Business Day: The term "Business Day" shall mean Monday through Friday, excluding U.S. Federal Banking Holidays for transactions in the United States and similar holidays for transactions occurring in Canada and Mexico.
3. Month: The word "month" shall mean a period extending from the beginning of the first day in a calendar month to the beginning of the first day in the next succeeding calendar month.
4. Maximum Daily Quantity: The term "Maximum Daily Quantity" (MDQ) shall mean the maximum daily quantity in Dth of gas which GTN agrees to deliver exclusive of an allowance for compressor station fuel, line loss and other unaccounted for gas and transport for the account of Shipper to Shipper's point(s) of delivery on each day during each year during the term of Shipper's Transportation Service Agreement with GTN.
5. Energy Affiliate: The term "Energy Affiliate" shall have the meaning provided in Commission Order No. 2004, et seq.
6. Gas: The word "gas" shall mean natural gas.
7. Cubic Foot of Gas: The term "cubic foot of gas" is defined in accordance with NAESB Standard 2.3.9 as that quantity of gas which measures one (1) cubic foot at standard conditions of 14.73 dry psia, 60 degrees F. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C. Standard 2.3.9 states in full "Standardize the reporting basis for Btu as 14.73 psia at 60 degrees F (101.325 kPa and 15 degrees C), and dry. Standardize the reporting basis for gigacalorie as 1.035646 Kg/cm<sup>2</sup> and 15.6 degrees C and dry. Standardize the reporting basis for gas volumes as cubic foot at standard conditions of 14.73 psia, at 60 degrees, F and dry. For gas volumes reported in cubic meters, the standard conditions are 101.325 kPa, at 15 degrees C, and dry."

NAESB WGQ takes no position on the basis upon which transactions are communicated to trading partners and/or regulatory agencies, as applicable, nor does NAESB WGQ state whether transactions may take place between parties on a volumetric basis.

8. Mcf: The term "Mcf" shall mean one thousand (1,000) cubic feet of gas and shall be measured as set forth in Section 6.1 paragraph 7 hereof. The term "MMcf" shall mean one million (1,000,000) cubic feet of gas.
9. Dekatherm: The term "Dekatherm" (or "Dth") is the quantity of heat energy equivalent to one million (1,000,000 British Thermal Units (MMBtu). Dth is the standard quantity for Nominations, confirmations and Scheduled Quantities in the United States. For purposes of this Tariff and associated Service Agreements, the terms MMBtu and Dth are synonymous.
10. Btu: The term "Btu" shall mean British Thermal Unit. The term "MMBtu" shall mean one million (1,000,000) British Thermal Units. The reporting basis for Btu shall be standardized as 14.73 dry psia and 60 degrees (60°) Fahrenheit (101.325 kPa and 15.6 degrees C).
11. Gross Heating Value: The term "gross heating value" shall mean the number of Btus in a cubic foot of gas at a temperature of sixty degrees (60°) Fahrenheit, saturated with water vapor, and at an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit.
12. Psig: The term "psig" shall mean pounds per square inch gauge.
13. Releasing Shipper: A firm transportation Shipper which intends to post its service to be released to a Replacement Shipper, has posted the service for release, or has released its service.
14. Replacement Shipper: A Shipper which has contracted to utilize a Releasing Shipper's service for a specified period of time.
15. Posting Period: The period of time during which a Releasing Shipper may post, or have posted by the pipeline, all or a part of its service for release to a Replacement Shipper.
16. Release Term: The period of time during which a Releasing Shipper intends to release, or has released all or a portion of its contracted quantity of service to a Replacement Shipper.
17. Bid Period: The period of time during which a Replacement Shipper may bid to contract for a parcel which has been posted for release by a Releasing Shipper.
18. Parcel: The term utilized to describe an amount of capacity, expressed in Dth/d, from a specific receipt point to a specific delivery point for a specific period of time which is released and bid on pursuant to the capacity release provisions contained in Section 6.28 of these Transportation General Terms and Conditions.

19. **Primary Release:** The term used to describe the release of capacity by a Releasing Shipper receiving service under a Part 284 firm transportation rate schedule.
20. **Secondary Release:** The term used to describe the release of capacity by a Replacement Shipper receiving service under a Part 284 firm transportation rate schedule.
21. **Bid Reconciliation Period:** The period of time subsequent to the Bid Period during which bids are evaluated by GTN.
22. **Match Period:** The period of time subsequent to the Bid Reconciliation Period and before the notification deadline for awarding capacity for Prearranged Deals that require bidding. During this period, the Prearranged Shipper may match any higher bids for the Parcel.
23. **Mainline Facilities:** The term "Mainline Facilities" shall mean the 36-inch and 42-inch mains and appurtenant facilities extending from the interconnection with the pipeline facilities of TransCanada PipeLines Limited B.C. System and Foothills Pipe Lines (South B.C.) Ltd., near Kingsgate, British Columbia to the interconnection with the pipeline facilities of Pacific Gas and Electric Company near Malin, Oregon.
24. **Extension Facilities:** The term "Extension Facilities" shall mean the 12-inch mains and appurtenant facilities extending from GTN's mainline facilities at Milepost 304.25 and the 16-inch and 12-inch mains and appurtenant facilities extending from GTN's Mainline Facilities at Milepost 599.20 that were authorized in Docket No. CP93-618-000. The term "Extension Facility" shall mean one of the Extension Facilities.
25. **Subject Shipper:** The term "Subject Shipper" shall mean the Shippers identified in Appendix G of the Stipulation and Agreement in Docket No. RP94-149-000, et al., and Shippers that have obtained service rights from such Shippers.
26. **Nominations:** A "Nomination" shall be the provision of information to GTN necessary to effectuate a transportation transaction. Specific Nomination procedures are set forth in Section 6.19.4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
27. **Intraday Nomination:** An "Intraday Nomination" is a Nomination submitted after the Nomination deadline whose effective time is no earlier than the beginning of the Gas Day and runs through the end of the Gas Day.

