Utah
Tariff

# Questar Gas Company Tariff

For Gas Service In The State Of Utah

# QUESTAR GAS COMPANY TARIFF

# FOR NATURAL GAS SERVICE

# IN THE STATE OF UTAH

Approved By
THE PUBLIC SERVICE COMMISSION OF UTAH

PRINCIPAL OFFICE OF QUESTAR GAS COMPANY LOCATED AT:
180 EAST FIRST SOUTH
SALT LAKE CITY, UTAH 84111

TARIFF PSCU NO. 400 CANCELS AND SUPERSEDES
PSCU TARIFF NOS. 100, 200, AND 300

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# 1. INTRODUCTION

## 1.01 SERVICE TERRITORY

This tariff covers all natural gas service rendered by Questar Gas Company (Company) in Utah at any point on the Company's system where there are facilities of adequate capacity.

| Issued by A. K. Allred, President | Advice No. | Section Revision No. | Effective Date |
|---|---|---|---|
| | 06-03 | 2 | May 1, 2006 |

# 2. FIRM SALES SERVICE

## 2.01 CONDITIONS OF SERVICE

The Company provides firm service for residential, commercial and industrial customers qualifying under the classification provisions of each firm sales rate schedule listed in Article 2. Customers initiating or increasing firm sales service must also meet the requirements of § 9.02.

### FIRM SALES SERVICE RATE SCHEDULE RECLASSIFICATION

Changes in rate schedules may be allowed upon written approval of the Company when requested by the customer in writing. A change may be allowed after a customer has been on the current rate schedule for at least one full year, and if the customer demonstrates that a change in the use of natural gas has occurred that will cause the existing schedule to no longer be appropriate. A customer will be allowed to change rate schedules only on the first day of that customer's next billing cycle.

## 2.02 GS-1 RATE SCHEDULE

### GS-1 VOLUMETRIC RATES

Rates Per Dth Used Each Month
Dth = decatherm = 10 therms = 1,000,000 Btu

| | Summer Rates: Apr. 1 - Oct. 31 | | Winter Rates: Nov. 1 – Mar. 31 | |
|---|---|---|---|---|
| | First 45 Dth | All Over 45 Dth | First 45 Dth | All Over 45 Dth |
| Distribution Non-Gas Cost | $1.63718 | $0.60728 | $1.94638 | $0.80819 |
| Supplier Non-Gas Cost | $0.57753 | $0.57753 | $1.23005 | $1.23005 |
| Commodity Cost | $5.37212 | $5.37212 | $5.37212 | $5.37212 |
| **Total Rate** | **$7.58683** | **$6.55693** | **$8.54855** | **$7.41036** |

### GS-1 FIXED CHARGES

Monthly Basic Service Fee (BSF) :
For a definition of meter categories see § 8.03.

| | |
|---|---|
| BSF Category 1 | $5.00 |
| BSF Category 2 | $21.00 |
| BSF Category 3 | $55.00 |
| BSF Category 4 | $244.00 |

### GS-1 CLASSIFICATION PROVISIONS

(1) Service is used for purposes such as space heating, air conditioning, water heating, clothes drying, cooking or other similar uses.

(2) Usage does not exceed 1,250 Dth in any one day during the winter season.

(3) Service is subject to a monthly basic service fee.

(4) Service is subject to Weather Normalization Adjustment as explained in § 2.08.

(5) All sales are subject to the additional local charges and state sales tax stated in § 8.02.

## ~~2.03 GSS RATE SCHEDULE~~

### ~~GSS VOLUMETRIC RATES~~

| | ~~Rates Per Dth Used Each Month~~ ~~Dth = decatherm = 10 therms = 1,000,000 Btu~~ | |
|---|---|---|
| | ~~Summer Rates: Apr. 1 - Oct. 31~~ | ~~Winter Rates: Nov. 1 – Mar. 31~~ |
| ~~Distribution Non-Gas Cost~~ | ~~$3.71077~~ | ~~$3.82138~~ |
| ~~Supplier Non-Gas Cost~~ | ~~$0.57753~~ | ~~$1.23005~~ |
| ~~Commodity Cost~~ | ~~$5.37212~~ | ~~$5.37212~~ |
| **~~Total Rate~~** | **~~$9.66042~~** | **~~$10.42355~~** |
| ~~Monthly Minimum Bill~~ | | ~~$7.50~~ |

### ~~GSS CLASSIFICATION PROVISIONS~~

~~(1) Service is used for purposes such as space heating, air conditioning, water heating, clothes drying, cooking or other similar uses.~~

~~(2) Usage does not exceed 1,250 Dth in any one day during the winter season.~~

~~(3) Service is subject to a monthly minimum bill charge.~~

~~(4) Service is subject to Weather Normalization Adjustment as explained in § 2.08.~~

~~(5) All sales are subject to the additional local charges and state sales tax stated in § 8.02.~~

~~(6) The GSS rate is the only firm rate applicable in new service extension areas as approved by the Commission~~

## 2.03~~4~~ F-1 RATE SCHEDULE

### F-1 VOLUMETRIC RATES

Rates Per Dth Used Each Month
Dth = decatherm = 10 therms = 1,000,000 Btu

| | Summer Rates: Apr. 1 - Oct. 31 | | | Winter Rates: Nov. 1 – Mar. 31 | | |
|---|---|---|---|---|---|---|
| | First 175 Dth | Next 700 Dth | All Over 875 Dth | First 175 Dth | Next 700 Dth | All Over 875 Dth |
| Distribution Non-Gas Cost | $0.49677 | $0.43927 | $0.35787 | $0.55552 | $0.50247 | $0.42400 |
| Supplier Non-Gas Cost | $0.57751 | $0.57751 | $0.57751 | $1.19802 | $1.19802 | $1.19802 |
| Commodity Cost | $5.33264 | $5.33264 | $5.33264 | $5.33264 | $5.33264 | $5.33264 |
| **Total Rate** | **$6.40692** | **$6.34942** | **$6.26802** | **$7.08618** | **$7.03313** | **$6.95466** |

| Minimum Monthly Distribution Non-Gas Charge: | Summer | $87.00 |
|---|---|---|
| | Winter | $97.00 |

### F-1 FIXED CHARGES

Monthly Basic Service Fee (BSF):
Does not apply as a credit toward the minimum monthly distribution non-gas charge.
For a definition of meter categories, see § 8.03.

| | |
|---|---|
| BSF Category 1 | $5.00 |
| BSF Category 2 | $21.00 |
| BSF Category 3 | $55.00 |
| BSF Category 4 | $244.00 |

### F-1 CLASSIFICATION PROVISIONS

(1) Customer's load factor is 40% or greater where load factor is defined to be: Actual or estimated average daily usage is at least 40% of peak winter day.
(Actual or Estimated Annual Use ÷ 365 days) ÷ Peak Winter Day $\geq$ 40%.

(2) Usage does not exceed 1,250 Dth in any one day during the winter season.

(3) Service is subject to a minimum monthly distribution non-gas charge and a monthly basic service fee.

(4) Minimum annual usage of 2,100 Dth is required.

(5) All sales are subject to the additional local charges and state sales tax stated in § 8.02

## 2.0<u>4</u>~~5~~ F-3 RATE SCHEDULE

### F-3 VOLUMETRIC RATES

| | Rate Per Dth Used During Interruption<br>Dth = decatherm = 10 therms = 1,000,000 Btu |
|---|---|
| Distribution Non-Gas Cost | $0.07523 |
| Supplier Non-Gas Cost | $0.54838 |
| Commodity Cost | $7.99447 |
| **Total Rate** | **$8.61808** |

Penalty for failure to limit usage to contract limits when requested by the Company. See § 3.02.

### F-3 FIXED CHARGES

| | Annual Demand Charge Per Dth of Contracted Daily Demand |
|---|---|
| Distribution Non-Gas Cost | $43.38 |
| Supplier Non-Gas Cost | $11.65 |
| Commodity Cost | $18.25 |
| **Total Rate** | **$73.28** |

### F-3 CLASSIFICATION PROVISIONS

(1) Service is used as a standby or supplement to replace gas service that Questar has interrupted pursuant to the provisions of this tariff.

(2) Service is subject to an annual demand charge payable in equal monthly installments.

(3) Service is subject to approval by Company and will not be available for standby service in excess of 50% of a customer's interruptible load.

(4) All sales are subject to the additional local charges and state sales tax stated in § 8.02.

## 2.0~~5~~6 F-4 RATE SCHEDULE

### F-4 VOLUMETRIC RATES

| | Rates Per Dth Used Each Month<br>Dth = decatherm = 10 therms = 1,000,000 Btu<br>First 10,000 Dth | All Over 10,000 Dth |
|---|---|---|
| Distribution Non-Gas Cost | $0.32237 | $0.31041 |
| Supplier Non-Gas Cost | $0.83808 | $0.83808 |
| Commodity Cost | $5.33264 | $5.33264 |
| **Total Rate** | **$6.49309** | **$6.48113** |

Minimum Yearly Distribution Non-Gas Charge $38,700

### F-4 FIXED CHARGES

Monthly Basic Service Fee (BSF):
Does not apply as a credit toward the minimum yearly distribution non-gas charge.
For a definition of meter categories, see § 8.03.

| | |
|---|---|
| BSF Category 1 | $5.00 |
| BSF Category 2 | $21.00 |
| BSF Category 3 | $55.00 |
| BSF Category 4 | $244.00 |

### F-4 CLASSIFICATION PROVISIONS

(1) Customer's load factor is 80% or greater where load factor is defined to be: Actual or estimated average daily usage is at least 80% of peak winter day.
(Actual or Estimated Annual Use ÷ 365 days) ÷ Peak Winter Day ≥ 80%.

(2) Usage does not exceed 10,000 Dth in any one day during the winter season.

(3) Service is subject to a minimum yearly distribution non-gas charge and a monthly basic service fee.

(4) All sales are subject to the additional local charges and state sales tax stated in § 8.02.

## 2.0~~7~~6 NATURAL GAS VEHICLE RATE (NGV)

**NGV VOLUMETRIC RATE**

| | Rate Per Dth Used<br>Dth = decatherm = 10 therms = 1,000,000 Btu |
|---|---|
| Distribution Non-Gas Cost | $2.55670 |
| Supplier Non-Gas Cost | $0.88764 |
| Commodity Cost | $5.33264 |
| **Total Rate** | **$8.77698** |

**NGV CLASSIFICATION PROVISIONS**

(1) Service is used for refueling natural gas-powered vehicles with compressed natural gas at Company-owned refueling stations.

(2) All sales are subject to the applicable federal excise tax and the state sales tax described in § 8.02.

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|---|---|---|---|
| | ~~06-06~~ | ~~13~~14 | ~~November 1, 2006~~ |

## 2.0~~7~~8 WEATHER NORMALIZATION ADJUSTMENT (WNA)

The monthly bill for each GS-1 ~~and GSS~~ commercial customer and those residential customers that have not opted off the WNA, as explained in this section (see "Annual Option"), will be adjusted upward or downward to account for the variations in Distribution Non-Gas (DNG) revenues which are due to differences between the actual temperatures and normal temperatures for that customer's billing cycle.

### CYCLE DEGREE DAY VARIANCE CALCULATION

Heating degree days (DD) will be calculated for each billing cycle and major climatological area of the Company's service territory. Heating degree days are calculated as the number of degrees Fahrenheit that any day's average of high and low temperatures is below 65$^{o}$. The degree day deficiency for a billing cycle is the accumulation of degree days for all the days in the cycle. In calculating the weather normalization adjustment, degree days calculated at the St. George weather station will be used to adjust the customers in Washington County, the degree days calculated at the Richfield weather station will be used to adjust the customers south of Utah County (excluding Washington County) and the degree days calculated at the Salt Lake Airport weather station will be used to adjust the remaining Utah and Idaho customers. Normal degree days for these three weather stations will be calculated as the average temperatures over a thirty-year period. The degree day calculation formulas are as follows:

Actual Cycle DD = DD for Billing Cycle By Climatological Area

Normal Cycle DD = Normal DD For Billing Cycle By Climatological Area

Cycle DD Variance = (Normal Cycle DD) - (Actual Cycle DD)

### BASE LOAD DTH

A Base Load Dth will be calculated for each customer to estimate the monthly non-temperature-sensitive usage. The calculation will be based on the customer's lowest usage of either the July or August billing period. The Base Load Dth will remain the same for one year. If the calculated Base Load is not representative of the customer's non-temperature-sensitive usage, the Company can adjust it to a more representative amount. When sufficient data is unavailable, the Base Load Dth will be estimated based upon historical data for similar customers in the same geographical area.

## CYCLE USAGE PER DEGREE DAY

A cycle usage per degree day will be calculated for each customer each month by dividing that customer's temperature sensitive sales, which is the result of subtracting the Base Load Dth from the Actual Usage Dth, by the actual degree days for that customer's billing cycle using the weather station applicable for the customer's geographical area as explained above. The Cycle Usage Per Degree Day formula is as follows:

Cycle Usage Per DD = (Actual Dth Usage - Base Load Dth) / Actual Cycle DD

## WNA BILLING VOLUME AND BILL CALCULATION

Each customer's WNA Billing Volume, in Dth, is calculated by multiplying the Cycle Usage Per Degree Day by the Cycle Degree Day Variance and adding or subtracting the result to the actual Dth usage. The customer's WNA Billing Volume is used to calculate the DNG portion of the bill. The customer's actual Dth usage is used to calculate the Supplier Non-Gas (SNG) and Commodity portions of the bill (See § 2.02). The WNA Dth formula is as follows:

WNA Billing Volume = ((Cycle Usage Per DD) X (Cycle DD Variance)) + Actual Dth Usage

## ANNUAL OPTION

Each summer, the Company will send a notice to all GS-1 ~~and GSS~~ residential customers advising them that their bills will be weather-adjusted. Customers who do not want to have their bills weather-adjusted may opt out of WNA at this time. Customers whose bills are not weather-adjusted will remain off of WNA unless they respond to the annual notice. Non-residential customers do not have this option.

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|---|---|---|---|
| | ~~06-03~~ | ~~3~~4 | ~~May 1, 2006~~ |

## 2.08~~9~~ BUDGET PLAN

To spread gas bill amounts evenly over the entire year, General Service customers may elect to utilize the Budget Plan and pay a predetermined monthly amount. On the basis of prior usage history or estimated usage, the customer's annual bill is computed under current rates and divided into 12 equal payments. Actual billings for customers utilizing the Budget Plan will be calculated each month according to the regular provisions of this tariff. The monthly budget plan payment amounts may be adjusted by the Company during the year if actual and accrued billings deviate substantially or if a rate change of 5% or greater is approved.

If at the end of the Budget Plan Year, there is an overpayment or an underpayment on an account, the customer's projected monthly budget plan payment amount will be adjusted, spreading the difference over the next 12 months, interest free, unless a customer requests an immediate refund or credit.

A customer will be dropped from the plan if two consecutive payments are missed, resulting in a 60-day delinquency.

The Budget Plan is designed to have equal payments start in the April to October time period. To be eligible for the Budget Plan, a customer’s account must not be delinquent.

| Issued by A. K. Allred, President | Advice No. | Section Revision No. | Effective Date |
|---|---|---|---|
| | ~~04-01~~ | ~~2~~3 | ~~July 1, 2004~~ |

## 2.~~10~~09 GAS BALANCING ACCOUNT ADJUSTMENT PROVISION

**APPLICABILITY**

The purpose of the Gas Balancing Account is to recover, on a dollar-for-dollar basis, purchased gas costs and gas-cost-related expenses. Gas commodity costs are market driven and fluctuate with market prices. Non-gas costs include costs to transport the gas to the customer, the cost of producing company-owned production associated with purchases under the Wexpro Agreement and certain other Commission-approved expenses.

This gas balancing account adjustment provision applies to the Supplier Non-Gas (SNG) component of all rate schedules except Firm and Interruptible Transportation and the Commodity component of all firm and interruptible sales rate schedules contained in Tariff PSCU No. 300.

For purposes of tracking and collecting $CO_2$ processing costs from transportation customers only, this account applies to the FT-2 and~~,~~ IT ~~and IT-S~~ rate schedules. The $CO_2$ costs applicable to transportation customers shall be tracked and collected separately from the SNG and commodity costs subject to the balancing account accrual described below.

**BALANCING ACCOUNT ACCRUAL**

Each month a calculation will be made to determine the amount to be accrued into Account No. 191.1 of the Uniform System of Accounts, Unrecovered Purchased Gas Costs (Utah). A positive accrual reflects an under-recovery of costs and is debited to Account No. 191.1. A negative accrual reflects an over-recovery of costs and is credited to Account No. 191.1. Any applicable refund or out-of-period charge which reflects a change in the cost of gas for a prior period will be credited or debited respectively to the balancing account during the month the refund or charge is recorded in the Company books. Account No. 191.1 will be made up of two distinct parts, a commodity balance and an SNG balance, each of which is amortized separately pursuant to the surcharge rate determination described below. The monthly accrual (positive or negative) is determined by calculating the difference between the Cost of Gas and Gas Revenues as is described below.

Accrual = Cost of Gas - Gas Revenues where:

**Cost of Gas**

The cost of gas is the total of (1) Gas Cost Expenses, plus (2) Additional Gas Cost Expenses, less (3) Exclusions to Gas Costs, less (4) Other Revenues as described below:

(1) Gas Cost Expenses include the following FERC Accounts. Items to be included in the accounts have been modified from FERC descriptions for use by Utah Gas utilities.

758 Gas well royalties - This account shall include royalties paid for natural gas produced by the utility from wells on land owned by others.

759 Other expenses - This account shall include the cost of labor, materials used and expenses incurred in producing and gathering

natural gas and not includible in any of the foregoing accounts. Costs recorded in this account are:
(a) Gathering commodity and demand expenses.
(b) Credits for gathering for others.

800 Natural gas well head purchases - This account shall include the cost at well head of natural gas purchased in gas fields or production areas.

801 Natural gas field line purchases - This account shall include the cost, at point of receipt by the utility, of natural gas purchased in gas fields or production areas at points along gathering lines, and at points along transmission lines within field or production areas, exclusive of purchases at outlets of gasoline plants includible in account 802.

802 Natural gas gasoline plant outlet purchases - This account shall include the cost, at point of receipt by the utility, of natural gas purchased at the outlet side of natural gas products extraction plants.

803 Natural gas transmission line purchases - This account shall include the cost, at point of receipt by the utility, of natural gas purchased at points along transmission lines not within gas fields or production areas, excluding purchases at the outlets of products extraction plants includible in account 802.

804 Natural gas city gate purchases - This account shall include the cost, at point of receipt by the utility, of natural gas purchased which is received at the entrance to the distribution system of the utility.

806 Exchange gas - This account includes debits or credits for the cost of gas in unbalanced transactions where gas is received from or delivered to another party in exchange, load balancing, or no-notice transportation transactions. The costs are to be determined consistent with the accounting method adopted by the utility for its system gas.

808.1 Gas withdrawn from storage-Debit - This account shall include debits for the cost of gas withdrawn from storage during the year.

808.2 Gas delivered to storage-Credit - This account shall include credits for the cost of gas delivered to storage during the year.

813 Other gas supply expenses - This account shall include the cost of labor, materials used and expenses incurred in connection with gas supply functions not provided for in any of the above accounts. These accounts are to be used for natural gas storage expenses. Costs recorded in this account are:

(a) Liquid extraction and gas processing expenses.
(b) Price stabilization costs.
(c) Firm and peak storage commodity and demand costs.
(d) Wexpro Operator Service Fee.
(e) $CO_2$ gas processing expenses as provided in Docket No. 05-057-01, Order dated January 6, 2006.

858 Transmission and compression of gas by others - This account shall include amounts paid to others for the transmission and compression of gas of the utility.

(2) Additional Gas Cost Expenses include:

(a) The Carrying cost of working storage gas calculated by using the 13-month average balance in Account No. 164 and applying the pre-tax allowed return to calculate the monthly carrying cost on this investment. (Docket No. 01-057-14; Order dated August 14, 2002.)

(b) Gas supply litigation costs. (Docket No. 95-057-21, Order dated October 10, 1995)

(c) Cost incurred to improve price stability, including mark-to-market costs. (Docket Nos. 00-057-08 and 00-057-10, Order dated May 31, 2001)

(3) Exclusions to Gas Costs which are considered for regulatory purposes in general rate case proceedings are as follows:

(a) 10% of the transportation capacity release credits that are recorded in Account 858. (Docket No. 97-057-03, Order dated February 21, 1997)

(b) A portion of $CO_2$ processing costs specified in Docket No. 05-057-01, shall be recovered by direct charges to FT-2 and~~,~~ IT ~~and IT-S~~ customers. (See "$CO_2$ Cost Recovery from FT-2 and~~,~~ IT ~~and IT-S~~ Rate Schedules" below.)

(4) Other Revenues include the following FERC Accounts, less related ad valorem taxes, outside interests, royalties on oil and liquid sales, and other applicable costs.

483 Sales for resale - This account shall include the net billings for gas sold where it is not economical to transport the gas to the service area of the utility.

490 Sales of products extracted from natural gas - This account shall include revenues from sales of gasoline, butane, propane, and other products extracted from natural gas, net of allowances, adjustments, and discounts, including sales of similar products purchased for resale.

491 Revenues from natural gas processed by others - This account shall include revenues from royalties and permits, or other bases of settlement, for permission granted others to remove products from natural gas of the utility.

