

### **NORTHWEST PIPELINE LLC**

P.O. Box 58900 Salt Lake City, UT 84158-0900 Phone: (801) 584-6864 FAX: (801) 584-7764

February 4, 2020

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

**Re:** Northwest Pipeline LLC Docket No. RP20-\_\_\_\_

Dear Ms. Bose:

Pursuant to Part 154 of the regulations of the Federal Energy Regulatory Commission ("Commission" or "FERC"), Northwest Pipeline LLC ("Northwest") tenders for filing and acceptance the following tariff sheets related to non-conforming service agreements as part of its FERC Gas Tariff, Fifth Revised Volume No. 1 ("Tariff"):

Seventh Revised Sheet No. 9

Second Revised Sheet No. 232-M

Original Sheet No. 232-N

Third Revised Sheet No. 333

Fourteenth Revised Sheet No. 395

Ninth Revised Sheet No. 396-A

Northwest also submits revised tariff records to update its Tariff, Original Volume Non-Conforming Service and Negotiated Rate Agreements:

Tariff records revised or added:

- Tariff Record 10 (Version 14.0.0)
- Tariff Record 10.C.2.1 (Version 2.0.0)

## Purpose

The purpose of this filing is to: (1) provide for the opportunity to calculate and charge a revised estimated Liquefaction Charge for Rate Schedules LS-3F and/or LD-4I during the year; (2) make an SGS-2I form of service correction; (3) submit a new non-conforming service agreement (Agreement No. 143255); (4) remove one service agreement from the list of non-conforming service agreements because it has been terminated (Agreement No. 137232); and (5) include / remove the Tariff Records identified above and make corrections in the Index in its Tariff, Original

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Volume Non-Conforming Service and Negotiated Rate Agreements for agreements previously accepted by the Commission.

Statement of Nature, Reasons and Basis for the Filing

## Miscellaneous and Housekeeping Tariff Changes

# Estimated Liquefaction Charge for Rate Schedules LS-3F and LD-4I

Northwest proposes to revise its General Terms and Conditions ("GT&C") Section 14.20(c) to allow Northwest the opportunity to request an updated estimated liquefaction charge for Rate Schedules LS-3F and LD-4I, in addition to April 1 filings, if significant cost changes arise in response to unforeseen activity level changes in these two rate schedules. Variable liquefaction costs (mainly power and chemicals) are strongly reactionary to shippers' liquefaction patterns. Any remaining difference in Northwest's collection of liquefaction costs, under these rate schedules, will continue to be trued-up as outlined in GT&C Section 14.20 of Northwest's Tariff.

See Sheet Nos. 9 and 232-M and 232-N

### **SGS-2I Form of Service Correction**

Northwest proposes to capitalize the word "agreement" in Section 8 of the SGS-2I Form of Service Agreement.

See Sheet No. 333

# **Non-Conforming Contracts**

# Agreement No. 143255

Pursuant to the procedures set forth in Northwest's Tariff, Citadel Energy Marketing LLC ("Citadel") was awarded, through an open bid process, a certain discounted TF-1 transportation agreement of 45,000 Dth/d that was posted as available capacity. Northwest and Citadel entered into Agreement No. 143255 on December 5, 2019 for this long-term firm discounted transportation capacity.

In consideration of Northwest providing a long-term discounted rate under this agreement, Northwest required that Citadel accept a non-conforming provision stating that, upon request from Northwest, Citadel will file in support of the discount under the agreement in all of Northwest's subsequent rate cases filed under either Section 4 or 5 of the Natural Gas Act during the term that the discount provided under the agreement applies, excluding any rate cases that involve pre-filed settlements. For rate cases that involve pre-filed settlements, Citadel agrees to support the discount provided to shipper under the Agreement during the pre-settlement process and not to protest Transporter's subsequent rate cases filed under either Section 4 or 5 of the Natural Gas Act during the term that the discount provided under the Agreement applies..

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Northwest granted Citadel the discount conditioned upon them agreeing to actively support the discount under their agreement in any future rate case that occurs during the term that the discount is in effect. Citadel should not be allowed to avail themselves of today's bargain while reserving the right to undermine this bargain at a later date simply because it may be beneficial for them to do so by failing to support the discount because they acquired such cheaper discounted capacity.

The Commission has approved similar non-conforming provisions filed by Northwest.<sup>1</sup> The above-described non-conforming provision does not impact the terms and conditions of Citadel's service and does not negatively impact service to other shippers. The service offered under the agreement is the same service offered to all Rate Schedule TF-1 shippers. Because the provision is narrowly tailored to prevent Citadel from undermining the bargain they benefitted from, it does not present a substantial risk of undue discrimination.

The Commission's policy generally is to permit non-conforming provisions that do not present a substantial risk for undue discrimination or affect the quality of service received by the contracting shipper or others.<sup>2</sup> The non-conforming provisions contained in Agreement No. 143255 do not present a substantial risk for undue discrimination or affect the quality of service received by shippers.

Northwest is submitting the Citadel Agreement No. 143255 as a tariff record to be included in its Tariff, Original Volume Non-Conforming Service and Negotiated Rate Agreements, as required by the Commission.<sup>3</sup>

Tariff Record 10.C.2.1 (Version 2.0.0) – Agreement No. 143255

## Agreement No. 137232

Agreement No. 137232 contained non-conforming provisions and was entered into pursuant to Northwest's Colorado Hub Connection expansion project in Docket No. CP08-477. This agreement contained a bi-lateral evergreen provision wherein the shippers holding the capacity have the right to terminate their agreements on their primary term end date or any anniversary date thereafter by giving a one-year termination notice. Morgan Stanley Capital Group Inc. notified Northwest, on November 26, 2018, that they were terminating Agreement No. 137232 effective December 31, 2019.

Northwest proposes to remove this agreement from its list of non-conforming service agreements because it was terminated, as explained above.

<sup>&</sup>lt;sup>1</sup> See Northwest Pipeline LLC, Tariff Filing in Docket No. RP16-86-000, Letter Order dated November 20, 2015.