28. North American Energy Standards Board Standards: The term "North American Energy Standards Board Standards" or "NAESB Standards" shall mean the standardized business practices and electronic communication practices promulgated by the North American Energy Standards Board from time to time and incorporated in the Code of Federal Regulations by the Federal Energy Regulatory Commission.
29. Asset Manager: A party that agrees to manage gas supply and delivery arrangements, including transportation and storage capacity, for another party. The asset manager uses released capacity to serve the gas supply requirements of the releasing shipper and, when the capacity is not needed for that purpose, uses the capacity to make releases or bundled sales to third parties.
30. Forward Haul: The term "Forward Haul" shall refer to (1) transportation service on GTN's mainline system in which the nominated direction of flow from receipt point to delivery point is from north to south or (2) transportation service on a GTN lateral in which the nominated direction of flow from receipt point to delivery point is from GTN's mainline system to the terminus of the lateral.
31. Backhaul: The term "Backhaul" shall refer to transportation service on GTN's mainline system and laterals that is in the opposite direction of a Forward Haul as defined in Section 6.1 paragraph 30 above.
32. Primary Path: The term "Primary Path" shall mean the transportation path established by the receipt and delivery points as set forth in Shipper's executed Service Agreement. A shipper's Primary Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 30 and 31 above.
33. Reverse Path: The term "Reverse Path" shall mean the transportation path that is in the opposite direction of that Shipper's Primary Path as defined in Section 6.1 paragraph 32 above. A Shipper's Reverse Path may be either a Forward Haul or a Backhaul as defined in Section 6.1 paragraphs 30 and 31 above. Reverse Path transactions rely on secondary point rights and are subject to the operating conditions of GTN's pipeline and will not be made available to Shipper if GTN determines, in its sole discretion, that such transportation is operationally infeasible or otherwise not available.
34. Negotiated Rate: The term "Negotiated Rate" shall mean a rate (including a Negotiated Rate Formula) that GTN and a Shipper have agreed will be charged for service under Rate Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or be less than the minimum rate, for such component set forth in GTN's tariff for the given service. Any Agreement entered into after the effective date of this subsection which provides for a rate under Rate

Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL other than the applicable maximum rate shall contain a provision setting out the mutual agreement of the parties as to whether the pricing terms represent a discounted rate or a negotiated rate.

35. **Negotiated Rate Formula:** The term "Negotiated Rate Formula" shall mean a rate formula that GTN and a Shipper have agreed will apply to service under a specific contract under Rate Schedules FTS-1, LFS-1, FHS, ITS-1, IHS or PAL which results in a rate where, for all or a portion of the contract term, one or more of the individual components of such rate may exceed the maximum rate, or may be less than the minimum rate, for such component set forth in GTN's Tariff for the given service.
36. **Recourse Rate:** The term "Recourse Rate" shall mean the applicable maximum rate that would apply to each respective Rate Schedule as set forth in the Statement of Rates of this FERC Gas Tariff.
37. **Existing Capacity:** The term "Existing Capacity" shall mean capacity that has been in-service beyond the initial terms of Agreements that originally supported the construction of such capacity. Existing Capacity additionally includes capacity that is still within such initial terms where Shipper Agreements pertaining to the capacity have been terminated by the pipeline. Existing Capacity additionally includes unsubscribed capacity created as part of a pipeline expansion project.
38. **Expansion Capacity:** The term "Expansion Capacity" shall mean capacity that is added to the pipeline system as part of a system expansion project where such capacity is still within the initial contract term(s) of the Agreement(s) that originally supported the construction of such capacity. Expansion Capacity includes permanent releases of capacity that are within the initial term of an original Shipper's contract.
39. **Long-Term Firm Capacity:** The term "Long-Term Firm Capacity" shall mean firm capacity that is provided on GTN's system for periods of 365 days or longer, but which may also be sold as Short-Term Firm Capacity. Unsubscribed Long-Term Firm Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.
40. **Short-Term Firm Capacity:** The term "Short-Term Firm Capacity" shall mean firm capacity that is provided on GTN's system for periods of time that are less than 365 days. Unsubscribed Short-Term Firm Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.
41. **Operationally Available Capacity:** The term "Operationally Available Capacity" shall mean capacity that is available on a day-to-day basis and is equal to the

physical capacities of individual receipt and delivery points less amounts scheduled to be received/delivered at such points. Operationally Available Capacity is posted under the capacity option in the info postings menu on GTN's Internet website.

42. The term "PAL Point" shall mean the point on GTN's system referenced on Exhibit A of a PAL Service Agreement where a Shipper can park or GTN can lend quantities of gas.
43. The term "Maximum Quantity" shall mean the maximum quantity of gas available to Shipper for PAL Service as stated on Exhibit A of a PAL Service Agreement.
44. The term "Hour" shall mean a period of sixty consecutive minutes beginning at the top of the hour, e.g., 9:00, or such other period of sixty consecutive minutes mutually acceptable to GTN and Shipper.
45. The term "Maximum Hourly Quantity" ("MHQ") shall mean the greatest number of Dekatherms that GTN is obligated to deliver at a Primary Point of Delivery to or on behalf of Shipper up to Shipper's MDQ, during any Hour. Shipper shall have the right to take up to the MHQ any Hour of the Gas Day, unless GTN and Shipper agree otherwise, in which case GTN and Shipper shall set forth the MHQ by Hour in the Firm Hourly Service Agreement.
46. Electric Power Costs: The "Electric Power Costs" adjustment is defined and computed in accordance with Section 6.39 of the General Terms and Conditions of GTN's FERC Gas Tariff.
47. Regulatory Environmental & Compliance Costs: The "Regulatory Environmental & Compliance Costs" is defined and computed in accordance with Section 6.35 of the General Terms and Conditions of GTN's FERC Gas Tariff.
48. The term Zone(s) shall include collectively both the "North Zone" and "South Zone". North Zone shall mean Mainline Facilities between Kingsgate and Stanfield. South Zone shall mean Mainline Facilities between Stanfield and Malin.



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: GTN and Shipper may mutually agree to include an evergreen provision in Shipper's Firm Transportation Service Agreement that will allow the agreement to continue in effect beyond its primary term. GTN will make evergreen provisions available to shippers on a not unduly discriminatory basis.~~

6.18.1 Requests for Service:

(aA) Any Shipper or prospective shipper desiring service on GTN's system must fully complete the request for service available through the customer activities link on GTN's Internet website.

(bB) Any Shipper desiring enhanced PAL Service under GTN's ATPL must provide the Maximum Quantity Dekatherms and the Maximum Cumulative Tolerance Level, which it desires to be parked and/or loaned on Exhibit A of the PAL Service Agreement as part of the request. Additionally, such Shipper shall identify the designated PAL Point being requested for ATPL.

(c) GTN will begin processing Shipper's request for service, but GTN does not guarantee that service will be available. GTN will not provide service until Shipper has executed a service agreement. Shipper also shall be required to meet other provisions of this FERC Gas Tariff, including the credit requirements set out in Section 6.18.4 of this Tariff. Standard form Service Agreements for each service offered by GTN are set out in the Form of Service Agreement portion of this Tariff.

