

 NORTHWEST PIPELINE LLC

 P.O. Box 58900
 Salt Lake City, UT
 84158-0900

 Phone:
 (801) 584-6864
 584-7764

October 1, 2019

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"):

Thirteenth Revised Sheet No. 395 Eighth Revised Sheet No. 396-A Twelfth Revised Sheet No. 399-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 13.0.0)
- Tariff Record 10.C.1.4 (Version 0.0.0)
- Tariff Record 10.I.2.2 (Version 0.0.0)
- Tariff Record 10.I.2.3 (Version 0.0.0)
- Tariff Record 10.P.1.1 (Version 2.0.0)

Tariff records revised for deleted contracts:

- Tariff Record 10.C.2.1 (Version 1.0.0)
- Tariff Record 10.M.1 (Version 1.0.0)
- Tariff Record 10.M.1.1 (Version 1.0.0)

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Purpose

The purpose of this filing is to: (1) submit four new non-conforming service agreements (Agreement Nos. 143037, 143072, 143077 and 143078); (2) remove three service agreements from the list of non-conforming service agreements because they have been terminated (Agreement Nos. 137676, 137680 and 141319); and, (3) include / remove the Tariff Records identified above in its Tariff, Original Volume Non-Conforming Service and Negotiated Rate Agreements.

Statement of Nature, Reasons and Basis for the Filing

Agreement Nos. 143037, 143072 and 143078

Pursuant to the procedures set forth in Northwest's Tariff, Intermountain Gas Company ("Intermountain") was awarded, through two open bid processes, certain discounted TF-1 transportation capacities of 17,449 Dth/d and 25,000 Dth/d that was posted as available capacity. Northwest and Intermountain entered into Agreement No. 143037 on August 14, 2019 and Agreement No. 143072 on September 26, 2019 for these two long-term firm discounted transportation capacities.

Pursuant to the procedures set forth in Northwest's Tariff, Cascade Natural Gas Corporation ("Cascade") was awarded, through an open bid process, certain long-term discounted TF-1 storage redelivery transportation capacity that was posted by Northwest as available capacity. On September 27, 2019, Northwest and Cascade entered into Contract No. 143078 for this long-term firm discounted transportation service.

In consideration of Northwest providing long-term discounted rates under these agreements, Northwest required that Intermountain and Cascade accept a non-conforming provision stating that, upon request from Northwest, Intermountain and/or Cascade will file in support of the discount under each of their specific agreements 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 agreements applies, excluding any rate cases that involve pre-filed settlements. For rate cases that involve pre-filed settlements, Intermountain and/or Cascade agree not to protest the discount under each 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 cases filed under either Section 4 or 5 of the Natural Gas Act during agreement rate cases filed under each agreement in all of Northwest's subsequent rate cases filed under each agreement applies.

Northwest granted Intermountain and Cascade discounts conditioned upon these shippers agreeing to actively support the discounts under their respective agreements in any future rate case that occurs during the term that the discounts are in effect. Intermountain and/or Cascade 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 discounts because they acquired such cheaper discounted capacity.

The Commission has approved similar non-conforming provisions filed by Northwest.¹ The above-described non-conforming provision does not impact the terms and conditions of

¹ See Northwest Pipeline LLC, Tariff Filing in Docket No. RP16-86-000, Letter Order dated

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Intermountain or Cascade's service and does not negatively impact service to other shippers. The service offered under the agreements is the same service offered to all Rate Schedule TF-1 shippers. Because the provision is narrowly tailored to prevent Intermountain and/or Cascade 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.² The non-conforming provisions contained in Agreement Nos. 143037, 143072 and 143078 do not present a substantial risk for undue discrimination or affect the quality of service received by shippers.

Northwest is submitting these Intermountain Agreement Nos. 143037 and 143072 and Cascade Agreement No. 143078 as tariff records to be included in its Tariff, Original Volume Non-Conforming Service and Negotiated Rate Agreements, as required by the Commission:³

Tariff Record 10.I.2.2 (Version 0.0.0) – Agreement No. 143037 Tariff Record 10.I.2.3 (Version 0.0.0) – Agreement No. 143072 Tariff Record 10.C.1.4 (Version 0.0.0) – Agreement No. 143078

Agreement No. 143077

On March 29, 2017 Northwest and Puget Sound Energy, Inc. ("Puget") entered into the North Seattle Lateral Facilities Agreement ("Facilities Agreement") wherein Puget agreed to reimburse Northwest for the upgrade of certain delivery facilities through an incremental facilities charge, pursuant to Section 21.5(b) of the General Terms and Conditions of Northwest's Tariff.

Article II of the Facilities Agreement states that the non-conforming credit provisions contained in Exhibit "D" of the Facilities Agreement would be incorporated in a transportation service agreement ("TSA") entered into between Northwest and Puget. On September 27, 2019, Northwest and Puget entered into the TSA described in Article II of the Facilities Agreement and included the non-conforming credit provisions contained in Exhibit "D" of the Facilities Agreement. The non-conforming credit provisions must be maintained by Puget throughout the term of the TSA. The Commission has previously recognized that for new construction projects, pipelines need sufficient financial assurances from shippers to ensure, prior to the investment of significant resources in a project, that they can protect the financial commitment to the project⁴.

November 20, 2015.

² See e.g., Columbia Gas Transmission Corporation, 97 F.E.R.C. ¶ 61,221, at p. 62,003 (2001).
³ Columbia Gas Transmission, LLC, 132 F.E.R.C. ¶ 61,147 (2010); Dominion Transmission, Inc., 132 F.E.R.C. ¶ 61,179 (2010).

⁴ See Calpine Energy Services, L.P. vs. Southern Natural Gas Co., 103 F.E.R.C. ¶61,273, reh'g denied, 105 F.E.R.C. ¶61,033 (2003) (30 months' worth of reservation charges found to be reasonable for an expansion project).

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Northwest is submitting this Puget Agreement No. 143077 as a tariff record to be included in its Tariff, Original Volume Non-Conforming Service and Negotiated Rate Agreements, as required by the Commission:⁵

Tariff Record 10.P.1.1 (Version 2.0.0)

Agreement Nos. 137676, 137680 and 141319

Agreement Nos. 137676, 137680 and 141319 contain non-conforming provisions and were entered into pursuant to Northwest's Colorado Hub Connection expansion project in Docket No. CP08-477. Each of these agreements contain 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. Marathon Oil Company notified Northwest, on September 6, 2018, that they were terminating Agreement No. 137676 effective November 1, 2019. Chevron U.S.A. Inc. notified Northwest, on October 30, 2018, that they were terminating Agreement No. 137680 effective November 1, 2019. Citadel Energy Marketing LLC notified Northwest, on August 7, 2018, that they were terminating Agreement No. 141319 effective November 1, 2019.

Northwest proposes to remove these three agreements from its list of non-conforming service agreements, effective November 1, 2019, because they were terminated, as explained above.

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.

Northwest is submitting two Intermountain agreements, one Cascade agreement and one Puget agreement as new tariff records to be included in its Tariff, Original Volume Non-Conforming Service and Negotiated Rate Agreements, as required by the Commission:⁶

- Tariff Record 10.C.1.4 (Version 0.0.0)
- Tariff Record 10.I.2.2 (Version 0.0.0)
- Tariff Record 10.I.2.3 (Version 0.0.0)
- Tariff Record 10.P.1.1 (Version 2.0.0)

Northwest is revising its Tariff, Original Volume Non-Conforming Service and Negotiated Rate Agreements, by deleting Citadel Energy Marketing LLC's Agreement No. 141319 and Marathon Oil's Agreement No. 137676, and reserving these Tariff Records for future use:

• Tariff Record 10.C.2.1 (Version 1.0.0)

 ⁵ Columbia Gas Transmission, LLC, 132 F.E.R.C. ¶ 61,147 (2010); Dominion Transmission, Inc., 132 F.E.R.C. ¶ 61,179 (2010).
 ⁶ Id.

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- Tariff Record 10.M.1 (Version 1.0.0)
- Tariff Record 10.M.1.1 (Version 1.0.0)

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 November 1, 2019 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.

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 Director, Business Development & Regulatory Affairs (801) 584-6864 Northwest Pipeline LLC P.O. Box 58900 Salt Lake City, Utah 84158-0900 dave.madsen@williams.com Stewart J. Merrick Managing Attorney (801) 584-6326 Northwest Pipeline LLC P.O. Box 58900 Salt Lake City, Utah 84158-0900 stewart.merrick@williams.com Ms. Kimberly D. Bose October 1, 2019 Page 6 of 6

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

David J. Madsen

Director, Business Development & Regulatory Affairs

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	Date Filed
Avista Corporation (No. 100010)	 TF-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
Chevron U.S.A. Inc. (No. 137680)		09/23/09	<u>-09/30/09</u>
Citadel Energy Marketing LLC (No. 141319)		07/18/16	
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

(1) Amendment incorporates the non-conforming provisions.

NON-CONFORMING	SERVICE	AGREEMENTS	(Continued)
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Name of Shipper/Agreement No.	Schedule	Agreement/ Amendment Date	Date Filed
IGI Resources, Inc. (No. 137605)		10/13/09	10/28/09
Intermountain Gas Company (No. 100306)	TF-2	01/12/94 11/20/06 (2)	11/29/06
Intermountain Gas Company (No. 136288)	TF-1	11/20/07 09/29/09 (2)	06/29/12
Intermountain Gas Company (No. 136289)	TF-1	11/20/07 09/29/09 (2)	06/29/12
Intermountain Gas Company (No. 136290)	TF-1	11/20/07 09/29/09 (2)	06/29/12
Intermountain Gas Company (No. 142982)	TF-1	06/28/19	07/23/19
Intermountain Gas Company (No. 143037)	TF-1	08/14/19	10/01/19
Intermountain Gas Company	TF-1	09/26/19	10/01/19
<u>(No. 143072)</u> Marathon Oil Company (No. 137676)	<u> </u>	10/22/09	-11/30/11
Morgan Stanley Capital Group Inc. (No. 137232)	TF-1	09/23/09	09/30/09
Northwest Natural Gas Company (No. 100005)	TF-1	07/31/91 02/14/07 (2)	03/28/07

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

NON-CONFORMING SERVICE AGE	REEMENTS (Continued)
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Name of Shipper/Agreement No.		Agreement/ Amendment Date	Date Filed
PacifiCorp (No. 129875)	TF-1	08/01/01 11/12/07	07/21/08
Puget Sound Energy, Inc. (No. 135434)	TF-1	03/05/07 03/10/09 (2)	05/01/09
Puget Sound Energy, Inc. (No. 140415)	TF-1	06/26/14	11/19/14
Puget Sound Energy, Inc. (No. 140766)	TF-1	04/22/15	09/21/15
Puget Sound Energy, Inc. (No. 140910)	TF-1	10/13/15	10/28/15
Puget Sound Energy, Inc.	TF-1	09/27/19	10/01/19
<u>(No. 143077)</u>			
Shell Energy North America (US), LP (No. 134510)	TF-2	05/01/06	05/05/06
Shell Energy North America (US), LP (No. 137104)	TF-1	09/23/09	09/30/09
Southwest Gas Corporation (No. 100048)	TF-1	06/01/91 06/25/19	07/23/19