<sup>&</sup>lt;sup>2</sup> See e.g., Columbia Gas Transmission Corporation, 97 F.E.R.C. ¶ 61,221, at p. 62,003 (2001).

<sup>&</sup>lt;sup>3</sup> Columbia Gas Transmission, LLC, 132 F.E.R.C. ¶ 61,147 (2010); Dominion Transmission, Inc., 132 F.E.R.C. ¶ 61,179 (2010).

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# Non-Conforming Service Agreements – Tariff Record Update

Northwest proposes to revise the list of non-conforming service agreements in the Tariff by including the changes mentioned above. In addition Northwest proposes to make corrections to the index to properly state all contracts currently accepted by the Commission as non-conforming service agreements.

Northwest is submitting one Citadel agreement as a new tariff record to be included in its Tariff, Original Volume Non-Conforming Service and Negotiated Rate Agreements, as required by the Commission:<sup>4</sup>

- Tariff Record 10 (Version 14.0.0)
- Tariff Record 10.C.2.1 (Version 2.0.0)

## Filings Pending Before the Commission

In compliance with 18 CFR § 154.204(f), Northwest states that it has no other tariff filings pending before the Commission that may significantly impact this filing.

### Effective Date and Waiver Request

Northwest requests that the proposed Tariff sheets and records filed herein be made effective March 5, 2020 or at the end of any suspension period which may be imposed by the Commission. Northwest requests that the Commission grant any waivers it may deem necessary for the acceptance of this filing.

### **Procedural Matters**

Pursuant to the applicable provisions in Section 154 of the Commission's regulations, Northwest submits an eTariff .xml filing package, containing the following items:

- Transmittal letter;
- Marked tariff sheets;
- Proposed tariff sheets;
- Marked tariff records; and
- Proposed tariff records to be included in Original Volume Non-Conforming Service and Negotiated Rate Agreements.

<sup>4</sup> *Id*.

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## Service and Communications

In compliance with 18 CFR § 154.7(b), Northwest certifies that copies of this filing have been served electronically upon Northwest's customers and upon interested state regulatory commissions.

All communications regarding this filing should be served by e-mail to:

David J. Madsen Manager, Rates & Regulatory Northwest Pipeline LLC P.O. Box 58900 Salt Lake City, Utah 84158-0900 (801) 584-6864 dave.madsen@williams.com Bruce Reemsnyder Senior Counsel Northwest Pipeline LLC P.O. Box 58900 Salt Lake City, Utah 84158-0900 (801) 584-6742 bruce.reemsnyder@williams.com

The undersigned certifies that the contents of this filing are true and correct to the best of his knowledge and belief and he possesses full power and authority to sign this filing.

Respectfully submitted,

NORTHWEST PIPELINE LLC

<u>David J. Madsen</u>

Manager, Rates & Regulatory

### STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedules LS-3F and LD-4I

### (Dollars per Dth)

Rate Schedule and Type of Rate		se Rate (1) Maximum
Rate Schedule LS-3F (3)		
Demand Charge (2)	0.00000	0.02580
Capacity Demand Charge (2)	0.00000	0.00330
Volumetric Bid Rates Vaporization Demand-Related Charge (2) Storage Capacity Charge (2)	0.00000	
Liquefaction Charge (4) Vaporization Charge	0.90855 0.03386	
Rate Schedule LD-4I		
Volumetric Charge Liquefaction Charge (4)	0.00000 0.90855	

### Footnotes

- (1) Shippers receiving service under these rate schedules are required to furnish fuel reimbursement in-kind at the rates specified on Sheet No. 14.
- (2) Rates are daily rates computed on the basis of 365 days per year, except that rates for leap years are computed on the basis of 366 days.
- Rates are also applicable to capacity release service except for short-term capacity release transactions for a term of one year or less that take effect on or before one year from the date on which Transporter is notified of the release, which are not subject to the stated Maximum Base Tariff Rate. (Section 22 of the General Terms and Conditions describes how bids for capacity release will be evaluated.) The Vaporization Demand-Related Charge and Storage Capacity Charge are applicable to Replacement Shippers bidding for capacity released on a one-part volumetric bid basis.
- (4) The Liquefaction Charge will be trued-up annually <u>and updated</u> pursuant to Section 14.20 of the General Terms and Conditions.

# GENERAL TERMS AND CONDITIONS (Continued)

### 14. OPERATING CONDITIONS (Continued)

- 14.20 Liquefaction Charge True-Up Adjustment. A Plymouth LNG Facility Liquefaction Charge true-up adjustment for Rate Schedule LS-3F and LD-4I Shippers will be determined for the prior twelve months ending December 31 and will be billed/refunded on the subsequent March invoice.
  - (a) The true-up adjustment applicable to each Shipper's Service Agreement will be the difference between the actual Liquefaction Charge rate and the estimated Liquefaction Charge rate that was billed to the Shipper, multiplied by the Dths assessed the estimated Liquefaction Charge rate on Shipper's invoices during the prior calendar year.
  - (b) The actual Liquefaction Charge rate will be the liquefaction costs for the prior calendar year divided by the total Dths assessed the estimated Liquefaction Charge rate for LS-3F and LD-4I services during the prior calendar year. The liquefaction costs will be the total Plymouth LNG Facility power costs plus other variable liquefaction material costs incurred (e.g., chemicals) less those same costs associated with: (i) the vaporization service, and (ii) liquefaction services (i.e., Boil-off, liquefaction and general purpose) for Plymouth LNG Facility Rate Schedules LS-2F and LS-2I.

For purposes of this calculation, the power costs associated with liquefaction nominations during the Liquefaction Period for Rate Schedules LS-2F and LS-2I will be deemed to have been incurred in the months and order of April, October, May, September, June, July and August until the prior calendar year total liquefaction quantity during the Liquefaction Period for these Rate Schedules is met. Power costs associated with liquefaction nominations during the Vaporization Period for Rate Schedules LS-2F and LS-2I will be deemed to have been incurred in the month(s) the liquefaction nominations are made.