Shipper shall not be entitled to receive transportation service under this FERC Gas Tariff, Fourth Revised Volume No. 1-A if Shipper is not current in its payments to GTN for any charge, rate or fee authorized by the Commission for transportation service; provided, however, if the amount not current pertains to a bona fide dispute, including but not limited to force majeure claims relating to this FERC Gas Tariff, Shipper shall be entitled to receive or continue to receive transportation service if it complies with Section 6.8 paragraph 3.

(dE) Shipper's request for service shall be considered null and void if GTN has notified Shipper that a Service Agreement is ready for execution, and Shipper fails to execute the Service Agreement within fifteen (15) days thereafter.

(eD) A Service Agreement will be deemed executed on the earlier of (1) execution of the Service Agreement in writing by Shipper and GTN or (2) execution of the Service Agreement in writing by Shipper and Shipper's subsequent nomination pursuant to such Service Agreement.

6.18.3 Interruptible Service.

The provisions of this Section 6.18.3 shall be applicable to interruptible transportation service under Rate Schedules ITS-1 and IHS contained in this Fourth Revised Volume No. 1-A.

- (a) Interruptible transportation service under this Fourth Revised Volume No. 1-A shall be provided when, and to the extent that, capacity is available in GTN's existing facilities, which capacity is not subject to a prior claim under a pre-existing agreement pursuant to Rate Schedule FTS-1, [ATPL](#), or under another class of firm service.
- (b) In the event where natural gas tendered by Shipper to GTN at the receipt point(s) for transportation, or delivered by GTN to Shipper (or for Shipper's account) at the delivery point(s), is commingled with other natural gas at the time of measurement, the determination of deliveries applicable to Shipper shall be made in accordance with operating arrangements satisfactory to Shipper, GTN and any third party transporting to or from GTN's system.
- (c) GTN shall process requests for interruptible transportation service on a non-discriminatory basis. Available interruptible capacity shall be allocated by GTN first to the Shipper(s) paying the highest rate, followed by a pro-rata tie breaker, as provided for in Section 6.19 of these General Terms and Conditions.

6.18.4.5 Credit Requirement for Loaned Gas.

For lending services under GTN Rate Schedule PAL, the credit requirement shall include an amount to adequately account for the value of loaned gas. Such amount will be up to Shipper's Maximum Quantity or Shipper's Maximum Cumulative Tolerance Level for ATPL, as set forth on Exhibit A of its PAL Service Agreement multiplied by the midpoint "Malin" price applicable to the last day of the preceding month, as reported in Platts Gas Daily (Daily Price Survey) or any successor publication thereto. GTN shall have no obligation to lend any quantity of gas beyond amounts for which GTN holds security.

6.19.2 Priority of Interruptible Service.

Interruptible transportation service under this FERC Gas Tariff, Fourth Revised Volume No. 1-A, shall be provided when and to the extent that capacity is available in GTN's existing facilities, subject to the priorities of service set forth herein. GTN will provide interruptible transportation service first to the Shipper(s) paying the highest rate. (Shippers paying a Negotiated Rate that exceeds the maximum applicable tariff rate shall be considered to be paying the maximum applicable tariff rate). ~~For the purposes of Section 6.19.2, the term "highest rate" shall be determined by multiplying the distance in pipeline miles (from the receipt point to the delivery point) by the mileage component(s) of the ITS 1 rate (including applicable surcharges), and then adding the non-mileage component(s) of the ITS 1 rate (including applicable surcharges).~~ In the event of a tie, GTN shall allocate interruptible capacity among interruptible Shippers on a pro-rata basis based on confirmable nominations.

6.19.5 Priority of Parking and Lending (PAL) Service.

ATPL shall be confirmed and scheduled before PAL Service and all other GTN interruptible services provided for in GTN's Tariff.

PAL Service shall have the lowest priority on GTN's system. All other transportation service, including rectification of imbalances, have superior priority to these services.

6.21.1 Balancing Gas Receipts and Deliveries.

Balancing of thermally equivalent quantities of gas received and delivered by GTN shall be achieved as nearly as feasible on a daily basis, with any cumulative imbalance accounted for on a monthly basis. Correction of imbalances shall be the responsibility of the Shipper whether or not notified by GTN at the time of incurrence of the imbalance. Correction of imbalances shall be scheduled with GTN using the nomination process as soon as an imbalance is known to exist based on the best available current data. Nominations to correct imbalances shall have the lowest priority for scheduling purposes and shall be subject to the availability of capacity and other operational constraints for imbalance correction. If on any day capacity is insufficient to schedule all imbalance nominations, all such nominations shall be prorated accordingly. To maintain the operational integrity of its system, GTN shall have the right to balance any Shipper's account as conditions may warrant.

Imbalance penalties will apply during constraint periods when it is necessary to maintain or restore the operational integrity of the pipeline system and to ensure: adequate pipeline pressures to provide efficient and reliable transportation services; adequate system line pack to deliver on demand; service to all Shippers for all firm services; and a balanced system for the foregoing purposes. Imbalances shall exist as defined below and be subject to the applicable charges and penalties if not corrected.

(a) Actual Delivered Quantity Exceeds MDQ.

Authorized Overruns are interruptible in nature and will be subject to the Authorized Overrun charge, which is equal to the rates and charges set forth for interruptible service under Rate Schedule ITS-1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of these Transportation General Terms and Conditions.

~~An imbalance shall~~ Unauthorized Overruns exist when GTN has not authorized deliveries in excess of a Shipper's MDQ. Under these circumstances, GTN may, without notice, adjust Shipper requests for confirmation from receipt and delivery markets on GTN's system.

Penalty: For ~~u~~Unauthorized Overruns ~~deliveries in excess of a Shipper's MDQ~~, a Shipper shall be assessed a penalty equal to two (2) times the maximum applicable interruptible transportation rate for the quantity that is greater than 10% of the MDQ or 1000 Dth, whichever is greater.

(b) Actual Delivered Quantity Exceeds Receipt Quantity.

A net negative imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for

compressor fuel use, yields a negative result. Commencing upon notification by GTN of the existence of the negative imbalance, and to the extent that the GTN system is not constrained or its integrity is not threatened, Shipper shall have three (3) days to correct the imbalance.

