
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. Each transportation service customer must identify in the contract the interconnect/delivery points(s) where it will deliver its natural gas supply into Questar Gas' system (approved point). Questar Gas reserves the right, as provided herein, to require each transportation customer to deliver its natural gas supplies to that approved point when, in Questar Gas' sole discretion, its operational needs support such a change from any alternate point that might currently be being used by the customer.

INITIAL SERVICE AGREEMENT

Each transportation customer will be required to enter into a service agreement with the Company. Transportation customers must contract for service on an annual basis.

A written request for transportation service from an existing firm or interruptible sales service customer must be received by the Company by February 15 in any given year, except in 2014, when the date has been extended to March 30. A fully executed contract and any other requirements must be received by the Company by February 28 of any given year, except in 2014, when the date has been extended to April 30. Customer must meet with Questar Gas telemetry gas technician by April 15 of any given year, except in 2014, when the date has been extended to April 30. Any customer facilities required to facilitate telemetry, which may include power, phone lines or other, required by Questar Gas must be installed by customer and operational by May 15 of any given year. Questline access agreements must be received by Questar Gas by May 31 of any given year. If a customer fails to meet any of these deadlines, then customer will not be permitted to receive TS service during that year. If approved, such a request will be effective on the first day of that customer's billing cycle which occurs on or after July 1st.

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, MT, and TS will be billed an annual administrative charge of \$4,500 for each end-use site in equal monthly amounts. If a customer has more than one end-use site on contiguous property covered by a single gas purchase contract, a \$4,500 annual administrative charge will be billed to one end-use site. Other end-use sites for that customer will be billed a \$2,250 annual administrative charge. A customer will be required to pay the administrative charge for each month during a temporary discontinuance of service.

TRANSPORTATION IMBALANCE CHARGE

Customers taking service on rate schedules FT-1, MT and TS will be assessed a charge for daily imbalances that are outside of a 5% imbalance tolerance. "Daily imbalance" is defined as the difference between the customer's nominated volumes, less fuel, and the actual usage on any given day. When the Daily Imbalance exceeds 5% of the actual usage, the charge will be assessed. This charge will include upstream transportation, storage, no notice and other related costs incurred during imbalances. The charge is set forth on the transportation rate schedules and will be recalculated in each pass through filing and updated at least annually.

FUEL REIMBURSEMENT

A fuel reimbursement of 1.5% will apply to all 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 costs to modify existing Company facilities or to install new Company facilities required in order to provide 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 until all necessary facilities are in place to ensure safe service and to ensure that proper billing and accounting can be performed. The Company will require telemetering equipment as a prerequisite to providing transportation service.

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.

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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
Base DNG	\$0.22984	\$0.21540	\$0.15121	\$0.03085
Energy Assistance	0.00018	0.00018	0.00018	0.00018
Infrastructure Rate Adjustment	0.00647	0.00606	0.00425	0.00087
Distribution Non-Gas Rate	\$0.23649	\$0.22164	\$0.15564	\$0.03190

Minimum Yearly Distribution Non-Gas Charge (base) \$77,000

Transportation Imbalance Charge \$0.19064

FT-1 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 BSF Category 2 BSF Category 3 BSF Category 4	\$6.75 \$18.25 \$63.50 \$420.25
Administrative Charge (See § 5.01).	Annual Monthly Equivalent	\$4,500.00 \$375.00
Firm Demand Charge per Dth (see §5.02)	Base Annual Infrastructure Adder Total Annual Monthly Equivalent	\$12.39 <u>\$0.34852</u> \$12.74 \$1.06