(c) The estimated Liquefaction Charge rate will be based on the prior calendar year's actual Liquefaction Charge rate, adjusted for any significant forecasted changes, and will be updated and filed concurrently with Northwest's annual filing of the fuel reimbursement factor filing for the LNC Rate Schedules pursuant to Section 14.12 of the Tariff, to become effective on April 1 of each year.

### 14. OPERATING CONDITIONS (Continued)

(c) The estimated Liquefaction Charge rate will be based on the prior calendar year's actual Liquefaction Charge rate, adjusted for any material changes in forecast costs, and will be updated and filed concurrently with Northwest's annual filing of the fuel reimbursement factor for the LNG Rate Schedules pursuant to Section 14.12 of the Tariff, to become effective on April 1 of each year. Notwithstanding the foregoing, Northwest may file a revised estimated Liquefaction Charge before the annual filing if significant cost changes arise in response to unforeseen changes in Rate Schedule LS-3F and/or LD-4I activity. In the latter case, the revised estimated Liquefaction Charge for Rate Schedules LS-3F and LD-4I will become effective the first of the month after Commission approval.

# FORM OF RATE SCHEDULE SGS-21 SERVICE AGREEMENT (Continued)

Rate Schedule SGS-2I Service Agreement (Continued)

- 4. Service Term. This Agreement becomes effective on the effective date set forth on Exhibit A. The primary term begin date for the storage service hereunder is set forth on Exhibit A. This Agreement will remain in full force and effect through the primary term end date set forth on Exhibit A and, if Exhibit A indicates that an evergreen provision applies, through the established evergreen rollover periods thereafter until terminated in accordance with the notice requirements under the evergreen provision.
- 5. Non-Conforming Provisions. All aspects in which this Agreement deviates from the Tariff, if any, are set forth as non-conforming provisions on Exhibit B. If Exhibit B includes any material non-conforming provisions, Transporter will file the Agreement with the Federal Energy Regulatory Commission (Commission) and the effectiveness of such non-conforming provisions will be subject to the Commission acceptance of Transporter's filing of the non-conforming Agreement.
- 6. Exhibit / Addendum to Service Agreement Incorporation. Exhibit A is attached hereto and incorporated as part of this Agreement. If any other Exhibits apply, as noted on Exhibit A to this Agreement, then such Exhibits also are attached hereto and incorporated as part of this Agreement. If an Addendum to Service Agreement has been generated pursuant to Section 11.5 of the GT&C of the Tariff, it also is attached hereto and incorporated as part of this Agreement.
- 7. Regulatory Authorization. Storage service under this Agreement is authorized pursuant to the Commission regulations set forth on Exhibit A.
- 8. Superseded Agreements. When this Agreement takes effect, it supersedes, cancels and terminates the following agreement(s): [None] (or) [(List agreement(s))] but the following Amendments and/or Addendum to Service Agreement which have been executed but are not yet effective are not superseded and are added to and become an Amendment and/or Addendum to this Aagreement: [None] (or) [List Amendments and/or Addendum to Service Agreement]

### NON-CONFORMING SERVICE AGREEMENTS

The following Service Agreements contain one or more currently effective provisions that differ materially from the Forms of Service Agreements contained in this Tariff.

Name of Shipper/Agreement No.	Rate Schedule	Agreement/ Amendment Date	
Avista Corporation (No. 100010)	TF-1	07/31/91 10/16/14 (1)	11/19/14
Cascade Natural Gas Corporation (No. 100304)	TF-2	04/01/94 03/31/16 (1)	04/21/16
Cascade Natural Gas Corporation (No. 141193)	TF-2	03/31/16	04/21/16
Cascade Natural Gas Corporation (No. 142548)	TF-1	11/1/2018	11/09/18
Cascade Natural Gas Corporation (No. 143078)	TF-1	09/27/2019	10/01/19
Citadel Energy Marketing LLC	TF-1	11/01/20	02/04/20
(No. 143255)			
Citadel Energy Marketing LLC (No. 141322)	TF-1	07/18/16	11/15/16
Citadel Energy Marketing LLC (No. 141323)	TF-1	07/18/16	11/15/16
City of Enumclaw (No. 100012)	TF-1	07/31/91 07/17/07	07/21/08

<sup>(1)</sup> Amendment incorporates the non-conforming provisions.

### NON-CONFORMING SERVICE AGREEMENTS (Continued)

Name of Shipper/Agreement No.		Agreement/ Amendment Date	Filed
IGI Resources, Inc. (No. 137605)	TF-1	10/13/09	10/28/09
<pre>Intermountain Gas Company (No. 100306)</pre>	TF-2	01/12/94 11/20/06 (2)	11/29/06
<pre>Intermountain Gas Company (No. 136288)</pre>	TF-1	11/20/07 09/29/09 (2)	06/29/12
<pre>Intermountain Gas Company (No. 136289)</pre>	TF-1	11/20/07 09/29/09 (2)	06/29/12
<pre>Intermountain Gas Company (No. 136290)</pre>	TF-1	11/20/07 09/29/09 (2)	06/29/12
<pre>Intermountain Gas Company (No. 142982)</pre>	TF-1	06/28/19	07/23/19
<pre>Intermountain Gas Company (No. 143037)</pre>	TF-1	08/14/19	10/01/19
<pre>Intermountain Gas Company (No. 143072)</pre>	TF-1	09/26/19	10/01/19
Morgan Stanley Capital Group Inc. (No. 137232)	<u>TF-1</u>	09/23/09	09/30/09
Northwest Natural Gas Company (No. 100005)	TF-1	07/31/91 02/14/07 (2)	03/28/07

<sup>(2)</sup> Original Service Agreement, as amended, was restated in the revised Form of Service Agreement format on the listed date.