Remedies: Shippers may schedule with GTN using the nomination process to eliminate or reduce negative imbalances. In addition, in accordance with this Section 6.21, Shippers may net or trade imbalances to eliminate or reduce positive imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual delivered quantity and the receipt quantity is in excess of 10% of the delivered quantity or 1000 Dth, whichever is greater, the Shipper shall be assessed a charge of \$5/Dth applied to the excess quantities. If the imbalance is not corrected within 45 days of GTN's notice of an imbalance, the Shipper shall be assessed an additional charge of \$5/Dth, applied to the net imbalance remaining at the end of the 45 day balancing period.

(c) Actual Quantity Received Exceeds Delivered Quantity.

A net positive imbalance shall exist if the difference between the quantity received and the quantity delivered, taking into account the reduction in quantity for compressor fuel use, yields a positive result. Commencing upon notification by GTN of the existence of the imbalance, and to the extent that the GTN system is not constrained or its integrity threatened, Shipper shall have three (3) days to correct the imbalance.

Remedies: Shippers may schedule with GTN using the nomination process to eliminate or reduce positive imbalances. In addition, in accordance with this Section 6.21, Shippers may net or trade imbalances to eliminate or reduce positive imbalances.

Penalty: If at the end of the aforementioned three (3) day period the difference between the actual quantity received and the delivered quantity is in excess of 10% of the delivered quantity or 1000 Dth, whichever is greater, the Shipper shall be assessed a penalty of \$2/Dth applied to the excess quantity. If the imbalance is not corrected within 45 days of GTN's notice of an imbalance, GTN shall be able to retain the remaining imbalance quantity without compensation to the Shipper and free and clear of any adverse claim. Quantities retained by GTN will be sold in accordance with Section 6.40 of these Transportation General Terms and Conditions, and the proceeds from the sale of confiscated gas will be credited to all Shippers in accordance with Section 6.21.6.



(d) Scheduled Delivery Quantity Exceeds Actual Delivered Quantity.

An imbalance shall exist when the quantity scheduled (nominated and confirmed) for delivery exceeds the actual delivered quantity.

Penalty: When the difference between the scheduled delivery quantity and actual delivered quantity is in excess of 10% of the actual deliveries, or 1000 Dth, whichever is greater, the Shipper shall be assessed the maximum applicable interruptible transportation rate [for the Zone\(s\) of the service to be provided](#), applied to the excess quantities.

(e) Actual Delivered Quantity Exceeds Scheduled Delivery Quantity.

An imbalance shall exist when the quantity delivered exceeds the quantity scheduled (nominated and confirmed).

Penalty: When the difference between the actual delivered quantity and the scheduled delivery quantity is in excess of 10% of the scheduled quantity or 1000 Dth whichever is greater, the Shipper shall be assessed the maximum applicable interruptible transportation rate [for the Zone\(s\) of the service to be provided](#), applied to the excess quantities.

6.21.2 Imbalances.

Imbalance determinations as described above will be performed on a daily basis and each daily occurrence will constitute a separate incident. It is recognized and understood that more than one penalty provision may apply to each imbalance incident.

Imbalance and Unauthorized ~~Overruns~~ ~~penalties~~ will be based on the lesser of the impact from operational or actual data. In the event that any penalty would otherwise be applicable under these provisions as a direct consequence of any action or failure to take action by GTN or the failure of any facility under GTN's control, or an event of force majeure as defined in these Transportation General Terms and Conditions, said penalty shall not apply.

The netting and trading of imbalances is permitted pursuant to Sections 6.21.7 and 6.21.8. Nothing herein shall limit GTN's right to take actions of whatever nature as may be required to correct imbalances which threaten the integrity of its system, including maintenance of service to other customers.

6.21.7.1 Imbalance Netting.

(a) At the end of each month, GTN shall net all of a Shipper's imbalances within each Zone on and across its Transportation Service Agreements to provide the Shipper with the lowest possible net imbalance or to accumulate imbalances within each Zone to facilitate the trading of imbalances with other Shippers. GTN will first net imbalances among a Shipper's service agreements under the same Rate Schedule and then will net imbalances across the Shipper's service agreements under all Rate Schedules.

(b) A Shipper may net imbalances within and across both Zones, ~~between its service agreements,~~ provided that GTN will be reimbursed for any transportation, ~~and~~ fuel and applicable surcharges necessary to effectuate such netting. Resolution of imbalances by netting the Shipper's Transportation sService ~~a~~Agreement(s) shall be scheduled with GTN using the nomination process.

~~(a)~~(c) In the event that Shipper desires to net imbalances across Zones, Shipper shall be subject to the applicable charges and fees for transportation service across the Zones only if any such charges and fees for the service have not already been paid. Any such transportation service necessary to effectuate imbalance netting across Zones shall be administered under the Transportation Service Agreement of the Shipper's choosing. Shipper must notify GTN of its desire to net imbalances across Zones under the Transportation Service Agreement chosen by the Shipper.

6.21.8 Imbalance Trading.

- (a) A Shipper, or its agent, may trade imbalances with other Shippers, their agents or other third-party firms that may conduct imbalance trading for Shippers, provided that GTN will be reimbursed for any transportation, ~~and fuel,~~ and all applicable surcharges necessary to effectuate such trading. Resolution of imbalances by trading imbalances between Shippers shall be scheduled with GTN using the nomination process.
- (b) Any trading of imbalances must result in each Shipper's imbalance decreasing.
- (c) GTN shall process all imbalance trades at no additional administrative charge.
- (d) Third party imbalance management services will be accommodated on a nondiscriminatory basis as long as these services comply with applicable NAESB standards and do not adversely impact the pipeline's system operations. Third party services will be required to comply with NAESB Nominations and Confirmation Time Limits and meet transporter credit requirements appropriate for the quantity of Shipper imbalance gas for which such third party may be responsible.
- (e) In the event that Shipper desires to trade imbalances across Zones, the Shipper initiating the trade shall be subject to the applicable charges and fees for transportation service across the Zones only if any such charges and fees for the service have not already been paid. Any such transportation service necessary to effectuate imbalance trading across Zones shall be administered under the Transportation Service Agreement of the initiating Shipper's choosing. Shipper must notify GTN of its desire to trade imbalances across Zones under the Transportation Service Agreement chosen by the Shipper.

6.29.1 Firm Service.

(a) Addition of a Receipt Point.