(2) 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

Ag	reements	Tariff Record
А		10.A
	Avista Corporation	10.A.1
	Contract No. 100010	10.A.1.1
В		
С		10.C
	Cascade Natural Gas Corporation	10.C.1
	Contract No. 100304	10.C.1.1
	Contract No. 141193	10.C.1.2
	Contract No. 142548	10.C.1.3
	Contract No. 143078	10.C.1.4
D		
Е		
F		
G		
Η		
Ι		10.I
	Idaho Power Company	10.I.1
	Contract No. 139664	10.I.1.1
	Intermountain Gas Company	10.I.2
	Contract No. 142982	10.I.2.1
	Contract No. 143037	<u>10.I.2.2</u>
	Contract No. 143072	10.I.2.3
J		10.J
	Reserved For Future Use	10.J.1
	Reserved For Future Use	10.J.1.1
Κ		
L		
М		10.M
	Marathon Oil CompanyReserved For Future Use	10.M.1
	Contract No. 137676Reserved For Future Use	10.M.1.1
Ν		10.N
	Northwest Natural Gas Company	10.N.1
	Contract No. 138587	10.N.1.1
	Contract No. 140964	10.N.1.2

Р		10.P
	Puget Sound Energy, Inc	10.P.1
	Contract No. 143077	10.P.1.1
	Contract No. 140415	
	Contract No. 140766	10.P.1.4
	Contract No. 140910	10.P.1.5
R		
S		10.S
	Southwest Gas Corporation	
	Contract No. 100048	
	Contract No. 100049	
Т		
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	WPX Energy Marketing, LLC	
	Contract No. 138172	
	Contract No. 137678	
	Contract No. 137679	
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Rate Schedule TF-1 Service Agreement Contract No. 143078

THIS SERVICE AGREEMENT (Agreement) by and between Northwest Pipeline LLC (Transporter) and Cascade Natural Gas Corporation (Shipper) is made and entered into on September 27, 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.

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.
- 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 nonconforming 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. <u>Capacity Release. If Shipper is a temporary capacity release Replacement Shipper, any capacity release conditions, including recall rights, are set forth on Exhibit A.</u>
- 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): None, 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.

- Cascade Natural Gas Corporation	_
By: /S/	
Name: ERIC WOOD	
Title: GAS SUPPLY SUPERVISOR, CNGC/IG	

Northwest Pipeline LLC
By: /S/
Name: MIKE RASMUSON
Title: DIRECTOR, MARKETING SERVICES

EXHIBIT A Dated September 27, 2019, Effective November 01, 2019 <u>to the</u> <u>Rate Schedule TF-1 Service Agreement</u> <u>(Contract No. 143078)</u> <u>between Northwest Pipeline LLC</u> <u>and Cascade Natural Gas Corporation</u> <u>SERVICE DETAILS</u>

1. Transportation Contract Demand (CD): 10,000 Dth per day

2. Primary Receipt Point(s):

_	<u>Maximum Daily</u> Quantities
Point ID Name	<u>(Dth)</u>
672 MOLALLA RECEIPT	10,000
<u>Total</u>	10,000

3. Primary Delivery Point(s):

		Maximum Daily	
		Delivery	Delivery
		Obligation	Pressure
Point 1	ID Name	(Dth)	(psig)
	38 STANFIELD DELIVERY	10,000	450
	Total	10,000	

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): 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:

a. The Reservation Charge (per Dth of CD) is equal to 100% of Maximum Base Tariff Rate, plus applicable surcharges from November 1 of each year through the following March 31 (winter period) and 0% of Maximum Base Tariff Rate, plus applicable surcharges, from April 1 of each

year through the following October 31 (summer period). The discount during the winter period is limited to the receipt points associated with the following storage facilities, Mist, Jackson Prairie, Plymouth LNG and Clay Basin. If on any day during the winter period, Shipper or any Replacement Shipper nominates from any other receipt point, the maximum reservation rate will apply for a one-year period following each such occurrence, with one exception. The one exception will occur when Transporter agrees to allow Shipper to flex to an alternate receipt point to comply with an OFO obligation pursuant to Section 14.15 of the General Terms and Conditions of the Tariff. The summer period reservation charge discount will apply only on the days that deliveries are not scheduled under this discounted Service Agreement or under any capacity release replacement Agreement; otherwise the maximum Recourse Rate will apply.

b. If Shipper hereafter reduces the amount of TF-1 maximum rate Contract Demand it held under any of its Rate Schedule TF-1 Service Agreements in effect at the time Shipper was awarded this capacity, both the winter period and summer period discounts detailed above will concurrently terminate, and Shipper will pay the maximum TF-1 reservation rate for the remainder of the Agreement term. Notwithstanding the foregoing, Transporter will not have the right to terminate the Agreement discounts if such reduction in Contract Demand by Shipper is attributable to: (i) a temporary release of capacity from the Shipper to another; (ii) the expiration of a temporary release of capacity to the Shipper; (iii) the turning back of capacity by the Shipper in a reverse open season for use by Transporter in a capacity expansion; (iv) or a reduction that was mutually agreed to by Shipper and Transporter.

- e. Negotiated Rate Conditions Consistent with Section 3.7 of Rate Schedule TF-1: Not Applicable
- 6. <u>Transportation Term:</u>
 - a. Primary Term Begin Date: November 01, 2019
 - b. Primary Term End Date: March 31, 2024

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. <u>Regulatory Authorization: 18 CFR 284.223</u>
- 9. <u>Additional Exhibits:</u>

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

Dated September 27, 2019, Effective November 01, 2019,

(subject to Commission acceptance) to the Rate Schedule TF-1 Service Agreement (Contract No. 143078) between Northwest Pipeline LLC and Cascade Natural Gas Corporation

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 storage redelivery discount provided under the Agreement in Transporter's subsequent rate cases filed under either Section 4 or 5 of the Natural Gas Act during the term of the Agreement, excluding any rate cases that involve a pre-filed settlement. For rate cases that involve a pre-filed settlement, Shipper agrees not to protest the storage redelivery discount provided to Shipper under the Agreement in Transporter's subsequent rate cases filed under either Section 4 or 5 of the Natural Gas Act during the term of the Agreement.

RESERVED FOR FUTURE USE ADDENDUM TO SERVICE AGREEMENT Due to a Merger, Acquisition, Name Change or Assignment

(Dated October 24, 2016) (Contract No. 141319 (Agreement)) (Rate Schedule TF-1)

Pursuant to Section 11.5 of the General Terms and Conditions of Transporter's Tariff, this Agreement is modified as follows:

Effective November 1, 2016, Citadel Energy Marketing LLC replaces Citadel NGPE LLC as the contract holder of this capacity due to a Name Change.

Rate Schedule TF-1 Service Agreement

Contract No. 141319

THIS SERVICE ACREEMENT (Agreement) by and between Northwest Pipeline LLC (Transporter) and Citadel NGPE LLC (Shipper) is made and entered into on July 18, 2016.

WHEREAS:

A. Pursuant to the procedures set forth in Section 22 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper acquired certain transportation capacity that was permanently released by WPX Energy Marketing, LLC from contract 137678.

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.

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 CT&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): None, 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 NGPE LLC

By: /S/

Name: HARRISON DESTEFANO

Title: HEAD OF NATURAL GAS

Northwest Pipeline LLC

By: /S/

Name: MIKE RASMUSON

Title: DIRECTOR, MARKETING SERVICES

Dated July 18, 2016, Effective August 01, 2016 to the Rate Schedule TF-1 Service Agreement (Contract No. 141319) between Northwest Pipeline LLC and Citadel NGPE LLC

-SERVICE DETAILS

1. Transportation Contract Demand (CD): 32,486 Dth per day

1. Primary Receipt Point(s):

_	Maximum Daily	_
	Quantities	
Point ID Name	-(Dth)-	
543 OPAL PLANT	32,486	
Total	32,486	

2.—Primary Delivery Point(s):

	Maximum Daily —	_
	Delivery	Delivery
	Obligation	Pressure
Point ID Name	-(Dth)-	(psig)
3 IGNACIO DELIVERY	32,486	450
Total	32,486	

Specified conditions for Delivery Pressure, pursuant to Section 2.4 of the General Terms and Conditions: Any scheduled deliveries to the Wild Horse - White River Hub interconnect will be subject to either: 1) equivalent scheduled quantities flowing from the Wild Horse - White River Hub interconnect to Transporter's mainline; or 2) prevailing line pressures on the White River Hub's system being low enough to accept scheduled deliveries from Transporter's system.

3. Customer Category:

a. Large Customer

a. Incremental Expansion Customer: No

1. Recourse, Discounted Recourse, or Negotiated Rate Transportation Rates:

(Negotiated Rates are on Exhibit D if attached.)

- a. __Reservation Charge (per Dth of CD): Maximum Base Tariff Rate, plus applicable surcharges
- a.___Volumetric Charge (per Dth): Maximum Base Tariff Rate, plus applicable surcharges
- a. Additional Facility Reservation Surcharge Pursuant to Section 3.4 of Rate Schedule TF 1 (per Dth of CD): None
- a. Rate Discount Conditions Consistent with Section 3.5 of Rate Schedule TF-1: Not Applicable

a.__Negotiated Rate Conditions Consistent with Section 3.7 of Rate Schedule TF-1: Not Applicable

1. <u>Transportation Term:</u>

a. Primary Term Begin Date: August 01, 2016

- a. Primary Term End Date: October 31, 2019 Specified conditional service agreement extensions pursuant to Section 11.9 of the General Terms and Conditions of the Tariff: None
- a. Evergreen Provision: Yes, standard bi-lateral evergreen under Section 12.2 (a)(iii) and (b)(iii) of Rate Schedule TF-1

1. __Contract-Specific OFO Parameters: NoneSpecified contract-specific OFO conditions or alternative

actions: None

1. Regulatory Authorization: 18 CFR 284.223 1. Additional Exhibits: Exhibit B Yes

Exhibit C No Exhibit D No Exhibit E No

EXHIBIT B

Dated July 18, 2016, Effective August 01, 2016, (subject to Commission acceptance) to the Rate Schedule TF-1 Service Agreement (Contract No. 141319) between Northwest Pipeline LLC and Citadel NGPE LLC

NON-CONFORMING PROVISIONS

The following provisions were accepted as non-conforming by the Commission on October 29, 2009, in Docket No. RP09-1089.

1. CHC Support

Transporter will seek to have costs for construction of the CHC Project rolled into its general system rates. Shipper agrees to support rolled-in rate treatment for these costs in any certificate proceeding related to the CHC Project and in any subsequent general rate case proceedings during the term of the Agreement.

2. Creditworthiness Requirements

Shipper will provide security to Transporter unless Shipper maintains an investment grade credit rating for its long-term senior unsecured debt from Moody's Investor Service ("Moody") of Baa3 or better or from Standard and Poor's ("S&P") of BBB- or better for the term of the Agreement. If, during the term of this Agreement, Shipper's credit rating falls below investment grade as determined by either S&P or Moody, Shipper will provide security to Transporter as stated below, but only for the duration of its belowinvestment-grade credit rating, provided that, such security shall be returned to Shipper within thirty (30) days of Shipper's credit rating being restored to investment grade, with interest accruing on any cash deposit as set forth in subparagraph (d) below. For each day such return of cash deposit is delayed past the aforementioned thirty (30) day period, interest will accrue on such cash deposit at the FERC refund interest rate. The amount of security required shall be equal to the reservation charges for Shipper's contract demand times the lesser of three years or the contract term remaining under this Agreement. The following are forms of security that may be provided by Shipper if the need arises:-

(a) A guarantee in form and substance that is reasonably satisfactory to Transporter, executed by an entity with an investment grade credit rating, of Shipper's performance of its obligations to Transporter; or

(b) A non-transferable, standby irrevocable letter of credit in form and substance reasonably acceptable to Transporter, and drawn upon a bank acceptable to Transporter; or

(c) Such other form of security that is reasonably acceptable to Transporter, which may include a cash deposit; and

(d) If security in the form of a cash deposit has been provided pursuant to (c) above, any refunds of such security due to termination of the Agreement, or due to reduced security requirements shall include interest on such security at the same rate that Transporter earns on the security through the date of such refund.