# NON-CONFORMING SERVICE AGREEMENTS Entered Into or Modified After May 24, 2010

# **INDEX**

Agreements	<b>Tariff Record</b>
Ā	10.A
Avista Corporation	10.A.1
Contract No. 100010	
В	
C	10.C
Cascade Natural Gas Corporation	10.C.1
Contract No. 100304	
Contract No. 141193	10.C.1.2
Contract No. 142548	10.C.1.3
Contract No. 143078	10.C.1.4
Citadel Energy Marketing LLC	10.C.2
Contract No. 143255	10 C 2 1
Contract No. 141322	
Contract No. 141323	
D	-
E	
F	
G	
Н	
I	
Idaho Power Company	
Contract No. 139664	
Intermountain Gas Company	
Contract No. 142982	
Contract No. 143037	
Contract No. 143072	
J	
Reserved For Future Use	
Reserved For Future Use	
K	
L	
M	
Reserved For Future Use	
Reserved For Future Use	

Northwest Pipeline LLC
FERC Gas Tariff
Original Volume
Non-Conforming Service and Negotiated Rate Agreements

Tariff Record 10 Non-Conforming Service Agreements Index Version 14.0.0

Ν		10.N
	Northwest Natural Gas Company	
	Contract No. 138587	10.N.1.1
	Contract No. 140964	10.N.1.2

# Non-Conforming Service and Negotiated Rate Agreements

P		10.P
	Puget Sound Energy, Inc	10.P.1
	Contract No. 143077	
	Contract No. 140415	10.P.1.2
	Contract No. 140766	10.P.1.4
	Contract No. 140910	
R		
S		10.S
~	Southwest Gas Corporation	
	Contract No. 100048	
	Contract No. 100049	
Т		
IJ		
V		
W		
• • •	Reserved For Future Use WPX Energy Marketing, LLC	10.W.1
	Reserved For Future Use Contract No. 138172	
	Reserved For Future Use Contract No. 137678	
	Reserved For Future Use Contract No. 137679	
X		
Y		
7		

Northwest Pipeline LLC FERC Gas Tariff Original Volume Non-Conforming Service and Negotiated Rate Agreements Tariff Record 10.C.2.1 Contract No. 143255 Version 2.0.0

# Rate Schedule TF-1 Service Agreement Contract No. 143255

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THIS SERVICE AGREEMENT (Agreement) by and between Northwest Pipeline LLC (Transporter) and Citadel Energy Marketing LLC (Shipper) is made and entered into on December 05, 2019 and restates the Service Agreement made and entered into on December 05, 2019.

WHEREAS:

- A. Pursuant to the procedures set forth in Section 25 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper acquired certain transportation capacity that was posted by Transporter as available capacity. Shipper was the successful bidder in the open bid process under All Shippers Letter 19-181 and has the option to extend the Primary Term End Date to October 31, 2022, in exchange for segmentation rights at the Kern River Muddy Creek Delivery Point, the Opal Receipt Point, the Clay Basin Delivery Point and the Clay Basin Receipt Point.
- B. Transporter and Shipper desire to extend the Primary Term End Date to October 31, 2022 in exchange for the opportunity to acquire segmentation rights, pursuant to Section 25.5(c) of the General Terms and Conditions of Transporter's Tariff, at the Kern River Muddy Creek Delivery Point, the Opal Receipt Point, the Clay Basin Delivery Point and the Clay Basin Receipt Point..

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<u>THEREFORE</u>, in consideration of the premises and mutual covenants set forth herein, Transporter and Shipper agree as follows:

- 1. Tariff Incorporation. Rate Schedule TF-1 and the General Terms and Conditions (GT&C) that apply to Rate Schedule TF-1, as such may be revised from time to time in Transporter's FERC Gas Tariff (Tariff), are incorporated by reference as part of this Agreement, except to the extent that any provisions thereof may be modified by non-conforming provisions herein.
- 2. Transportation Service. Subject to the terms and conditions that apply to service under this Agreement, Transporter agrees to receive, transport and deliver natural gas for Shipper, on a firm basis. The Transportation Contract Demand, the Maximum Daily Quantity at each Primary Receipt Point, and the Maximum Daily Delivery Obligation at each Primary Delivery Point are set forth on Exhibit A. If contract-specific OFO parameters are set forth on Exhibit A, whenever Transporter requests during the specified time period, Shipper agrees to flow gas as requested by Transporter, up to the specified volume through the specified transportation corridor.

- 3. Transportation Rates. Shipper agrees to pay Transporter for all services rendered under this Agreement at the rates set forth or referenced herein. Reservation charges apply to the Transportation Contract Demand set forth on Exhibit A. The Maximum Base Tariff Rates (Recourse Rates) set forth in the Statement of Rates in the Tariff, as revised from time to time, that apply to the Rate Schedule TF-1 customer category identified on Exhibit A, will apply to service hereunder unless and to the extent that discounted Recourse Rates or awarded capacity release rates apply as set forth on Exhibit A or negotiated rates apply as set forth on Exhibit D. Additionally, if applicable under Section 21 or 29 of the GT&C, Shipper agrees to pay Transporter a facilities charge as set forth on Exhibit C.
- 4. Transportation Term. This Agreement becomes effective on the effective date set forth on Exhibit A. The primary term begin date for the transportation service hereunder is set forth on Exhibit A. This Agreement will remain in full force and effect through the primary term end date set forth on Exhibit A and, if Exhibit A indicates that an evergreen provision applies, through the established evergreen rollover periods thereafter until terminated in accordance with the notice requirements under the applicable evergreen provision.
- 5. Non-Conforming Provisions. All aspects in which this Agreement deviates from the Tariff, if any, are set forth as non-conforming provisions on Exhibit B. If Exhibit B includes any material non-conforming provisions, Transporter will file the Agreement with the Federal Energy Regulatory Commission (Commission) and the effectiveness of such non-conforming provisions will be subject to the Commission acceptance of Transporter's filing of the non-conforming Agreement.
- 6. Capacity Release. If Shipper is a temporary capacity release Replacement Shipper, any capacity release conditions, including recall rights, are set forth on Exhibit A.
- 7. Exhibit / Addendum to Service Agreement Incorporation. Exhibit A is attached hereto and incorporated as part of this Agreement. If any other Exhibits apply, as noted on Exhibit A to this Agreement, then such Exhibits also are attached hereto and incorporated as part of this Agreement. If an Addendum to Service Agreement has been generated pursuant to Sections 11.5 or 22.12 of the GT&C of the Tariff, it also is attached hereto and incorporated as part of this Agreement.
- 8. Regulatory Authorization. Transportation service under this Agreement is authorized pursuant to the Commission regulations set forth on Exhibit A.
- 9. Superseded Agreements. When this Agreement takes effect, it supersedes, cancels and terminates the following agreement(s): Service Agreement dated December 05, 2019, but the following Amendments and/or Addendum to Service Agreement which have been executed but are not yet effective are not superseded and are added to and become an Amendment