Any firm Shipper receiving service under Part 284 of the Commission's regulations is entitled to use the receipt point specified in its service agreement as a primary receipt point. A firm Shipper may add a secondary receipt point at any time during the life of the contract at no additional charge provided that the secondary receipt point is within the Zone(s) for which Shipper is paying and the Shipper's Primary Path. Shipper may nominate any secondary receipt point beyond the Zone covered by its existing contract provided that Shipper pays all additional reservation and delivery charges applicable to the additional Zone.

Firm Shippers who are billed under a reservation charge and a delivery rate will continue to be billed the reservation charges based on the primary receipt point within the Zone(s) for which Shipper is paying -unless that rate is less than the maximum applicable rate in which case the Shipper shall pay the maximum applicable rate at the secondary receipt point, while delivery rates, including fuel and all applicable surcharges., will be calculated on the receipt point actually used.

To the extent additional meter station capacity or other facilities are required to effect the receipt point change, GTN will construct the additional capacity consistent with Section 6.18.6.

(b) Changing a Receipt Point.

A firm Shipper may change primary receipt points to a different receipt point within the Zone(s) for which Shipper is paying and Shipper's Original Primary Path at no additional charge. but will continue to be billed reservation charges based on the original primary receipt point. -A firm Shipper may change primary receipt points to a different receipt point outside its Original Primary Path provided that, if the change to Shipper's primary receipt point results in a path utilizing both Zones, -Shipper agrees to shall pay the additional applicable transportation charges and fees for transportation service across both Zones. GTN shall not be obligated to accept any changed point(s) if such request would reduce the economic value of the Shipper's Service Agreement to GTN, taking into consideration either: (a) the revenues projected to be received by GTN at the existing point(s) under the Service Agreement; or (b) any potential loss of incremental revenues associated with new service opportunities for which a Request for Service form is then pending and that would be precluded if the request were granted. GTN shall evaluate any primary point change request on a not unduly discriminatory basis. -Changes in receipt points will be permitted provided GTN accepts Shipper's primary point change request, sufficient receipt

point capacity exists at the receiving meter station and subject to any operating constraints. To the extent additional meter station capacity or other facilities are required to effect the receipt point change, GTN will construct the additional capacity at the firm Shipper's expense consistent with Section 6.18.6.

(c) Addition of a Delivery Point.

Each firm Shipper is entitled to an allocation of its MDQ to a delivery point(s) as its primary delivery point(s).

A firm Shipper may add secondary delivery points at any time during the life of the contract at no additional charge provided that the secondary delivery points are within the Zone(s) for which Shipper is paying and the Shipper's Primary Path. In this case, the firm Shipper will continue to be billed any applicable reservation charges ~~based on the primary delivery point; however, delivery rates,~~ including fuel and all applicable, ~~will be calculated based~~ surcharges, based on the primary delivery point actually used.

A firm Shipper with primary deliveries allocated to a minor delivery point may add secondary delivery points to its contract provided that the addition of the secondary delivery point does not materially impact service to other firm Shippers, and provided further, Shipper pays all additional reservation and delivery charges applicable to the secondary delivery point if such point is beyond the Zone covered by the Shipper's existing service agreement.

To the extent additional meter station capacity is required to effect the delivery point(s) change, and subject to any operating constraints GTN will construct the additional capacity consistent with Section 6.18.6.

(d) Changing a Delivery Point.

A firm Shipper may change primary delivery points to a different delivery point within the Zone(s) for which Shipper is paying and Shipper's ~~its~~ Original Primary Path at no additional charge, ~~but will continue to be billed reservation charges based on the original primary delivery point.~~ A firm Shipper may change primary delivery points to a different delivery point outside its Original Primary Path provided that, if the change to Shipper's primary delivery point results in a path utilizing both Zones, ~~Shipper agrees to shall~~ pay ~~additional~~ the applicable transportation charges and fees for transportation service across both Zones. A firm Shipper may not change its Primary Delivery Point to a location that would change the direction of flow of the Shipper's Primary Path as defined in Section 6.1 paragraph 32 of this Gas Tariff, although a Firm Shipper may initiate Reverse Path transactions which rely upon secondary point rights. GTN shall not be

obligated to accept any changed point(s) if such request would reduce the economic value of the Shipper's Service Agreement to GTN, taking into consideration either: (a) the revenues projected to be received by Transporter at the existing point(s) under the Service Agreement; or (b) any potential loss of incremental revenues associated with new service opportunities for which a Request for Service form is then pending and that would be precluded if the request were granted. Transporter shall evaluate any primary point change request on a not unduly discriminatory basis. -Changes in delivery points will be permitted provided GTN accepts Shipper's primary point change request and sufficient delivery point capacity exists at the delivery meter station. To the extent additional meter station and subject to any operating constraints capacity is required to effect the delivery point change, GTN will construct the additional capacity at the firm Shipper's expense consistent with Section 6.18.6.

A firm Shipper with primary deliveries allocated to a minor delivery point may change primary delivery points in its contract provided that the change of primary delivery point does not materially impact service to other firm Shippers, and provided further, Shipper pays the additional charges applicable to the new primary delivery point if such point is beyond the Zone covered by the Shipper's existing service agreement.

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(e) Returning to a Former Receipt or Delivery Point.

A Firm Shipper that changes a Receipt or Delivery Point in accordance with this Section 6.29 or which reacquires capacity that Shipper had released shall be entitled to return to its original Receipt or Delivery Points provided sufficient capacity exists at such point and subject to any operating constraints. To the extent additional facilities are necessary to effectuate such a return, GTN will construct additional capacity at the ~~f~~Firm Shipper's expense consistent with Section 6.18.6.

### 6.30 OPERATIONAL FLOW ORDER (OFO) PROCEDURES

1. GTN, in its sole discretion, will have the right to issue OFOs when in its judgment it is necessary to maintain or restore the operational integrity of its system.
2. Whenever possible, GTN will identify those Shipper(s) or Operational Balancing Agreement (“OBA”) Operator(s) whose action(s) require GTN to issue an OFO and will limit the applicability of the OFO to such Shipper(s)/OBA Operator(s). If GTN is unable to identify those Shipper(s)/OBA Operator(s) whose action(s) require issuance of an OFO, or if issuance of an OFO to discrete Shipper(s)/OBA Operator(s) is insufficient to alleviate the conditions requiring the issuance of such OFO, GTN may issue an additional OFO applicable to all Shippers and OBA Operators on a nondiscriminatory basis.
3. All OFOs will be posted on GTN's website, to be followed by a facsimile, written notice or other mutually agreeable means of electronic communication to affected Shippers/OBA Operators that will set forth the causes or conditions necessitating the OFO. GTN will issue an OFO as expeditiously as is reasonable and practicable in the circumstances. When practicable, GTN will provide sufficient notice to Shippers to accommodate scheduling requirements on upstream pipelines. Each OFO will contain the following provisions:
  - (a) time and date of issuance;
  - (b) time that the OFO is considered to be effective (if no time is specified, the OFO will be effective immediately);
  - (c) duration of the OFO (if not specified, the OFO will be effective until further notice);
  - (d) the quantity of gas required to remedy the operational condition requiring the issuance of the OFO; and
  - (e) any other term GTN may reasonably require to ensure the effectiveness of the OFO.