492 Incidental gasoline and oil sales - This account shall include revenues from natural gas gasoline produced direct from gas wells and revenues from oil obtained from wells which produce oil and gas associated with the Wexpro Agreement.

494 Interdepartmental rents (Wexpro oil sharing revenue) - This account shall include credits for rental charges made against other departments of the utility. In the case of property operated under a definite arrangement to allocate actual costs among the departments using the property, any allowance to the gas department for interest or return and depreciation and taxes shall be credited to this account.

495 Other gas revenues - This account includes revenues derived from gas operations not includible in any of the foregoing accounts specifically:

495007 - Overriding royalties
495018 - Income oil sharing from Wexpro.

**Gas Revenues**

Gas revenues are the sum of the Commodity and SNG revenues received from the firm and interruptible sales rate classes, less the allowance for bad debt related to these revenues.

(1) Commodity Revenues = The sum of each schedule's Commodity rate x the respective volumes less the allowance for bad debt related to these revenues.

(2) SNG Revenues = The sum of each firm and interruptible sales schedule's SNG rate x the respective sales volumes less the allowance for bad debt related to these revenues.

## COMMODITY COST RATE DETERMINATION

No less frequently than semi-annually, the Company will file with the Commission an application for determination of the commodity cost rate. This commodity cost rate will be determined by 1) adding the projected test period gas cost from all supply sources (excluding interruptible gas supplies pursuant to § 4.01) less the supplier non-gas costs and other revenue credits, and 2) dividing by the projected test-period Utah sales.

**SUPPLIER NON-GAS COST RATE DETERMINATION**

Using the procedure established in PSCU Case No. 84-057-07, supplier non-gas cost class allocation levels will be established in general rate cases. Concurrently with the determination of commodity costs (above), supplier non-gas costs will be adjusted by class (from those rate levels established in general rate cases) on a uniform percentage increase or decrease basis to reflect FERC-approved increases or decreases in the supplier non-gas cost related components of upstream pipeline suppliers' rates. The supplier non-gas cost adjustment will reflect the supplier non-gas revenue collected from the interruptible customers and 90% of the credit from released capacity collected from upstream interstate pipelines. The remaining 10% of capacity release credit will be recorded as DNG revenue.

**CO2 COST RECOVERY FROM FT-2 AND~~,~~ IT ~~AND IT-S~~ RATE SCHEDULES**

Pursuant to the method approved in Docket No. 05-057-01, a portion of Questar Gas's $CO_2$ processing costs have been allocated to the FT-2 and~~,~~ IT ~~and IT-S~~ classes. Such costs shall be recovered from those classes through a separately stated charge that will be adjusted as necessary in proceedings that set commodity-cost rates.

The "two-way" carrying charge described below shall apply to over- and under-collections of $CO_2$ costs under this section.

**AFFILIATE EXPENSE STANDARD**

Wexpro expenditures included in the Company's 191 Account are governed by the Wexpro Agreement. All other affiliate expenses unless otherwise approved by the Utah Public Service Commission or subject to regulation by another governmental agency shall either (1) be cost of service based or (2) competitive with the market for similar services at the time the contract for the services was entered into. The Company shall maintain adequate records of requests for proposals, bids, and agreements involving affiliate participation, including copies of date-stamped bids and other correspondence for regulatory audit and review. Nothing herein requires bidding for all procurements (e.g., spot purchases).

**191 ACCOUNT ENTRIES**

The Company shall provide 60 days prior notice of 1) an inclusion of a new account or the first time inclusion of other new material items, 2) the first-time inclusion of material costs to be included in approved FERC accounts 759 and 813, and 3) any material change involving the exclusion of costs or revenues previously recorded within Account 191 for balancing account purposes. The notice may be by letter, application to the Commission, or in a passthrough filing made 60 days prior to the requested effective date. All such entries are provisional and subject to

Commission approval, prior to their inclusion in any rate change made through the 191 Account process.

**AUDIT PROCEDURES**

All items recorded in the 191 Account are subject to regulatory audit. Adjustments to the 191 Account may be proposed on a retroactive basis for items identified in such regulatory audits that are not in compliance with 191 Account standards and procedures, not in compliance with prior Orders of the Utah Commission, or imprudently incurred.

Proposed adjustments shall be designated no later than one year after the end of the fiscal year being audited, or for Wexpro-related adjustments, no later than one year after completion of the applicable third-party monitors' audits. Proposed adjustments may be adopted by the Company without Commission review. If a proposed adjustment is not adopted by the Company, the proponent of the adjustment may seek Commission resolution of the proposed adjustment.

**CONSIDERATION DISCLOSURE**

The Company shall give regulatory notice of any consideration received by the Company or any affiliate not stated in any gas supply, transportation, gathering, or storage contract when the associated costs are included in a passthrough application.

**SURCHARGE RATE DETERMINATION**

No less frequently than annually, the Company will file with the Commission an application for establishment of a surcharge rate (positive or negative) to amortize both the commodity cost balance and supplier non-gas cost balance portions of the unrecovered purchased gas costs in Account 191.1. The new surcharge rate to be included in the total current commodity cost rate will be determined by dividing the commodity balance of Account 191.1 as of December 31 (or other time determined by the Commission) by the test-period sales for Utah. The supplier non-gas balance as of December 31 (or other time determined by the Commission) will be amortized by a uniform percentage increase or decrease of the magnitude necessary to amortize the balance over one year, given the test-year sales by class.

**"TWO-WAY" CARRYING CHARGE**

An annual interest rate of 6% simple interest (.50% per month) will be applied to the monthly balance in Account 191.1, as adjusted for the corresponding tax deferral balance in Account 283. The balance in Account 191.1 will be increased by the carrying charge during months when gas costs are under-collected and reduced when gas costs are over-collected.

## 2.10~~11~~ CONSERVATION ENABLING TARIFF (CET)

The CET is a mechanism designed to ensure that the Company only collects from GS-1 ~~and GSS~~ customers the Commission-authorized revenue per customer. The CET applies only to the GS-1~~and GSS~~ rate schedule~~s~~.

**DEFERRED ACCOUNT ACCRUAL**

The Company shall record monthly over- or under-recoveries of authorized GS-1 ~~and GSS~~ DNG revenue in the CET Deferred Account (Account 191.9). Through August 2007, the Company may not accrue a net amount to the CET Deferred Account for amortization that totals more than 1.0% of the total Utah jurisdictional GS-1 ~~and GSS~~ revenue~~s~~ based on the most recent 12-month period. The allowed revenue for a given month is equal to the allowed DNG revenue per customer for that month times the actual number of customers. The monthly accrual (positive or negative) is determined by calculating the difference between the actual billed GS-1 ~~and GSS~~ DNG revenue and the allowed revenue for that month.

The allowed DNG Revenue per Customer per Month is as follows:

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Jan | = | $42.45 | Apr | = | $20.34 | Jul | = | $10.03 | Oct | = | $15.48 |
| Feb | = | $34.03 | May | = | $13.28 | Aug | = | $ 9.44 | Nov | = | $26.47 |
| Mar | = | $26.42 | Jun | = | $10.25 | Sep | = | $10.83 | Dec | = | $36.51 |

The formula for calculating the accrual each month can be shown as follows:

| | | | | |
|---|---|---|---|---|
| Allowed Revenue (for each month) | = | Actual GS-1 ~~& GSS~~ Customers | X | Allowed Revenue per Customer for that month |
| Monthly Accrual | = | Allowed Revenue | - | Actual GS-1 ~~& GSS~~ DNG Revenue |

**AMORTIZATION OF ACCRUAL**

No less frequently than semi-annually, the Company will file with the Commission an application to amortize the balance (positive or negative) in Account 191.9. The balance will be amortized by a uniform percentage increase or decrease to the GS-1 ~~and GSS~~ DNG block rates of the magnitude necessary to amortize the balance over one year. Through August 2007, the Company may not amortize CET accruals amounting on a net basis to more than 0.5% of total Utah jurisdictional GS-1 ~~and GSS~~ revenue~~s~~ based on the most recent 12-month period at the time of the amortization.

**"TWO-WAY" CARRYING CHARGE**

An annual interest rate of 6% simple interest (.50% per month) shall be applied monthly to the CET Deferred Account balance, as adjusted for the corresponding tax deferral balance in Account 283. The CET Deferred Account will be increased by the carrying charge during months when the balance in the account represents revenue that is under-collected and reduced when over-collected.

| Issued by A. K. Allred, President | Advice No. | Section Revision No. | Effective Date |
|---|---|---|---|
| | ~~06-06~~ | ~~1~~2 | ~~November 1, 2006~~ |

## 2.11 GSS REVENUE ACCOUNT

The GSS Revenue Account is a mechanism designed to allow the Company to collect the DNG revenue from the GS-1 class that it will not collect due to the elimination of the GSS rate schedule and the Extension Area Charges (EAC). This section applies only to the GS-1 rate schedule and will expire six years from the effective date of Section Revision No. 1.

### DEFERRED ACCOUNT ACCRUAL

The Company shall record monthly in Account 191.8 (GSS Revenue Account) the difference between (1) the estimated DNG revenue that it would have collected from GSS/EAC areas and (2) the DNG revenue that the Company actually collects from those areas now paying the GS-1 rate. The entries into the GSS Revenue Account are subject to review and audit.

### AMORTIZATION OF ACCRUAL

After the 1-Year Review Period, as defined in the Settlement Stipulation in Docket No. 05-057-T01, or during a Questar Gas general rate case, whichever comes first, or any time thereafter, Questar Gas or any other party may request that the balance in the GSS Revenue Account be amortized and included in rates. The balance will be amortized by a uniform percentage increase to the GS-1 DNG block rates.

### CARRYING CHARGE

An annual interest rate of 6% simple interest (.50% per month) shall be applied monthly to the GSS Revenue Account balance, as adjusted for the corresponding tax deferral balance in Account 283. The GSS Revenue Account will be increased by the carrying charge.

| Issued by A. K. Allred, President | Advice No. | Section Revision No. | Effective Date |
|---|---|---|---|
| | | 1 | |

## 2.12 DEMAND-SIDE MANAGEMENT (DSM)

### DSM PROGRAMS

In Docket No. 05-057-T01, on October 5, 2006, the Commission approved a three-year DSM pilot program in which the Company would design and implement cost effective DSM programs that would encourage residential and commercial customers receiving service on a GS rate schedule to purchase and install energy-efficiency products and appliances. The DSM programs offered by the Company are explained in the following sections:

§ 2.13 Residential Appliance Program
§ 2.14 ENERGY STAR® New Homes Program
§ 2.15 Commercial Rebate Program
§ 2.16 Residential Home Energy Audit & Weatherization Program
§ 2.17 Low Income Weatherization Program

Qualifying appliances and/or measures will be eligible for monetary incentives under only one of the above-listed programs.

### DEFERRED ACCOUNT ACCRUAL

The Company shall record all DSM-related expenses in the DSM Deferred Account (Account 182.4).

### AMORTIZATION OF ACCRUAL

No less frequently than semi-annually, the Company will file with the Commission an application to amortize the balance in Account 182.4. The balance will be amortized by a uniform percentage increase or decrease to the GS-1 ~~and GSS~~ DNG block rates of the magnitude necessary to amortize the balance over one year.

### "TWO-WAY" CARRYING CHARGE

An annual interest rate of 6% simple interest (.50% per month) shall be applied monthly to the DSM Deferred Account balance, as adjusted for the corresponding tax deferral balance in Account 283. The DSM Deferred Account will be increased by the carrying charge.

## 2.13 RESIDENTIAL APPLIANCE PROGRAM

### PROGRAM DESCRIPTION

Through the Residential Appliance Program, the Company offers a monetary incentive to a separately metered residence receiving service on a GS rate schedule. A qualifying residence is a separately metered dwelling unit in a structure that has up to and including four separately metered residential dwelling units.

An incentive under the Residential Appliance Program is paid directly to a person for purchasing and installing a qualifying measure at the qualifying residence. Qualifying measures are listed below in the Residential Appliance Table. This includes the replacement of existing appliances as well as first-time installations.

A person may receive incentives for up to two of each type of measure purchased and installed per separately metered dwelling unit. For example, an incentive will be paid for up to two high-efficiency furnaces and two high-efficiency water heaters, etc., purchased and installed per dwelling unit.

### QUALIFICATION REQUIREMENTS AND INCENTIVE AMOUNTS

To receive an incentive payment, customers must submit a completed application form and any required supporting documentation. The following requirements and incentives to customers are applicable for the Residential Appliance Program efficiency measures.

**RESIDENTIAL APPLIANCE TABLE**

| Residential Program Efficiency Measure | Qualification Requirement | Minimum Efficiency Of New Equipment | Incentive Amount |
|---|---|---|---|
| High-Efficiency Gas Furnace | N/A | AFUE of 90% or greater | $300.00 |
| High-Efficiency Storage Gas Water Heater | Minimum of 40 gallons | Energy Factor of 0.63 or greater | $50.00 |
| High-Efficiency Tankless Gas Water Heater | N/A | Energy Factor of 0.80 or greater | $300.00 |
| Gas Clothes Dryer | N/A | Gas Dryer with moisture sensor | $30.00 |
| Clothes Washer | Gas Water Heater | MEF of 1.72 to 1.99 | $50.00 |
| | | MEF of 2.00 or greater | $75.00 |

Definitions: AFUE Annual Fuel Utilization Efficiency
MEF Modified Energy Factor

## 2.14 ENERGY STAR® NEW HOMES PROGRAM

### PROGRAM DESCRIPTION

A residential homebuilder or owner-builder (Builder) can receive a monetary incentive for implementing a qualifying measure, shown below in the New Homes Table, in a newly constructed residence that is receiving service on a GS rate schedule. A qualifying residence is a separately metered dwelling unit in a structure that has up to and including four separately metered residential dwelling units.

Incentives under the ENERGY STAR® New Homes Program will be paid directly to a Builder for implementing the qualifying energy-efficiency natural gas measures. Qualifying appliances and measures are listed in the New Homes Table.

A Builder will receive an incentive for up to two of each type of appliance or measure purchased and installed per separately metered dwelling unit. For example, an incentive will be paid for up to two high-efficiency furnaces and two high-efficiency water heaters purchased and installed per dwelling unit.

In addition, an incentive will be paid for a dwelling unit that qualifies for an ENERGY STAR® Whole House Certification. Field verification and an ENERGY STAR® certificate will be required from the Builder before the ENERGY STAR® Whole House Certification incentive will be paid. In order to receive both the ENERGY STAR® Whole House Certification incentive and the appliance incentives, the ENERGY STAR® Whole House Certification must be achieved without consideration of the high-efficiency gas space- and water-heating appliances.

### ENERGY STAR® WHOLE HOUSE CERTIFICATION

To qualify for the ENERGY STAR® Whole House Certification, a dwelling unit must have natural gas space- and water-heating and achieve a Home Energy Rating System (HERS) index of 85 or less through a combination of envelope (insulation, windows, doors, etc.) and/or heating and water heating system and equipment upgrades. Windows must have a minimum U-value of 0.35 and a Solar Heat Gain Coefficient that meets the ENERGY STAR® minimum for the applicable climate zone. For a dwelling unit with duct work located in an unconditioned space, the Builder must provide documentation of the performance of a duct system test that shows gross or net duct leakage of no more than 6% of the heated floor area in cubic feet per minute measured at a test pressure of 50 Pascals in the duct system. For dwelling units with duct work located in a conditioned space, the duct system test will not be required.

### MEASURES, QUALIFICATION REQUIREMENTS AND INCENTIVE AMOUNTS

To receive an incentive payment, customers must submit a completed application form and any required supporting documentation. The New Homes Table provides applicable measures, qualifications and incentive amounts.

| NEW HOMES TABLE | | |
|---|---|---|
| **ENERGY STAR® New Homes Program Efficiency Measure** | **Minimum Efficiency Qualification** | **Incentive Amount** |
| High-Efficiency Gas Furnace | AFUE of 90% or greater | $300.00 |
| High-Efficiency Gas Water Heater between 40 and 80 gallons in capacity | Energy Factor of 0.63 or greater | $50.00 |
| High-Efficiency Tankless Gas Water Heater | Energy Factor of 0.80 or greater | $300.00 |
| ENERGY STAR® Whole House Certification | HERS Index of 85 or Less | $500.00 |
| Definitions: AFUE Annual Fuel Utilization Efficiency<br>HERS Home Energy Rating System | | |

## 2.15 COMMERCIAL REBATE PROGRAM

### PROGRAM DESCRIPTION

Through the Commercial Rebate Program, the Company offers monetary incentives to a separately metered commercial unit receiving service on a GS rate schedule.

An incentive under the Commercial Rebate Program is paid directly to a person for purchasing and installing a qualifying measure at the qualifying commercial unit. Qualifying measures are listed below in the Commercial Rebate Table. Qualifying measures include those that target cost-effective natural gas savings including retrofits of existing systems as well as first-time installations.

### QUALIFICATION REQUIREMENTS AND INCENTIVE AMOUNTS

To receive an incentive payment, customers must submit a completed application form and any required supporting documentation. The following requirements and incentives to customers are applicable to the Commercial Rebate Program.

<table>
<tr><th colspan="4">COMMERCIAL REBATE TABLE</th></tr>
<tr><th>Commercial Rebate Program Efficiency Measure</th><th>Size Category Of New Equipment</th><th>Minimum Efficiency Of New Equipment</th><th>Incentive Amount</th></tr>
<tr><td rowspan="2">High-Efficiency Storage Gas Water Heater</td><td>75,000 Btu/Hr Input or less</td><td>Energy Factor of 0.63 or greater</td><td>$50.00</td></tr>
<tr><td>Greater than 75,000 Btu/Hr Input</td><td>Efficiency of 82% or greater</td><td>$2.00 per kBtu/Hr Input</td></tr>
<tr><td>High-Efficiency Tankless Gas Water Heater</td><td>N/A</td><td>Energy Factor of 0.80 or greater</td><td>$2.00 per kBtu/Hr Input</td></tr>
<tr><td rowspan="3">High-Efficiency Gas Clothes Washer</td><td rowspan="2">Residential Clothes Washer Used in a Business.</td><td>MEF of 1.72 to 1.99</td><td>$50.00</td></tr>
<tr><td>MEF of 2.00 or greater</td><td>$75.00</td></tr>
<tr><td>Clothes Washer Used in a Laundromat</td><td>MEF of 1.42 or greater, and WF of 9.5 or less</td><td>$150.00</td></tr>
<tr><td>Gas Clothes Dryer</td><td>N/A</td><td>Moisture Sensor</td><td>$30.00</td></tr>
<tr><td>Low-Flow Pre-Rinse Spray Valve</td><td>N/A</td><td>1.6 GPM (retrofit only)</td><td>$25.00</td></tr>
</table>

| COMMERCIAL REBATE TABLE (Continued) | | | |
|---|---|---|---|
| **Commercial Rebate Program Efficiency Measure** | **Size Category Of New Equipment** | **Minimum Efficiency Of New Equipment** | **Incentive Amount** |
| High-Efficiency Gas Furnace | N/A | ENERGY STAR® Furnace AFUE Of 90% or greater | $200.00 |
| | | CEE Tier II: AFUE Of 92% or greater | $300.00 |
| | | CEE Tier III: AFUE of 94% or greater | $400.00 |
| Gas Boilers (hot water) | Less than 300,000 Btu/Hr Input | AFUE of 85% or greater | $2.00 per kBtu/Hr Input |
| | 300,000 Btu/Hr Input or greater | Thermal Efficiency Of 90% or greater | $3.25 per kBtu/Hr Input |
| Gas Boilers (steam) | Less Than 300,000 Btu/Hr Input | AFUE of 85% or greater | $2.00 per kBtu/Hr Input |
| | 300,000 Btu/Hr Input or greater | Thermal Efficiency Of 82% or greater | $2.00 per kBtu/Hr Input |
| Direct Contact Gas Water Heater | N/A | Thermal Efficiency Of 90% or greater | $1.10 per kBtu /Hr Input |
| High-Efficiency Gas Unit Heater | N/A | Thermal Efficiency of at least 83% and less than 90% | $1.25 per kBtu/Hr Input |
| | | Thermal Efficiency Of 90% or greater | $6.00 per kBtu/Hr Input |
| Infrared Gas Heating System | N/A | Infrared Gas Heating System | $5.00 per kBtu/Hr Input |
| Programmable Thermostat | N/A | 2006 ENERGY STAR® Requirements | $25.00 |
| Gas Boiler Outside Air Reset Control | N/A | Gas Boiler Outside Air Reset Control | $250.00 |
| Gas Boiler Tune-up | N/A | Comply with boiler tune up program requirements | $300.00 |

Definitions:

| | |
|---|---|
| AFUE | Annual Fuel Utilization Efficiency |
| MEF | Modified Energy Factor |
| WF | Water Factor |
| CEE | Consortium for Energy Efficiency |
| BTU/Hr | British Thermal Units per Hour capacity |
| kBTU/Hr | Thousands of British Thermal Units per Hour capacity |

## 2.16 RESIDENTIAL HOME ENERGY AUDIT AND WEATHERIZATION PROGRAM

### PROGRAM DESCRIPTION

Through the Residential Home Energy Audit and Weatherization Program, the Company offers a monetary incentive to a customer with a separately metered residence receiving service on a GS rate schedule. A qualifying residence is a separately metered dwelling unit in a structure that has up to and including four separately metered residential dwelling units.

The Residential Home Energy Audit and Weatherization Program will include two primary components: 1) home energy audits and energy-efficiency measures listed below in Home Energy Audit Table, and 2) weatherization-efficiency measures listed below in the Weatherization Table.