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IN WITNESS WHEREOF, Transporter and S	Shipper have executed this Agreement as of the date firs
set forth above.	
- <u>Citadel Energy Marketing LLC</u>	Northwest Pipeline LLC
<u>By: /S/</u>	<u>By: /S/</u>
Name: DAMON SUTER	Name: GARY VENZ

Title: MANAGER MARKETING

**SERVICES** 

Title: HEAD OF PHYSICAL GAS

# **EXHIBIT A**

Dated December 05, 2019, Effective November 01, 2020

to the

Rate Schedule TF-1 Service Agreement

(Contract No. 143255)

between Northwest Pipeline LLC

and Citadel Energy Marketing LLC

**SERVICE DETAILS** 

- 1. Transportation Contract Demand (CD): 45,000 Dth per day
- 2. Primary Receipt Point(s):

	<u>Maximum</u>	_
	<u>Daily</u>	
	<b>Quantities</b>	
Point ID Name	<u>(Dth)</u> _	
187 STANFIELD RECEIPT	<u>45,000</u> _	_
<u>Total</u>	<u>45,000</u>	

# 3. Primary Delivery Point(s):

_	<u>Maximum</u>	<u>Delivery</u>
Point ID Name	<u>Daily</u>	<u>Pressure</u>

		<u>Delivery</u> <u>Obligation</u> (Dth)	(psig)
-	3 <u>IGNACIO DELIVERY</u> 550 <u>LAPLATA-TW</u>	25,000 20,000	<u>450</u> _ 570 _
	<u>Total</u>	45,000	_

Specified conditions for Delivery Pressure, pursuant to Section 2.4 of the General Terms and Conditions: None

- 4. Customer Category:
  - a. Large Customer
  - b. Incremental Expansion Customer: No
- 5. Recourse, Discounted Recourse, or Negotiated Rate Transportation Rates:

(Negotiated Rates are on Exhibit D if attached.)

- a. Reservation Charge (per Dth of CD): 25% of Maximum Base Tariff Rate, plus applicable surcharges.
- b. Volumetric Charge (per Dth): Maximum Base Tariff Rate, plus applicable surcharges
- c. Additional Facility Reservation Surcharge Pursuant to Section 3.4 of Rate Schedule TF-1 (per Dth of CD): None
- d. Rate Discount Conditions Consistent with Section 3.5 of Rate Schedule TF-1: The Reservation Charge will increase by an additional \$0.05 for each additional segment Shipper or any Replacement Shipper is awarded, other than the following segments: Stanfield to Kern River Muddy Creek, Opal to Clay Basin, Clay Basin to Ignacio/La Plata-TW. However, such increases will cease to apply once the Reservation Charge has reached the Maximum Base Tariff Rate. In no event will the Reservation Charge exceed the Maximum Base Tariff Rate.
- e. Negotiated Rate Conditions Consistent with Section 3.7 of Rate Schedule TF-1: Not Applicable
- 6. Transportation Term:
  - a. Primary Term Begin Date: November 01, 2020
  - b. Primary Term End Date: October 31, 2022

<u>Specified conditional service agreement extensions pursuant to Section 11.9 of the</u> General Terms and Conditions of the Tariff: None

- c. Evergreen Provision: Yes, standard bi-lateral evergreen under Section 12.2 (a)(iii) and (b)(iii) of Rate Schedule TF-1
- 7. Contract-Specific OFO Parameters: None

Specified contract-specific OFO conditions or alternative actions: None

- 8. Regulatory Authorization: 18 CFR 284.223
- 9. Additional Exhibits:

Exhibit B Yes

Exhibit C No

Exhibit D No

Exhibit E No

# **EXHIBIT B**

Dated December 05, 2019, Effective November 01, 2020,

-

(subject to Commission acceptance)

to the

Rate Schedule TF-1 Service Agreement

(Contract No. 143255)

between Northwest Pipeline LLC

and Citadel Energy Marketing LLC

# NON-CONFORMING PROVISIONS

In the event of a challenge by another party regarding the rates provided under this Agreement, and upon written request from Transporter, Shipper will file in support of the discount under the Agreement in Transporter's subsequent rate cases filed under either Section 4 or 5 of the Natural Gas Act during the term that the discount provided under the Agreement applies, excluding any rate cases that involve a pre-filed settlement. For rate cases that involve a pre-filed settlement, Shipper agrees to support the discount provided to shipper under the Agreement during the pre-settlement process and not to protest Transporter's subsequent rate cases filed under either Section 4 or 5 of the Natural Gas Act during the term that the discount provided under the Agreement applies.