3. Segmentation Rights

Pursuant to Transporter's posted open season for the CHC Project wherein Transporter offered all potential shippers segmentation rights on the constructed facilities associated with the CHC Project at the Meeker/White River Hub as an inducement to participate in the CHC Project, Transporter herein agrees to provide Shipper with segmentation rights at the Wild Horse receipt/delivery points (White River Hub interconnect), effective upon the later of the in-service date of the CHC Project or the Primary Term Begin Date of this Agreement for the duration of this Agreement pursuant to Section 13, "Segmentation", of Rate Schedule TF-1 in Transporter's FERC Cas Tariff.

Rate Schedule TF-1 Service Agreement Contract No. 143037

THIS SERVICE AGREEMENT (Agreement) by and between Northwest Pipeline LLC (Transporter) and Intermountain Gas Company (Shipper) is made and entered into on August 14, 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. The capacity under this Agreement was the subject of two competitive bid processes: one at discounted rates for a limited term as described in All Shippers Letter 19-129, and one for a longer term at the Maximum Base Tariff Rate as described in All Shippers Letter 19-131. As Shipper was the successful bidder in both of the bid processes, Transporter and Shipper have agreed to create one contract that incorporates the terms of both capacity offerings.

-

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.
- 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. <u>Capacity Release. If Shipper is a temporary capacity release Replacement Shipper, any capacity release conditions, including recall rights, are set forth on Exhibit A.</u>
- 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. <u>Regulatory Authorization. Transportation service under this Agreement is authorized pursuant to the</u> <u>Commission regulations set forth on Exhibit A.</u>
- 9. Superseded Agreements. When this Agreement takes effect, it supersedes, cancels and terminates the following agreement(s): None, 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.

-	—
<u>Intermountain Gas Company</u>	_
By: /S/	-
Name: RANDY SCHULTZ	_
Title: AGENT FOR INTERMOUNTAIN GAS CO	_

Northwest Pipeline LLC

By: /S/

<u>Name: MIKE RASMUSON</u> Title: DIRECTOR, MARKETING SERVICES

_

EXHIBIT A Dated August 14, 2019, Effective January 01, 2020 to the Rate Schedule TF-1 Service Agreement (Contract No. 143037) between Northwest Pipeline LLC and Intermountain Gas Company SERVICE DETAILS

- 1. Transportation Contract Demand (CD): 17,449 Dth per day
- 2. <u>Primary Receipt Point(s)</u>:

_	Maximum Daily Quantities	-
Point ID Name	<u>(Dth)</u>	
187 STANFIELD RECEIPT	17,449	_
<u>Total</u>	17,449	

3. Primary Delivery Point(s):

_	<u>Maximum Daily</u> Delivery	Delivery _
	Obligation	Pressure
Point ID Name	(Dth)	(psig)
	<u>17,449</u>	570
<u>Total</u>	17,449	_

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

4. <u>Customer Category:</u>

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): 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. <u>Rate Discount Conditions Consistent with Section 3.5 of Rate Schedule TF-1: The Reservation</u> <u>Charge (per Dth of CD) for January 1, 2020 through October 31, 2025 is equal to 25% of the</u> <u>Maximum Base Tariff Rate, plus applicable surcharges. Effective November 1, 2025, the rate</u> will be the Maximum Base Tariff Rate, plus applicable surcharges.
- e. Negotiated Rate Conditions Consistent with Section 3.7 of Rate Schedule TF-1: Not Applicable

- 6. <u>Transportation Term:</u>
 - a. Primary Term Begin Date: January 01, 2020
 - b. Primary Term End Date: October 31, 2042

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 August 14, 2019, Effective January 01, 2020,

(subject to Commission acceptance) <u>to the</u> Rate Schedule TF-1 Service Agreement (Contract No. 143037) between Northwest Pipeline LLC and Intermountain Gas Company

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 not to protest 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.

Rate Schedule TF-1 Service Agreement Contract No. 143072

THIS SERVICE AGREEMENT (Agreement) by and between Northwest Pipeline LLC (Transporter) and Intermountain Gas Company (Shipper) is made and entered into on September 26, 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. The capacity under this Agreement was the subject of two competitive bid processes: one at discounted rates for a limited term as described in All Shippers Letter 19-142, and one for a longer term at the Maximum Base Tariff Rate as described in All Shippers Letter 19-143. As Shipper was the successful bidder in both of the bid processes, Transporter and Shipper have agreed to create one contract that incorporates the terms of both capacity offerings.

-

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.
- 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. <u>Capacity Release. If Shipper is a temporary capacity release Replacement Shipper, any capacity release conditions, including recall rights, are set forth on Exhibit A.</u>
- 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. <u>Regulatory Authorization. Transportation service under this Agreement is authorized pursuant to the</u> <u>Commission regulations set forth on Exhibit A.</u>
- 9. Superseded Agreements. When this Agreement takes effect, it supersedes, cancels and terminates the following agreement(s): None, 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.

Intermountain Gas Company _		
By: /S/		
Name: RANDY SCHULTZ		
Title: AGENT FOR INTERMOUNTAIN GAS CO		

Northwest Pipeline LLC

By: /S/ Name: MIKE RASMUSON

Title: DIRECTOR, MARKETING SERVICES

EXHIBIT A Dated September 26, 2019, Effective November 01, 2020 <u>to the</u> <u>Rate Schedule TF-1 Service Agreement</u> <u>(Contract No. 143072)</u> <u>between Northwest Pipeline LLC</u> <u>and Intermountain Gas Company</u> <u>SERVICE DETAILS</u>

1. Transportation Contract Demand (CD): 25,000 Dth per day

2. Primary Receipt Point(s):

_		Maximum Daily	_
I	Point ID Name	<u>Quantities</u> (Dth)	
_	187 STANFIELD RECEIPT	25,000	_
	Total	25,000	

3. Primary Delivery Point(s):

- Point ID Name	<u>Maximum Daily</u> Delivery Obligation (Dth)	Delivery Pressure (psig)
3 IGNACIO DELIVERY	20,000	450
550 LAPLATA-TW	5,000	570
Total	25,000	_
		~ 1

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

4. <u>Customer Category:</u>

- 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): Maximum Base Tariff Rate, plus applicable charges
- 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 (per Dth of CD) for November 1, 2020 through October 31, 2025 is equal to 25% of the Maximum Base Tariff Rate, plus applicable surcharges. Effective November 1, 2025, the rate will be the Maximum Base Tariff Rate, plus applicable surcharges.

- e. Negotiated Rate Conditions Consistent with Section 3.7 of Rate Schedule TF-1: Not Applicable
- 6. <u>Transportation Term:</u>
 - a. Primary Term Begin Date: November 01, 2020
 - b. Primary Term End Date: October 31, 2042

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 September 26, 2019, Effective November 01, 2020,

> (subject to Commission acceptance) to the Rate Schedule TF-1 Service Agreement (Contract No. 143072) between Northwest Pipeline LLC and Intermountain Gas Company

> > 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 not to protest 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.

RESERVED FOR FUTURE USE NON-CONFORMING SERVICE AGREEMENTS

Marathon Oil Company

<u>RESERVED FOR FUTURE USE</u> Rate Schedule TF-1 Service Agreement

Contract No. 137676

THIS SERVICE AGREEMENT (Agreement) by and between Northwest Pipeline GP (Transporter) and Marathon Oil Company (Shipper) restates the Service Agreement made and entered into on June 05, 2009.

WHEREAS:

A Transporter conducted a binding open season from August 3, 2007 until September 28, 2007, to offer transportation service on its proposed Colorado Hub Connection Project ("CHC Project");

Pursuant to that binding open season, Shipper and Transporter entered into a Precedent Agreement for a total of 10,000 Dth/d of Contract Demand from the Opal Plant Receipt Point to the Ignacio Delivery Point (El Paso Natural Gas) effective January 1, 2012.

Shipper and Transporter executed the original Service Agreement on June 5, 2009, reflecting the terms agreed to in the Precedent Agreement dated July 1, 2008.

 B Pursuant to Section 11.4 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Transporter and Shipper desire to restate the Service Agreement dated June 05, 2009 ("Contract #137676") in the format of Northwest's currently effective Form of Service Agreement and to make certain additional non-substantive changes, while preserving all pre-existing, substantive contractual rights.

Transporter and Shipper agree to further amend the Agreement to transfer the nonconforming "Delivery Pressure Conditions" provision identified on Exhibit "B" to a conforming provision on Exhibit "A"; modify the "Segmentation Rights" provision identified on Exhibit "B"; and eliminate the "Restatement" provision on Exhibit "B".

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.

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 Contract Demand set forth on Exhibit A. The maximum currently effective 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 of the GT&C, Shipper agrees to pay Transporter a facility reimbursement charge as set forth on Exhibit C.

4. Transportation Term. This Agreement becomes effective on the date first set forth above. 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 Incorporation. Exhibit A is attached hereto and incorporated as part of this Agreement. If Exhibits B, C and/or D apply, as noted on Exhibit A to this Agreement, then such Exhibits also are 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): CHC Project Precedent Agreement dated July 1, 2008 and the original Service Agreement dated June 5, 2009.

IN WITNESS WHEREOF, Transporter and Shipper have executed this Restated Agreement on October 22, 2009.

Marathon Oil Company	Northwest Pipeline GP
By: /S/	<u>By: /S/</u>
Name: SCOTT DALENE	Name: JANE F HARRISON
Title: MANAGER COMMERCIAL SERVICES	Title: MANAGER NWP MARKETING
	SERVICES

EXHIBIT A

(Dated October 22, 2009, Effective October 22, 2009) to the Rate Schedule TF-1 Service Agreement (Contract No. 137676) between Northwest Pipeline GP and Marathon Oil Company

SERVICE DETAILS

Maximum Daily

1. Transportation Contract Demand (CD): 10,000 Dth per day

2. Primary Receipt Point(s):

Point ID Name	<u>Quantities</u>
	(Dth)
543 OPAL PLANT	10.000
Total	10,000

3. Primary Delivery Point(s):

	<u>Maximum Daily</u>	
	Obligation	
Point ID Name	(Dth)	-Pressure (psig)
3 IGNACIO DELIVERY	10,000	450
Total	10,000	

Specified conditions for Delivery Pressure, pursuant to Section 2.4 of the General Terms and Conditions:

Any scheduled deliveries to the Wild Horse/White River Hub interconnect will be subject to either: 1) equivalent scheduled quantities flowing from the Wild Horse - White River Hub interconnect to Tranporter's mainline; or 2) prevailing line pressures on White River Hub's system being low enough to accept scheduled deliveries from Tranporter's system.