### HOME ENERGY AUDITS

The home energy audit includes the following two separate audit components: 1) a self-completed mail-in survey can be sent to the customer at no charge, or 2) a Company technician will conduct an in-home audit for a fee as described below. A participating customer will receive a customized report recommending home improvements that can be implemented to reduce natural gas usage.

During the in-home audit, the technician will offer certain energy-efficiency measures, identified in the Home Energy Audit Table, at no charge or with a rebate to the qualifying customer. A qualifying customer choosing to complete the audit process via the mail-in survey will be sent a packet containing appropriate energy-efficiency measures for the residence at no charge.

### IN-HOME AUDIT FEE

The Company will bill a customer a $25.00 fee per dwelling unit, plus applicable fees and taxes, for the in-home audit. This fee will be refunded to the customer, including reductions to applicable fees and taxes, upon implementation of any Company recommended energy-efficiency measures related to Company-sponsored incentive programs, excluding those provided in conjunction with the Home Energy Audit as shown in the Home Energy Audit Table.

### WEATHERIZATION EFFICIENCY MEASURES

An incentive for a qualifying weatherization efficiency measure will also be offered under this program as shown in the Weatherization Table. For some measures, a customer will be required to have measures installed by a pre-qualified contractor in order to qualify for incentives.

### QUALIFICATION REQUIREMENTS AND INCENTIVE AMOUNTS

To have an audit performed, customers must submit a completed survey form. The following requirements and charges to customers are applicable to the Home Energy Audit and Weatherization

Program efficiency measures that will be offered to customers in conjunction with a Home Energy Audit.

| HOME ENERGY AUDIT TABLE | | | |
|---|---|---|---|
| **Home Energy Audit Efficiency Measure** | **Qualification Requirement Of Old Equipment** | **Minimum Efficiency Of New Equipment** | **Charge To Customer** |
| Water Heater Blanket[1] | Gas water heaters warm to the touch or as determined by auditor | R-7 water heater blanket | No Charge |
| Pipe Insulation[1] | Gas water heater, no pipe insulation | First 4 feet of hot water, first 2 feet of cold water | No Charge |
| Faucet Aerator[2] | Gas water heater, faucet of 2.75 GPM or more | Less than 2.0 Gallons Per Minute | No Charge |
| Low-Flow Shower Head[2] | Gas water heater, shower head of 3.0 GPM or more | Less than 2.5 Gallons Per Minute | No Charge |
| Programmable Thermostat[3] | Gas heat, non-programmable thermostat | 2006 ENERGY STAR® Requirements | Market Price less $30.00 Rebate |

[1] Provided and installed
[2] Provided
[3] Rebate

To receive an incentive payment, customers must submit a completed application form and any required supporting documentation. The following requirements and incentive amounts are applicable to the Weatherization efficiency measures.

| WEATHERIZATION TABLE | | | |
|---|---|---|---|
| **Weatherization Efficiency Measure[1]** | **Minimum Efficiency of New Equipment** | **Professional Installation Required[4]** | **Incentive Amount** |
| Windows | U of .35; SHGC of 0.33 or better | No | $0.95 per sq ft |
| Wall Insulation | Increments of R-11 or higher | No | $0.45 per sq ft |
| Attic Insulation | Increments of R-19 or higher | No | $0.35 per sq ft |
| Floor Insulation | Increments of R-19 or higher | No | $0.35 per sq ft |
| Duct Sealing[2] | PTCS Levels | Yes | $225.00 |
| Duct Insulation[3] | R-6 or higher | Yes | $250.00 |

[1] These measures are available to dwelling units heated with natural gas.
[2] This measure is available to dwelling units with heating ducts in unconditioned spaces.
[3] This measure is available to dwelling units with un-insulated heating ducts in unconditioned spaces.
[4] If "Yes", this measure must be installed by a pre-qualified contractor.

Definitions:
- U — U-Value (U-Value is the reciprocal of R-Value)
- SHGC — Solar Heat Gain Coefficient
- PTCS — Performance-Tested Comfort System

## 2.17 LOW-INCOME WEATHERIZATION ASSISTANCE PROGRAM

### PROGRAM DESCRIPTION

The Low-Income Weatherization Assistance Program is available to weatherize the dwelling units of low-income residential customers receiving service on a GS rate schedule. Each year, in semi-annual payments, the Company will contribute $250,000 to the Utah Department of Community and Economic Development (DCED) for low-income Questar Gas customers. These funds are used by DCED to address only natural gas related issues. In addition to providing high-efficiency natural gas furnaces, when needed, the funds are used for correcting problems such as gas leaks, high carbon monoxide levels, inappropriate venting of natural gas appliances and adjustment of natural gas appliances. Customers apply for this weatherization assistance through the DCED.

| Issued by A. K. Allred, President | Advice No. | Section Revision No. | Effective Date |
|---|---|---|---|
| | 07-01 | 1 | January 1, 2007 |

# 3. INTERRUPTIBLE SERVICE

## 3.01 CONDITIONS OF SERVICE

The Company provides interruptible service to end-use commercial and industrial customers qualifying under the classification provisions of each interruptible rate schedule listed in this tariff. Customers on interruptible service rate schedules must also meet the requirements of § 9.02.

### SERVICE AVAILABILITY

Interruptible services are available only to the extent that in the Company's judgment it has available capacity and/or gas supply to provide this service without impairing its ability to serve firm sales service customers. All interruptible services are subject to interruption. See Interruption Conditions in § 3.02.

### STANDBY SERVICE

F-3 standby service is available up to the daily contract limit a customer has contracted for. The cost of any metering additions or changes necessary to determine F-3 usage will be the customer's responsibility. If an F-3 customer uses more gas than is contracted for, any additional gas use will be unauthorized and will be subject to the penalty rate as specified in § 3.02. The Company is not obligated to provide service in excess of the daily contract limit.

### STANDBY EQUIPMENT AND FUEL

Unless a specific waiver is granted by the Company, interruptible customers must maintain standby equipment and standby fuel which are adequate to provide a substitute for gas service during periods of interruption or emergency service restrictions. See § 7.03

## 3.02 PERIODS OF INTERRUPTION

### INTERRUPTION CONDITIONS

Service under interruptible service rate schedules is subject to temporary periods of interruption upon notice by the Company, whenever the Company determines interruption is required to serve firm sales service customers. Service may also be interrupted to inject gas into storage reservoirs or for maintenance or replacement of facilities. Service will not be recommenced until the Company, at its discretion, can fulfill the demand of its firm service customers.

### SCHEDULE OF INTERRUPTION

All interruptible service is subject to simultaneous interruption and is required to interrupt as soon as is operationally possible not to exceed two hours, however, system emergencies, irregularities of weather or other operating conditions may require immediate interruption. However, at times there may be a need for interruption on an isolated portion of Questar Gas' system. If the simultaneous interruption of a different portion of the system will not assist in remedying the situation that gives rise to the need for interruption, customers in those areas will not be subject to simultaneous interruption.

At the time of an interruption, the Company shall use its best efforts to advise customers of the cause of the interruption. When feasible, interruptions may be partial. In such event, interruptible transportation and sales customers will be required to interrupt partially on a pro rata basis based on representative daily use levels. However, customers who are unable to partially interrupt or who prefer to interrupt 100%, if at all, may, at the Company's discretion, be allowed to interrupt on an all-or-nothing basis. Initially customers who are allowed to interrupt on an all-or-nothing basis will be required to interrupt 100%. The Company will endeavor to balance interruptions between customers who interrupt partially and those who interrupt on an all-or-nothing basis over the course of a year, but in no event shall the Company be liable if it is unable to do so.

### PENALTY

If any interruptible sales or transportation customer fails to alter or discontinue use of natural gas, and in the case of a transportation customer fails to interrupt or reduce gas usage or nominations at the earliest opportunity in accordance with reasonable instructions of the Company, a penalty rate will apply. The penalty rate will consist of the following:

| Distribution Non-Gas Cost | Supplier Non-Gas Cost | Commodity Cost |
|---|---|---|
| $15.00 per Dth | The SNG rate from the Utah E-1 Rate Schedule | Highest Purchased Gas Cost During Period Of Interruption |

Under no circumstances will this penalty payment provision be considered as giving the customer the right to use gas during a requested interruption or restriction of service. Customers failing to comply with interruption required by the Company may also be subject to immediate termination or restriction of service.

| Issued by D. N. Rose, President | Advice No. | Section Revision No. | Effective Date |
|---|---|---|---|
| | 02-06 | 1 | December 30, 2002 |

# 4. INTERRUPTIBLE SALES SERVICE

## 4.01 CONDITIONS OF SERVICE

### SERVICE ARRANGEMENTS

Each interruptible sales customer will be required to enter into a service agreement with the Company. Interruptible sales service customers must contract for service on an annual basis. Customers must apply for interruptible sales service on a service agreement form provided by the Company. The Company may reject applications if, in its sole discretion, the Company is not able to contract for or it does not have adequate gas supplies or acceptance of the customer would not provide benefit to firm sales customers. Applications providing the greatest benefit to firm sales customers will be accepted first.

### FEES AND CHARGES

Each interruptible sales customer will be required to pay the basic service fee listed with each interruptible rate schedule in Articles IV and V. The Company will, at its discretion, allow I-4 ~~and IS-4~~ customers to use natural gas in excess of their daily contract limits to be charged at each customer's contracted rate schedule. If the Company notifies the customer to limit usage to its contract amount, any usage beyond that limit will incur a penalty as described in § 3.02. The Company reserves the right to limit usage to the daily contract limit.

### FACILITY MODIFICATIONS

Any modification to existing Company facilities or installation of new Company facilities required in order to provide this service shall be paid to the Company by the customer in advance of construction, unless other arrangements have been made. All such facilities are the property of the Company. The Company may at its option withhold service under this tariff until all necessary facilities are in place to insure safe and efficient service and to insure that proper billing and accounting can be performed.

### SERVICE FOR NEWLY INSTALLED FACILITIES

Customers installing new facilities in the Company's service territory and requesting interruptible sales service may be served as an I-4 ~~or IS-4~~ customer on a best efforts basis.

**MINIMUM YEARLY CHARGE FOR I-4 ~~AND IS-4~~ CUSTOMERS**

For billing purposes, at the end of each contract year, I-4 ~~and IS-4~~ customers' annual bills will be adjusted in order to satisfy the minimum of a 15% load factor requirement. If a customer terminates service or if in the judgement of the Company the customer will not meet its minimum load factor requirement, the Company may assess the minimum yearly charge prior to the end of the contract year. The payment necessary to satisfy the minimum yearly charge will be calculated as follows:

[(Peak Winter Day x 55) - (Annual Historical Use)] x DNG Rates

| Issued by A. K. Allred, President | Advice No. | Section Revision No. | Effective Date |
|---|---|---|---|
| | ~~06-03~~ | ~~2~~3 | ~~May 1, 2006~~ |

## 4.02 I-4 RATE SCHEDULE

### I-4 VOLUMETRIC RATES

Rates Per Dth Used Each Month
Dth = decatherm = 10 therms = 1,000,000 Btu

| | First 875 Dth | Next 121,625 Dth | All Over 122,500 Dth |
|---|---|---|---|
| Distribution Non-Gas Cost | \$0.14506 | \$0.13083 | \$0.12053 |
| Supplier Non-Gas Cost | \$0.18268 | \$0.18268 | \$0.18268 |
| Commodity Cost | Rates will be based on the Company's cost to acquire the gas. Gas Costs will be adjusted for fuel reimbursement on upstream pipelines and Questar Gas, and other applicable charges and expenses, including but not limited to, bad debt expenses. The rates will be posted on the Questar Gas web page by the 5th working day of each month. | | |
| **Total Rate** | **\$** | **\$** | **\$** |
| Minimum Yearly Charge | Peak Winter Day x 55 days x Distribution Non-Gas Cost | | |

Penalty for failure to interrupt or limit usage to contract limits when requested by the Company. See § 3.02.

### I-4 FIXED CHARGES

Monthly Basic Service Fee (BSF):
Does not apply as a credit toward the minimum yearly charge.
For a definition of BSF categories, see § 8.03.

| | |
|---|---|
| BSF Category 1 | \$5.00 |
| BSF Category 2 | \$29.00 |
| BSF Category 3 | \$67.00 |
| BSF Category 4 | \$274.00 |

### I-4 CLASSIFICATION PROVISIONS

(1) Service on an annual contract basis available to commercial and industrial customers.

(2) Customer must maintain the ability to interrupt natural gas service and utilize another standby fuel as explained in § 3.01.

(3) Customer's load factor is 15% or greater where load factor is defined to be: Actual or estimated average daily usage is at least 15% of peak winter day.
(Actual or Estimated Annual Use ÷ 365 days) ÷ Peak Winter Day $\geq$ 15%

(4) Service is subject to minimum yearly charge based on a 15% load factor requirement. See § 4.01. The charge is prorated to the portion of the year gas service is available. See § 8.03.

(5) Customer must enter into a service agreement. See § 4.01.

(6) Service is subject to a monthly basic service fee .

(7) Minimum annual usage of 7,000 Dth is required.

(8) All sales are subject to the additional local charges and state sales tax stated in § 8.02

## ~~4.03 IS-4 RATE SCHEDULE~~

### ~~IS-4 VOLUMETRIC RATES~~

~~Rates Per Dth Used Each Month~~
~~Dth = decatherm = 10 therms = 1,000,000 Btu~~

| | ~~First 875 Dth~~ | ~~Next 121,625 Dth~~ | ~~All Over 122,500 Dth~~ |
|---|---|---|---|
| ~~Distribution Non-Gas Cost~~ | ~~$2.76273~~ | ~~$0.13826~~ | ~~$0.12770~~ |
| ~~Supplier Non-Gas Cost~~ | ~~$0.18268~~ | ~~$0.18268~~ | ~~$0.18268~~ |
| ~~Commodity Cost~~ | ~~Rates will be based on the Company's cost to acquire the gas. Gas costs will be adjusted for fuel reimbursement on upstream pipelines and Questar Gas, and other applicable charges and expenses, including but not limited to bad debt expenses. Rates will be posted on the Questar Gas web page by the 5th working day of each month.~~ | | |
| **~~Total Rate~~** | **~~$~~** | **~~$~~** | **~~$~~** |
| ~~Minimum Yearly Charge~~ | ~~Peak Winter Day x 55 days x Distribution Non-Gas Cost~~ | | |

~~Penalty for failure to interrupt or limit usage to contract limits when requested by the Company.~~ ~~See § 3.02.~~

### ~~IS-4 FIXED CHARGES~~

~~Monthly Basic Service Fee (BSF):~~ ~~$67.00~~
~~Does not apply as a credit toward the minimum yearly charge.~~

### ~~IS-4 CLASSIFICATION PROVISIONS~~

~~(1) Service on an annual contract basis available to commercial and industrial customers.~~

~~(2) Customer must maintain the ability to interrupt natural gas service and utilize another standby fuel as explained in § 3.01.~~

~~(3) Customer's load factor is 15% or greater where load factor is defined to be: Actual or estimated average daily usage is at least 15% of peak winter day.~~
~~(Actual or Estimated Annual Use ÷ 365 days) ÷ Peak Winter Day ≥ 15%~~

~~(4) Service is subject to minimum yearly charge based on a 15% load factor. See § 4.01. The charge is prorated to the portion of the year gas service is available. See § 8.03.~~

~~(5) Customer must enter into a service agreement. See § 4.01.~~

~~(6) Service is subject to the monthly basic service fee identified above.~~

~~(7) Minimum annual usage of 7,000 Dth is required.~~

~~(8) All sales are subject to the additional local charges and state sales tax stated in § 8.02.~~

~~(9) Customer is located in new service extension area as approved by the Commission.~~

## 4.0~~3~~4 T-1 RATE SCHEDULE

**T-1 VOLUMETRIC RATES**

| | Rates Per Dth Used Each Month<br>Dth = decatherm = 10 therms = 1,000,000 Btu |
|---|---|
| Distribution Non-Gas Cost | $2.33350 |
| Supplier Non-Gas Cost | $1.23005 |
| Commodity Cost | Rate will be based on the monthly I-4 ~~or IS-4~~ Commodity Cost |
| **Total Rate** | **$** |

Penalty for failure to interrupt or limit usage to contract limits when requested by the Company. See § 3.02.

**T-1 CLASSIFICATION PROVISIONS**

(1) Temporary service is available to industrial customers for any temporary activities deemed appropriate by the Company.

(2) Service is on a best-efforts basis, subject to interruption or discontinuance at any time.

(3) See also § 7.01.

(4) All sales are subject to the additional local charges and state sales tax stated in § 8.02.

| Issued by A. K. Allred, President | Advice No. | Section Revision No. | Effective Date |
|---|---|---|---|
| | ~~06-06~~ | ~~12~~13 | ~~November 1, 2006~~ |

## 4.0~~4~~5 E-1 RATE SCHEDULE

**E-1 VOLUMETRIC RATES**

| | Rates Per Dth Used Each Month<br>Dth = decatherm = 10 therms = 1,000,000 Btu |
|---|---|
| Distribution Non-Gas Cost | $1.66829 |
| Supplier Non-Gas Cost | $6.37596 |
| Commodity Cost | Highest Gas Cost |
| Total Rate | **$ .** |

Penalty for failure to interrupt or limit usage to contract limits when requested by the Company. See § 3.02

**E-1 CLASSIFICATION PROVISIONS**

(1) Emergency service is available on a temporary basis to commercial and industrial customers receiving natural gas service under any interruptible sales or interruptible transportation schedule during certain periods of interruption if the customer's alternate fuel facility is not available because of:
   (a) An emergency breakdown of alternate fuel facilities,
   (b) Unavailability of alternate fuel,
   (c) Adverse air quality conditions, or
   (d) Other emergency conditions as determined by the Company.

(2) Service is on a best-efforts basis, subject to interruption or discontinuance at any time.

(3) If a customer is deemed by the Company to have an emergency as outlined above and if the Company is able to deliver gas to such customer without compromising service to other customers, the customer will be placed on the E-1 schedule. The Company will utilize its best efforts to equalize the availability of emergency gas to all customers who request such gas, subject to the constraints of changing system demand and divergent requests for emergency gas.

(4) All sales are subject to the additional local charges and state sales tax stated in § 8.02.

# 5. TRANSPORTATION SERVICE

## 5.01 CONDITIONS OF SERVICE

### APPLICABILITY

This service applies to transportation of customer-acquired gas through the Company's distribution system from an approved interconnect point between the Company's distribution system and an upstream pipeline to a redelivery meter serving customer's premises.

### TERM

Service shall be for a minimum of one year.

### FEES, COSTS AND CHARGES

In the event that the Company incurs fees, charges or costs as a result of the transportation of a customer's gas to the Company's distribution system by an upstream pipeline the Company will provide a statement of such charges or costs. The customer will reimburse the Company for all fees, charges or costs associated with such transportation.

### ADMINISTRATIVE CHARGE

Customers taking service on rate schedules FT-1, FT-2 and~~,~~ IT~~, and IT-S~~ will be billed an annual administrative charge of $6,800 for each end-use site in equal monthly amounts on a monthly basis. If a customer has more than one end-use site covered by a single gas purchase contract, a $6,800 annual administrative charge will be billed to one end-use site. Other end-use sites for that customer will be billed a $2,550 annual administrative charge. A customer will be required to pay the administrative charge for each month during a temporary discontinuance of service. Customers taking service on rate schedule MT will be billed an annual administrative charge of $8,000 for the first end use-site and $3,000 for other end-use sites.

### FUEL REIMBURSEMENT

A fuel reimbursement of 1.5% of volume transported will apply to all firm and interruptible industrial transportation volumes. The reimbursement will be collected by redelivering 1.5% less volume than is received into the Company's distribution system for transportation.

**FACILITY MODIFICATIONS**

Any modification to existing Company facilities or installation of new Company facilities required in order to provide this service shall be paid to the Company by the customer in advance of construction, unless other arrangements have been made. All such facilities are the property of the Company. The Company may at its option withhold service under this tariff until all necessary facilities are in place to insure safe and efficient service and to insure that proper billing and accounting can be performed. The Company may require telemetering equipment pursuant to this provision if, in the Company's reasonable discretion, it determines that it needs the enhanced information for the proper administration or operation of its system.

Customers may increase the daily contract limit if additional equipment is added or if operational changes necessitate firm service backup. All service is subject to the availability of new or additional service requirements shown in § 9.02.

**INITIAL SERVICE ARRANGEMENTS**

Each transportation customer will be required to sign a service agreement with the Company which may include, but shall not be limited to the following:

(1) Daily contract limit - This contract limit can be adjusted once each year.

(2) Service commencement date.

(3) Term of service.

(4) Interconnect and redelivery points.

| Issued by A. K. Allred, President | Advice No. | Section Revision No. | Effective Date |
|---|---|---|---|
| | ~~03-02~~ | ~~2~~3 | ~~June 23, 2003~~ |

## 5.02 FIRM TRANSPORTATION SERVICE

The Company provides firm transportation service for industrial customers qualifying under the classification provisions of § 5.05 and § 5.06. Industrial customers initiating or increasing firm transportation service must also meet the requirements of § 9.02.

## 5.03 MUNICIPAL TRANSPORTATION SERVICE (MT)

The Company provides MT firm service only for municipalities as defined in Utah Code Ann. § 10-1-104(5) or successor statute and under the classification provisions of § 5.07 and § 5.08. Customers on MT firm service must also meet the requirements of the “Availability of New or Additional Service” paragraphs of § 9.02.