Northwest Pipeline LLC FERC Gas Tariff Original Volume Non-Conforming Service and Negotiated Rate Agreements

Tariff Record 10.C.2.1 Contract No. 143255 Version 2.0.0

**RESERVED FOR FUTURE USE** 

#### STATEMENT OF RATES (Continued)

Effective Rates Applicable to Rate Schedules LS-3F and LD-4I

### (Dollars per Dth)

Rate Schedule and Type of Rate		se Rate (1) Maximum
Rate Schedule LS-3F (3)		
Demand Charge (2)	0.00000	0.02580
Capacity Demand Charge (2)	0.00000	0.00330
Volumetric Bid Rates Vaporization Demand-Related Charge (2) Storage Capacity Charge (2)	0.00000	
Liquefaction Charge (4) Vaporization Charge	0.90855 0.03386	
Rate Schedule LD-4I		
Volumetric Charge Liquefaction Charge (4)	0.00000 0.90855	

### Footnotes

- (1) Shippers receiving service under these rate schedules are required to furnish fuel reimbursement in-kind at the rates specified on Sheet No. 14
- (2) Rates are daily rates computed on the basis of 365 days per year, except that rates for leap years are computed on the basis of 366 days.
- Rates are also applicable to capacity release service except for short-term capacity release transactions for a term of one year or less that take effect on or before one year from the date on which Transporter is notified of the release, which are not subject to the stated Maximum Base Tariff Rate. (Section 22 of the General Terms and Conditions describes how bids for capacity release will be evaluated.) The Vaporization Demand-Related Charge and Storage Capacity Charge are applicable to Replacement Shippers bidding for capacity released on a one-part volumetric bid basis.
- (4) The Liquefaction Charge will be trued-up annually and updated pursuant to Section 14.20 of the General Terms and Conditions.

# GENERAL TERMS AND CONDITIONS (Continued)

### 14. OPERATING CONDITIONS (Continued)

- 14.20 Liquefaction Charge True-Up Adjustment. A Plymouth LNG Facility Liquefaction Charge true-up adjustment for Rate Schedule LS-3F and LD-4I Shippers will be determined for the prior twelve months ending December 31 and will be billed/refunded on the subsequent March invoice.
  - (a) The true-up adjustment applicable to each Shipper's Service Agreement will be the difference between the actual Liquefaction Charge rate and the estimated Liquefaction Charge rate that was billed to the Shipper, multiplied by the Dths assessed the estimated Liquefaction Charge rate on Shipper's invoices during the prior calendar year.
  - (b) The actual Liquefaction Charge rate will be the liquefaction costs for the prior calendar year divided by the total Dths assessed the estimated Liquefaction Charge rate for LS-3F and LD-4I services during the prior calendar year. The liquefaction costs will be the total Plymouth LNG Facility power costs plus other variable liquefaction material costs incurred (e.g., chemicals) less those same costs associated with: (i) the vaporization service, and (ii) liquefaction services (i.e., Boil-off, liquefaction and general purpose) for Plymouth LNG Facility Rate Schedules LS-2F and LS-2I.

For purposes of this calculation, the power costs associated with liquefaction nominations during the Liquefaction Period for Rate Schedules LS-2F and LS-2I will be deemed to have been incurred in the months and order of April, October, May, September, June, July and August until the prior calendar year total liquefaction quantity during the Liquefaction Period for these Rate Schedules is met. Power costs associated with liquefaction nominations during the Vaporization Period for Rate Schedules LS-2F and LS-2I will be deemed to have been incurred in the month(s) the liquefaction nominations are made.

### 14. OPERATING CONDITIONS (Continued)

(c) The estimated Liquefaction Charge rate will be based on the prior calendar year's actual Liquefaction Charge rate, adjusted for any material changes in forecast costs, and will be updated and filed concurrently with Northwest's annual filing of the fuel reimbursement factor for the LNG Rate Schedules pursuant to Section 14.12 of the Tariff, to become effective on April 1 of each year. Notwithstanding the foregoing, Northwest may file a revised estimated Liquefaction Charge before the annual filing if significant cost changes arise in response to unforeseen changes in Rate Schedule LS-3F and/or LD-4I activity. In the latter case, the revised estimated Liquefaction Charge for Rate Schedules LS-3F and LD-4I will become effective the first of the month after Commission approval.

# FORM OF RATE SCHEDULE SGS-21 SERVICE AGREEMENT (Continued)

Rate Schedule SGS-2I Service Agreement (Continued)

- 4. Service Term. This Agreement becomes effective on the effective date set forth on Exhibit A. The primary term begin date for the storage service hereunder is set forth on Exhibit A. This Agreement will remain in full force and effect through the primary term end date set forth on Exhibit A and, if Exhibit A indicates that an evergreen provision applies, through the established evergreen rollover periods thereafter until terminated in accordance with the notice requirements under the evergreen provision.
- 5. Non-Conforming Provisions. All aspects in which this Agreement deviates from the Tariff, if any, are set forth as non-conforming provisions on Exhibit B. If Exhibit B includes any material non-conforming provisions, Transporter will file the Agreement with the Federal Energy Regulatory Commission (Commission) and the effectiveness of such non-conforming provisions will be subject to the Commission acceptance of Transporter's filing of the non-conforming Agreement.
- 6. Exhibit / Addendum to Service Agreement Incorporation. Exhibit A is attached hereto and incorporated as part of this Agreement. If any other Exhibits apply, as noted on Exhibit A to this Agreement, then such Exhibits also are attached hereto and incorporated as part of this Agreement. If an Addendum to Service Agreement has been generated pursuant to Section 11.5 of the GT&C of the Tariff, it also is attached hereto and incorporated as part of this Agreement.
- 7. Regulatory Authorization. Storage service under this Agreement is authorized pursuant to the Commission regulations set forth on Exhibit A.
- 8. Superseded Agreements. When this Agreement takes effect, it supersedes, cancels and terminates the following agreement(s): [None] (or) [(List agreement(s))] but the following Amendments and/or Addendum to Service Agreement which have been executed but are not yet effective are not superseded and are added to and become an Amendment and/or Addendum to this Agreement: [None] (or) [List Amendments and/or Addendum to Service Agreement]

### NON-CONFORMING SERVICE AGREEMENTS

The following Service Agreements contain one or more currently effective provisions that differ materially from the Forms of Service Agreements contained in this Tariff.