4. Customer Category:

a. Large Customer

b. Incremental Expansion Customer: No

5	Recourse or Discounted Recourse Transportation Rates:
	a. <u>Reservation Charge (per Dth of CD):</u> 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: Not Applicable
6.	Transportation Term:
	a. Primary Term Begin Date: January 01, 2012
	c. Primary Term End Date: October 31, 2019
	d. Evergreen Provision: Yes, standard bi-lateral evergreen under Section 12.2 of Rate Schedule TF-1
7	Contract Specific OFO Parameters: None.
8.	Regulatory Authorization: 18 CFR 284.223
9	Additional Exhibits: Exhibit B Yes, dated October 22, 2009 Exhibit C No Exhibit D No Exhibit E No

EXHIBIT B

(Dated October 22, 2009, Effective October 22, 2009, subject to Commission acceptance) to the Rate Schedule TF-1 Service Agreement (Contract No. 137676) between Northwest Pipeline GP and Marathon Oil Company

NON-CONFORMING PROVISIONS

1. CHC Support

Transporter will seek to have costs for construction of the CHC Project rolled into its general system rates. Shipper agrees to support rolled-in rate treatment for these costs in any certificate proceeding related to the CHC Project and in any subsequent general rate case proceedings during the term of this Agreement.

2. Creditworthiness Requirements

Shipper will provide security to Transporter unless Shipper maintains an investment grade credit rating for its long term senior unsecured debt from Moody's Investor Service ("Moody") of Baa3 or better or from Standard and Poor's ("S&P") of BBB- or better for the term of the Agreement. If, during the term of this Agreement, Shipper's credit rating falls below investment grade as determined by either S&P or Moody, Shipper will provide security to Transporter as stated below, but only for the duration of its below investment-grade credit rating, provided that, such security shall be returned to Shipper within thirty (30) days of Shipper's credit rating being restored to investment grade, with interest accruing on any cash deposit as set forth in subparagraph (d) below. For each day such return of cash deposit is delayed past the aforementioned thirty (30) days period, interest will accrue on such cash deposit at the FERC refund interest rate. The amount of security required shall be equal to the reservation charges for Shipper's contract demand times the lesser of three years or the contract term remaining under this Agreement. The following are forms of security that may be provided by Shipper if the need arises:

(a) A guarantee in form and substance that is satisfactory to Transporter, executed by an entity with an investment grade credit rating, of Shipper's performance of its obligations to Transporter; or

(b) A standby irrevocable letter of credit in form and substance acceptable to Transporter, and drawn upon a bank acceptable to Transporter; or

(c) Such other form of security that is acceptable to Transporter, which may include a cash deposit; and

(d) If security in the form of a cash deposit has been provided pursuant to (c) above, any refunds of such security due to termination of this Agreement, or due to reduced security requirements shall include interest on such security at the same rate that Transporter earns on the security through the date of such refund.

3. Segmentation Rights

Pursuant to Tranporter's posted open season for the CHC Project wherein Transporter offered all potential shippers segmentation rights on the constructed facilities associated with the CHC Project at the Meeker/White River Hub as an inducement to participate in the CHC Project, Transporter herein agrees to provide Shipper with segmentation rights at the Meeker receipt point and the Wild Horse delivery point (White River Hub interconnect), effective upon the later of the in-service date of the CHC Project or the Primary Term Begin Date of this Agreement, for the duration of this Agreement pursuant to Section 13, "Segmentation", of Rate Schedule TF-1 in Transporter's FERC Gas Tariff.

RESERVED FOR FUTURE USE

Rate Schedule TF-1 Service Agreement

Contract No. 143077

THIS SERVICE AGREEMENT (Agreement) by and between Northwest Pipeline LLC (Transporter) and Puget Sound Energy, Inc. (Shipper) is made and entered into on September 27, 2019.

WHEREAS:

A. Transporter and Shipper entered into the North Seattle Lateral Facilities Agreement dated March 29, 2017 wherein Shipper agreed to reimburse Transporter for the upgrade of certain delivery facilities through an incremental facilities charge, pursuant to Section 21.5(b) of the General Terms and Conditions of Transporter's FERC Gas Tariff, and to execute a Service Agreement incorporating such incremental facility charge.

-

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.
- 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 nonconforming 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. <u>Exhibit / Addendum to Service Agreement Incorporation. Exhibit A is attached hereto and incorporated</u> 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. <u>Regulatory Authorization. Transportation service under this Agreement is authorized pursuant to the</u> <u>Commission regulations set forth on Exhibit A.</u>
- 9. Superseded Agreements. When this Agreement takes effect, it supersedes, cancels and terminates the following agreement(s): None, 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.

- Puget Sound Energy, Inc.	_
By: /S/	_
Name: BILL DONAHUE	_
Title: MANAGER, NATURAL GAS RESOURCES	_

Northwest Pipeline LLC

By: /S/ Name: MIKE RASMUSON

Title: DIRECTOR, MARKETING SERVICES

EXHIBIT A Dated September 27, 2019, Effective November 01, 2019 <u>to the</u> <u>Rate Schedule TF-1 Service Agreement</u> <u>(Contract No. 143077)</u> <u>between Northwest Pipeline LLC</u> <u>and Puget Sound Energy, Inc.</u> <u>SERVICE DETAILS</u>

1. Transportation Contract Demand (CD): 159,299 Dth per day

2. Primary Receipt Point(s):

- Point ID Name	Maximum Daily Quantities (Dth)	-
754 NORTH SEATTLE IN-LINE TRANSFER	<u>159,299</u>	-
<u>Total</u>	159,299	

3. Primary Delivery Point(s):

- Point ID Name	<u>Maximum Daily</u> <u>Delivery</u> <u>Obligation</u> (Dth)	Delivery Pressure (psig)
481 NORTH SEATTLE/EVERETT	159,299	310
<u>Total</u>	159,299	_

Specified conditions for Delivery Pressure, pursuant to Section 2.4 of the General Terms and Conditions:

1. For delivery points listed on Exhibit A, Transporter's delivery pressure commitment under Section 2.4 of the General Terms and Conditions of Transporter's tariff will be satisfied by Transporter maintaining the pressures set forth on Exhibit A at the outlet of its respective meter stations where custody transfer measurement occurs for such downstream delivery points, excluding the pressure commitment for the North Seattle/Everett delivery point, which resides at the Shipper's town border station at mile post 10.4. With the pressure commitment of 310 psig at the inlet of Customer's town border station, Northwest will be capable of transporting approximately 412,419 Dth per day through the North Seattle Meter Station, consisting of 4,124 Dth delivered at the Clearview (North Bothell) location, 57,739 Dth delivered at the Jewel Road location and 350,556 Dth delivered through Customer's town border station.

- 4. <u>Customer Category:</u>
 - 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): \$0.00, 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 Discount Rate will not be applicable and Shipper will pay Transporter's maximum tariff Reservation Charge for any portion of Shipper's Transportation Contract Demand used by Shipper (or by a Replacement Shipper acquiring released capacity from Shipper or Replacement Shipper) for receipts or deliveries outside of the corridor established by the primary receipt and delivery locations on Exhibit "A" hereto or outside of the respective new primary receipt location to primary delivery location corridors for Shipper and Replacement Shipper that may be established by a segmented capacity release.

In recognition of Shipper's obligation to pay the Delivery Facilities Facility Charge set forth in Exhibit "C" hereto, the Maximum Effective Tariff Rate otherwise applicable will be discounted to the Minimum Effective Tariff Rate so long as Shipper is paying the Facility Charge as set forth in Exhibit "C" attached. However, such discount will not apply and Shipper will pay Transporter's Maximum Tariff Reservation Rate, whenever, and to the extent, Shipper (or any replacement shipper) utilizes receipt and/or delivery points that are not located on the Delivery Facilities. If in any rate proceeding subsequent to the execution date of the Agreement, the Commission requires an allocation of additional costs to this Agreement, the previously applicable discounted rate will no longer apply and this Agreement will be concurrently amended to establish a new discounted rate calculated to recover all direct and allocated costs deemed attributable by the Commission to service under this Agreement. For all future Facility Charge items relating to the Delivery Facilities, such items will be calculated by Transporter in a manner that is consistent with the methodology set forth in Exhibit "C" of this Agreement.

- e. Negotiated Rate Conditions Consistent with Section 3.7 of Rate Schedule TF-1: Not Applicable
- 6. <u>Transportation Term</u>:
 - a. Primary Term Begin Date: November 01, 2019
 - b. Primary Term End Date: October 31, 2044

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. <u>Additional Exhibits:</u>

Exhibit	В	Yes
Exhibit	С	Yes
Exhibit	D	No
Exhibit	Е	No

EXHIBIT B Dated September 27, 2019, Effective November 01, 2019,

> (subject to Commission acceptance) <u>to the</u> Rate Schedule TF-1 Service Agreement (Contract No. 143077) between Northwest Pipeline LLC and Puget Sound Energy, Inc.

> > NON-CONFORMING PROVISIONS

CREDIT

B-1.1 Transporter's obligations under this Agreement are contingent upon Shipper's continuing satisfaction of the creditworthiness standard or the collateral alternative set forth in this Article B-I. Any reference to Shipper in this Article B-I shall also refer and apply to its Guarantor if Shipper has provided a guaranty of financial performance as collateral pursuant to Section B-1.8(a).

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B-1.2 Upon Transporter's request, Shipper shall furnish annually the up-to-date information specified below ("Credit Information"). In addition, Transporter reserves the right to request Credit Information at any other time if Transporter reasonably believes that Shipper's creditworthiness, collateral, or ability to pay may have deteriorated. Shipper shall furnish complete Credit Information to Transporter within ten (10) days after receiving Transporter's request ("Credit Information Deadline"). Transporter will maintain any non-public data included in Shipper's Credit Information on a confidential basis for one (1) year after its receipt. Credit Information will include:

(a) Financial statements (to include a balance sheet, income statement and statement of cash flow), annual reports, 10-K reports or other financial filings with regulatory agencies. If the above information is available on the public internet, Shipper instead may provide instructions regarding where such statements may be located by Transporter.

(b) Private credit ratings, if obtained by Shipper.

(c) Such other information as may be mutually agreed to by the Parties.

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Transporter shall not be obligated to consider any information other than that which Shipper provides, but may, in its sole discretion, elect to do so if Transporter believes that the Credit Information provided by Shipper is inaccurate or incomplete.

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B-1.3 Transporter shall apply consistent evaluation practices to all similarly situated shippers executing transportation service agreements for service on the Upgraded Delivery Facilities when determining Shipper's financial ability to perform the payment obligations that may be due Transporter during the term of this Agreement.

B-1.4 Transporter will apply the following standard in determining whether Shipper is creditworthy:

(a) Shipper will be deemed creditworthy if: (i) Shipper has a long-term senior unsecured debt rating of BBBor better from Standard & Poor's Corporation (" S&P ") or Baa3 or better from Moody's Investor Service (" Moody's "), (if Shipper is rated by both agencies, then the lower rating shall apply); and (ii) Shipper's Credit Limit determined in accordance with Section B-1.5 is equal to or greater than the Minimum Credit Requirement identified in Section B-1.7; or

(b) Shipper will be considered creditworthy if: (i) Shipper's long-term senior unsecured debt is not rated by S&P or Moody's, but Transporter nevertheless determines based on the results of a thorough evaluation of the information provided by Shipper in Section B-1.2 that Shipper's debt rating is equivalent to the ratings in

Section B-1.4(a)(i); and (ii) Shipper's Credit Limit is equal to or greater than the Minimum Credit Requirement.