### NOMINATIONS

Questar Gas will provide MT customers with a daily estimate of usage for the MT service on the electronic bulletin board 24 hours in advance of the Company’s nomination deadline. The estimated usage will be based on the same factors used by the Company to estimate the requirements of its sales customers and will include the required fuel reimbursement shown in § 5.01.

MT customers will be responsible for all nominations on upstream pipelines, as well as nominations to Questar Gas, to insure that sufficient gas supplies to meet the supplier’s customers aggregate daily estimates of usage are delivered to the Questar Gas receipt point designated by the Company. In designating receipt points, MT service will have priority over Interruptible service. Firm sales service will have priority over both MT, FT-1, FT-2 and Interruptible service. MT, FT-1 and FT-2 service will have equal priority of delivery points.

Questar Gas will have the right to issue operational flow orders (OFOs) directing the increase or decrease in nominated volumes.

### IMBALANCES

The following imbalance procedures will be used to insure that suppliers are providing the proper amount of gas for their customers and are not adversely impacting other suppliers or other customers on Questar Gas’ system.

**Facilities Charge for Daily Balancing**

MT customers shall pay a facilities charge for balancing services. The rate for this service is shown in § 5.07 and will be applied to all volumes billed by Questar Gas to the MT customers.

**Nomination Imbalance Penalty**

Subject to the exceptions noted below, any delivery of gas by an MT customer to Questar Gas above or below the estimated daily usage explained in the “Nominations” paragraph for MT service, will be assessed the penalty as provided for in the “Daily Imbalances” paragraph of § 5.11.

The MT customer may make imbalance nominations as provided for in the “Monthly Imbalances” paragraphs in § 5.11. The Nomination Imbalance Penalty will not apply to imbalance nominations or if the customer is complying with an OFO.

**Treatment of Monthly Imbalances**

Monthly imbalances will be treated as provided for in the "Monthly Imbalances" paragraphs of § 5.11.

## 5.04 INTERRUPTIBLE TRANSPORTATION SERVICE

### COMPANY INTERRUPTION

Should interruptions be required, customers will be interrupted as described in § 3.02.

### GAS PURCHASE ARRANGEMENT DURING PERIODS OF INTERRUPTION

Customers must, as a condition of interruptible transportation service by the Company, offer to sell their gas supplies to the Company for its use during periods of interruption in serving firm sales customers in accordance with the following conditions.

(1) The customer's gas purchase contract may not preclude continued deliveries by its supplier during periods of interruption of the Company's transportation service.

(2) Customer agrees that its gas purchase contracts will not allow, during a period of interruption, for the sale, exchange, transportation or beneficial use of company requested gas supplies for the benefit of anyone other than: (a) the Company, or (b) parties holding a pre-existing higher contractual priority to the gas supplies.

In no event will customer sell or exchange its gas supplies or otherwise interfere with the Company's ability to purchase customer's gas supplies during a period of interruption.

(3) Upon notification of interruption of service by the Company, the customer agrees to immediately begin nominating the Company requested amount of gas and will continue such nomination during the period of interruption unless instructed otherwise by the Company.

(4) Questar Gas will require volumes equal to the average of the confirmed gas deliveries (less imbalance payback to customers) over the most recently completed three gas days up to the amount of gas under contract to be available for purchase during an interruption, but will not require volumes in excess of the customers representative daily use. Volumes not delivered upon request will be subject to the penalty described in (7) below.

(5) All gas purchased by the Company under this provision shall be at the point where deliveries are made to the upstream pipeline system upon which the Company has contracted for transportation service or delivered directly to the facilities of the Company. The Company will make arrangements for transportation of these purchases during periods of interruption to its own distribution system. The Company's planned gas purchases under the provisions of this section shall be used to meet the requirements of firm sales customers, and all gas purchased is considered necessary to meet the needs of firm customers.

(6) The customer agrees to sell and the Company shall have the option to purchase customer's gas at the higher of the first of the month Inside FERC market index price as defined in the Glossary, or the gas daily market index price.

(7) For volumes that the Company requests nomination but which are not available to the Company because of the customers unexcused failure to nominate (See § 7.02 or because customer has sold, exchanged, transported or otherwise used said gas for the benefit of anyone other than the Company in violation of subsection (2) above, the Company shall impose a penalty equal to the highest purchased gas cost during the period of interruption plus $15/Dth for the volume of gas requested but not delivered.

## 5.05 FIRM TRANSPORTATION SERVICE RATE SCHEDULE FT-1

### FT-1 VOLUMETRIC RATES

Rates Per Dth Redelivered Each Month
Dth = decatherm = 10 therms = 1,000,000 Btu

| | First 10,000 Dth | Next 112,500 Dth | Next 477,500 Dth | All Over 600,000 Dth |
|---|---|---|---|---|
| **Distribution Non-Gas Cost** | **$0.17345** | **$0.16086** | **$0.10696** | **$0.02363** |
| Minimum Yearly Distribution Non-Gas Charge | | | | $20,800.00 |

### FT-1 FIXED CHARGES

Monthly Basic Service Fee (BSF):
(Does not apply as a credit toward the minimum charge)
For a definition of meter categories see § 8.03.

| | |
|---|---|
| BSF Category 1 | $5.00 |
| BSF Category 2 | $21.00 |
| BSF Category 3 | $55.00 |
| BSF Category 4 | $244.00 |

| | | |
|---|---|---|
| Administrative Charge (See § 5.01) | Annual | $6,800.00 |
| | Monthly Equivalent | $566.67 |
| Additional monthly charge for customers located in areas served under expansion area rates | | $2,077.00 |

### FT-1 CLASSIFICATION PROVISIONS

(1) Industrial service on an annual service agreement available to end use industrial customers who acquire their own gas supply and who will maintain a load factor of at least 50% where load factor is defined as: Actual or estimated average daily usage is at least 50% of peak winter day. (Actual or Estimated Annual Usage ÷365 days) ÷ Peak Winter Day $\geq$ 50%

(2) Volumes must be transported to Questar Gas’ system under firm transportation capacity on upstream pipelines to interconnect points approved by Questar Gas or on alternative transportation to approved interconnect points if customer's upstream firm transportation is disrupted.

(3) Service is subject to a minimum yearly charge, an administrative charge, and a monthly basic service fee.

(4) If the customer's gas is not delivered to Questar Gas’ system, the Company is not obligated to deliver gas to the customer. When the customer's gas is being delivered to the Company, the balancing provisions in § 5.11 will apply.

(5) Firm transportation service is only available to those customers who receive all of their natural gas service through Questar Gas’ facilities.

(6) All sales are subject to the applicable local charges and state sales tax stated in § 8.02.

(7) Fuel reimbursement of 1.5% applies to all volumes transported; see § 5.01.

(8) Annual usage must be at least 4,000,000 Dth, unless the customer’s end-use is located within 5 miles of an interstate pipeline, in which case, annual usage must be at least 100,000 Dth.

## 5.06 FIRM TRANSPORTATION SERVICE RATE SCHEDULE FT-2

### FT-2 VOLUMETRIC RATES

| | Rates Per Dth Redelivered Each Month<br>Dth = decatherm = 10 therms = 1,000,000 Btu | | | |
|---|---|---|---|---|
| | First<br>10,000 Dth | Next<br>112,500 Dth | Next<br>477,500 Dth | All Over<br>600,000 Dth |
| Distribution Non-Gas Rate | \$0.19352 | \$0.17947 | \$0.11149 | \$0.02464 |
| Gas Management Cost | \$0.00445 | \$0.00445 | \$0.00445 | \$0.00445 |
| Total Rate | \$0.19797 | \$0.18392 | \$0.11594 | \$0.02909 |
| Minimum Yearly Distribution Non-Gas Charge | | | | \$23,200 |

### FT-2 FIXED CHARGES

| | | |
|---|---|---|
| Monthly Basic Service Fee (BSF):<br>(Does not apply as a credit toward the minimum charge)<br>For a definition of BSF categories see § 8.03. | BSF Category 1 | \$5.00 |
| | BSF Category 2 | \$21.00 |
| | BSF Category 3 | \$55.00 |
| | BSF Category 4 | \$244.00 |

| | | |
|---|---|---|
| Administrative Charge (See §5.01) | Annual | \$6,800.00 |
| | Monthly Equivalent | \$566.67 |
| Additional monthly charge for customers located in areas served under expansion area rates | | \$2,077.00 |

### FT-2 CLASSIFICATION PROVISIONS

(1) Industrial service on an annual service agreement available to end use industrial customers who acquire their own gas supply and who will maintain a load factor of at least 50% where load factor is defined as: Actual or estimated average daily usage is at least 50% of peak winter day. (Actual or Estimated Annual Usage ÷365 days) ÷ Peak Winter Day $\geq$ 50%

(2) Volumes must be transported to Questar Gas' system under firm transportation capacity on upstream pipelines to interconnect points approved by Questar Gas or on alternative transportation to approved interconnect points if customer's upstream firm transportation is disrupted.

(3) Service is subject to a minimum yearly charge, an administrative charge, and a monthly basic service fee.

(4) If the customer's gas is not delivered to Questar Gas' system, the Company is not obligated to deliver gas to the customer. When the customer's gas is being delivered to the Company, the balancing provisions in § 5.11 will apply.

(5) Firm transportation service is only available to those customers who receive all of their natural gas service through Questar Gas' facilities.

(6) All sales are subject to the applicable local charges and state sales tax stated in § 8.02.

(7) Fuel reimbursement of 1.5% applies to all volumes transported; see § 5.01.

## 5.07 MT RATE SCHEDULE

### MT RATE

| | Rates Per Dth Used Each Month<br>Dth = decatherm = 10 therms = 1,000,000 Btu |
|---|---|
| MT Volumetric | $0.29777/Dth |
| MT Facilities Balancing | $0.06/Dth |

### MT FIXED CHARGES

| | | |
|---|---|---|
| Monthly Basic Service Fee (BSF):<br>For a definition of BSF categories see § 8.03. | BSF Category 1 | $5.00 |
| | BSF Category 2 | $21.00 |
| | BSF Category 3 | $55.00 |
| | BSF Category 4 | $244.00 |
| Administrative Charge (see § 5.01) | Annual | $8,000.00 |
| | Monthly Equivalent | $666.67 |

### MT CLASSIFICATION PROVISIONS

(1) Service is used for a municipal gas system owned and operated by a municipality as defined by Utah Code Ann. § 10-1-104(5). The customer must enter into a contract specifying the maximum daily contract demand. If requested, Questar Gas will provide MT customers with its forecast of the maximum daily demand for any contract period. Questar Gas is not obligated to provide service in excess of the maximum daily contract demand.

(2) Annual load factor is 15% or greater, where load factor is defined to be: Actual or estimated average daily usage is at least 15% of peak winter day.

(Actual or Estimated Annual Use ÷ 365 days) ÷ Peak Winter Day ∃ 15%

(3) If the customer's gas is not delivered to Questar Gas' system, the Company is not obligated to deliver gas to the customer. When the customer's gas is being delivered to the Company, the balancing provisions described in § 5.03 and § 5.11 will apply.

(4) All sales are subject to any applicable local charges and sales tax stated in § 8.02.

(5) Fuel reimbursement of 1.5% applies to all volumes transported. (See § 5.01)

(6) MT service is not required if it will subject Questar Gas to regulatory jurisdiction by anyone other than the Commission.

(7) An MT customer will be required to notify Questar Gas before it proposes to extend service beyond the state of Utah or into a service area designated by the Federal Energy Regulatory Commission (FERC) pursuant to 7(f) of the Natural Gas Act. Such service extension will be cause for termination of MT service by the Company, unless it is demonstrated, prior to service extension, that an order has been issued by the FERC, or any other federal, state or local entity

potentially exercising regulatory jurisdiction, showing respectively that the Company will not be subject to the regulatory jurisdiction of the FERC or other federal, state or local entity, and, with respect to an order issued by the FERC, that Questar Gas will not lose any Hinshaw status that it may have. The Company may also terminate MT service commenced upon the issuance of any such order described above if the order is stayed or if an administrative or judicial appeal of such order results in a finding that providing the MT service subjects it to the jurisdiction of the FERC, or other federal, state or local entity, or results in a loss of any Hinshaw status it may have.

(8) Service is only available for cities where Questar Gas does not have a franchise or an existing distribution system.

(9) For municipal customers with usage on more than one rate schedule, the usage for different rate schedules must be separately metered and subject to the appropriate administrative charge as provided for in the Administrative Charge paragraph of § 5.01.

## 5.08 IT RATE SCHEDULE

### IT VOLUMETRIC RATES

| | Rates Per Dth Redelivered Each Month<br>Dth = decatherm = 10 therms = 1,000,000 Btu | | |
|---|---|---|---|
| | First<br>122,500 Dth | Next<br>477,500 Dth | All Over<br>600,000 Dth |
| Distribution Non-Gas Rate | $0.12059 | $0.11152 | $0.02465 |
| Gas Management Cost | $0.00430 | $0.00430 | $0.00430 |
| Total Rate | $0.12489 | $0.11582 | $0.02895 |
| Penalty for failure to interrupt or limit usage when requested by the Company. | | | See § 3.02. |

### IT FIXED CHARGES

| | | | |
|---|---|---|---|
| Monthly Basic Service Fee (BSF): | | BSF Category 1 | $5.00 |
| For a definition of BSF categories see § 8.03 | | BSF Category 2 | $29.00 |
| | | BSF Category 3 | $67.00 |
| | | BSF Category 4 | $274.00 |
| Administrative Charge (see § 5.01) | Annual | | $6,800.00 |
| | Monthly Equivalent | | $566.67 |

### IT CLASSIFICATION PROVISIONS

(1) Service is available to end-use customers acquiring their own gas supply.

(2) Customer must accept redelivery of all volumes received by the Company for its account. Imbalances will be subject to the provisions of § 5.11.

(3) Service is subject to a monthly basic service fee and an administrative charge.

(4) Interruptible transportation service is on a best-efforts basis, subject to interruption at any time during the winter season after notice and as otherwise provided under Article III.

(5) The Company has the right to purchase interrupted volumes in accordance with the provisions of § 5.04.

(6) All sales are subject to the additional local charges and state sales tax stated in § 8.02.

(7) Fuel reimbursement of 1.5% applies to all volumes transported; see § 5.01.

## ~~5.09 IT-S RATE SCHEDULE~~

### ~~IT-S VOLUMETRIC RATES~~

| | ~~Rates Per Dth Redelivered Each Month~~<br>~~Dth = decatherm = 10 therms = 1,000,000 Btu~~<br>~~First~~<br>~~875 Dth~~ | ~~Next~~<br>~~121,625 Dth~~ | ~~All Over~~<br>~~122,500 Dth~~ |
|---|---|---|---|
| ~~Distribution Non-Gas Rate~~ | ~~$2.71593~~ | ~~$0.11653~~ | ~~$0.10777~~ |
| ~~Gas Management Cost~~ | ~~$0.00430~~ | ~~$0.00430~~ | ~~$0.00430~~ |
| ~~Total Rate~~ | ~~$2.72023~~ | ~~$0.12083~~ | ~~$0.11207~~ |
| ~~Penalty for failure to interrupt or limit usage when requested by the Company.~~ | | | ~~See § 3.02.~~ |

### ~~IT-S FIXED CHARGES~~

| | | |
|---|---|---|
| ~~Monthly Basic Service Fee (BSF):~~<br>~~(Does not apply as a credit toward the minimum charge)~~ | | ~~$67.00~~ |
| ~~Administrative Charge (see § 5.01)~~ | ~~Annual~~ | ~~$6,800.00~~ |
| | ~~Monthly Equivalent~~ | ~~$566.67~~ |

### ~~IT-S CLASSIFICATION PROVISIONS~~

~~(1) Service is available to end-use customers acquiring their own gas supply.~~

~~(2) Customer must accept redelivery of all volumes received by the Company for its account. Imbalances will be subject to the provisions of § 5.11.~~

~~(3) Service is subject to a monthly basic service fee and an administrative charge.~~

~~(4) Interruptible transportation service is on a best-efforts basis, subject to interruption at any time during the winter season after notice and as otherwise provided under Article III~~

~~(5) The Company has the right to purchase interrupted volumes in accordance with the provisions of § 5.04.~~

~~(6) All sales are subject to the additional local charges and state sales tax stated in § 8.02.~~

~~(7) Fuel reimbursement of 1.5% applies to all volumes transported; see § 5.01.~~

~~(8) IT-S is the only applicable transportation rates in new service extension areas as approved by the Commission.~~

## 5.09~~10~~ NOMINATIONS

**NOMINATION SCHEDULE**

Transportation customers must make nominations no later than 10:30 a.m. Mountain Clock Time (MCT) each day of the quantity of natural gas (Dth) it desires to have transported commencing at 8:00 a.m. MCT on the succeeding calendar day. All nominations must be placed in a manner specified by the Company.

Company shall commence, upon receipt of volumes, to deliver equivalent quantities of natural gas less fuel reimbursement pursuant to § 5.01. A transportation customer shall provide the Company with permission to obtain from the customer's upstream pipeline transporter volumes delivered to the Company on the customer's behalf.

**OPERATING INFORMATION AND ESTIMATES**

Three days prior to the beginning of each month, customer shall submit its best estimates of the daily and monthly quantities of gas it expects to be transported together with any other operating data the Company may require in order to schedule its operations. Customer estimates are furnished only to assist the Company in scheduling its operations and impose no obligations on the customer.

## 5.10~~11~~ IMBALANCES

A transportation customer must monitor the amount of gas delivered to the Company's system from any upstream pipeline less fuel reimbursement and its usage of gas at its premises. If necessary, a customer must make adjustments to maintain a balance between gas received to the Company's system less fuel reimbursement and its usage.

The Company may monitor customer usage through telemetered, electronic measurement equipment at the end use delivery site or otherwise. Imbalances between volumes received at an interconnect point by the Company from the upstream pipeline less fuel reimbursement and actual usage will be treated in the following manner:

### DAILY IMBALANCES

The Company will allow ± 5% of a customer's volumes delivered to the city gate as a daily imbalance tolerance window. In the event a customer's imbalance contributes to an aggregate imbalance that would 1) require the Company to take action to maintain system integrity, or 2) reasonably be expected to force the Company to materially alter its prior day's planned level of a) gas purchases, b) Company production, or c) storage injections or withdrawals, then the Company may, for the period that such conditions are reasonably expected to continue, require customers or nominating parties to adjust deliveries or usage, and/or to suspend all or a portion of the daily imbalance tolerance window. A customer or nominating party may adjust deliveries by directing a change in nominations, alter usage, or utilize park-and-loan or other services offered by the appropriate upstream pipeline.

The Company will provide notice of such restriction, to each affected nominating party not less than two hours prior to the first nomination deadline for the affected period or as soon as reasonably practicable, to the extent system integrity or upstream allocations allow. If other than written notice is initially provided, then subsequent written notice will provide the time of contact and the person contacted. Restrictions may be applied on a system-wide basis, a nominating-party-by-nominating-party basis, a customer-by-customer basis, or a geographic area basis, as circumstances reasonably require.

Notices of balancing restrictions will be provided to each affected nominating party and will include reasonable specificity regarding:

(1) The duration and nature of the balancing restrictions imposed;
(2) The events or circumstances that require the restrictions;
(3) The type of imbalances that may be subjected to penalties; and
(4) actions that the customer or nominating party can take to avoid penalties.

If, after notice provided as above, a customer or nominating party fails to comply with balancing restrictions reasonably imposed by the Company, a balancing penalty of the greater of $1.00/Dth or the difference between the first-of-the-month posting in “Inside FERC” for Questar Pipeline and the daily posting in “Gas Daily” for Questar Pipeline plus $0.25/Dth, except under conditions of force majeure, will be charged for those imbalances that adversely affect the system.

Customers or nominating parties may exchange or aggregate imbalances in order to avoid or mitigate penalties. Penalties that are not totally avoided by exchange or aggregation shall be borne by the customer or prorated among the customers as directed by the nominating party. If no direction is received, the Company will assign the imbalance to each of the nominating party's accounts on a pro-rata basis for all such accounts that are contributing to the imbalance that adversely affect the system on the tenth business day following the last day of the notice.

The Company reserves the right to take any action reasonably necessary to restrict deliveries or usage in order to maintain a balanced distribution system, when required for system integrity. A balancing penalty of up to $25/Dth may be imposed in cases where a nominating party or customer has repeatedly ignored, after written notice, the Company's reasonable balancing restrictions. There is no daily imbalance tolerance during periods of interruption.

**MONTHLY IMBALANCES**

The Company shall allow a ± 5% monthly imbalance tolerance window. The monthly imbalance tolerance window will be calculated by multiplying the sum of the volumes received at an interconnect point by the Company on a customer's behalf by ± 5%.

To remedy imbalances outside the ± 5% monthly imbalancing tolerance window, the Company will permit customers to trade imbalances with other customers.

For customers choosing to participate in an open trading system and signing a trading agreement, the Company will make their imbalance information available to other participating customers. The information will be available on the electronic bulletin board. Customers shall have the ability after gas day one of the following month to trade imbalances with other customers to reduce or eliminate imbalances. All contractual arrangements, exchange of consideration, documentation, and imbalance pricing will be the responsibility of the trading partners.