GTN will post information, as soon as possible, about the status of operational variables that will determine when an OFO will begin and end. GTN will post a notice on its website informing Shipper(s)/OBA Operator(s) when any OFO in effect will be canceled. Following the issuance of an OFO, GTN will post information on the factors that caused the OFO to be issued and then lifted as soon as it is available.

4. Except in cases where the curtailment of interruptible services would not alleviate the causes and conditions necessitating the issuance of an OFO, GTN will, where



practicable, curtail interruptible services prior to issuing an OFO. GTN shall not be required to curtail interruptible services to individual Shippers when curtailment of service to those Shippers would not affect the OFO.

5. Upon the issuance of an OFO by GTN, it shall be incumbent upon Shipper/OBA Operator to adjust Gas supplies as directed within the time frame specified in the OFO. Failure to comply in a timely fashion with an OFO may result in an immediate interruption of all or a portion of Shipper's service or service at a point covered by an OBA and cause Shipper/OBA Operator to incur a penalty based on the higher of \$25/Dth or a price per Dth equal to three times the midpoint price reported for Malin, Oregon as published in the daily price survey by Platts Gas Daily for all quantities in excess of that allowed under the OFO for the day on which the penalty is incurred. The payment of ~~penalties for unauthorized overruns~~ ~~penalties~~ does not create the right to exceed the levels established by an OFO.
6. In the event Shipper/OBA Operator does not respond to the OFO and GTN believes it is necessary to take actions such as buying or selling gas to maintain system integrity or to prevent interrupting service to another Shipper, GTN shall have the right, but not the obligation, to take such remedial actions as it deems necessary. If GTN takes these actions, it shall be made whole by the non-responding Shipper/OBA Operator for all costs that GTN incurs either through retention of penalty revenues or by direct reimbursement by Shipper/OBA Operator. GTN shall not be liable for any costs incurred by any Shipper/OBA Operator in complying with an OFO.
7. GTN shall not be responsible for any damages that result from any interruption in Shipper's/OBA Operator's service that is a result of Shipper's/OBA Operator's failure to comply promptly and fully with an OFO and the non-complying Shipper(s)/OBA Operator(s) shall indemnify GTN against any claims of responsibility.
8. Notwithstanding the foregoing, when gas supplies necessary to effectuate transportation deliveries are not flowing on the system, GTN will not be responsible for backing up such supplies and the associated deliveries will be subject to interruption.
9. Where a nomination is required by GTN to make an effective physical change necessary to comply with an OFO, unless circumstances dictate otherwise, an OFO penalty should not be assessed unless the Shipper/OBA Operator is given the opportunity to correct the circumstance giving rise to the OFO and fails to do so, or the action(s) taken fails to do so. The opportunity to correct the critical circumstance should include the opportunity to:
  - (a) make a nomination, which, once confirmed and scheduled would cure the circumstance giving rise to the OFO, or

- (b) take other appropriate action which cures the circumstance giving rise to the OFO.

A Shipper's response to an OFO should not be constrained by restrictions on the submittal and processing of intra-day nominations.

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(s) 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(s) will be set at \$0. Subsequently, the Revenue Requirement underlying each adjustment in the RECC Surcharge(s) 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(s). GTN’s RECC Filings will revise the RECC Surcharge(s) 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(s) 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(c) 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(s). 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(s) 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(s) 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(s) Calculation.

In each RECC Filing, GTN will calculate the RECC Surcharge(s) 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(s) 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 Zone and Applicable Rate Schedule to derive the RECC Surcharge(s) 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) A North Zone billing unit floor of 2,000,000 Dth/day and a South Zone billing unit floor of 1,900,000 Dth/day.

(c) If the billing units are lower than the floors 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(s).

(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(s).

The RECC Surcharge(s) 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(s) prior to the end of the RECC Term by filing a general NGA Section 4(e) rate case. Upon termination of the RECC Surcharge(s), 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(s) will be charged or refunded to Shippers, as applicable, in the next

*Appendix B-2 - Preferred Case Marked*

*Pro Forma*

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

PART 6.35  
6.35 - GT&C  
Regulatory Environmental & Compliance Costs (RECC)  
v.4.1.0

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

Issued: September 29, 2023  
Effective:

Docket No.  
Accepted:

6.36 ~~RESERVED FOR FUTURE USE. CREDITING OF INTERRUPTIBLE  
TRANSPORTATION REVENUES ON EXTENSIONS~~

- ~~(1) Interruptible Transportation Revenue Credits on Coyote Springs Extension.~~
- ~~(a) Applicability. Revenue credits from interruptible transportation revenues received by GTN from Rate Schedules ITS-1 (E-3) and IHS (E-3) Shippers shall be provided to GTN's firm Shippers under Rate Schedules FTS-1 (E-3) and FHS (E-3) ("Eligible Shippers"), excluding Shippers receiving service under a Capacity Release Service Agreement.~~
- ~~(b) Crediting Percentage. GTN shall credit to Eligible Shippers 90 percent of interruptible transportation revenues received during each 12-month period, commencing November 1st of each year, but only to the extent that such transportation revenues exceed the amount of fixed costs which were allocated to interruptible transportation (Cost Allocation Amount) by GTN as part of designing GTN's effective transportation rates during such 12-month period. To the extent that GTN is required to provide interruptible transportation revenue credits during any period during which this Section 6.36 shall be or shall have been in effect for less than 12 months, a "Short Period", GTN shall pro rate the Cost Allocation Amount by the number of days during such Short Period as compared to the total number of days in such 12 months. To calculate the interruptible transportation revenue credit due under the provisions of this section, where applicable, such prorated Cost Allocation Amount shall be compared to GTN's actual interruptible revenues for the Short Period.~~
- ~~(c) Timing of Credits. Within 45 days after November 1st of each 12-month period or after the end of a Short Period, if applicable, GTN shall determine the total amount of the applicable Rate Schedules ITS-1 (E-3) and IHS (E-3) revenues received during the 12-month period or Short Period and the distribution of the interruptible revenue credits due to Eligible Shippers as described below. Such revenue credits shall be reflected as a credit billing adjustment in the next invoices rendered to the Eligible Shippers. In the event that such credit billing adjustment would result in a credit total invoice to any Shipper, GTN will refund the excess credit billing adjustment to the Shipper in cash within 15 days after determination of the amount of the credit due to the Shipper.~~
- ~~(d) Exclusion. Revenue credits shall not be awarded for that portion of interruptible revenues that are attributable to: (1) the recovery by GTN of variable costs, which portion shall be equal to the minimum usage charge for Rate Schedules ITS-1 (E-3) and IHS (E-3), and (2) relate to other volumetric surcharges such as ACA.~~
- ~~(e) Distribution Method. Interruptible transportation revenue credits shall be credited to each Eligible Shipper on a pro-rata basis in proportion to the reservation revenues received during the 12-month period or Short Period from each Eligible Shipper divided by the total reservation revenue for each Eligible Shipper received during such period. The~~