B-1.5 If Shipper satisfies either Section B-1.4(a)(i) or B-1.4(b)(i), as applicable, then Transporter will establish Shipper's Credit Limit utilizing the Credit Information provided by Shipper in Section B-1.2. "Shipper's Credit Limit" will equal five percent (5%) of Shipper's Tangible Net Worth, where "Tangible Net Worth" means total equity, less goodwill and intangible assets, less accumulated other comprehensive income, less restricted cash. If Shipper's Credit Limit is less than the Minimum Credit Requirement, then Shipper must provide collateral pursuant to Section B-1.8 in an amount equal to the difference between the Minimum Credit Requirement and Shipper's Credit Limit ("Shipper's Credit Shortfall").

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B-1.6 If Shipper does not satisfy either Section B-1.4(a)(i) or B-1.4(b)(i), as applicable, then Transporter will not establish a credit limit for Shipper. Rather, Shipper will be required to provide collateral pursuant to Section B-1.8 in an amount equal to the Minimum Credit Requirement.

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B-1.7 The "Minimum Credit Requirement" shall equal the Facility Charges payable over the next thirty-six (36) months or the remaining term of this Agreement, whichever is less; provided in no event shall the Minimum Credit Requirement during the Primary Term or any extension thereof be less than the minimum credit support required under Transporter's Tariff.

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B-1.8 If Shipper fails or ceases to satisfy either Section B-1.4(a) or B-1.4(b), as applicable, Transporter will notify Shipper of the basis for such determination and the amount of collateral that Shipper must provide, not to exceed the Minimum Credit Requirement. Similarly, if Shipper has previously provided collateral pursuant to this Section B-1.8, but such collateral fails or ceases to satisfy the conditions of this Section B-1.8, Transporter will notify Shipper of the basis for such determination and the amount of collateral that Shipper must provide, not to exceed the Minimum Credit Requirement. Similarly, if Shipper has previously provided collateral pursuant to this Section B-1.8, but such collateral fails or ceases to satisfy the conditions of this Section B-1.8, Transporter will notify Shipper of the basis for such determination and the amount of collateral that Shipper must provide, not to exceed the Minimum Credit Requirement. Shipper will have fifteen (15) days after receipt of such notice ("Collateral Deadline") to provide the specified amount of collateral in one or more of the acceptable forms described below.

(a) Shipper may provide a guaranty of financial performance, in form and substance reasonably satisfactory to Transporter, from one or more guarantors (collectively "Guarantor") that complies with the information requirements in Section B-1.2 and meets the applicable creditworthiness standard in Section B-1.4. At least annually, Transporter will reevaluate the creditworthiness of Shipper and its Guarantor pursuant to this Article B-I and will notify Shipper of the results and whether any other collateral must be provided.

(b) A standby irrevocable letter of credit ("LC") in form and substance satisfactory to Transporter, drawn upon a major U.S. bank having assets of at least U.S. \$10 billion and with a credit rating of A- or better from S&P or A3 or better from Moody's (if the bank is rated by both agencies, then the lower rating shall apply). At least annually, Transporter will reevaluate the creditworthiness of Shipper and the bank providing the LC pursuant to this Article B-I and will notify Shipper of the amount by which the LC must be adjusted or eliminated.

(c) Shipper may provide a cash security deposit ("Deposit"). The Deposit must be sufficient to cover Shipper's Credit Shortfall. The Deposit shall accrue interest and Transporter shall pay the interest accrued on the Deposit to Shipper quarterly. At least annually, Transporter will reevaluate Shipper's creditworthiness pursuant to this Article B-I and will notify Shipper of the amount by which the Deposit must be adjusted or eliminated.

(d) Shipper may provide such other collateral as mutually agreed to in writing by the Parties on a nondiscriminatory basis.

B-1.9 If Shipper defaults under Section B-1.2 or B-1.8, then Transporter may terminate this Agreement by providing thirty (30) days' notice of termination to Shipper and FERC. However, Shipper may avoid such termination by curing such default within the thirty (30) day notice period. If this Agreement is terminated pursuant to this Section B-1.9, then Transporter may immediately cease providing service to Shipper and pursue whatever rights and remedies are available to Transporter in law and in equity.

DISPUTED STATEMENTS

B-2.1 If Shipper should dispute the amount of any statement delivered under this Agreement, then on or before the disputed statement's due date Shipper shall notify Transporter of the dispute and provide

documentation identifying the basis for the dispute. In addition, Shipper shall pay by the statement's due date:

(a) The full amount of the statement, subject to refund with interest on the refunded amount upon final determination of the dispute in Shipper's favor; or

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(b) Such amount of the statement as Shipper concedes to be correct and, within ten (10) days after the statements due date, furnish a surety bond from a surety having an A.M. Best credit rating of "A" or better, guarantying payment to Transporter of the withheld amount with interest upon final determination of the dispute in Transporter's favor.

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B-2.2 Interest on any overpayment or underpayment of the amount finally determined to be due shall accrue at the lesser of one and one-half percent (1.5%) per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Final determination of the amount due may be reached by either agreement of the Parties or judgment of the courts.

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B-2.3 If Shipper posts a surety bond and the amount finally determined to be due Transporter is less than or equal to the amount that Shipper asserted in its documentation as being the correct amount due, then Transporter shall reimburse Shipper the premium paid by Shipper for the surety bond.

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B-2.4 Except as permitted in Section B-2.1(b), Shipper's failure to pay the full amount of any statement when due shall be deemed a default under this Agreement. Upon such default, Transporter may terminate this Agreement by providing thirty (30) days' notice of termination to Shipper and FERC. However, Shipper may avoid such termination by taking one of the following actions within the thirty (30) day notice period:

—

(a) Not disputing the statement and paying the full amount due together with interest at the rate set forth in Section B-2.2; or

(b) Disputing the statement in compliance with Section B-2.1(a) or B-2.1(b); provided Shipper's delay in complying with Section B-2.1(a) or B-2.1(b) shall be deemed a waiver of Shipper's right to recover any interest or bond premium under Section B-2.1(a) or B-2.1(b).

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If this Agreement is terminated pursuant to this Section B-2.4, then Transporter may immediately cease providing service to Shipper and pursue whatever rights and remedies are available to Transporter in law and in equity.

MISCELLANEOUS

B-3.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Utah without giving effect to any choice or conflict of law provision or rule that would cause the laws of any other jurisdiction to apply.

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B-3.2 The provisions of this Agreement shall be considered as prepared through the joint efforts of the Parties and shall not be construed against either Party as a result of the preparation or drafting thereof.

B-3.3 If any provision of this Agreement is held to be unenforceable by a court or regulatory body of competent jurisdiction, then the remaining provisions of this Agreement will remain in full force and effect.

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B-3.4 No waiver by either Party of any one or more defaults by the other in the performance of any provisions of this Agreement will operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

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B-3.5 Any lawsuit, action or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States of America or the courts of the State of Utah in each case located in Salt Lake City, Salt Lake County, Utah, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such lawsuit, action or proceeding.

B-3.6 The prevailing Party in any lawsuit, action or proceeding brought to enforce this Agreement or

collect any amount due under this Agreement shall be entitled to recover its reasonable attorneys' fees, expert witnesses' fees and other expenses incurred at trial and any appeal.

EXHIBIT C Dated September 27, 2019, Effective November 01, 2019 <u>to the</u> <u>Rate Schedule TF-1 Service Agreement</u> <u>(Contract No. 143077)</u> <u>between Northwest Pipeline LLC</u> <u>and Puget Sound Energy, Inc.</u> <u>INCREMENTAL FACILITIES PAYMENT OBLIGATION</u>

1. DESCRIPTION OF FACILITIES:

The facilities contemplated by Section 21 or 29 of the GT&C to provide service under this agreement include the following:

The Existing Delivery Facilities to be upgraded commence near MP 1.9 on the existing North Seattle Lateral in Section 16, Township 27 North, Range 6 East in Snohomish County, Washington. The existing 8-inch diameter pipeline will be removed and replaced with new 20-inch diameter pipeline and will extend approximately 5.85 miles from MP 1.9.

2. RESPONSIBILITY FOR FACILITIES COSTS:

Pursuant to Section 21 or 29 of the GT&C, Shipper is responsible to pay for the facilities described above and has elected the payment option set forth below.

3. TERMS AND CONDITIONS OF FACILITIES PAYMENT:

- a. Type of Charge: Incremental facilities charge.
- b. <u>Charge \$10,389,775.00</u>

This amount represents the first year facility charge, which will be billed in equal monthly installments over a twelve month period, unless a shorter period is applicable. The facility charge will be adjusted and trued up annually thereafter to reflect the actual costs incurred by Transporter in accordance with the methodology set forth below:

Calculation of the facility charge:

1) Rate Derivation Assumptions.

The Facility Charge for the North Seattle Lateral Upgraded Facilities Project ("Upgraded Delivery Facilities") will be calculated annually using the same rate derivation assumptions utilized in calculating the maximum base reservation rate approved by FERC under Rate Schedule TF-1 of the Tariff (" Tariff Reservation Rate "), as such Tariff Reservation Rate and underlying assumptions may change from time to time, with the exceptions that the Facility Charge will:

a) Be recalculated and trued-up after the end of each calendar year as provided in Sections (4) through (7) below;

b) Have a weighted overall cost of capital (exclusive of taxes) of ten (10) percent ("Fixed Return");

c) Have a depreciable life equal to twenty-five (25) years ("Fixed Depreciable Life"); and
2) Definitions.

The terms below have the following meanings for purposes of the Facility Charge calculation:

a) " Directly Assigned Transmission Operation and Maintenance ("O&M") " means all transmission costs in the 800 series FERC Accounts as so defined in 18 CFR Part 201, except FERC Accounts 850-852 and 861.

b) " Directly Assigned Transmission O&M Labor " means only the transmission labor costs in the 800 series FERC Accounts as so defined in 18 CFR Part 201, except FERC Accounts 850-852 and 861.

c) " Directly Assigned Transmission O&M Labor Ratios " means the ratio of Directly Assigned Transmission O&M Labor of the Upgraded Delivery Facilities to the total Directly Assigned Transmission O&M Labor of the transmission system. CFR Part 201.

d) " Indirectly Assigned Transmission O&M " means all costs in FERC Accounts 850-852 and 861.
 e) Administrative and General (" A&G ") means all costs in FERC Accounts as so defined in 18

f) " Total O&M " means all costs in the 800 series FERC Accounts as so defined in 18 CFR Part 201 and A&G.

g) " Total O&M Labor Ratios " means the ratio of Total O&M labor related costs assigned to the Upgraded Delivery Facilities to the Total O&M labor related costs assigned to the transmission and storage system.

h) "Transmission Communication Point Ratios" means the total communication points utilized in the Upgraded Delivery Facilities to the total communication points utilized in the transmission system.

i) "Transmission & Storage Communication Point Ratios " means the total communication points utilized in the Upgraded Delivery Facilities to the total communication points utilized in the transmission and storage system.

j) " Miles of Pipe Ratios " means the total miles of pipe for the Upgraded Delivery Facilities to the total miles of pipe for the transmission system.