Once customers have agreed to trade their imbalances, each trading partner must notify the Company as required in the trading agreement. This notice to the Company will be deemed to be the Customer's direction to Company to make the imbalance trade on the Customer's account. If the trading partner's notices coincide, the Company will adjust customer's accounts to reflect the imbalance trade. When notices do not coincide, imbalances will not be considered traded. The Company will not be liable for any losses suffered by a customer if the trading partners are unable to finalize their trade after the Company has been notified of the trade and adjusted the Customer's accounts. The Company shall not be liable for any losses incurred by a customer if an imbalance trade is not noticed by both trading partners.

After gas day one of the following month, an additional 15 day period will be allowed for customers to bring any remaining imbalance within the ± 5% tolerance window through nomination or imbalance trading. If the Company does not have final reported imbalance data on the EBB available to customers on the first day of the following month, an additional day will be allowed for each day the information is delayed. Nothing in this section is meant to prevent customers from taking make up actions sooner, however, the customer shall give prior notice to the Company of the actions being taken to remedy the imbalance to allow the Company to schedule its operations. The Company reserves the right to limit a customers nominations or usage when necessary to protect the integrity of the system. Any remaining imbalance will be treated in the following manner:

(1) Positive Imbalances may be purchased by the Company for the lesser of the market index price (see glossary definition) or the Company firm commodity costs charge listed in the Article II, each less $1.00/Dth.

(2) Negative Imbalances will be sold to the customer for $1.00/Dth plus the greater of the market index price or the Company firm commodity costs charge listed in Article II.

Customers will not be given any further make up period to bring cumulative imbalances within the ± 5% imbalance tolerance window.

**IMBALANCES REMAINING AT CONTRACT TERMINATION**

If a customer terminates transportation service, any supply imbalances will be treated as if they were month-end imbalances. Imbalances will be treated as outlined above. The ± 5% monthly tolerance window shall not apply and customers must eliminate all imbalances. The Company is not responsible to facilitate an "imbalance trading" opportunity for customers due to contract termination; however, such customers may participate in the "imbalance trading" process after service termination for a fifteen day period.

| Issued by ~~D. N. Rose~~A. K. Allred, President | Advice No. | Section Revision No. | Effective Date |
|---|---|---|---|
| | ~~02-06~~ | ~~1~~2 | ~~December 30, 2002~~ |

# 6. EQUIPMENT LEASING

## 6.01 CONDITIONS OF SERVICE

The Company provides equipment for lease by customers qualifying under the classification provisions of § 6.02.

This rate schedule is available to all customers and is subject to the applicable rates and provisions listed below. Equipment will be classified as it is purchased by the Company according to vintage price, kind, and expected primary lease term. Each such equipment group will have a group average capital cost (GAC cost) which will be used for all equipment within that group.

### SERVICE AVAILABILITY

The Company will lease NGV equipment to customers who meet the Company's requirements set forth below and execute the Company's NGV Lease Agreement. Equipment with a value in excess of $5,000 will be leased at the discretion of the Company. Availability of this schedule is dependent upon customers' compliance with all provisions of the NGV Lease Agreement. The availability of equipment leases of other than NGV conversion equipment under this schedule is also conditional on the customer using natural gas provided by Company in the equipment.

At the Company's option customers may be offered NGV equipment leases where the payment will be on a $ per gallon equivalent. In these cases, the per gallon charge will be calculated by using the appropriate ELC charges and the expected usage of the customer. Such contracts will include a minimum usage requirement such that the full ELC charge will be recovered.

### EQUIPMENT AVAILABLE FOR LEASE

The Company will make available for lease NGV equipment including but not limited to:

(1) Natural Gas Motor Vehicle Conversion Equipment

(2) Natural Gas Compressors and Fueling Equipment

The Company's obligation to lease the equipment is subject to its availability. The Company shall install or have installed the equipment and retains the right to substitute equipment for the original equipment should substitution become necessary in the Company's sole discretion.

### INSTALLATION AND MAINTENANCE OF EQUIPMENT

The Company will install or have installed the equipment at the customer's expense. The Company will repair, alter and maintain the equipment at Company's expense during the term of the lease. The Company shall have the right to inspect the equipment or observe its use for repair and maintenance. The customer shall operate the equipment in accordance with the manufacturer's operating instructions. Customer shall not alter, change, add or improve the equipment without Company's express written permission.

**CUSTOMER'S OBLIGATIONS**

Customer will keep the leased equipment clean and shall report any malfunction to the Company. Customer shall keep the equipment free and clear of all liens, levies and encumbrances. Customer shall pay taxes on the real property to which the equipment is affixed or on the motor vehicle in which the equipment is installed. The Company shall be liable for the personal property taxes on the equipment itself. Customer shall indemnify and hold harmless and defend Company against claims, demands, costs, expenses for loss, damages or injury to persons or property in any manner directly or indirectly connected with or growing out of lessee's negligent operation or misuse of the equipment or property or motor vehicles to which the equipment is attached. Customer shall surrender the equipment on termination of the lease or on customer's default under the lease. Customer shall comply with all federal, state and municipal laws, regulations and their ordinances, and the Natural Fire Protection Guidelines, concerning the installation and operation of the equipment or the use of the natural gas in motor vehicles.

**OWNERSHIP**

Company shall maintain ownership of the equipment. The customer will not have the option or right to purchase the equipment during the term of the lease or at its termination. Customer shall provide a landlord's waiver or lender subordination agreement waiving any rights of landlord or lender to any interest in the equipment. Customer shall not assign or sublease the equipment.

**DEFAULT AND TERMINATION**

The Company shall have the contractual right to enter upon real property where the equipment is stored or have the motor vehicle in which the equipment is installed returned to Questar Gas for removal of the equipment upon termination of the Agreement or default by the customer. Events of default and rights upon default are governed by the terms of the subject lease agreements.

**CREDIT REQUIREMENTS**

The Company shall have the right to refuse this service to any customer who has another account with the Company that is delinquent. In addition, the Company may refuse to provide this service to any customer that in the judgment of the Company will not be financially able to make the lease payments unless guaranty from a financially able entity is provided in a form acceptable to the Company.

## 6.02 EQUIPMENT LEASE CHARGE SCHEDULE (ELC)

### ELC GROUP AVERAGE CAPITAL AND MAINTENANCE CHARGE

The ELC is a two part rate which is determined by summing the Group Average Capital Charge and the Maintenance Charge for the specific equipment leased. Equipment will be classified as it is purchased by the Company according to vintage price, kind, and expected primary lease term. Each such equipment group will have a Group Average Capital Cost (GAC cost) which will be used for all equipment within that group.

**Group Average Capital Charge** Factor Per $ Of GAC Cost To Calculate Monthly Charge

| | 5 Year Property | 10 Year Property | 15 Year Property | 20 Year Property | 30 Year Property |
|---|---|---|---|---|---|
| **ELC Factor** | **$0.02365** | **$0.01550** | **$0.01279** | **$0.01143** | **$0.01008** |

**Monthly Maintenance Charge**

| | |
|---|---|
| Vehicle Refueling Appliance | $11.45 |
| NGV Conversion | $10.28 |
| NGV Tank | $2.41 |

The maintenance charge for equipment with a GAC cost of $5,000 or more will be calculated and specified in the NGV lease agreement.

### ELC CLASSIFICATION PROVISIONS

(1) Equipment is used on a customer's premises or vehicle;

(2) Customer meets the Company's credit worthiness requirements;

(3) Service is subject to the terms of the Company's standard NGV Consumer Lease Agreement and Disclosure Statement or NGV Commercial Lease which the customer must sign;

(4) Customer leasing equipment other than vehicle conversion equipment uses only natural gas purchased from or transported by the Company in the leased equipment.

# 7. GENERAL PROVISIONS

## 7.01 TEMPORARY SERVICE

### TEMPORARY NATURAL GAS SERVICE

Service which is of a temporary nature will be made only at the discretion of the Company. If such service is rendered, applicant will pay in advance for the cost of installing any main extension, service line, regulator, meter or other facility, removing such equipment or making it inoperable at the discontinuance of service.

If after three years of continuous service the customer can demonstrate to the satisfaction of the Company that usage will be of a permanent nature, the Company will determine the applicable firm or interruptible service rate schedule under which service will be permanently provided and will refund any of the installation and removal charges which were in excess of the charges which would have been made for permanent service.

### TEMPORARY PROPANE SERVICE

The Company may, at its discretion, furnish temporary propane service either to an existing customer where interruption would otherwise result because of maintenance of the Company's distribution system or to a new customer if the dwelling is ready for occupancy and circumstances prohibit immediate installation of a service line. This service will not be available for construction heat purposes. The Company will determine which natural gas appliances may safely be operated on propane. Any propane supplied will be metered by the Company and usage will be billed on the applicable rate schedule based on equivalent Btu content of natural gas.

## 7.02 LIABILITY AND LEGAL REMEDIES

### LIABILITY

The Company will endeavor at all times to provide steady and continuous service but will not be liable to the customer for failure, fluctuations or interruption of service.

The customer will indemnify, save harmless, and defend the Company against all claims, demands, cost or expense for loss, damage, or injury to persons or property in any manner directly or indirectly connected with or growing out of the serving or use of gas service by the customer, at or on the customer's side of the point of delivery.

Neither the Company nor the customer will be liable to the other for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigation, federal, state or municipal interference, or other causes not due to neglect, but the cause producing such act or omission will, when possible, be removed with all reasonable diligence.

### COMPANY'S REMEDIES

The Company, in addition to all other legal remedies, may terminate service for any default or breach of the provisions of this tariff for the use of gas by the customer. No such termination or suspension will be made by the Company without written notice to the customer, stating how the tariff was violated, except in cases of theft of gas by the customer, dangerous leakage on the customer's side of point of delivery, or utilization by the customer of service in such a manner as to cause danger to persons or property.

Failure of the Company at any time to suspend or terminate service or to resort to any legal remedy, will not affect the Company's right to resort to any such remedies for the same or any future default or breach by the customer.

If service to the customer is terminated as provided in this section, the Company will charge a connection fee, as set forth in § 8.03.

### THEFT OF GAS

Theft of gas occurs when a person obtains gas utility services, which are available only for compensation, by deception, tampering or other means designed to avoid the payment due for such utility services. Persons who obtain gas utility services through such means may be subject to civil suit or criminal prosecution.

To minimize and prevent the unlawful use of gas utility services, the Company will use the following procedures in cases dealing with customers who have discontinued gas service or who have had service terminated.

(1) If the customer breaks or removes the seal placed on the valve following a meter shut-off and restores service, a plug will be placed in the service line.

(2) If the customer restores service by removing or tampering with the plug, then the meter and regulator will be removed and/or the service will be cut at the main.

In cases where danger to residents or property is present as a result of tampering with Company property, or in cases where customer denies reasonable access to Company facilities, immediate termination will be accomplished by the procedure outlined in paragraph (2) above.

(1) Before service will be restored, the customer must pay

(2) For all gas consumed during the period of unauthorized gas use.

(3) A connection fee as set forth in § 8.03.

(4) For associated construction and repair costs.

## 7.03 EMERGENCY SERVICE RESTRICTIONS

Emergency sales restrictions or interruptions may be necessary in the event of a major disaster or pipeline break. Such restrictions will generally be of short duration. Should the emergency be isolated to a portion of the Company's system, the restrictions will apply primarily to that area.

**PRIORITY FOR TERMINATION OF SERVICE**

To the extent practicable and prudent, restrictions will be made in the following order:

| Termination Priority | Customers | Restriction |
|---|---|---|
| 1st | Interruptible Service | All use |
| 2nd | Firm commercial and industrial service using more than 130 Dth per day | All use |
| 3rd | Firm commercial and industrial service using between 45 and 130 Dth per day. | All use |
| 4th | Residential and all remaining commercial and industrial service | Isolation by area as required |

**PRIORITY FOR RESTORATION OF SERVICE**

To the extent practicable and prudent, restoration of service will be made in the following order:

| Restoration Priority | Customers |
|---|---|
| 1st | Hospitals and other immediate social needs |
| 2nd | Residential service |
| 3rd | Firm commercial and industrial service using less than 45 Dth per day |
| 4th | Firm commercial and industrial service using between 45 and 130 Dth per day |
| 5th | Firm commercial and industrial service using more than 130 Dth per day |
| 6th | Interruptible Service |

## 7.04 CUSTOMER OBLIGATIONS

### RIGHT-OF-WAY

The customer will make available or procure satisfactory conveyance to the Company of a right-of-way for the Company's pipes and apparatus across and upon the property owned and controlled by the customer necessary or incidental to the furnishing of service.

### CUSTOMER INSTALLATION AND MAINTENANCE OF EQUIPMENT

All pipes and appliances necessary to utilize service that are located beyond the Company's point of delivery, must be installed and maintained by and at the expense of the customer. The customer's pipes should be installed in a manner satisfactory to the Company for connection with the Company's pipes or apparatus and in compliance with approved gas installation codes and regulations for piping and any applicable local ordinances.

### MAINTENANCE

All pipes, apparatus, instruments, meters and materials supplied by the Company will remain its property and will be returned by the customer in the same condition as when received by the customer, except for ordinary wear and depreciation. The Company may at any time examine, change, or repair its property on the premises of the customer and may remove all such property upon discontinuance or termination of service or at any time thereafter. The Company will clear any stoppage in a service line at its own expense. Stoppage in the customer's fuel line will be cleared at the expense of the customer.

### UNAUTHORIZED MAINTENANCE

The customer will not permit anyone other than those authorized by the Company to adjust, repair, disconnect, or in any way change the meter or other equipment of the Company, nor will any service line be connected, disconnected or removed, except by the Company's agent. In case of loss or damage to the property of the Company caused by unauthorized maintenance by the customer, the customer will pay to the Company the cost of repairing or replacing such property.

### REPAIRS

The customer shall be liable to the Company for all damages or injuries to pipes, meters, apparatus or materials of the Company on the customer's premises caused by means other than normal wear and depreciation. In addition, where there is evidence that the customer has willfully or intentionally interfered with or caused injury to the Company's meter, service line, or any connection made to the customer's fuel line, the Company may, at its option, cut the service line in the street and/or remove the meter. The Company may deny future service to the customer until restitution is made by the customer to the Company. See also, § 7.02.

## 7.05 MOBILE HOMES AND MOBILE HOME PARKS

### CONDITIONS OF SERVICE

For service to mobile home parks and mobile homes, the following conditions must be met:

(1) Adequate right-of-way must be furnished for necessary facilities.

(2) Mobile homes will not be set on or over an existing main or service line.

(3) The mobile home to be served must be supported on all four corners in a manner which, in the opinion of the Company, will permit the safe installation of a service line connection.

(4) The connection between the gas supply outlet and the mobile home fuel line will be made outside the mobile home by means of an approved type of connection of adequate flexibility not to exceed six feet in length.

(5) At the time the Company turns the gas on at a mobile home, a meter spot test will be performed as indicated in § 9.01 of this tariff. If the mobile home is located in a master metered mobile home park, a manometer will be used to spot test the customer's piping.

### DIRECT SERVICE TO MOBILE HOME NOT IN A PARK

The Company may provide direct service to an individual mobile home not located in a mobile home park, subject to the service conditions listed above. Such direct service may be classified by the Company as temporary service. The mobile home owner will have sole responsibility to notify the Company when gas is to be turned on or off at the mobile home.

### DIRECT SERVICE TO MOBILE HOME IN A PARK

The Company will provide direct service to an individual mobile home located in a mobile home park subject to the Conditions Of Service listed above, and also the following:

(1) The mobile home owner will have sole responsibility to notify the Company when gas is to be turned on or off at the mobile home.

(2) The mobile home park owner must provide adequate protection for the gas risers and meters in a manner approved by the Company. If, for the convenience of the Company, the meter is located to require underground piping from the meter to the mobile home, the point of delivery will be the upward end of the gas riser which connects to the mobile home fuel line.

(3) The mobile home park owner or mobile home owner agrees to pay for the relocation of any service line required to provide direct service to a mobile home in a park.

(4) All equipment installed on the park owner's property by the Company will remain the property of the Company.

**MASTER METERED MOBILE HOME PARKS**

The Company will not serve new mobile home park applicants on a master meter. The Company will provide service to mobile home parks with existing master meters subject to the Conditions Of Service listed above, and also the following:

(1) The park owner will have sole responsibility to notify the Company when gas is to be turned on at a newly set mobile home. Discontinuance of service will conform with applicable state regulation (192.727(d)).

(2) Gas furnished to the mobile home park cannot be resold by the owner or operator of the park. Gas used in the mobile home park will be billed to the park owner or operator at regular monthly intervals. The park owner may allocate a portion of such bill to each mobile home user on an appropriate basis (e.g., square feet of living space), the sum of such allocations not to exceed the total bill rendered to the park owner by the Company.

(3) All equipment installed upon the park owner's property by the Company will remain the property of the Company.

(4) No additional mobile home connections will be added to any existing master meter in a mobile home park.

# 8. GENERAL BILLING PROVISIONS

## 8.01 GAS MEASUREMENT

### METERING

The Company will supply the customer with gas to each separate building or structure only through the metering facilities furnished and owned by the Company. The Company will determine the place for setting or resetting a meter. The customer will furnish shelter or protection satisfactory to the Company for any meter installed on the customer's premises.

### POINT OF DELIVERY

All rate schedules apply to gas received at one point of delivery, the outlet of the Company's meter. Multiple delivery points to a single customer may be combined as one point of delivery where it is desirable for the Company's operating convenience to render one bill. Multiple delivery points consist of two or more adjacent or adjoining buildings having commercial or industrial gas requirements. Special metering and billing arrangements may be allowed upon written consent from the Company.

### MULTIPLE RATES

Customers receiving firm sales service exclusively will not be entitled to receive service under multiple rates through one meter. Customers electing a combination of firm sales service, firm transportation service, interruptible sales service and/or interruptible transportation service may receive service under multiple rates through one meter. In such cases the highest basic service fee will apply. Customers selecting multiple rates must specify a daily contract limit for usage by rate schedule. For any billing period during which a customer has multiple contracts in place under different rate schedules for one meter, gas delivered through the meter will be billed in the following rate schedule order: GS-1~~ or GSS~~, F-1, F-4, FT-1, FT-2, I-4~~ or IS-4~~, IT ~~or IT-S, ~~and F-3. Quantities to be billed under each rate schedule will be based on the daily contract limits. Volumes exceeding contract limits will be billed at the last rate schedule listed above for which the customer holds a contract. The billing for volumes exceeding contract limits will revert to the first rate block in subsequent rates. Priority of rates is defined in the rate schedule order listed above.

### MASTER METERING

**Mobile Home Parks**

The Company will not serve new mobile home park applicants on a master meter. For service to existing master metered mobile home parks see § 7.05.

**Residential and Commercial Structures**

New natural gas service to any residential or commercial structure will not be provided through a master meter unless it is determined by the Company that a master meter is the only feasible method of providing such service.

**Industrial Structures**

As determined solely by the Company on a case-by-case basis, two or more permanent industrial structures on adjacent private properties and owned by one individual or business entity may be served through a master meter.

## METER READING INTERVALS

Meters will be read at regular intervals of approximately 30 days. If it is not possible to read the meter (e.g., meter inside premises), a meter-read postcard will be left at the premises for the customer to return with a reading. Usage will be estimated using established calculation procedures if the postcard is not returned on time or appears to be wrong.

## METER TESTING BY COMPANY

At any time the Company may at its own expense test any of its meters. If a meter test shows evidence of tampering, the Company may proceed with any of the remedies set forth in § 7.02.

## METER TESTING AT CUSTOMER'S REQUEST

Upon written request of the customer, the Company will complete a meter test within five calendar days after receipt of such request. If such test shows the average error of the meter to be 3% or less, the customer will pay for the test if the meter has already been tested within the previous twelve months. See § 8.03. If a tested meter shows an average error of more than 3% (plus or minus), the Company will refund any overbilling if the meter is fast, and the customer will pay any underbilling if the meter is slow, based on the nearest corresponding equal period of use by the customer at the premises when the meter was operating accurately. In instances where there is insufficient billing history of the customer at the premises, a reasonable consumption will be determined by the Company from monitored usage after the meter change. Correction of billing will be made in accordance with § 8.02.

## NON-REGISTERING METERS

If the Company's meter fails to register at any time, the gas delivered or used by the customer during such failure, in the absence of a more accurate basis, may be determined using consumption from the nearest corresponding equal period of use by the particular customer at the premises when there was no such failure. In instances where there is insufficient billing history of the customer at the premises, a reasonable consumption will be determined by the Company from monitored usage after the meter change. Correction of billing will be made in accordance with § 8.02.

**METER ACCESS**

The Company has the right of access to the customer's premises at all reasonable times, and the customer will permit and make provision for unobstructed access for the purposes of reading, inspecting, relocating or removing the meter or for any such other purposes pertaining to natural gas service as may be necessary for the protection of the Company, its facilities or the customer.

**METER RELOCATION AND/OR SERVICE LINE CHANGE AT CUSTOMER REQUEST**

If the customer requests that the meter or service line be relocated to a new location, the Company will determine the feasibility of the move and provide a cost estimate for the work. The estimate will be based upon, but not limited to, the current cost of service line installation, meter resetting, permit fees and service deactivation if required. Upon acceptance of the estimate and payment by the customer, the work will be scheduled and completed.

**METER SIZING**

The sizing and design of meter sets will be established by Company personnel on the basis of the expected deliverability requirements of the customer.