~~reservation revenues shall include the reservation charges which the Eligible Shippers actually pay prior to the distribution of all revenue credits, and including reservation charges applicable to capacity which was released into GTN's Capacity Release Programs during the 12-month period year or Short Period by the Eligible Shipper.~~

~~(f) GTN shall pay interest to Eligible Shippers on any revenue credits from the date such credits accrue. Such interest shall be calculated based upon the rate of interest specified in Section 154.67(e) of the Commission's regulations.~~

~~(2) Interruptible Transportation Revenue Credits on Medford Extension.~~

~~(a) Applicability. Revenue credits from interruptible transportation revenues received by GTN from Rate Schedules ITS-1 (E-1) and IHS (E-3) Shippers shall be credited to the deferred account for Washington Water Power Company's WP Natural Gas subsidiary in accordance with the mechanism approved by Order of June 1, 1995, 71 FERC Paragraph 61,268.~~

~~(b) Crediting Percentage. GTN shall credit to the deferred account 90 percent of interruptible transportation revenues received during each 12-month period, commencing November 1st of each year, but only to the extent that such transportation revenues exceed the amount of fixed costs which were allocated to interruptible transportation (Cost Allocation Amount) by GTN as part of designing GTN's effective transportation rates during such 12-month period. To the extent that GTN is required to provide interruptible transportation revenue credits during any period during which this Section 6.36 shall be or shall have been in effect for less than 12 months, a "Short Period", GTN shall pro rate the Cost Allocation Amount by the number of days during such Short Period as compared to the total number of days in such 12 months. To calculate the interruptible transportation revenue credit due under the provisions of this section, where applicable, such pro-rated Cost Allocation Amount shall be compared to GTN's actual interruptible revenues for the Short Period.~~

~~(c) Exclusion. Revenue credits shall not be awarded for that portion of interruptible revenues that are attributable to the recovery by GTN of variable costs, which portion shall be equal to the minimum usage charge for Rate Schedules ITS-1 (E-1) and IHS (E-3).~~



6.38 ADJUSTMENT MECHANISM FOR FUEL, LINE LOSS, AND OTHER UNACCOUNTED FOR GAS PERCENTAGES

The effective fuel and line loss percentages under Rate Schedules FTS-1, LFS-1, FHS, ITS-1, and IHS shall be adjusted downward to reflect reductions and may be adjusted upward to reflect increases in fuel usage and line loss in accordance with this Section 6.38.

1. Computation of Effective Fuel and Line Loss Percentage.

The effective fuel and line loss percentage shall be the sum of the current fuel and line loss percentage and the fuel and line loss surcharge percentage.

2. The Current Fuel and Line Loss Percentage.

(a) For each month, the current fuel and line loss percentage shall be determined in accordance with Section 6.38 paragraph 2(c) hereof. The current fuel and line loss shall be effective from the first day of such month and shall remain in effect for the month.

(b) The current fuel and line loss percentage to be applicable for the month shall be posted on GTN's Internet website not less than seven (7) days prior to the beginning of the month.

(c) The current fuel and line loss percentage for the month shall be determined for each Zone on the basis of (1) the estimated quantities of gas to be received by GTN for the account of Shippers during such month and (2) the projected quantities of gas that shall be required for fuel and line loss during such month, adjusted for overrecoveries or underrecoveries of fuel and line loss during such month preceding the month in which the current fuel and line loss percentage is posted; provided, that the percentage shall not exceed the maximum current fuel and line loss percentage and shall not be less than the minimum current fuel and line loss percentage set forth on the Statement of Effective Rates and Charges.

(d) At least thirty (30) days prior to January 1, GTN shall file with the Commission schedules supporting the current fuel and line loss percentages applicable during the twelve (12) months ending October 31.

3. The Fuel and Line Loss Surcharge Percentage.

(a) For each twelve (12) month period beginning January 1, the fuel and line loss surcharge percentage shall be determined in accordance with Section 6.38 paragraph 3(c) hereof. The fuel and line loss surcharge percentage shall

become effective on January 1 and shall remain in effect for the twelve (12) month period ending December 31.

- (b) At least thirty (30) days prior to each January 1, GTN shall file with the Commission and post, as defined by Section 154.2(d) of the Commission's regulations, the fuel and line loss surcharge percentage, together with supporting documentation.
- (c) The fuel and line loss percentage shall be computed by quantifying GTN's actual fuel and line loss over/under collection position at October 31 of each year and dividing the result by an estimate of the quantities of gas to be delivered in the applicable Zone(s) by GTN for the account of Shippers over the following twelve (12) month period. The over/under position will be quantified by (i) determining GTN's actual fuel consumption and line losses for each month of the preceding twelve (12) month period and (ii) subtracting the quantities retained by GTN during each month of the preceding twelve (12) month period. If the percentage so determined is +/- 0.0001%, the fuel and line loss surcharge percentage shall be deemed to be zero.

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

This Section provides for the recovery of electric power costs incurred by GTN in each applicable Zone 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.