3) Annual Cost-of-Service Components.

a) O&M Expenses.

i) Directly Assigned Transmission O&M related to the Upgraded Delivery Facilities is accumulated under a separate work order.

ii) Indirectly Assigned Transmission O&M is allocated using a combination method, which allocates: (1) costs in FERC Accounts 850 and 861 based on Directly Assigned Transmission O&M Labor Ratios, and (2) costs in FERC Accounts 851 and 852 based fifty-percent (50%) on Miles of Pipe Ratios and fifty-percent (50%) on Transmission Communication Point Ratios.

iii) A&G is allocated in accordance with the FERC approved Kansas-Nebraska methodology.

If the allocation methods used in this Section (3)(a) change in any future FERC rate proceeding, then the above costs will be allocated consistent with the methods approved in such rate proceeding.

b) Depreciation.

i) Direct depreciation expense for the gross direct plant for the Upgraded Delivery Facilities is based on the Fixed Depreciable Life.

ii) Indirect depreciation expense includes general and intangible plant depreciation and amortization that is allocated using a combination method, which allocates:

(1) Depreciation related to general plant costs recorded in FERC Accounts as so defined in 18 CFR Part 201, except FERC Account 397, based on Total O&M Labor Ratios; and

(2) Depreciation and amortization related to intangible plant costs recorded in FERC Accounts as so defined in 18 CFR Part 201, and communication equipment costs in FERC Account 397 based fifty-percent (50%) on Miles of Pipe Ratios and fifty-percent (50%) on Transmission & Storage Communication Point Ratios.

_If the allocation methods used in this Section (3)(b) change in any future FERC rate proceeding, then the above costs will be allocated consistent with the methods approved in such rate proceeding.

c) Net Negative Salvage ("NNS").

NNS is calculated using gross direct plant for the Upgraded Delivery Facilities multiplied by the NNS rate developed for the transmission system. If the NNS rate changes in any future FERC rate proceeding, then the NNS rate will be revised consistent with the NNS rate developed for the transmission system in such rate proceeding or as otherwise specified in such rate proceeding.

d) Federal and State Income Taxes.

The federal income tax expense is based on the federal income tax rate in effect for the period of the cost-of-service calculation. The state income tax expense is based on the average weighted state income tax rates in effect for the period of the cost-of-service calculation.

e) Taxes Other Than Income Taxes.

i) Ad valorem taxes are based on the rate(s) used to determine the taxes paid in the county or counties where the Upgraded Delivery Facilities are located, multiplied by the total average net plant of the Upgraded Delivery Facilities and the general and intangible plant assigned to the Upgraded Delivery Facilities.

ii) Payroll taxes are allocated to the Upgraded Delivery Facilities based on the Total O&M

Labor Ratios.

iii) Other taxes not mentioned above, such as state franchise taxes and state sales and use taxes, are allocated to the Upgraded Delivery Facilities based on the appropriate combination method ratios used to allocate indirect depreciation expense discussed in Section (3)(b)(ii) above.

If the allocation methods used in this Section (3)(e) change in any future FERC rate proceeding, then the above taxes will be allocated consistent with the methods approved in such rate proceeding.

f) Return on Rate Base.

Return on rate base is calculated by multiplying the Fixed Return by the remaining rate base of the Upgraded Delivery Facilities.

i) Rate Base. Rate base for the Upgraded Delivery Facilities includes both direct and indirect rate base and is calculated on an annual basis using a 13-month average (12 months of the current calendar year and the last month of the prior calendar year, if available).

(1) Direct rate base equals gross direct plant less accumulated depreciation and accumulated deferred income taxes for the Upgraded Delivery Facilities.

(a) Gross direct plant is based upon actual initial capital expenditures for the Upgraded Delivery Facilities. Any subsequent additional capital expenditures will be added to gross direct plant in the year incurred. To the extent that the gross direct plant has not been fully depreciated by the end of the Fixed Depreciable Life, the remaining net book value of the Upgraded Delivery Facilities, less any related accumulated deferred income taxes, will be included as part of the final cost-of-service true-up calculation.

(2) Indirect rate base equals gross general and intangible plant for the same accounts identified in the indirect depreciation expense discussed in Section (3)(b)(ii) above less related accumulated depreciation and accumulated deferred income taxes, plus working capital allocated to the Upgraded Delivery Facilities. Working capital includes materials and supplies and prepaid expenses.

(a) Indirect rate base is allocated to the Upgraded Delivery Facilities based on the same combination method ratios used to allocate indirect depreciation expense discussed in Section (3)(b)(ii) above.

(b) Working capital is allocated to the Upgraded Delivery Facilities using a combination method based fifty-percent (50%) on Miles of Pipe Ratios and fifty-percent (50%) on Transmission & Storage Communication Point Ratios.

If the allocation methods in this Section (3)(f)(i)(2) change in any future FERC rate proceeding, then indirect rate base and working capital will be allocated consistent with the methods approved in such rate proceeding.

4) Initial Facility Charge:

The initial Facility Charge will be calculated from the forecasted cost-of-service of the Upgraded Delivery Facilities between thirty (30) to ninety (90) days prior to the actual inservice date of the Upgraded Delivery Facilities and will be communicated by Northwest to Customer prior to the in-service date of the Upgraded Delivery Facilities.

5) Annual Recalculation of the Facility Charge.

A new Facility Charge will be calculated after the end of each calendar year in accordance with Sections (1) through (3).

6) Assessment Period.

Each new Facility Charge will be assessed from April of the current calendar year through March of the next calendar year unless a shorter period is applicable at the beginning and/or end of the Fixed Depreciable Life period.

7) Annual True-up of the Prior Facility Charge.

a) True-up Period. The "True-up Period " is the immediately preceding calendar year (or partial preceding calendar year if this Agreement was in effect for only a portion of such preceding calendar year).

b) True-up Calculation. The difference between: (1) the actual cost-of-service calculation for Customer on the Upgraded Delivery Facilities during the True-up Period, and (2) the amount billed to Customer during the True-up Period plus Carrying Costs, as defined in Section (7)(c) below, will be billed or refunded as a lump sum on or before the current calendar year's April invoice. Other charges such as ACA, scheduled overrun, penalties, etc. are not trued-up and are therefore not included in the true-up calculation.

c) Carrying Costs. " Carrying Costs " equal the interest computed in conformance with FERC regulations from either: i) The date the overcharge was paid by Customer through the date the overcharge is refunded by Northwest; or

ii) The date the undercharge would have been due to Northwest through the date the undercharge is paid by Customer.

d) Adjustments for FERC Rate Proceedings. To the extent that any part of a True-up Period falls within a FERC subject-to-refund period wherein any of the allocation methods described in this Exhibit are subject to change, initial billings will be based on the allocation methods used by Northwest in calculating its subject-to-refund Tariff Reservation Rate. If the allocation methods finally approved in such rate proceeding differ from those used by Northwest in calculating its subject-to-refund Tariff Reservation Rate, then the difference between the Facility Charge previously billed during the subject-to-refund period and the Facility Charge subsequently calculated using the allocation methods finally approved by FERC in such rate proceeding will be refunded or billed for the applicable billings. Such refund or billing will occur in the next True-up Period and will include Carrying Costs.

8) Audit Rights. Accounting records and work papers for each True-up Period will be available for audit or review at Northwest's offices for 180 days after the true-up for each year is invoiced. The true-up will be deemed correct if not challenged by Customer during that 180day period.

9) Northwest agrees to propose and defend in future FERC rate proceedings (up to FERC's rehearing process) the cost allocation methods described herein.

- c. Term of Charge:25 years, commencing the latter of November 1, 2019, or the in-service date of the facilities.
- d. Accelerated Payment: None

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.	Schedule	Agreement/ Amendment Date	Filed
Avista Corporation (No. 100010)		07/31/91 10/16/14 (1)	
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. 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

(1) Amendment incorporates the non-conforming provisions.

NON-CONFORMING SERVICE AGREEMENTS (Continued)

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

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

NON-CONFORMING	SERVICE	AGREEMENTS	(Continued)
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Name of Shipper/Agreement No.		Agreement/ Amendment Date	Date Filed
PacifiCorp (No. 129875)	 TF-1	08/01/01 11/12/07	07/21/08
Puget Sound Energy, Inc. (No. 135434)	TF-1	03/05/07 03/10/09 (2)	05/01/09
Puget Sound Energy, Inc. (No. 140415)	TF-1	06/26/14	11/19/14
Puget Sound Energy, Inc. (No. 140766)	TF-1	04/22/15	09/21/15
Puget Sound Energy, Inc. (No. 140910)	TF-1	10/13/15	10/28/15
Puget Sound Energy, Inc. (No. 143077)	TF-1	09/27/19	10/01/19
Shell Energy North America (US), LP (No. 134510)	TF-2	05/01/06	05/05/06
Shell Energy North America (US), LP (No. 137104)	TF-1	09/23/09	09/30/09
Southwest Gas Corporation (No. 100048)	TF-1	06/01/91 06/25/19	07/23/19

(2) 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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Ag	reements	Tariff Record
A		10.A
	Avista Corporation	10.A.1
	Contract No. 100010	10.A.1.1
В		
С		10.C
	Cascade Natural Gas Corporation	10.C.1
	Contract No. 100304	10.C.1.1
	Contract No. 141193	10.C.1.2
	Contract No. 142548	10.C.1.3
	Contract No. 143078	10.C.1.4
D		
Е		
F		•••••
G		•••••
Η		
Ι		10.I
	Idaho Power Company	10.I.1
	Contract No. 139664	
	Intermountain Gas Company	10.I.2
	Contract No. 142982	
	Contract No. 143037	10.I.2.2
	Contract No. 143072	10.I.2.3
J		10.J
	Reserved For Future Use	10.J.1
	Reserved For Future Use	
Κ		
L		
Μ		10.M
	Reserved For Future Use	
	Reserved For Future Use	
Ν		
	Northwest Natural Gas Company	
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Puget Sound Energy, Inc. 10.P.1 Contract No. 143077 10.P.1.1 Contract No. 140415 10.P.1.2 Contract No. 140766 10.P.1.4 Contract No. 140910 10.P.1.5 R	Р		10.P
Contract No. 140415 10.P.1.2 Contract No. 140766 10.P.1.4 Contract No. 140910 10.P.1.5 R		Puget Sound Energy, Inc	10.P.1
Contract No. 140766		Contract No. 143077	10.P.1.1
Contract No. 140910		Contract No. 140415	10.P.1.2
R		Contract No. 140766	10.P.1.4
S		Contract No. 140910	10.P.1.5
Southwest Gas Corporation .10.S.1 Contract No. 100048 .10.S.1.1 Contract No. 100049 .10.S.1.2 T	R		
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Υ	Y		
Ζ	Ζ		

Rate Schedule TF-1 Service Agreement Contract No. 143078

THIS SERVICE AGREEMENT (Agreement) by and between Northwest Pipeline LLC (Transporter) and Cascade Natural Gas Corporation (Shipper) is made and entered into on September 27, 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.

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

- 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 nonconforming 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): None, 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.