If a customer requests a review of the deliverability requirements, the Company will, as time allows, review the customer's requirements. In the event a meter set change is warranted, the Company will, at its convenience, make the meter set change. If a customer's usage pattern qualifies for a new meter set and different basic service fee (BSF), then the new BSF will be applied at the billing cycle immediately following the then current month.

In the event the Company is required to modify a meter set, the customer will be charged for the meter set change on the basis of equipment, labor, material and supplies utilized.

**AVERAGE HEAT CONTENT**

The average heat content of gas deliveries in the State of Utah will be approximately 1,020 Btu/cubic foot of gas measured at 14.73 psia and 60° F on a dry basis. However, the actual heat content may vary from location to location and will be determined and billed as indicated below. In any event, actual heat content will not vary outside the limits of 980 to 1,170 Btu/cubic foot.

**VOLUME TO DTH CONVERSION**

The Volume Multiplier as shown on the customer's billing statement adjusts the volume of gas as measured by the Company's meter to actual heat content of gas as measured and sold in decatherms (the customer's actual Dth usage). The heat content of the gas flowing in the Company's lines will be the arithmetical average of the daily average heat content, as determined from recording calorimeters or other appropriate devices.

| Issued by A. K. Allred, President | Advice No. | Section Revision No. | Effective Date |
|---|---|---|---|
| | ~~06-03~~ | ~~4~~5 | ~~May 1, 2006~~ |

## 8.02 BILLING PROCEDURES

### SERVICE PERIOD

The billing of gas service will be made at regular intervals of approximately 30 days at the rates in effect for the service period. If more than one rate is in effect during the service period, bills will be prorated accordingly. Due to weekends, holidays, service terminations and initiations, it is not always possible to read meters on the same date each month resulting in a variance in the number of actual days in the service period. A standard billing period is made up of between 27 and 33 days. If the billing period contains more or less days than the standard billing period, the block break points and the fixed charges will be prorated proportionately to match the number of days in the billing period as follows:

| | | | | | | |
|---|---|---|---|---|---|---|
| Block Break Points (Dth) | X | Actual Billing Days | / | 30 | = | Adjusted Block Break Points (Dth) |

| | | | | | | |
|---|---|---|---|---|---|---|
| Fixed Charges ($) | X | Actual Billing Days | / | 30 | = | Adjusted Fixed Charge Amounts ($) |

The customer's actual Dth usage is then billed using the appropriate block rates, the adjusted block break points, and the adjusted fixed charge amounts.

### PRORATION PROCEDURE

For any billing period during which two or more approved rates are in effect, bills for those affected customers will be prorated. The block break points and the fixed charges will be prorated proportionately to match the number of days for each effective rate in the billing period as follows:

| | | | | | | |
|---|---|---|---|---|---|---|
| Block Break Points (Dth) | X | Billing Days For Effective Rate | / | Actual Billing Days | = | Adjusted Block Break Points (Dth) |

| | | | | | | |
|---|---|---|---|---|---|---|
| Fixed Charges ($) | X | Billing Days For Effective Rate | / | Actual Billing Days | = | Adjusted Fixed Charge Amounts ($) |

The volumes for each billing period will then be prorated proportionately to match the number of days for each effective rate in the billing period as follows:

| | | | | | | |
|---|---|---|---|---|---|---|
| Billed Dth Usage | X | Billing Days For Previous Rate | / | Actual Billing Days | = | Dth Attributed To Previous Rate |

| | | | | | | |
|---|---|---|---|---|---|---|
| Billed Dth Usage | X | Billing Days For Current Rate | / | Actual Billing Days | = | Dth Attributed To Current Rate |

The customer's Dth usage attributed to each effective rate is then billed using the appropriate block rates, the adjusted block break points, and the adjusted fixed charge amounts. A similar calculation will yield the prorated result if there are more than two approved rates in effect during the customer's billing period. The above procedure also applies to proration between winter and summer rates, where applicable.

**BILLING ADJUSTMENTS**

The Company will make every effort to ensure accuracy at the time new meter sets are completed.

When incorrect billings occur, the Company will have the right to make billing corrections regardless of the cause of error. Corrections will be limited to the periods described in the following table. The periods relate to the time immediately preceding the date of discovery of the error. The limitations described in this section do not apply to instances of customer fraud, theft of gas (see § 7.02), where access to meter has been denied (see § 8.01), or to sales taxes which are separately itemized when billed. A customer will be allowed to pay the amount due on a billing adjustment in equal payments without interest over a period equal to the time period over which the account has been adjusted.

| Cause of Error | Adjustment Limitation |
|---|---|
| Non-registering meters | 3 months |
| Slow registering meters | One-half the period since the last meter test, or 6 months, whichever is less |
| Fast registering meters | Same as slow registering meters or back to the date of the cause of the error, if date can be determined |
| Crossed Meters | 6 months |
| All other errors (e.g., incorrect billing factors, incorrect service or rate class classification, incorrect meter reading or recording) | 24 months |

**LOCAL CHARGES**

Many municipalities have imposed a Municipal Energy Sales and Use Tax (MET), or a contractual franchise fee, or a combination of both on natural gas service. These local charges cannot exceed 6%, either separately or combined. Monthly bills for customers within the corporate limits of a municipality imposing any local charges will show a separately itemized line for each applicable local charge. The franchise fee is calculated by applying the franchise fee percentage to the total customer charges for gas service. The MET is calculated by applying the MET percentage to the total customer charges for gas service, including any franchise fee. In municipalities with both a franchise fee and an MET, the franchise fee percentage is allowed as a credit against the MET percentage. To reflect the credit of the franchise fee against the MET, the customer's bill will show a "net MET" percentage, i.e. if the franchise fee is 2% and the MET is 6%, the net MET will be 4%. Local charges collected from customers are remitted to each municipality monthly along with a revenue report.

Some customers may qualify for an exemption from paying these taxes.

The Company is not responsible for collecting the MET from transportation service customers.

**STATE CHARGES**

Utah state sales tax is calculated by applying the sales tax percentage to the total customer charges for gas service, including any franchise fee. The amount collected from customers is remitted to the Utah State Tax Commission monthly along with a revenue report.

Some customers may qualify for an exemption from paying these taxes.

The Company is not responsible for collecting the sales taxes from transportation service customers.

## 8.03 FEES AND CHARGES

### BASIC SERVICE FEE

Customers taking service on rate schedules GS-1, F-1, F-3, F-4, FT-1, FT-2, I-4 and IT will be billed an annual basic service fee (BSF) on a monthly basis for each meter installed. In no event will a customer be billed more than one BSF for each meter. A customer will be required to pay the BSF for each month during a temporary discontinuance of service.~~ This charge is not applicable to the GSS rate customers. The BSF for the IS-4 and IT-S rate customers is explained below.~~

| BSF Category | Basic Service Fee Classification<br>Meter Capacity in cu. ft./hr. @ Delivered Pressure |
|---|---|
| 1 | 0 to 700 |
| 2 | 701 to 2,000 |
| 3 | 2,001 to 30,000 |
| 4 | Greater than 30,000 |

### ~~BASIC SERVICE FEE FOR NEW SERVICE EXTENSION AREAS~~

~~IS-4 and IT-S customers, regardless of meter size, will be billed the interruptible Category 3 BSF.~~

### CONNECTION FEE

When natural gas service is initiated or changed from one party to another at a premise, there will be a connection fee as set forth below. The connection fee is applicable to both normal credit customers and customers who have had service shut off for non-payment of billings. There may be additional charges for shut off non-pay customers in accordance with provisions below. Tax at the applicable state and local rates will be charged on any connection fee.

**Full Connection Fee**

This fee will be charged when initiation of service or a change of service is requested to a premises. This would normally involve the Company reading the meter, removing the meter seal, conducting a spot test on the premises and checking the appliances. A customer may arrange to pay the full connection fee in three equal monthly installments provided that the first of the three payments is made at the time service is initiated. There are circumstances in initiating or changing service at a premises in which the Company is only required to perform some of the activities listed above. In such cases, the following connection fees may apply.

**Limited Connection Fee**

This fee will be charged when initiation of service or a change of service is requested and the Company only reads the meter, removes the meter seal and conducts a spot test on the premises.

**Read-only Connection Fee**

This fee will be charged when only a meter read is required for the initiation or change of service at a premises.

**Exemption**

Rental property owner (RPO) accounts are exempt from connection fees where the RPO has a valid agreement with Company to leave service on to rental property during the interim between tenants. This exemption does not apply to RPO accounts initiated at the time of execution of the referenced agreement.

~~**GSS MINIMUM BILL**~~

~~The GSS minimum bill charge will be assessed if service is connected during a billing period, even if no gas has been used.~~

**MINIMUM CHARGES**

Minimum charges for firm or interruptible sales or transportation rate schedules are prorated to the period during which gas service is available. If a customer changes to a different rate schedule or discontinues service, any applicable prorated minimum charge will be due at the date of discontinuance of service or the change to a different rate schedule.

**SECURITY DEPOSITS**

To secure payment for service, the Company may require a security deposit from either an applicant or an existing customer under the circumstances listed below. When a security deposit is required by the Company, such security deposit will be held to be a guarantee fund. If the customer's account becomes delinquent, the Company may terminate service to the customer even if the amount of the security deposit and accrued interest is more than enough to pay the delinquent amount. The Company may also terminate service to the customer upon failure to pay a required security deposit.

**Residential**

The Company may require a security deposit equal to 1.0 times the highest monthly charge at the premises over the last 12 months, from a residential customer with poor credit (e.g., a customer whose service has been terminated for non pay, or who has a history of poor credit or delinquency with the Company). A residential customer may also be required to pay a security deposit if service is or has been obtained through fraud and/or service diversion; upon filing bankruptcy; or for refusal to provide valid identification.

A residential customer may pay the security deposit in three equal monthly installments, provided that the first of the three payments is made at the time the deposit is required.

**Non-Residential**

Payment of a security deposit may be required at application for service if an applicant has not previously established a normal credit status on a non-residential account with the Company. If a security deposit is not required at application for service or has been refunded to the customer, the Company may require a security deposit thereafter when a customer demonstrates poor credit with the Company. A non-residential customer will be deemed to have poor credit if an account becomes 60 days delinquent within the first year of service and/or 90 days delinquent after the first year of service; if service is obtained through fraud and/or service diversion; upon filing bankruptcy or for refusal to provide valid identification. The security deposit for a non-residential customer will equal twice the highest monthly charge at the premises over the last 12 months.

**Estimated Security Deposit**

If a usage history is unavailable for the premises, the Company will estimate usage using established calculation procedures, which may include the input rating of the customer's gas equipment and historical temperature data.

**Transfers**

A security deposit may be transferred from one account to another with the originating customer. However, a security deposit is not transferable from one customer to another.

**Refund or Application of Security Deposit**

After timely payment of 12 consecutive monthly bills, a customer's security deposit, with interest, will be refunded to the customer. At the time a customer discontinues service, the security deposit plus accrued interest will be applied to any arrears and to the final bill, with any excess refunded to the customer.

**Interest**

Interest will accrue on a security deposit at the rate set forth below.

## FINANCE CHARGES AND INTEREST

| | Rate Per Month | Approximate Annual Rate |
|---|---|---|
| Finance Charges (Calculated on unpaid balance) | | |
| Past due bills | 1.00% | 12.00% |
| Deferred Payment Agreements | 1.00% | 12.00% |
| Interest on Security Deposits | 0.50% | 6.00% |

## MISCELLANEOUS CHARGES

| | Amount Of Charge |
|---|---|
| Returned check | $ 20.00 |
| Connection Fee | |
| Full Connection Fee | $ 30.00 |
| Limited Connection Fee | $ 15.00 |
| Read-only Connection Fee | $ 8.00 |
| Additional charges where applicable | |
| Line plugged | $ 50.00 |
| Meter removed, and/or service disconnected at the main (plus street permit fee) | $300.00 |
| Special test of meter at customer's written request. See § 8.01 as to when this charge is applicable. | Minimum of $25.00 |
| Meter relocation at customer request. See § 8.01. | Labor & materials minimum of $100.00 |

## 8.04 PAYMENT PROCEDURES

### PAYMENT SCHEDULE

All bills are due and payable within 20 days of the billing date.

### PARTIAL OR DELAYED PAYMENT

If a customer makes a payment that is less than the total amount of the bill rendered, the Company will apply the payment first to the oldest arrears and to accrued interest, and any remainder will be applied to the bill for current service. Gas service charges remaining unpaid at the time the next month's bill is processed will be subject to a monthly interest charge, as set forth in § 8.03. The monthly interest charge will continue to accrue on unpaid balances until paid in full.

### RETURNED CHECKS

The Company will impose upon the customer a charge as set forth in § 8.03, for any check not honored by the customer's bank for any reason.

### COLLECTION COSTS

Customer will be responsible for any court costs, attorney's fees and/or collection agency fees, incurred in the collection of unpaid accounts.

### DEFERRED PAYMENT AGREEMENT (DPA)

**Eligibility**

If a residential customer is unable to pay a delinquent balance in full on demand, the Company will offer a DPA provided the customer is not presently in default on a previous deferred payment agreement. If service has already been terminated, an eligible customer can have service restored at any time by paying or arranging to pay for the connection fee and agreeing to a DPA within 48 hours after service reconnection. The connection fee may be included in the total amount to be paid over the term of the DPA. DPAs to non-residential customers are offered only at the Company's discretion and terms.

**Terms**

The full amount of the DPA, plus finance charges as set forth in § 8.03, must be paid within 12 months or less and the customer must make the first monthly installment at the time the DPA is initiated. The customer agrees to pay all current bills for gas service when due, plus the monthly installment of the DPA. Accelerated payments or payment in full of the outstanding balance may be made at any time, however, accelerated payments will not relieve the customer of a monthly payment on the DPA.

**Default**

A customer in default on a DPA is subject to termination of service. To avoid termination, payment in full is required of the remaining deferred amount and any accrued arrears. Subsequent DPAs after default, will be offered at the Company's discretion.

**Content**

The deferred payment agreement can be written to include all outstanding charges for gas consumption, connection fees, and charges for accidental damage to equipment. The deferred payment agreement will not include security deposits, connection fees where theft of service is involved, or gas consumption or damages to equipment resulting from theft or attempted theft.

# 9. INITIATION AND TERMINATION OF SERVICE

## 9.01 APPLICATIONS FOR AND INITIATION OF GAS SERVICE

### METHODS OF APPLYING

Residential and non-residential applicants may apply for service either in person, in writing including electronically transmitted application, or by telephone. A security deposit may be required as more fully provided in § 8.03.

### TENANT APPLICATIONS

A tenant will be allowed to make application for gas service to premises with a shared meter or a shared appliance (as defined in the glossary) provided the tenant acknowledges billing responsibility for the premises. Notice of discontinuance of service to a residential account shall be in compliance with § 9.05. A tenant will not be allowed to make application for gas service to premises with a master meter (as defined in the glossary).

### RESALE OF GAS

The Company agrees to supply gas service to the customer for the purpose stated in the gas service application. The customer may not resell such gas for any purpose, except for use in vehicles after compression to a minimum of 500 lbs. This prohibition on resale applies to gas supplied through master meters for tenant use at the customer's premises. A customer may, however, allocate the total gas bill to individual units downstream of a master meter.

### INITIATION OF GAS SERVICE

The Company will not initiate gas service for any customer unless it has received written notification from the local building code official, or their authorized representative, that the proper inspections called for by any required building or other code have been performed. In addition, the Company will perform a spot test on the customer's piping before initiating gas service. This spot test will consist of checking the existing piping to insure that with the meter turned on and all appliances turned off gas is not flowing through the meter. The spot test will be limited to the equipment and piping installed at the time of the test. The Company expressly reserves the right to refuse to set a meter for any customer whose piping does not pass this spot test. This spot test by the Company does not meet the requirement of the International Mechanical Code and cannot be relied upon by any party responsible to insure compliance with any building or other applicable code. The Company may also refuse to commence or continue service whenever in its judgment an installation is not in proper condition. No spot test by the Company, nor any failure by it to object to the customer's installation, nor the fact that it will make connections with the customer's installation, will render the Company in any way liable for any damage or injury resulting from any defective installation by the customer.

**OTHER REQUIREMENTS**

The Company will deny service to an applicant who has not paid or made arrangements to pay an outstanding balance from a prior account. For completion and acceptance of an application, the applicant may be required to sign for service. In the absence of a signature, the delivery of natural gas service by the Company and the acceptance of service by the customer will be deemed to constitute an agreement by and between the Company and the customer for delivery and acceptance of natural gas service under the terms of this tariff. Valid personal identification (picture identification or two forms of signature identification) of an applicant or customer may be required at any time. Service may be denied or terminated for subterfuge, providing false information or failure to provide valid personal identification.

## 9.02 NEW OR ADDITIONAL SERVICE

### AVAILABILITY OF NEW OR ADDITIONAL SERVICE

The Company will approve service for a new customer, an increase in gas requirements for an existing customer, and/or a change in rate schedule only when, in the Company's judgement, the service can be provided in a manner that will not impact the Company's ability to serve its existing customers. This discretionary determination preserves the Company's ability to serve existing customers and to provide for the orderly and equitable attachment of new loads to the Company's system, as well as to assure the most efficient utilization of the Company's available natural gas supplies. This determination will consider, but will not be limited to, the following:

(1) A determination, using engineering data and analysis where necessary, that the Company's facilities are of adequate size and capacity to allow such service.

(2) The overall cost of providing such service and the impact on the Company's rates and charges.

(3) The location of required service in the Company's system, including considerations associated with an expanding market area.

(4) The end-use of the natural gas, including type of use (e.g., feedstock, boiler, etc.), efficiency of use (e.g., co-generation, heat recovery applications, etc.) and applicability of customer process to development of an alternate fuel or energy.

The Company may make new or additional service available to customers on the basis of rate schedules in effect and circumstances prevailing at the time of application.

Changes in firm rate schedules may be allowed if the customer demonstrates that a permanent change in the use of natural gas has occurred that will cause the existing schedule to no longer be appropriate, as specified above and provided for in § 2.01. If a commercial or industrial customer chooses service under an interruptible rate schedule, any subsequent use of a firm rate schedule by that customer will be subject to the provisions of this section.

Availability of new or additional service under the above provisions will be at the Company's discretion.

### ~~AVAILABILITY OF SERVICE TO NEW SERVICE EXTENSION AREAS~~

~~Service to new areas will generally be provided under the main and service line extension provisions of § 9.03 and § 9.04. Where service under these provisions , as well as others provided herein, cannot be economically provided, service will be evaluated under the following terms and conditions.~~

~~(1) GSS, IS-4 and IT-S rates may be offered, subject to Commission approval, when there are a sufficient number of prospective customers in a new service extension~~

~~area expected to contract for natural gas service, according to the Company's market tests, surveys or judgement.~~

~~(2) GSS, IS-4 and IT-S rates in new service extension areas will be in effect for ten years. In areas where the non-refundable payment described below is prohibitively large a 20-year period may be offered. In either event, a non-refundable payment may be required as a pre-condition to the extension of service to the new area. The payment may be required where the projected costs, including the allowed rate of return for the new system, exceed the projected distribution non-gas revenue received over the 10- or 20-year period.~~

~~(3) In situations where the non-refundable payment cannot otherwise be collected, the Company may, at its option, offer an Extension Area Charge (EAC) in lieu of the non-refundable payment.~~

~~The EAC will be calculated to provide sufficient revenue to recoup the total non-refundable payment which would otherwise be collected in the new service extension area and allow the Company to recover its return on the deferred portion during the collection period. Periodically the present value of the projected amount to be collected through the EAC will be compared with the non-refundable payment. If the present value of the projected amount to be collected is higher or lower than the non-refundable payment, the EAC expiration date will be adjusted accordingly.~~

~~The residential EAC will be a fixed monthly amount. The commercial EAC will be a variable amount based on the volume of gas used but will not be less than the residential charge.~~

~~The EAC will be assessed in conjunction with regular or extension tariff rates. A table describing areas where the EAC applies, the amount of the EAC and the scheduled expiration date is provided later in this section.~~

~~(4) Facilities to new service areas may be constructed so long as service to existing customers will not be impaired, including the ability to serve new customers in existing service areas, and resources are available to build and maintain the required facilities in the new service extension area. In no event, will the Company, in any one year, be required to expend funds on new service extension area facilities in excess of 1% of the Company's net book value of gas plant-in-service at the beginning of the year.~~

~~(5) In the event that the Company has multiple applications for service within new service extension areas, facilities with the greatest probability of investment payback and system contribution may be constructed first.~~

~~(6) If a customer using gas service for space and water heating or comparable use connects to a main extension within a new service extension area after the fifth anniversary date shown in the table below, the credit shown below to any required contribution under § 9.01 and § 9.02 shall be allowed.~~

~~For GSS, IS-4 and IT-S rates, a declining credit will offset any contribution required by a new customer as follows:~~

| ~~**10-Year GSS, IS-4 and IT-S**~~ | | ~~**20-Year GSS, IS-4 and IT-S**~~ | |
|---|---|---|---|
| ~~Years Remaining Under Tariff~~ | ~~Credit To Connecting Customers~~ | ~~Years Remaining Under Tariff~~ | ~~Credit To Connecting Customers~~ |
| ~~5~~ | ~~Up to $500.00~~ | ~~5 – 15~~ | ~~Up to $500.00~~ |
| ~~4~~ | ~~Up to $400.00~~ | ~~4~~ | ~~Up to $400.00~~ |
| ~~3~~ | ~~Up to $300.00~~ | ~~3~~ | ~~Up to $300.00~~ |
| ~~2~~ | ~~Up to $200.00~~ | ~~2~~ | ~~Up to $200.00~~ |
| ~~1~~ | ~~Up to $100.00~~ | ~~1~~ | ~~Up to $100.00~~ |