Name of Shipper/Agreement No.	Rate Schedule	Agreement/ Amendment Date	
Avista Corporation (No. 100010)	TF-1	07/31/91 10/16/14 (1)	11/19/14
Cascade Natural Gas Corporation (No. 100304)	TF-2	04/01/94 03/31/16 (1)	04/21/16
Cascade Natural Gas Corporation (No. 141193)	TF-2	03/31/16	04/21/16
Cascade Natural Gas Corporation (No. 142548)	TF-1	11/1/2018	11/09/18
Cascade Natural Gas Corporation (No. 143078)	TF-1	09/27/2019	10/01/19
Citadel Energy Marketing LLC (No. 143255)	TF-1	11/01/20	02/04/20
Citadel Energy Marketing LLC (No. 141322)	TF-1	07/18/16	11/15/16
Citadel Energy Marketing LLC (No. 141323)	TF-1	07/18/16	11/15/16
City of Enumclaw (No. 100012)	TF-1	07/31/91 07/17/07	07/21/08

<sup>(1)</sup> Amendment incorporates the non-conforming provisions.

### NON-CONFORMING SERVICE AGREEMENTS (Continued)

Name of Shipper/Agreement No.		Agreement/ Amendment Date	
IGI Resources, Inc. (No. 137605)	TF-1	10/13/09	10/28/09
<pre>Intermountain Gas Company (No. 100306)</pre>	TF-2	01/12/94 11/20/06 (2)	11/29/06
<pre>Intermountain Gas Company (No. 136288)</pre>	TF-1	11/20/07 09/29/09 (2)	06/29/12
<pre>Intermountain Gas Company (No. 136289)</pre>	TF-1	11/20/07 09/29/09 (2)	06/29/12
<pre>Intermountain Gas Company (No. 136290)</pre>	TF-1	11/20/07 09/29/09 (2)	06/29/12
<pre>Intermountain Gas Company (No. 142982)</pre>	TF-1	06/28/19	07/23/19
<pre>Intermountain Gas Company (No. 143037)</pre>	TF-1	08/14/19	10/01/19
<pre>Intermountain Gas Company (No. 143072)</pre>	TF-1	09/26/19	10/01/19
Northwest Natural Gas Company (No. 100005)	TF-1	07/31/91 02/14/07 (2)	03/28/07

<sup>(2)</sup> Original Service Agreement, as amended, was restated in the revised Form of Service Agreement format on the listed date.

# NON-CONFORMING SERVICE AGREEMENTS Entered Into or Modified After May 24, 2010

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Αg	<u>greements</u>	Tariff Record
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	Contract No. 100010	10.A.1.1
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C		10.C
	Cascade Natural Gas Corporation	10.C.1
	Contract No. 100304	
	Contract No. 141193	
	Contract No. 142548	
	Contract No. 143078	10.C.1.4
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Ι		10.I
	Idaho Power Company	
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# **Non-Conforming Service and Negotiated Rate Agreements**

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Puget Sound Energy, Inc	10.P.1
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Southwest Gas Corporation	
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# Rate Schedule TF-1 Service Agreement Contract No. 143255

THIS SERVICE AGREEMENT (Agreement) by and between Northwest Pipeline LLC (Transporter) and Citadel Energy Marketing LLC (Shipper) is made and entered into on December 05, 2019 and restates the Service Agreement made and entered into on December 05, 2019.

### WHEREAS:

- A. Pursuant to the procedures set forth in Section 25 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper acquired certain transportation capacity that was posted by Transporter as available capacity. Shipper was the successful bidder in the open bid process under All Shippers Letter 19-181 and has the option to extend the Primary Term End Date to October 31, 2022, in exchange for segmentation rights at the Kern River Muddy Creek Delivery Point, the Opal Receipt Point, the Clay Basin Delivery Point and the Clay Basin Receipt Point.
- B. Transporter and Shipper desire to extend the Primary Term End Date to October 31, 2022 in exchange for the opportunity to acquire segmentation rights, pursuant to Section 25.5(c) of the General Terms and Conditions of Transporter's Tariff, at the Kern River Muddy Creek Delivery Point, the Opal Receipt Point, the Clay Basin Delivery Point and the Clay Basin Receipt Point..

THEREFORE, in consideration of the premises and mutual covenants set forth herein, Transporter and Shipper agree as follows:

- 1. Tariff Incorporation. Rate Schedule TF-1 and the General Terms and Conditions (GT&C) that apply to Rate Schedule TF-1, as such may be revised from time to time in Transporter's FERC Gas Tariff (Tariff), are incorporated by reference as part of this Agreement, except to the extent that any provisions thereof may be modified by non-conforming provisions herein.
- 2. Transportation Service. Subject to the terms and conditions that apply to service under this Agreement, Transporter agrees to receive, transport and deliver natural gas for Shipper, on a firm basis. The Transportation Contract Demand, the Maximum Daily Quantity at each Primary Receipt Point, and the Maximum Daily Delivery Obligation at each Primary Delivery Point are set forth on Exhibit A. If contract-specific OFO parameters are set forth on Exhibit A, whenever Transporter requests during the specified time period, Shipper agrees to flow gas as requested by Transporter, up to the specified volume through the specified transportation corridor.

Northwest Pipeline LLC FERC Gas Tariff Original Volume Non-Conforming Service and Negotiated Rate Agreements Tariff Record 10.C.2.1 Contract No. 143255 Version 2.0.0