Cascade Natural Gas Corporation

By: /S/				
Name: ERIC	WOOD			
Title: GAS	SUPPLY	SUPERVISOR,	CNGC/IG	

Northwest Pipeline LLC

By: /S	/				
Name:	MIKE	RASMU	SON		
Title:	DIRE	ECTOR,	MARKETING	SERVICES	

EXHIBIT A Dated September 27, 2019, Effective November 01, 2019 to the Rate Schedule TF-1 Service Agreement (Contract No. 143078) between Northwest Pipeline LLC and Cascade Natural Gas Corporation SERVICE DETAILS

1. Transportation Contract Demand (CD): 10,000 Dth per day

2. Primary Receipt Point(s):

	Maximum Daily
	Quantities
Point ID Name	(Dth)
672 MOLALLA RECEIPT	10,000
Total	10,000

3. Primary Delivery Point(s):

Point ID Name	Maximum Daily Delivery Obligation (Dth)	Delivery Pressure (psig)
188 STANFIELD DELIVERY	10,000	450
Total	10,000	

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): 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:

a. The Reservation Charge (per Dth of CD) is equal to 100% of Maximum Base Tariff Rate, plus applicable surcharges from November 1 of each year through the following March 31 (winter period) and 0% of Maximum Base Tariff Rate, plus applicable surcharges, from April 1 of each

year through the following October 31 (summer period). The discount during the winter period is limited to the receipt points associated with the following storage facilities, Mist, Jackson Prairie, Plymouth LNG and Clay Basin. If on any day during the winter period, Shipper or any Replacement Shipper nominates from any other receipt point, the maximum reservation rate will apply for a one-year period following each such occurrence, with one exception. The one exception will occur when Transporter agrees to allow Shipper to flex to an alternate receipt point to comply with an OFO obligation pursuant to Section 14.15 of the General Terms and Conditions of the Tariff. The summer period reservation charge discount will apply only on the days that deliveries are not scheduled under this discounted Service Agreement or under any capacity release replacement Agreement; otherwise the maximum Recourse Rate will apply.

b. If Shipper hereafter reduces the amount of TF-1 maximum rate Contract Demand it held under any of its Rate Schedule TF-1 Service Agreements in effect at the time Shipper was awarded this capacity, both the winter period and summer period discounts detailed above will concurrently terminate, and Shipper will pay the maximum TF-1 reservation rate for the remainder of the Agreement term. Notwithstanding the foregoing, Transporter will not have the right to terminate the Agreement discounts if such reduction in Contract Demand by Shipper is attributable to: (i) a temporary release of capacity from the Shipper to another; (ii) the expiration of a temporary release of capacity to the Shipper; (iii) the turning back of capacity by the Shipper in a reverse open season for use by Transporter in a capacity expansion; (iv) or a reduction that was mutually agreed to by Shipper and Transporter.

- 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, 2019
 - b. Primary Term End Date: March 31, 2024

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

- 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 September 27, 2019, Effective November 01, 2019,

> (subject to Commission acceptance) to the Rate Schedule TF-1 Service Agreement (Contract No. 143078) between Northwest Pipeline LLC and Cascade Natural Gas Corporation

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 storage redelivery discount provided under the Agreement in Transporter's subsequent rate cases filed under either Section 4 or 5 of the Natural Gas Act during the term of the Agreement, excluding any rate cases that involve a pre-filed settlement. For rate cases that involve a pre-filed settlement, Shipper agrees not to protest the storage redelivery discount provided to Shipper under the Agreement in Transporter's subsequent rate cases filed under either Section 4 or 5 of the Natural Gas Act during the term of the Agreement.

RESERVED FOR FUTURE USE

Rate Schedule TF-1 Service Agreement Contract No. 143037

THIS SERVICE AGREEMENT (Agreement) by and between Northwest Pipeline LLC (Transporter) and Intermountain Gas Company (Shipper) is made and entered into on August 14, 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. The capacity under this Agreement was the subject of two competitive bid processes: one at discounted rates for a limited term as described in All Shippers Letter 19-129, and one for a longer term at the Maximum Base Tariff Rate as described in All Shippers Letter 19-131. As Shipper was the successful bidder in both of the bid processes, Transporter and Shipper have agreed to create one contract that incorporates the terms of both capacity offerings.

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

- 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): None, 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.

Intermountain Gas Company

Northwest Pipeline LLC

By: /S	5/				
Name:	MIKE	RASMU	SON		
Title:	DIR	ECTOR,	MARKETING	SERVICES	

Name: RANDY SCHULTZ

By: /S/

Title: AGENT FOR INTERMOUNTAIN GAS CO

EXHIBIT A Dated August 14, 2019, Effective January 01, 2020 to the Rate Schedule TF-1 Service Agreement (Contract No. 143037) between Northwest Pipeline LLC and Intermountain Gas Company SERVICE DETAILS

1. Transportation Contract Demand (CD): 17,449 Dth per day

2. Primary Receipt Point(s):

	Maximum Daily
	Quantities
Point ID Name	(Dth)
187 STANFIELD RECEIPT	17,449
Total	17,449

3. Primary Delivery Point(s):

Deint ID Nore	Maximum Daily Delivery Obligation	Delivery Pressure
Point ID Name	(Dth)	(psig)
550 LAPLATA-TW	17,449	570
Total	17,449	

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): 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 (per Dth of CD) for January 1, 2020 through October 31, 2025 is equal to 25% of the Maximum Base Tariff Rate, plus applicable surcharges. Effective November 1, 2025, the rate will be the Maximum Base Tariff Rate, plus applicable surcharges.

- e. Negotiated Rate Conditions Consistent with Section 3.7 of Rate Schedule TF-1: Not Applicable
- 6. Transportation Term:
 - a. Primary Term Begin Date: January 01, 2020
 - b. Primary Term End Date: October 31, 2042

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 August 14, 2019, Effective January 01, 2020,

> (subject to Commission acceptance) to the Rate Schedule TF-1 Service Agreement (Contract No. 143037) between Northwest Pipeline LLC and Intermountain Gas Company

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. Shipper agrees not to protest the discount under the Agreement in Transporter's subsequent rate cases filed under tate cases filed under either Section 4 or 5 of the Natural Gas Act during the term that the discount provided under the Agreement applies.

Rate Schedule TF-1 Service Agreement Contract No. 143072

THIS SERVICE AGREEMENT (Agreement) by and between Northwest Pipeline LLC (Transporter) and Intermountain Gas Company (Shipper) is made and entered into on September 26, 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. The capacity under this Agreement was the subject of two competitive bid processes: one at discounted rates for a limited term as described in All Shippers Letter 19-142, and one for a longer term at the Maximum Base Tariff Rate as described in All Shippers Letter 19-143. As Shipper was the successful bidder in both of the bid processes, Transporter and Shipper have agreed to create one contract that incorporates the terms of both capacity offerings.

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

- 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): None, 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.

Intermountain Gas Company

Northwest Pipeline LLC

Name: MIKE RASMUSON Title: DIRECTOR, MARKETING SERVICES	By: /S	/			
Title: DIRECTOR, MARKETING SERVICES	Name: 1	MIKE RASMU	SON		
	Title:	DIRECTOR,	MARKETING	SERVICES	

Name: RANDY SCHULTZ

By: /S/

Title: AGENT FOR INTERMOUNTAIN GAS CO

EXHIBIT A Dated September 26, 2019, Effective November 01, 2020 to the Rate Schedule TF-1 Service Agreement (Contract No. 143072) between Northwest Pipeline LLC and Intermountain Gas Company SERVICE DETAILS

1. Transportation Contract Demand (CD): 25,000 Dth per day

2. Primary Receipt Point(s):

	Maximum Daily
	Quantities
Point ID Name	(Dth)
187 STANFIELD RECEIPT	25,000
Total	25,000

3. Primary Delivery Point(s):

Point ID Name	Maximum Daily Delivery Obligation (Dth)	Delivery Pressure (psig)
3 IGNACIO DELIVERY	20,000	450
550 LAPLATA-TW	5,000	570
Total	25,000	

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): Maximum Base Tariff Rate, plus applicable charges
- 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 (per Dth of CD) for November 1, 2020 through October 31, 2025 is equal to 25% of the Maximum Base Tariff Rate, plus applicable surcharges. Effective November 1, 2025, the rate will be the Maximum Base Tariff Rate, plus applicable surcharges.

- 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, 2042

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 September 26, 2019, Effective November 01, 2020,

> (subject to Commission acceptance) to the Rate Schedule TF-1 Service Agreement (Contract No. 143072) between Northwest Pipeline LLC and Intermountain Gas Company

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. Shipper agrees not to protest the discount under the Agreement in Transporter's subsequent rate cases filed under tate 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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Version 1.0.0

RESERVED FOR FUTURE USE

Rate Schedule TF-1 Service Agreement Contract No. 143077

THIS SERVICE AGREEMENT (Agreement) by and between Northwest Pipeline LLC (Transporter) and Puget Sound Energy, Inc. (Shipper) is made and entered into on September 27, 2019.

WHEREAS:

A. Transporter and Shipper entered into the North Seattle Lateral Facilities Agreement dated March 29, 2017 wherein Shipper agreed to reimburse Transporter for the upgrade of certain delivery facilities through an incremental facilities charge, pursuant to Section 21.5(b) of the General Terms and Conditions of Transporter's FERC Gas Tariff, and to execute a Service Agreement incorporating such incremental facility charge.

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

- 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 nonconforming 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): None, 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.

Puget Sound Energy, Inc.

By: /S/			
Name: BILL DONA	HUE		
Title: MANAGER,	NATURAL GAS	RESOURCES	

Northwest Pipeline LLC

By: /S/				
Name: M	IKE RASMUS	SON		
Title:	DIRECTOR,	MARKETING	SERVICES	

EXHIBIT A Dated September 27, 2019, Effective November 01, 2019 to the Rate Schedule TF-1 Service Agreement (Contract No. 143077) between Northwest Pipeline LLC and Puget Sound Energy, Inc. SERVICE DETAILS

1. Transportation Contract Demand (CD): 159,299 Dth per day

2. Primary Receipt Point(s):

	Maximum Daily
	Quantities
Point ID Name	(Dth)
754 NORTH SEATTLE IN-LINE TRANSFER	159,299
Total	159,299

3. Primary Delivery Point(s):

Point ID Name	Maximum Daily Delivery Obligation (Dth)	Delivery Pressure (psig)
481 NORTH SEATTLE/EVERETT	159,299	310
Total	159,299	

Specified conditions for Delivery Pressure, pursuant to Section 2.4 of the General Terms and Conditions:

1. For delivery points listed on Exhibit A, Transporter's delivery pressure commitment under Section 2.4 of the General Terms and Conditions of Transporter's tariff will be satisfied by Transporter maintaining the pressures set forth on Exhibit A at the outlet of its respective meter stations where custody transfer measurement occurs for such downstream delivery points, excluding the pressure commitment for the North Seattle/Everett delivery point, which resides at the Shipper's town border station at mile post 10.4. With the pressure commitment of 310 psig at the inlet of Customer's town border station, Northwest will be capable of transporting approximately 412,419 Dth per day through the North Seattle Meter Station, consisting of 4,124 Dth delivered at the Clearview (North Bothell) location, 57,739 Dth delivered at the Jewel Road location and 350,556 Dth delivered through Customer's town border station.

- 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): \$0.00, 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 Discount Rate will not be applicable and Shipper will pay Transporter's maximum tariff Reservation Charge for any portion of Shipper's Transportation Contract Demand used by Shipper (or by a Replacement Shipper acquiring released capacity from Shipper or Replacement Shipper) for receipts or deliveries outside of the corridor established by the primary receipt and delivery locations on Exhibit "A" hereto or outside of the respective new primary receipt location to primary delivery location corridors for Shipper and Replacement Shipper that may be established by a segmented capacity release.