## ~~EXPIRATION DATES OF EXTENSION AREA RATES~~

~~The following table lists the dates on which the GSS, IS-4 and IT-S rate schedules are due to expire for each new service extension area. The table also lists the 5th anniversary dates for each area at which time a credit for main and service line extension cost is offered as explained in (6) above. At the date of expiration, those customers served under these schedules will be subject to the appropriate schedule and extension policies as provided elsewhere in this tariff. Cities/communities not included in this table that initiate gas service will have an expiration date set at the time of initiation.~~

| ~~**Area Definition**~~ | ~~**Expiration Date**~~ | ~~**5th Anniversary Date**~~ |
|---|---|---|
| ~~Western Iron County – Including the community of Newcastle~~ | ~~September 1, 2012~~ | ~~September 1, 1997~~ |
| ~~Northwestern Washington County – Including the communities of Enterprise, Central, Veyo, Diamond Valley, Dammaron Valley and Winchester Hills~~ | ~~September 1, 2012~~ | ~~September 1, 1997~~ |
| ~~Millard County – Including the communities of Leamington, Lynndyl, Delta, Scipio, Holden, Fillmore, Meadow, Hinckley, Deseret, Oasis and Kanosh~~ | ~~November 1, 2012~~ | ~~November 1, 1997~~ |
| ~~Beaver County – Including the communities of Milford, Minersville, and Beaver~~ | ~~November 1, 2012~~ | ~~November 1, 1997~~ |
| ~~Emery County – Including the communities of Elmo and Cleveland~~ | ~~September 1, 2013~~ | ~~September 1, 1998~~ |

## ~~EXTENSION AREA CHARGE AND EXPIRATION DATE~~

~~The following table describes the areas in which the Extension Area Charge applies, the amount of the charge for residential and commercial customers and the date on which the charge is due to expire for each new extension area.~~

| ~~**Extension Area Charges (All Charges Are In Addition To Regular Tariff Rates)**~~ | | | | |
|---|---|---|---|---|
| | ~~**Residential**~~ | ~~**Commercial**~~ | | |
| ~~**Area Definition**~~ | ~~**Monthly Charge**~~ | ~~**Monthly Charge**~~ | ~~**All Usage Over 45 Dth Per Month**~~ | ~~**Estimated Expiration Date**~~ |
| ~~New Harmony and the area adjacent to the tap line serving this area .~~ | ~~$25.14~~ | ~~$25.14~~ | ~~$2.6235/Dth~~ | ~~November 1, 2007~~ |
| ~~Panguitch and the area adjacent to the tap line serving this area.~~ | ~~$30.00~~ | ~~$30.00~~ | ~~$2.7481/Dth~~ | ~~November 1, 2013~~ |
| ~~Oak City and the area adjacent to the tap line serving this area.~~ | ~~$20.00~~ | ~~$20.00~~ | ~~$2.0870/Dth~~ | ~~November 1, 2013~~ |
| ~~Joseph & Sevier and the areas adjacent to the tap lines serving this area.~~ | ~~$20.00~~ | ~~$20.00~~ | ~~$2.0870/Dth~~ | ~~November 1, 2013~~ |
| ~~Fayette and the area adjacent to the tap line serving this area.~~ | ~~$28.00~~ | ~~$28.00~~ | ~~$2.9009/Dth~~ | ~~November 1, 2014~~ |
| ~~Cedar Fort and the area adjacent to the tap line serving this area.~~ | ~~$30.00~~ | ~~$30.00~~ | ~~$3.1304/Dth~~ | ~~November 1, 2014~~ |
| ~~Newton and Clarkston and the area adjacent to the tap line serving this area.~~ | ~~$16.50~~ | ~~$16.50~~ | ~~$1.5069/Dth~~ | ~~November 1, 2014~~ |
| ~~Brian Head and the area adjacent to the tap line serving this area.~~ | ~~$30.00~~ | ~~$30.00~~ | ~~$2.7481/Dth~~ | ~~November 1, 2014~~ |
| ~~Wales and the area adjacent to the tap line serving this area.~~ | ~~$17.00~~ | ~~$17.00~~ | ~~$1.7739/Dth~~ | ~~November 1, 2015~~ |

## 9.03 MAIN EXTENSIONS

### RESIDENTIAL MAIN EXTENSIONS

Main extensions estimated to cost under $3,000 per residence are subject to the allowances described below. A cash contribution in aid of construction will be required in advance of construction from the applicant for any costs exceeding the allowance. A contribution does not extend any ownership rights to the applicant. In the case of an expanding market area, the Company may make main extensions without requiring any contribution in aid of construction.

The Company will provide an allowance of $645 per residence to extend a main if the customer installs both a gas space and water heater. Otherwise, the Company will determine a lesser allowance in accordance with projected usage and Company policies.

If the cost of the main exceeds the allowance, the applicant will pay to the Company a refundable cash contribution in aid of construction equal to the difference between the cost and the allowance.

If a main is extended for the purpose of serving more than one residence, the total allowance will be the combined allowance of the residences to be served. All residences to be served under this section must initiate the receipt of gas service within two years following completion of the main extension or an additional non-refundable default payment will be required of the applicant for each residence not initiating service. The default payment will be the amount of the original allowance plus interest calculated using the pretax allowed rate of return.

The applicant may qualify for a waiver of a portion of this default payment if gas service is initiated to additional residences in the third year following completion of the main extension.

### FIRM COMMERCIAL MAIN EXTENSIONS

The Company will extend a main at no cost to the applicant if the cost does not exceed that determined by the following allowance formula:

2.5((T x N) + BSF)

| | | |
|---|---|---|
| Where: | T = | Estimated annual usage in Dth |
| | N = | Non-gas-cost rate component in $/Dth |
| | BSF = | Total yearly Basic Service Fee |

If the main extension cost exceeds the allowed cost, the applicant will pay to the Company a cash contribution in aid of construction equal to the difference between the cost and the allowance.

Commercial customers to be served under this section must initiate the receipt of gas service within two years following completion of the main extension or a non-refundable default payment will be required of the applicant, which may be in addition to any previous contribution. The default payment required will be the amount of the originally calculated construction costs, less any previous contribution in aid of construction plus interest calculated using the pretax allowed rate of return.

The applicant may qualify for a waiver of a portion of this default payment if gas service is initiated in the third year following completion of the main extension and additional usage (other than that originally estimated) is demonstrated. The waiver amount will be that portion of the default payment covered by the allowance above.

**OTHER MAIN EXTENSIONS**

Interruptible and industrial customer main extensions, residential main extensions estimated to cost $3,000 or more per residence, main extensions direct from the Company's high-pressure main lines and other main extensions not specifically covered elsewhere in this section will be made at the option of the Company and subject to terms and conditions that are based on Company policies and agreed upon between the Company and the applicant. Unless otherwise provided in the main extension contract, the general terms and conditions of this section will be applicable.

**MAIN EXTENSION COSTS**

The costs for extending a main shall include, but are not limited to pipe, trenching, asphalt and cement cuts, asphalt and cement replacement, fill and compaction, rights-of-way costs, permit fees, provisions of special crews, overtime wages, use of special equipment and facilities, accelerated work schedules to meet the applicant's request, or difficult construction problems due to rock, frost, etc. The customer will be given written notice of the main extension costs in excess of the allowance, which shall be due and payable prior to commencement of construction.

**REFUNDS**

If the Company connects service lines for additional customers directly from a main extension within five years after completion of construction of the main extension, the Company will pay a refund to each contributor, proportionately to his or her original contribution. The refund will be a sum equal to the total allowance of the additional customers as defined in this section as of the date of the main extension agreement. Refunds will generally be made within two years following the commencement of service to such additional customer(s), as verified by the Company. Refunds provided to any contributor will not exceed the contribution made by the contributor. Contributions shall not bear interest, and no interest shall be added to the contribution in determining the maximum refund which will be made. Refunds shall not be available after the expiration of five years from the date of completion of installation of the main extension. The Company shall have the right to offset any refunds due the customer under this section against any sums due the Company from the customer.

## DEFERRED PAYMENT OF CASH CONTRIBUTIONS IN AID OF CONSTRUCTION

The Company may, at its option, offer to defer payment of cash contributions in aid of construction. Where the terms and conditions of the main extension agreement include deferred payment of the costs for the main extension and other facilities necessary to provide service, periodic payments, payable over a period not to exceed five years, shall be established in an amount that will:

(1) Provide sufficient contribution to recoup the total deferred main extension cost incurred by the Company, and

(2) Provide revenue to the Company during the deferral period equal to that which would be allowed in rates for a like amount of investment in Utility Plant.

## TEMPORARY SERVICE

Main extensions that, in the judgment of the Company, are for gas service of a temporary nature will be made only at the discretion of the Company. If the main is extended, applicant will pay in advance for the cost of installing the main and for removing the main or making it inoperable at the termination of service.

## EFFECT OF PREVIOUS DEFAULT

The Company shall have no obligation to construct a main extension or enter into a contract to construct a main extension when the customer is in default in its obligations to the Company for gas service under an existing agreement to construct facilities or for making contributions or connecting load to a previously constructed main extension.

## COMPANY'S FACILITIES

The main extension and all other facilities constructed by the Company for the purpose of rendering service to the customer shall at all times be and remain solely the property of the Company. The Company may utilize its facilities to render service to other customers as it sees fit without liability of any kind to the customer.

## 9.04 SERVICE LINE EXTENSIONS

Subject to the following, the Company will provide and install a service line to any applicant whose premises are along the route of any main and abut on the street occupied by a main. Extension of mains will be made subject to the provisions of § 9.03. An allowance will be applied to the cost of construction as described below. A cash contribution in aid of construction will be required from the applicant, in advance of construction, for any cost exceeding the allowance.

### CONDITIONS

Each applicant for a service line will grant to the Company permission to go upon the applicant's premises to install, inspect, maintain, service and repair the service lines. In addition, the applicant must make no changes or alterations to the service line; must accept responsibility to safeguard the service lines from damage; must not construct, or permit to be constructed any building or other improvement (excepting landscaping, walks and driveways) over or across the service line; and must immediately notify the Company of any defect or leak in the pipe. Applicant must pay any costs incurred for damage, repair, or relocation due to the failure or refusal of the applicant to perform all obligations expressly stated, and Company will not be liable in any way for applicant’s non-performance of those obligations.

### INDIVIDUALLY METERED RESIDENTIAL DWELLINGS

The Company will provide an allowance to install service line as shown in the table below. If the customer does not install both a gas space and water heater, the Company will determine a lesser allowance in accordance with projected usage and Company policies. The Company may determine an additional allowance if the customer installs additional gas appliances.

| Description | Allowance |
|---|---|
| Space and Water Heater | $405 |
| Dryer | $50 |
| Range | $50 |

The service line will be installed along the shortest distance from the main to the meter-set location determined by the Company. Should the applicant desire a different meter-set location, the applicant will pay a non-refundable cash contribution in aid of construction equal to the excess cost.

Should the service line cost from the property line to the Company's determined meter-set location exceed the allowance, the applicant will pay a non-refundable cash contribution in aid of construction equal to the costs that exceed the above allowances.

The residence to be served must be receiving gas service within two years following completion of the service line or a non refundable default payment will be required. The default payment will be the installed cost of the service line plus interest calculated using the pretax allowed return for two years less any original contribution in aid of construction. In a multiple unit dwelling, each unit is entitled to its allowance.

The applicant may qualify for a waiver of a portion of this default payment if gas service is initiated to additional residences in the third year following completion of the main extension. The waiver amount will be that portion of the default payment covered by the allowance in the table above.

**TEMPORARY SERVICE**

Service lines which in the judgment of the Company are for gas service of a temporary nature will be installed only at the discretion of the Company. If the service line is installed, applicant will pay in advance for the cost of installing the service line and removing the service line, or making it inoperable at the termination of service.

**OTHER SERVICE LINES**

Service lines not specifically covered in this section will be made under terms and conditions agreed upon between the Company and the applicant.

**SERVICE LINE COSTS**

The cost of a typical service line will be the cost and installation of the pipe, meter and regulator. Additional costs may be included such as removing meters.

**EXCESS CONSTRUCTION COSTS**

If the installation of a service line will entail excess costs to satisfy a request of the applicant, the applicant will pay the Company a non-refundable cash contribution in aid of construction in the amount of these costs. Excess costs may include, but are not limited to, costs incurred for obtaining a right-of-way, permit fees, provision of special crews, overtime wages, use of special equipment and facilities, accelerated work schedules to meet the applicant's request, or difficult construction problems due to rock, frost, etc. If excess costs must be paid by the customer, the customer will be given written notice of such charges and they will be due and payable prior to commencement of construction.

**DEFERRED PAYMENT OF CASH CONTRIBUTIONS IN AID OF CONSTRUCTION**

Deferred payment of cash contributions for service lines may be offered according to the same terms described for main extensions in § 9.01.

**EFFECT OF PREVIOUS DEFAULT**

The Company shall have no obligation to construct a service line or enter into a contract to construct a service line when the customer is in default in its obligations to the Company for gas service under an existing agreement to construct facilities.

**COMPANY'S FACILITIES**

The service line and all other facilities constructed by the Company for the purpose of rendering service to the customer shall at all times be and remain solely the property of the Company. The Company may utilize its facilities to render service to other customers as it sees fit without liability of any kind to the customer.

## 9.05 CUSTOMER'S NOTICE TO DISCONTINUE SERVICE

A customer may request discontinuance of service in writing or by telephone. Notice of discontinuance of service given to an employee away from a Company office will not be accepted as binding, formal notification to the Company.

### OCCUPANT ACCOUNT HOLDER

A customer shall provide notice to the Company at least three days in advance of the day service is to be disconnected. The Company will complete the service disconnection or final meter read within four working days after the requested date.

### RENTAL PROPERTY OWNER ACCOUNT HOLDER

At premises where tenants are residing, a rental property owner seeking discontinuance of service must advise the Company at least 10 days in advance of the day that service is to be discontinued and must also sign an affidavit stating that the requested disconnection is not a means of evicting tenants. The Company will post a notice of proposed disconnection on the premises in a conspicuous place and will make reasonable efforts to give actual notice to the tenants by personal visit or other appropriate means at least five days prior to the proposed disconnection.

If the premises are vacant, the rental property owner must advise the Company at least three days in advance of the day service is to be discontinued and must also sign an affidavit that there are no occupants.

A rental property owner who has signed an agreement to leave service on between tenants must notify the Company in writing to change such arrangement.

### COMPLETION

The customer will be held responsible for all gas consumed until notice to discontinue service is given and a final meter read is taken or disconnection completed within four working days of the requested date. If the meter is not readily accessible, the customer will be responsible for providing access to complete a final read or disconnection.

## 9.06 COMPANY'S TERMINATION OF SERVICE FOR NONPAYMENT

A customer having a utility service bill which remains unpaid beyond the next monthly billing date will receive a notice of delinquent account. To avoid termination and a reconnection charge, payment in full of a delinquent balance must be received and acknowledged by the Company's credit personnel prior to the expiration date of a final termination notice.

### RESIDENTIAL TERMINATION NOTICE

A bill for residential service is considered to be delinquent when not paid within 20 days of the date the bill is rendered. The Company may terminate residential service by reason of nonpayment after issuing a notice of delinquent account and upon not less than 10 days' written notice of proposed termination. The notice of proposed termination will be sent to the account holder and to any third party previously designated by the account holder. Either before or after termination, the Company will allow an eligible residential customer to pay the delinquent balance plus interest over a 12-month period, or less, in accordance with § 8.04.

**Occupant Account Holders**

During the months of October through March, at least 48 hours prior to termination of service, the Company will make a good-faith effort to notify the account holder or an adult member of the household by telephone or personal visit of the scheduled termination. If personal notification cannot be made, the Company will leave written notice of proposed termination at the residence. The Company will make reasonable efforts to contact any designated third party personally before termination occurs. During the months of April through September, the 48 hour termination notice may be mailed.

**Rental Property Owner (RPO) Account Holders**

When the Company is terminating service for nonpayment by an RPO, at least five days prior to termination of service, the Company will post a notice of proposed termination on the premises in a conspicuous place and make reasonable efforts to give actual notice to tenants by personal visits or other appropriate means. Tenants may continue to receive service for an additional 30 days by paying the charges due for the 30-day period just past. At least 48 hours prior to termination of service the Company will make a good-faith effort to personally notify the RPO. If personal notification cannot be made, the Company will leave written notice of the proposed termination at the RPO's address, if possible, or notify the RPO by mail.

### ILLNESS, INFIRMITY OR USE OF LIFE-SUPPORT EQUIPMENT

The Company will not terminate service, or will restore service to inactive accounts, for up to one month upon receipt of a physician's statement, preferably completed on the Company's form, identifying a health infirmity or serious illness of the customer or a person living in the customer's residence. The customer is responsible for payment for gas used during the period of continued service, in addition to prior delinquent bills. The Company will seek prior approval of the Public Service Commission before terminating service to a residence in which the customer has given the

Company written notice, including a physician's statement, that life-support equipment is being used at the residence.

**NON-RESIDENTIAL TERMINATION NOTICE**

The Company will give a non-residential customer at least 48 hours' written notice before terminating service because of non-payment.

**RECONNECTION AFTER NONPAYMENT**

To have service restored after termination for nonpayment, a customer must first pay a connection fee as set forth in § 8.03, and must also pay the delinquent balance in full or execute a Deferred Payment Agreement, if eligible. The customer has the option to include the connection fee in the total amount to be paid over the term of the deferred payment agreement consistent with the provisions of § 8.04. A Deferred Payment Agreement will be offered to non-residential customers only at the Company's discretion. The Company may also require a security deposit to secure payment of future gas bills. See § 8.03.

**CUSTOMER / COMPANY DISPUTES**

When a customer responds to a late notice or reminder notice, the Company's personnel will investigate any disputed issue and will attempt to resolve the issue by negotiation. During this investigation and negotiation, no action will be taken to terminate service if the customer pays the undisputed portion of the account. Any customer who is unable to resolve a dispute after contacting the Company to seek resolution may obtain informal review by the Division of Public Utilities followed by a formal review of the dispute by the Public Service Commission. No action will be taken during the review period to terminate service if the customer pays the undisputed portion of the account.

# 10. APPENDIX

This appendix is provided for informational purposes only, and is supplemental to Commission required provisions.

## 10.01 UTAH STATE SALES TAX RATES

The Utah state sales tax is applied to gas service, connection fee, and any applicable franchise fee.

**Date of latest update: February 2006**

| Area or Locality | Residential | Commercial & Industrial |
|---|---|---|
| Beaver County | 3.250% | 6.000% |
| Beaver City | 4.250% | 7.000% |
| Box Elder County | 3.250% | 6.000% |
| Brigham City, Perry, Willard | 3.500% | 6.250% |
| Snowville | 4.250% | 7.000% |
| Cache County | 3.350% | 6.100% |
| Hyde Park, Logan, Millville, Nibley, North Logan, Providence, Richmond, River Heights, Smithfield, Hyrum, Cache Valley Transit District | 3.600% | 6.350% |
| Carbon County | 3.250% | 6.000% |
| Price | 3.500% | 6.250% |
| Daggett County | 3.250% | 6.000% |
| Davis County | 3.750% | 6.500% |
| Duchesne County | 3.250% | 6.000% |
| Roosevelt | 3.500% | 6.250% |
| Emery County | 3.000% | 5.750% |
| Green River | 4.750% | 7.500% |
| Garfield County | 4.250% | 7.000% |
| Panguitch, Boulder, Tropic | 5.250% | 8.000% |
| Grand County | 3.250% | 6.000% |
| Moab | 5.000% | 7.750% |
| Iron County | 3.250% | 6.000% |
| Brian Head | 5.000% | 7.750% |
| Juab County | 3.250% | 6.000% |
| Nephi | 3.500% | 6.250% |

| Area or Locality | Residential | Commercial & Industrial |
|---|---|---|
| Kane County | 4.000% | 6.750% |
| Kanab | 5.000% | 7.750% |
| Millard County | 3.000% | 5.750% |
| Morgan County | 3.250% | 6.000% |
| Piute County | 3.250% | 6.000% |
| Rich County | 3.250% | 6.000% |
| Salt Lake County | 3.850% | 6.600% |
| Alta | 5.350% | 8.100% |
| San Juan County | 3.250% | 6.000% |
| Monticello | 3.750% | 6.500% |
| Sanpete County | 3.250% | 6.000% |
| Ephraim, Gunnison | 3.500% | 6.250% |
| Sevier County | 3.250 % | 6.000% |
| Richfield, Salina | 3.500% | 6.250% |
| Summit County | 3.350% | 6.100% |
| Park City | 4.600% | 7.350% |
| Tooele County | 3.250% | 6.000% |
| Erda, Grantsville, Lakepoint, Lincoln, Stansbury Park | 3.500% | 6.250% |
| Tooele | 3.600% | 6.350% |
| Uintah County | 3.750% | 6.500% |
| Vernal | 4.000% | 6.750% |
| Utah County | 3.250% | 6.000% |
| Alpine, American Fork, Cedar Hills, Highland, Lehi, Lindon, Mapleton, Orem, Payson, Pleasant Grove, Provo, Provo Canyon, Salem, Spanish Fork, Springville | 3.500% | 6.250% |
| Wasatch County | 3.250% | 6.000% |
| Heber | 3.500% | 6.250% |
| Park City East | 4.500% | 7.250% |
| Washington County | 3.250% | 6.000% |
| Santa Clara, Hurricane, Ivins, LaVerkin, St. George, Washington City | 3.500% | 6.250% |
| Springdale | 4.750% | 7.500% |
| Wayne County | 3.250% | 6.000% |
| Weber County | 3.850% | 6.600% |

## 10.02 LOCAL CHARGE RATES FOR EACH MUNICIPALITY

Many municipalities have imposed a Municipal Energy Sales and Use Tax (MET), or a contractual franchise fee, or a combination of both on natural gas service. The following table shows the MET and franchise fee rate imposed by each municipality. The maximum franchise fee and MET combined cannot exceed 6%. The net municipal energy tax percentage shown here is the total municipal energy tax passed by the city less the franchise fee percentage. The franchise fee applies to gas service and connection fee. The MET applies to gas service, connection fee, and any applicable franchise fee.