FT-1 CLASSIFICATION PROVISIONS

- (1) Industrial service on a minimum one-year 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 ≥ 50%
- (2) Volumes must be transported to the Company's system under firm transportation capacity on upstream pipelines to interconnect points approved by the Company 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 the Company's 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 § 5.09 will apply.
- (5) Firm transportation service is only available to those customers who receive all of their natural gas service through the Company's 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 350,000 Dth plus an additional 225,000 Dth for every mile away from the nearest interstate pipeline. Distance from the interstate pipeline will be measured as the most feasible route that would be determined by a reasonable and prudent natural gas utility operator. A customer with another bona fide, lawful bypass option may be included in the FT-1 rate class upon approval by the Commission.
- (9) FT-1 customers are permitted to purchase interruptible transportation in excess of the firm demand amount to which they subscribe by paying the TS volumetric rates.
- (10) The Energy Assistance rate is subject to a maximum of \$50.00 per month and other conditions as specified in § 8.03.

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5.06 MT RATE SCHEDULE

MT RATE

	Rates Per Dth Used Each Month Dth = decatherm = 10 therms = 1,000,000 Btu
MT Volumetric	\$0.66539/Dth
Energy Assistance	0.00183/Dth
Infrastructure Rate Adjustment	0.00897/Dth
Distribution Non-Gas Rate	\$0.67619/Dth
MT Facilities Balancing	\$0.06/Dth
<u>Transportation Imbalance Charge</u>	<u>\$0.19064</u>

MT FIXED CHARGES

Monthly Basic Service Fee (BSF):		BSF Category 1	\$6.75
For a definition of BSF categories see § 8.03.		BSF Category 2	\$18.25
		BSF Category 3	\$63.50
		BSF Category 4	\$420.25
Administrative Charge (see § 5.01).	Annual		\$4,500.00
	Monthly Equivalent		\$375.00

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 minimum one-year contract specifying the maximum daily contract demand. If requested, the Company will provide MT customers with its forecast of the maximum daily demand for any contract period. The Company 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 the Company's 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 § 5.09 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 the Company to regulatory jurisdiction by anyone other than the Commission.

- (7) An MT customer will be required to notify the Company 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 the Company 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 the Company 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.

- (10) The Energy Assistance rate is subject to a maximum of \$50.00 per month and other conditions as specified in § 8.03.

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5.07 TS RATE SCHEDULE

TS VOLUMETRIC RATES

	Rates Per Dth Redelivered Each Month			
	Dth = decatherm = 10 therms = 1,000,000 Btu			
	First 200 Dth	Next 1,800 Dth	Next 98,000 Dth	All Over 100,000 Dth
Base DNG	\$0.70401	\$0.46021	\$0.18821	\$0.06966
Energy Assistance	0.00052	0.00052	0.00052	0.00052
Infrastructure Rate Adjustment	0.01240	0.00811	0.00332	0.00123
Distribution Non-Gas Rate	\$0.71693	\$0.46884	\$0.19205	\$0.07141

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

Transportation Imbalance Charge \$0.19064

TS FIXED CHARGES

Monthly Basic Service Fee (BSF):		BSF Category 1	\$6.75
		BSF Category 2	\$18.25
For a definition of BSF categories see § 8.03.		BSF Category 3	\$63.50
		BSF Category 4	\$420.25
Administrative Charge (see § 5.01).	Annual		\$4,500.00
	Monthly Equivalent		\$375.00
Firm Demand Charge per Dth (see § 5.02).	Base Annual		\$24.79
	Infrastructure Adder		<u>\$0.43679</u>
	Total Annual		\$25.23
	Monthly Equivalent		\$2.10

TS 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 § 5.09.
- (3) Service is subject to a monthly basic service fee and an administrative charge.
- (4) The interruptible portion of transportation service is provided on a reasonable-efforts basis, subject to interruption at any time after notice and as otherwise provided under Section 3.
- (5) The Customer may offer to sell, and the Company may agree to purchase, the Customer's 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) The Energy Assistance rate is subject to a maximum of \$50 per month and other conditions as specified in §8.03.
- (9) Customer meter must be a rotary or turbine meter or AL800 or larger diaphragm meter. If meter needs to be replaced it will be replaced at customers expense.

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