⋮

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

PART 7.3.1  
7.3.1 - Service Agmts  
Rate Schedule PAL - Exhibit A  
v.7.1.0

GAS TRANSMISSION NORTHWEST LLC  
PARKING AND LENDING (PAL)  
AGREEMENT

EXHIBIT A TO PARKING AND LENDING (PAL) SERVICE AGREEMENT

This Exhibit A is entered into by Gas Transmission Northwest LLC (GTN) and \_\_\_\_\_ (Shipper) and;

WHEREAS, Shipper and GTN have entered into PAL Service Agreement No. \_\_\_\_\_ to facilitate the contracting process.

NOW, THEREFORE, Shipper and GTN agree that the terms below, together with the terms and conditions of the previously executed PAL Service Agreement, constitute a single Parking and Lending Service Agreement and fully describe the service to be provided and the rights and obligations of Shipper and GTN.

COMPANY – Gas Transmission Northwest LLC

COMPANY ADDRESS - Commercial Operations  
700 Louisiana Street, Suite ~~7~~1300  
Houston, Texas 77002-2700

SHIPPER -

SHIPPER’S ADDRESS -

PAL Term: \_\_\_\_\_ to \_\_\_\_\_

Maximum Quantity (“MQ”): \_\_\_\_\_

PAL Point: \_\_\_\_\_

**Appendix B-2 - Preferred Case Marked  
Pro Forma**

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

PART 7.3.1  
7.3.1 - Service Agmts  
Rate Schedule PAL - Exhibit A  
v.7.1.0

Check applicable PAL Service Option (Parking and/or Lending):

\_\_\_\_\_ PARKING Service

<u>PARKING INFORMATION</u>			<u>INTERIM INFORMATION</u>		<u>PARK RETURN INFORMATION</u>		
Ratable (Y or N)	Park Period (Date Range)	PAL Rate (\$/Dth/D)	Interim Period (Date Range)	PAL Rate (\$/Dth/D)	Ratable (Y or N)	Return Period (Date Range)	PAL Rate (\$/Dth/D)
_____	_____ to _____	_____	_____ to _____	_____	_____	_____ to _____	_____

\_\_\_\_\_ LENDING Service

<u>LENDING INFORMATION</u>			<u>INTERIM INFORMATION</u>		<u>LEND RETURN INFORMATION</u>		
Ratable (Y or N)	Lend Period (Date Range)	PAL Rate (\$/Dth/D)	Interim Period (Date Range)	PAL Rate (\$/Dth/D)	Ratable (Y or N)	Return Period (Date Range)	PAL Rate (\$/Dth/D)
_____	_____ to _____	_____	_____ to _____	_____	_____	_____ to _____	_____

Enhanced PAL Service  
(ATPL)

<u>Commencement</u>	<u>Termination</u>	<u>Maximum</u>	<u>Daily</u>	
<u>of Service</u>	<u>of Service</u>	<u>Quantity</u>	<u>Rate per</u>	<u>PAL</u>
<u>Option</u>	<u>Date</u>	<u>Dekatherms</u>	<u>Dekatherm</u>	<u>Point</u>
<u>Shipper Authorized</u>				
<u>Automatic Term</u>				
<u>Parking/Lending</u>				
<u>Service (ATPL)</u>			* \$	

Maximum Cumulative Tolerance Level: \_\_\_\_\_ dth

\*Maximum Quantity available on a daily basis during the term of this Exhibit A.

This Exhibit A is made and entered into as of \_\_\_\_\_, 20\_\_\_\_.

GAS TRANSMISSION NORTHWEST LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Issued: September 29, 2023  
Effective:

Docket No.  
Accepted:

*Appendix B-2 - Preferred Case Marked*

*Pro Forma*

PART 7.3.1

7.3.1 - Service Agmts

Rate Schedule PAL - Exhibit A

v.7.1.0

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

SHIPPER

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Issued: September 29, 2023  
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



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 \_\_\_\_\_ 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.

(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  
700 Louisiana Street, Suite ~~700~~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: \_\_\_\_\_

**Docket No. RP23-\_\_\_-000**  
**Gas Transmission Northwest LLC**  
**Rate Case Transmittal Letter**  
**Appendix C**

<b>Title</b>	<b>FERC Statement/ Schedule</b>	<b>Exhibit Number</b>	<b>Electronic File Name</b>
Letter of Transmittal			Transmittal Letter.pdf
Tariff Sheets			Transmittal Letter.pdf
List of Primary Case Tariff Records – Appendix A			Transmittal Letter.pdf
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Article: TC Energy sells 40% stake in Columbia Gas	P	GTN-0017	Exhibit No. GTN-017.pdf
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James H. Williams, Carbon-Neutral Pathways for the United States	P	GTN-0044	Exhibit No. GTN-0044.pdf
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CARB, 2022 Scoping Plan for Achieving Carbon Neutrality	P	GTN-0047	Exhibit No. GTN-0047.pdf
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Lawrence Berkeley National Laboratory, Queued Up: Characteristics of Power Plants Seeking Transmission Interconnection as of the End of 2022	P	GTN-0053	Exhibit No. GTN-0053.pdf
Vignesh Ramasamy, et al., National Renewable Energy Laboratory Report	P	GTN-0054	Exhibit No. GTN-0054.pdf
National Renewable Energy Laboratory, Annual Technology Baseline 2022 Summary Excerpt	P	GTN-0055	Exhibit No. GTN-0055.pdf
U.S. Department of Energy, Land-Based Wind Market Report: 2022 Edition	P	GTN-0056	Exhibit No. GTN-0056.pdf
BloombergNEF, Battery Pack Prices Fall	P	GTN-0057	Exhibit No. GTN-0057.pdf
EIA, Battery Storage in the United States: An Update on Market Trends	P	GTN-0058	Exhibit No. GTN-0058.pdf
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**APPENDIX D**

**Gas Transmission Northwest LLC**

**Accounting Representation**

**STATEMENT OF AUTHORIZED ACCOUNTING REPRESENTATIVE PURSUANT  
TO 18 C.F.R. § 154.308 RATE FILING OF GAS TRANSMISSION NORTHWEST LLC**

**DATED**

**SEPTEMBER 29, 2023**

**TO THE FEDERAL ENERGY REGULATORY COMMISSION:**

I, Burton D. Cole, Director, U.S. Pipeline Accounting, TransCanada USA Services Inc., the company responsible for the operation of Gas Transmission Northwest LLC (“GTN”), do hereby represent that the cost statements, supporting data, and workpapers submitted as part of the above-mentioned filing by GTN, which purport to represent the books of GTN, do, in fact, set forth the results shown by such books.



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Burton D. Cole  
Director, U.S. Pipeline Accounting  
TransCanada USA Services Inc.