- 3. Transportation Rates. Shipper agrees to pay Transporter for all services rendered under this Agreement at the rates set forth or referenced herein. Reservation charges apply to the Transportation Contract Demand set forth on Exhibit A. The Maximum Base Tariff Rates (Recourse Rates) set forth in the Statement of Rates in the Tariff, as revised from time to time, that apply to the Rate Schedule TF-1 customer category identified on Exhibit A, will apply to service hereunder unless and to the extent that discounted Recourse Rates or awarded capacity release rates apply as set forth on Exhibit A or negotiated rates apply as set forth on Exhibit D. Additionally, if applicable under Section 21 or 29 of the GT&C, Shipper agrees to pay Transporter a facilities charge as set forth on Exhibit C.
- 4. Transportation Term. This Agreement becomes effective on the effective date set forth on Exhibit A. The primary term begin date for the transportation service hereunder is set forth on Exhibit A. This Agreement will remain in full force and effect through the primary term end date set forth on Exhibit A and, if Exhibit A indicates that an evergreen provision applies, through the established evergreen rollover periods thereafter until terminated in accordance with the notice requirements under the applicable evergreen provision.
- 5. Non-Conforming Provisions. All aspects in which this Agreement deviates from the Tariff, if any, are set forth as non-conforming provisions on Exhibit B. If Exhibit B includes any material non-conforming provisions, Transporter will file the Agreement with the Federal Energy Regulatory Commission (Commission) and the effectiveness of such non-conforming provisions will be subject to the Commission acceptance of Transporter's filing of the non-conforming Agreement.
- 6. Capacity Release. If Shipper is a temporary capacity release Replacement Shipper, any capacity release conditions, including recall rights, are set forth on Exhibit A.
- 7. Exhibit / Addendum to Service Agreement Incorporation. Exhibit A is attached hereto and incorporated as part of this Agreement. If any other Exhibits apply, as noted on Exhibit A to this Agreement, then such Exhibits also are attached hereto and incorporated as part of this Agreement. If an Addendum to Service Agreement has been generated pursuant to Sections 11.5 or 22.12 of the GT&C of the Tariff, it also is attached hereto and incorporated as part of this Agreement.
- 8. Regulatory Authorization. Transportation service under this Agreement is authorized pursuant to the Commission regulations set forth on Exhibit A.
- 9. Superseded Agreements. When this Agreement takes effect, it supersedes, cancels and terminates the following agreement(s): Service Agreement dated December 05, 2019, but the following Amendments and/or Addendum to Service Agreement which have been executed but are not yet effective are not superseded and are added to and become an Amendment

and/or Addendum to this agreement: None

IN WITNESS WHEREOF, Transporter and Shipper have executed this Agreement as of the date first set forth above.

Citadel Energy Marketing LLC	Northwest Pipeline LLC
By: /S/	By: /S/
Name: DAMON SUTER	Name: GARY VENZ
	Title: MANAGER MARKETING
Title: HEAD OF PHYSICAL GAS	SERVICES

## **EXHIBIT A**

Dated December 05, 2019, Effective November 01, 2020 to the

Rate Schedule TF-1 Service Agreement
(Contract No. 143255)
between Northwest Pipeline LLC
and Citadel Energy Marketing LLC
SERVICE DETAILS

- 1. Transportation Contract Demand (CD): 45,000 Dth per day
- 2. Primary Receipt Point(s):

	Maximum
	Daily
	Quantities
Point ID Name	(Dth)
187 STANFIELD RECEIPT	45,000
Total	45,000

3. Primary Delivery Point(s):

	Maximum	Delivery
Point ID Name	Daily	Pressure

	Delivery Obligation (Dth)	(psig)
3 IGNACIO DELIVERY	25,000	450
550 LAPLATA-TW	20,000	570
Total	45,000	

Specified conditions for Delivery Pressure, pursuant to Section 2.4 of the General Terms and Conditions: None

- 4. Customer Category:
  - a. Large Customer
  - b. Incremental Expansion Customer: No
- 5. Recourse, Discounted Recourse, or Negotiated Rate Transportation Rates:

(Negotiated Rates are on Exhibit D if attached.)

- a. Reservation Charge (per Dth of CD): 25% of Maximum Base Tariff Rate, plus applicable surcharges.
- b. Volumetric Charge (per Dth): Maximum Base Tariff Rate, plus applicable surcharges
- c. Additional Facility Reservation Surcharge Pursuant to Section 3.4 of Rate Schedule TF-1 (per Dth of CD): None
- d. Rate Discount Conditions Consistent with Section 3.5 of Rate Schedule TF-1: The Reservation Charge will increase by an additional \$0.05 for each additional segment Shipper or any Replacement Shipper is awarded, other than the following segments: Stanfield to Kern River Muddy Creek, Opal to Clay Basin, Clay Basin to Ignacio/La Plata-TW. However, such increases will cease to apply once the Reservation Charge has reached the Maximum Base Tariff Rate. In no event will the Reservation Charge exceed the Maximum Base Tariff Rate.
- e. Negotiated Rate Conditions Consistent with Section 3.7 of Rate Schedule TF-1: Not Applicable
- 6. Transportation Term:
  - a. Primary Term Begin Date: November 01, 2020
  - b. Primary Term End Date: October 31, 2022

Specified conditional service agreement extensions pursuant to Section 11.9 of the General Terms and Conditions of the Tariff: None

- c. Evergreen Provision: Yes, standard bi-lateral evergreen under Section 12.2 (a)(iii) and (b)(iii) of Rate Schedule TF-1
- 7. Contract-Specific OFO Parameters: None

Specified contract-specific OFO conditions or alternative actions: None

- 8. Regulatory Authorization: 18 CFR 284.223
- 9. Additional Exhibits:

Exhibit B Yes
Exhibit C No
Exhibit D No
Exhibit E No

### **EXHIBIT B**

Dated December 05, 2019, Effective November 01, 2020,

(subject to Commission acceptance)
to the
Rate Schedule TF-1 Service Agreement
(Contract No. 143255)
between Northwest Pipeline LLC
and Citadel Energy Marketing LLC

### NON-CONFORMING PROVISIONS

In the event of a challenge by another party regarding the rates provided under this Agreement, and upon written request from Transporter, Shipper will file in support of the discount under the Agreement in Transporter's subsequent rate cases filed under either Section 4 or 5 of the Natural Gas Act during the term that the discount provided under the Agreement applies, excluding any rate cases that involve a pre-filed settlement. For rate cases that involve a pre-filed settlement, Shipper agrees to support the discount provided to shipper under the Agreement during the pre-settlement process and not to protest Transporter's subsequent rate cases filed under either Section 4 or 5 of the Natural Gas Act during the term that the discount provided under the Agreement applies.

Northwest Pipeline LLC FERC Gas Tariff Original Volume Non-Conforming Service and Negotiated Rate Agreements

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