**Date of latest update: February 2006**

| Municipality | Charge | Effective Date |
|---|---|---|
| Alpine | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Alta | 4.0% Municipal Energy Tax | Jul 1 2001 |
| American Fork | 6.0% Municipal Energy Tax | Jul 1 2001 |
| Beaver | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Bountiful | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Brian Head | 6.0% Municipal Energy Tax | Aug 18 2000 |
| Brigham City | 2.25% Municipal Energy Tax | Jul 1 1997 |
| Castle Dale | 3.0% Municipal Energy Tax | Sep 25 1997 |
| Cedar City | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Cedar Hills | 5.0% Municipal Energy Tax | Jul 1 1997 |
| Centerfield | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Centerville | 5.0% Municipal Energy Tax | Jul 1 1997 |
| Clearfield | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Clinton | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Corinne | 4.0% Municipal Energy Tax | Oct 1 2004 |
| Delta | 4.0% Municipal Energy Tax | Jul 1 1997 |
| Draper | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Duchesne | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Elk Ridge | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Enoch | 1.0% Municipal Energy Tax | Jul 1 1997 |
| Enterprise | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Ephraim | 6.0% Municipal Energy Tax | Jul 1 1997 |

| Municipality | Charge | Effective Date |
|---|---|---|
| Farmington | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Ferron | 1.0% Municipal Energy Tax | Oct 1 2000 |
| Fillmore | 6.0% Municipal Energy Tax | Jul 1 1999 |
| Fountain Green | 5.0% Municipal Energy Tax | Oct 1 2002 |
| Garland | 4.0% Municipal Energy Tax | Jul 1 1997 |
| Grantsville | 6.0% Municipal Energy Tax | Apr 1 1999 |
| Gunnison | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Harrisville | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Heber City | 6.0% Municipal Energy Tax | May 2 2002 |
| Helper | 2.0% Franchise Fee | Oct 1 1983 |
| Highland | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Hinckley | 4.0% Municipal Energy Tax | Jul 1 1997 |
| Huntington City | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Hurricane | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Hyrum | 6.0% Municipal Energy Tax | Jul 1 1998 |
| Ivins | 4.5% Municipal Energy Tax | Mar 1 2001 |
| Kamas | 4.0% Municipal Energy Tax | Jul 1 1997 |
| Kaysville | 5.0% Municipal Energy Tax | Jul 1 1997 |
| LaVerkin | 4.0% Municipal Energy Tax | Jul 1 1997 |
| Layton City | 6.0% Municipal Energy Tax | Jul 1 2005 |
| Lehi City | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Lindon | 4.0% Municipal Energy Tax | Jul 15 2003 |
| Logan | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Mapleton City | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Midvale | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Midway | 5.0% Municipal Energy Tax | Jul 1 1997 |
| Milford | 6.0% Municipal Energy Tax | Oct 1 2004 |
| Millville | 4.0% Municipal Energy Tax | Jul 1 1998 |
| Minersville | 6.0% Municipal Energy Tax | Jul 1 1997 |

| Municipality | Charge | Effective Date |
|---|---|---|
| Moab | 3.0% Municipal Energy Tax | Aug 2001 |
| Monticello | 6.0% Municipal Energy Tax | Jan 1 2001 |
| Murray | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Mt. Pleasant | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Myton | 5.0% Municipal Energy Tax | Jul 1 1997 |
| Naples | 6.0% Municipal Energy Tax | Jan 1 2001 |
| New Harmony | 6.0% Municipal Energy Tax | Apr 27 2004 |
| Nibley | 6.0% Municipal Energy Tax | Jul 1 1997 |
| North Logan | 3.0% Municipal Energy Tax | Oct 1 2001 |
| North Ogden City | 6.0% Municipal Energy Tax | Jul 1 1997 |
| North Salt Lake | 6.0% Municipal Energy Tax | Jul 1 1999 |
| Ogden | 2.0% Franchise Fee | Jul 1 1997 |
| | 4.0% Net Municipal Energy Tax | Jul 1 1997 |
| Orangeville | 5.0% Municipal Energy Tax | Jan 1 2006 |
| Orem | 6.0% Municipal Energy Tax | Oct 1 2000 |
| Panguitch | 2.0% Municipal Energy Tax | Nov 17 1998 |
| Park City | 2.5% Franchise Fee | Jul 1 1997 |
| | 3.5% Net Municipal Energy Tax | Jul 1 1997 |
| Parowan | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Payson | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Perry | 2.0% Municipal Energy Tax | Jan 13 1999 |
| Plain City | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Pleasant Grove | 2.0% Franchise Fee | Jul 1 1997 |
| | 3.051% Net Municipal Energy Tax | Jul 1 1997 |
| Pleasant View | 6.0% Municipal Energy Tax | Aug 4 1999 |
| Price | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Providence | 4.0% Municipal Energy Tax | Jul 1 1997 |
| Provo | 2.0% Franchise Fee | Jul 1 1997 |
| | 4.0% Net Municipal Energy Tax | Jul 1 1997 |

| Municipality | Charge | Effective Date |
|---|---|---|
| Randolph | 5.0% Municipal Energy Tax | Jul 1 1997 |
| Richfield | 3.0% Municipal Energy Tax | Jul 1 1997 |
| Richmond | 6.0% Municipal Energy Tax | Oct 1 1999 |
| River Heights | 3.0% Municipal Energy Tax | Jul 1 1997 |
| Riverton | 6.0% Municipal Energy Tax | Jul 1 2000 |
| Roosevelt | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Roy City | 6.0% Municipal Energy Tax | Jul 1 1999 |
| Salem | 6.0% Municipal Energy Tax | Jul 1 2003 |
| Salt Lake City | 2.0% Franchise Fee | Jul 1 1997 |
| | 4.0% Net Municipal Energy Tax | Jul 1 1997 |
| Sandy | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Santa Clara | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Santaquin | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Saratoga Springs | 6.0% Municipal Energy Tax | Oct 1 2001 |
| Scipio | 4.0% Municipal Energy Tax | Aug 12 1997 |
| Smithfield | 6.0% Municipal Energy Tax | Jan 26 2000 |
| South Jordan | 6.0% Municipal Energy Tax | Jul 1 1997 |
| South Ogden | 6.0% Municipal Energy Tax | Jul 1 1998 |
| South Salt Lake | 5.0% Municipal Energy Tax | Jan 1 2005 |
| South Weber | 6.0% Municipal Energy Tax | Jan 1 1999 |
| Spanish Fork | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Springville | 6.0% Municipal Energy Tax | Dec 15 2000 |
| St. George | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Stockton | 5.0% Municipal Energy Tax | Oct 1 1997 |
| Sunnyside | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Sunset City | 6.0% Municipal Energy Tax | Jul 1 1998 |
| Syracuse | 6.0% Municipal Energy Tax | Jul 1 2003 |
| Tooele | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Toquerville | 1.5% Municipal Energy Tax | Aug 4 1997 |

| Municipality | Charge | Effective Date |
|---|---|---|
| Tremonton | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Trenton | 3.0% Municipal Energy Tax | Jul 1 2000 |
| Uintah | 5.0% Municipal Energy Tax | Apr 1 1999 |
| Vernal | 6.0% Municipal Energy Tax | Aug 2001 |
| Washington City | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Washington Terrace | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Wellington | 6.0% Municipal Energy Tax | Oct 1 2001 |
| Wellsville | 5.0% Municipal Energy Tax | Jul 1 1999 |
| West Bountiful | 6.0% Municipal Energy Tax | Oct 1 1998 |
| West Jordan City | 5.5% Municipal Energy Tax | Jul 1 1997 |
| West Point | 6.0% Municipal Energy Tax | Jan 1 2001 |
| West Valley City | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Willard | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Woodland Hills | 6.0% Municipal Energy Tax | Jul 1 1997 |
| Woodruff | 6.0% Municipal Energy Tax | Jul 1 1997 |

# 11. GLOSSARY

This Glossary is intended for convenience and reference use only. The operational provisions of this tariff are controlling in any case where there is an inconsistency.

## A

account
: A record of gas service as established by the Company upon acceptance of a customer's application for meter turn-on. See also, definition of "customer."

actual billing days
: The number of days from the customer's previous meter read to the current meter read.

administrative charge
: A charge based on administrative costs for transportation service rate schedules.

advice letter
: Letter notifying Utah tariff holders of a tariff sheet change.

annual historical use
: The actual quantity of natural gas (Dth) used by a customer during an annual contract term.

annual load factor
: See load factor.

applicant
: A prospective customer who applies for a main extension, service line and meter, or meter turn-on.

application
: Main Extension Application--Written request completed on the Company's main extension application form for an extension of an existing main, either by the property owner or designated agent.

Service Line Application--Written request completed on the Company's service line application form for installation of a service line and meter, either by the property owner or designated agent.

Gas Service Application--Applicant's written, telephoned, or electronically transmitted request for initiation of gas service.

Equipment Lease Application--(also known as "NGV Consumer Lease Agreement and Disclosure Statement" or "NGV Commercial Lease.") Written request completed on Company's lease contract forms for the installation and lease of NGV equipment.

Interruptible Sales Service Application--Written request on Company's Service Agreement form to participate in the Company's interruptible sales service.

## B

base load
Gas required for non-seasonal purposes, such as water heating and cooking.

Basic Service Fee (BSF)
A fixed charge, determined by the applicable BSF category, that is charged periodically to a customer without regard to consumption.

Basic Service Fee (BSF) Category
Grouping of meters into four separate categories of capacity and cost. Used to determine applicable BSF charge.

billing month
Period of approximately 30 days upon which the customer's gas consumption is computed and bills are rendered.

block break point
The point at which volumes of billed Dth are charged at the next block rate in a declining block rate structure.

Btu
A British thermal unit, equivalent to the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit.

Budget Plan
Monthly payment plan available to a General Service customer under which the customer's estimated annual billing is divided into 12 monthly payments.

Budget Plan Year
The 12-month period that begins when a customer initiates or renews the budget plan.

business day
Week days exclusive of Company observed holidays.

## C

calculated bill
Bill based on estimated gas usage that considers usage relative to customers with similar usage history in the same geographical area during a previous billing period and the current usage by those same customers in the period being estimated.

calorimeter
An apparatus for measuring the heating value of a fuel.

capacity release
The temporary assignment of capacity held by the Company on an upstream pipeline. Capacity release will be offered on a "pre-arranged" basis, by a posting on the upstream pipeline electronic bulletin board or as otherwise required by the upstream pipeline FERC approved tariff.

commercial customer
Type of customer using natural gas service for space heating, air conditioning, water heating, clothes drying, cooking, or other applications in either a place of business engaged primarily in the sale of goods or services (including educational and health care institutions, local, state and federal government agencies, etc.) or master metered rental property.

Commission
Public Service Commission of Utah.

commodity cost
That portion of a rate for gas service that is based on those costs that are related to the volumes of gas used by the customer

Company
Questar Gas Company.

contract term
The period of time specified in an agreement between the customer and the Company for which service will be provided and received.

connection fee
A charge imposed to cover the average costs associated with initiation or reinstatement of service. Additional charges will be assessed in cases of unauthorized use.

contribution in aid of construction
That portion of total construction costs, over and above any allowances given by the Company, that is paid by the customer prior to commencement of construction of a main extension and/or service line.

customer
Individual, firm or organization classified as either a residential, commercial or industrial customer purchasing and/or transporting natural gas from the Company at each point of delivery, under each rate classification, contract, or schedule. See also definition of "account."

**D**

daily contract limit
Contracted peak winter day use or other limit specified in customer's contract.

daily mean temperature
The sum of the high and low temperatures of the day divided by two.

days
Calendar days, unless otherwise specified.

default payment
An amount due from a customer if a main is extended or a service line is run for that customer and within two years the terms of the main extension and service line contracts are not met.

deferred payments agreement (DPA)
An installment payment plan by which a residential customer can pay a delinquent bill over a period of up to 12 months.

degree-day (heating)
A unit used in estimating fuel consumption, based upon temperature difference and time. For any day when the daily mean temperature is less than 65° F., there exist as many degree days as there are Fahrenheit degrees difference between the mean temperature of the day and 65° F. For example, if the mean temperature for the day is 55°, then there are 10 degree days (65° - 55°). When the daily mean temperature is 65° or more, there are zero degree days.

degree-day deficiency
The cumulation of degree days for a specified period of time. For example, in a billing period consisting of 31 days of gas usage, the degree-day deficiency is the sum of the daily degree days during the billing period.

degree-day factor
An average measurement of gas usage per degree-day unit.

delivered pressure
The pressure of the natural gas in, psia, as it enters the meter.

demand charge
That portion of a rate for gas service that is based on the maximum or peak-day needs of each customer.

discontinuance
Discontinuance of service is at the customer's request as opposed to termination of service by the Company for nonpayment or breach of contract.

**E**

Equipment Lease Charge (ELC)
A two part rate available to customers desiring to lease natural gas appliances or equipment. The two parts of the rate are the group average capital charge and a maintenance charge.

~~Extension Area Charge (EAC)~~

~~A monthly charge applicable in service extension areas in lieu of a lump sum non-refundable payment to be paid over a period of years and approved by the Commission.~~

**F**

firm service

Type of service offered to qualifying customers under a schedule or contract that anticipates no interruptions.

firm transportation service

Firm transportation service offered to any qualifying customer under the FT-1, FT-2 or MT rate schedules.

fuel line

The gas piping owned and maintained by the customer between the meter and gas-operated equipment.

fuel reimbursement

Reimbursement collected by redelivering 1.5% less volumes than were received into the Company's distribution system for firm and interruptible transportation service.

**G**

gas daily market index price

The Questar mid-point index price as published in Platt's Gas Daily Price Survey.

gas balancing account adjustment provisions

Provision for balancing the Company's actual purchased gas costs against the amount collected in rates. Also known as the "191 Account."

general service customer

One who receives service under the Company's GS-1 ~~and GSS~~ rate schedule~~s~~.

Group Average Capital Cost (GAC Cost)

All leased equipment will be grouped by vintage and type of equipment. The average cost of the equipment in a group will be used to calculate monthly lease charges.

Group Average Capital Charge

The group average capital charge is calculated by multiplying the group average capital cost times the appropriate ELC charge.

**I**

imbalance
A condition occurring when an interruptible transportation customer has a different amount of its own gas delivered into the Company's distribution system than is used less fuel reimbursement at the meter serving his premises.

imbalance tolerance window
A level of imbalance which customers are allowed under the balancing provisions.

industrial customer
Type of customer using natural gas service primarily for a process which creates or changes raw or unfinished materials into another form or product, including the generation of electricity.

input rating
The design rate of fuel acceptance by a burner, usually expressed in Btu per hour.

interconnect point
A point where customer-owned gas is received into the Company's distribution system.

interruption
Period when gas service is unavailable to interruptible customers; or period when emergency sales restrictions apply to customers because of a major disaster or pipeline break.

interruptible sales service
Interruptible sales service offered to any qualifying customers under the I-4, ~~IS-4,~~ T-1 or E-1 sales service schedule.

interruptible transportation service
Interruptible transportation service offered to any qualifying customer under the IT ~~or IT-S~~ transportation schedule.

**L**

load factor
The ratio of the average usage requirement to the maximum winter usage requirement e.g., average daily usage divided by the usage on the peak winter day. See the Classification Provisions for each rate schedule for the definition applicable to interruptible sales service customers.

**M**

main
Distribution supply line to which service lines may be connected for delivery to ultimate consumers. Mains generally run under city streets and do not cross the customer's property line.

maintenance charge

All equipment leased under the ELC will be repaired and maintained by the Company. An additional maintenance charge will be included with the lease charge for each equipment category.

market index price

Market index price is the price of gas delivered into the pipeline immediately upstream from the city gate(s) as reported in Inside FERC Gas Market Report published for the first of the month in which the imbalance or gas purchase occurred. If Inside FERC Gas Market Report is not available, then the Company will determine a market index price using a similar index, publication, or comparable methodology.

master meter

A single meter used to measure the volume of gas delivered to multiple residential or commercial units, mobile home parks, or separate permanent structures.

maximum daily usage

The largest volume of gas delivered to a customer in one 24-hour period ending at 12 p.m.

meter

An instrument for measuring and indicating, or recording, the volume of gas that has passed through it.

minimum bill

Charge for having connected service even if no gas or less than a specified minimum amount of gas is used during the billing period.

minimum charge

Charge for having connected service even if no gas or less than a specified minimum amount of gas is used during the applicable period.

mobile home

A residential dwelling with a "T" code in the Company's billing records.

multi-family dwelling

Residential buildings designated with an "A" code in the Company's billing records, which includes structures with two or more dwelling units.

Municipal Energy Tax (MET)

A tax levied by a municipality on the sale or use of natural gas or electricity

**N**

~~new service extension area~~

~~As approved by the Commission, new service areas that are subject to GSS, IS-4 and IT-S rates for a time period as established by the Commission.~~

non-registering meter
A meter that, upon reading, incorrectly indicates usage has not occurred or the usage registered is so minimal as to require a laboratory test for confirmation.

NGV
Natural gas powered vehicles.

NGV Conversion
The process of adding equipment and making required adjustments to a gasoline powered vehicle so that natural gas can also be used as the vehicle's fuel.

NGV Tank
The fuel tank for NGVs which contains the compressed natural gas.

**O**

**P**

peak winter day
Customer's actual peak winter daily usage during the three most recently completed calendar years. When actual daily use is not available, the peak winter day will be estimated by multiplying the average daily usage for the customer's peak winter month by 1.4.

psia
Pounds per square inch absolute.

point of delivery
Outlet of the Company's meter installed to supply the customer with the service contracted for.

premises
An individually metered place of residence such as a single family dwelling or an apartment unit.

**R**

rate schedule
The aggregate of rates, charges and provisions that define and characterize a rate class under which service is supplied to a customer.

redelivery point
A point of interconnection between Company and an end user, where customer-owned natural gas being transported is redelivered from the Company's distribution system to the customer's premises.

released capacity
Firm capacity on an upstream pipeline which is released by Questar Gas.

representative daily use
The peak daily usage experienced by a customer over the previous three calendar years or a number determined by the Company to be representative of a customer's peak daily use.

residential customer
Type of customer using natural gas service for space heating, air conditioning, water heating, clothes drying, or cooking in a personal residence such as a home, an apartment, or a condominium.

**S**

security deposit
Amount required to secure payment of future gas bills which is imposed either at meter turn-on or when a customer has demonstrated poor credit with the Company.

service line
Gas pipe that carries gas from the main to the Company's meter.

service turn-on order
The work order signed by the applicant upon completion of meter turn-on and lighting of the customer's gas appliances. See also definition of "application."

shared appliance
An appliance serving more than one premises.

shared meter
A meter shared by a small number of premises, such as a duplex, or a home with a basement apartment.

standard billing period
A billing period that contains between 27 and 33 days.

summer billing months
April through October.

summer season
April 1 through October 31.

**T**

tail block rate
The last block in any rate schedule.

tariff

The published volume of rate schedules, conditions of service and billing provisions under which natural gas will be supplied to customers by the Company.

temporary discontinuance of service

Discontinuance of service for any reason lasting less than twelve months. Service to a customer who discontinues service and who applies for resumption of service within twelve months at the same location will be deemed to be a temporary discontinuance of service.

termination

Termination of service is at the Company's discretion for nonpayment or breach of contract, as opposed to discontinuance of service at the customer's request.

trading partners

Transportation customers who have coordinated among themselves to exchange positive and negative imbalances in order to reduce or eliminate their individual imbalances with the Company.

**U**

upstream pipeline

A pipeline that may be used to transport gas to the Company's system.

usage

A measured consumption of natural gas, stated either in volumetric or thermal units.

**V**

Vehicle Refueling Appliance (VRA)

A small compressor appliance which is used to refuel natural gas vehicles.

Volume Multiplier

The factor used to convert the volume of gas as measured by the Company's meter to actual heat content of gas as sold in decatherms. It is a combination of several factors including altitude, gas pressure, the chemical composition of the gas, etc. Compressibility of the gas volume is calculated using the AGA Transmission Measurement Committee Report No. 8 Gross Characterization Method. The heat content and other gas component values flowing in the Company's lines will be determined daily from recording calorimeters or other appropriate devices, and averaged for the customer's billing period.

**W**

Weather Normalization Adjustment (WNA)

An adjustment to reduce the effect of variations in the monthly bill due to weather.

winter billing months
November through March.

winter season
November 1 through March 31.

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