In recognition of Shipper's obligation to pay the Delivery Facilities Facility Charge set forth in Exhibit "C" hereto, the Maximum Effective Tariff Rate otherwise applicable will be discounted to the Minimum Effective Tariff Rate so long as Shipper is paying the Facility Charge as set forth in Exhibit "C" attached. However, such discount will not apply and Shipper will pay Transporter's Maximum Tariff Reservation Rate, whenever, and to the extent, Shipper (or any replacement shipper) utilizes receipt and/or delivery points that are not located on the Delivery Facilities. If in any rate proceeding subsequent to the execution date of the Agreement, the Commission requires an allocation of additional costs to this Agreement, the previously applicable discounted rate will no longer apply and this Agreement will be concurrently amended to establish a new discounted rate calculated to recover all direct and allocated costs deemed attributable by the Commission to service under this Agreement. For all future Facility Charge items relating to the Delivery Facilities, such items will be calculated by Transporter in a manner that is consistent with the methodology set forth in Exhibit "C" of this Agreement.

- 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, 2019
 - b. Primary Term End Date: October 31, 2044

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 Yes Exhibit D No Exhibit E No EXHIBIT B Dated September 27, 2019, Effective November 01, 2019,

> (subject to Commission acceptance) to the Rate Schedule TF-1 Service Agreement (Contract No. 143077) between Northwest Pipeline LLC and Puget Sound Energy, Inc.

> > NON-CONFORMING PROVISIONS

CREDIT

B-1.1 Transporter's obligations under this Agreement are contingent upon Shipper's continuing satisfaction of the creditworthiness standard or the collateral alternative set forth in this Article B-I. Any reference to Shipper in this Article B-I shall also refer and apply to its Guarantor if Shipper has provided a guaranty of financial performance as collateral pursuant to Section B-1.8(a).

B-1.2 Upon Transporter's request, Shipper shall furnish annually the up-to-date information specified below ("Credit Information"). In addition, Transporter reserves the right to request Credit Information at any other time if Transporter reasonably believes that Shipper's creditworthiness, collateral, or ability to pay may have deteriorated. Shipper shall furnish complete Credit Information to Transporter within ten (10) days after receiving Transporter's request ("Credit Information Deadline"). Transporter will maintain any non-public data included in Shipper's Credit Information on a confidential basis for one (1) year after its receipt. Credit Information will include:

(a) Financial statements (to include a balance sheet, income statement and statement of cash flow), annual reports, 10-K reports or other financial filings with regulatory agencies. If the above information is available on the public internet, Shipper instead may provide instructions regarding where such statements may be located by Transporter.

(b) Private credit ratings, if obtained by Shipper.

(c) Such other information as may be mutually agreed to by the Parties.

Transporter shall not be obligated to consider any information other than that which Shipper provides, but may, in its sole discretion, elect to do so if Transporter believes that the Credit Information provided by Shipper is inaccurate or incomplete.

B-1.3 Transporter shall apply consistent evaluation practices to all similarly situated shippers executing transportation service agreements for service on the Upgraded Delivery Facilities when determining Shipper's financial ability to perform the payment obligations that may be due Transporter during the term of this Agreement.

B-1.4 Transporter will apply the following standard in determining whether Shipper is creditworthy:

(a) Shipper will be deemed creditworthy if: (i) Shipper has a long-term senior unsecured debt rating of BBBor better from Standard & Poor's Corporation (" S&P ") or Baa3 or better from Moody's Investor Service (" Moody's "), (if Shipper is rated by both agencies, then the lower rating shall apply); and (ii) Shipper's Credit Limit determined in accordance with Section B-1.5 is equal to or greater than the Minimum Credit Requirement identified in Section B-1.7; or

(b) Shipper will be considered creditworthy if: (i) Shipper's long-term senior unsecured debt is not rated by S&P or Moody's, but Transporter nevertheless determines based on the results of a thorough evaluation of the information provided by Shipper in Section B-1.2 that Shipper's debt rating is equivalent to the ratings

in Section B-1.4(a)(i); and (ii) Shipper's Credit Limit is equal to or greater than the Minimum Credit Requirement.

B-1.5 If Shipper satisfies either Section B-1.4(a)(i) or B-1.4(b)(i), as applicable, then Transporter will establish Shipper's Credit Limit utilizing the Credit Information provided by Shipper in Section B-1.2. "Shipper's Credit Limit" will equal five percent (5%) of Shipper's Tangible Net Worth, where "Tangible Net Worth" means total equity, less goodwill and intangible assets, less accumulated other comprehensive income, less restricted cash. If Shipper's Credit Limit is less than the Minimum Credit Requirement, then Shipper must provide collateral pursuant to Section B-1.8 in an amount equal to the difference between the Minimum Credit Requirement and Shipper's Credit Limit ("Shipper's Credit Shortfall").

B-1.6 If Shipper does not satisfy either Section B-1.4 (a)(i) or B-1.4 (b)(i), as applicable, then Transporter will not establish a credit limit for Shipper. Rather, Shipper will be required to provide collateral pursuant to Section B-1.8 in an amount equal to the Minimum Credit Requirement.

B-1.7 The "Minimum Credit Requirement" shall equal the Facility Charges payable over the next thirty-six (36) months or the remaining term of this Agreement, whichever is less; provided in no event shall the Minimum Credit Requirement during the Primary Term or any extension thereof be less than the minimum credit support required under Transporter's Tariff.

B-1.8 If Shipper fails or ceases to satisfy either Section B-1.4(a) or B-1.4(b), as applicable, Transporter will notify Shipper of the basis for such determination and the amount of collateral that Shipper must provide, not to exceed the Minimum Credit Requirement. Similarly, if Shipper has previously provided collateral pursuant to this Section B-1.8, but such collateral fails or ceases to satisfy the conditions of this Section B-1.8, Transporter will notify Shipper of the basis for such determination and the amount of collateral that Shipper must provide, not to exceed the Minimum Credit Requirement. Shipper will have fifteen (15) days after receipt of such notice ("Collateral Deadline") to provide the specified amount of collateral in one or more of the acceptable forms described below.

(a) Shipper may provide a guaranty of financial performance, in form and substance reasonably satisfactory to Transporter, from one or more guarantors (collectively "Guarantor") that complies with the information requirements in Section B-1.2 and meets the applicable creditworthiness standard in Section B-1.4. At least annually, Transporter will reevaluate the creditworthiness of Shipper and its Guarantor pursuant to this Article B-I and will notify Shipper of the results and whether any other collateral must be provided.

(b) A standby irrevocable letter of credit ("LC") in form and substance satisfactory to Transporter, drawn upon a major U.S. bank having assets of at least U.S. \$10 billion and with a credit rating of A- or better from S&P or A3 or better from Moody's (if the bank is rated by both agencies, then the lower rating shall apply). At least annually, Transporter will reevaluate the creditworthiness of Shipper and the bank providing the LC pursuant to this Article B-I and will notify Shipper of the amount by which the LC must be adjusted or eliminated.

(c) Shipper may provide a cash security deposit ("Deposit"). The Deposit must be sufficient to cover Shipper's Credit Shortfall. The Deposit shall accrue interest and Transporter shall pay the interest accrued on the Deposit to Shipper quarterly. At least annually, Transporter will reevaluate Shipper's creditworthiness pursuant to this Article B-I and will notify Shipper of the amount by which the Deposit must be adjusted or eliminated.

(d) Shipper may provide such other collateral as mutually agreed to in writing by the Parties on a nondiscriminatory basis.

B-1.9 If Shipper defaults under Section B-1.2 or B-1.8, then Transporter may terminate this Agreement by providing thirty (30) days' notice of termination to Shipper and FERC. However, Shipper may avoid such termination by curing such default within the thirty (30) day notice period. If this Agreement is terminated pursuant to this Section B-1.9, then Transporter may immediately cease providing service to Shipper and pursue whatever rights and remedies are available to Transporter in law and in equity.

DISPUTED STATEMENTS

B-2.1 If Shipper should dispute the amount of any statement delivered under this Agreement, then on or before the disputed statement's due date Shipper shall notify Transporter of the dispute and provide

documentation identifying the basis for the dispute. In addition, Shipper shall pay by the statement's due date:

(a) The full amount of the statement, subject to refund with interest on the refunded amount upon final determination of the dispute in Shipper's favor; or

(b) Such amount of the statement as Shipper concedes to be correct and, within ten (10) days after the statements due date, furnish a surety bond from a surety having an A.M. Best credit rating of "A" or better, guarantying payment to Transporter of the withheld amount with interest upon final determination of the dispute in Transporter's favor.

B-2.2 Interest on any overpayment or underpayment of the amount finally determined to be due shall accrue at the lesser of one and one-half percent (1.5%) per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Final determination of the amount due may be reached by either agreement of the Parties or judgment of the courts.

B-2.3 If Shipper posts a surety bond and the amount finally determined to be due Transporter is less than or equal to the amount that Shipper asserted in its documentation as being the correct amount due, then Transporter shall reimburse Shipper the premium paid by Shipper for the surety bond.

B-2.4 Except as permitted in Section B-2.1(b), Shipper's failure to pay the full amount of any statement when due shall be deemed a default under this Agreement. Upon such default, Transporter may terminate this Agreement by providing thirty (30) days' notice of termination to Shipper and FERC. However, Shipper may avoid such termination by taking one of the following actions within the thirty (30) day notice period:

(a) Not disputing the statement and paying the full amount due together with interest at the rate set forth in Section B-2.2; or

(b) Disputing the statement in compliance with Section B-2.1(a) or B-2.1(b); provided Shipper's delay in complying with Section B-2.1(a) or B-2.1(b) shall be deemed a waiver of Shipper's right to recover any interest or bond premium under Section B-2.1(a) or B-2.1(b).

If this Agreement is terminated pursuant to this Section B-2.4, then Transporter may immediately cease providing service to Shipper and pursue whatever rights and remedies are available to Transporter in law and in equity.

MISCELLANEOUS

B-3.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Utah without giving effect to any choice or conflict of law provision or rule that would cause the laws of any other jurisdiction to apply.

B-3.2 The provisions of this Agreement shall be considered as prepared through the joint efforts of the Parties and shall not be construed against either Party as a result of the preparation or drafting thereof.

B-3.3 If any provision of this Agreement is held to be unenforceable by a court or regulatory body of competent jurisdiction, then the remaining provisions of this Agreement will remain in full force and effect.

B-3.4 No waiver by either Party of any one or more defaults by the other in the performance of any provisions of this Agreement will operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

B-3.5 Any lawsuit, action or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States of America or the courts of the State of Utah in each case located in Salt Lake City, Salt Lake County, Utah, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such lawsuit, action or proceeding.

B-3.6 The prevailing Party in any lawsuit, action or proceeding brought to enforce this Agreement or collect any amount due under this Agreement shall be entitled to recover its reasonable attorneys' fees, expert witnesses' fees and other expenses incurred at trial and any appeal.

EXHIBIT C Dated September 27, 2019, Effective November 01, 2019 to the Rate Schedule TF-1 Service Agreement (Contract No. 143077) between Northwest Pipeline LLC and Puget Sound Energy, Inc. INCREMENTAL FACILITIES PAYMENT OBLIGATION

1. DESCRIPTION OF FACILITIES:

The facilities contemplated by Section 21 or 29 of the GT&C to provide service under this agreement include the following:

The Existing Delivery Facilities to be upgraded commence near MP 1.9 on the existing North Seattle Lateral in Section 16, Township 27 North, Range 6 East in Snohomish County, Washington. The existing 8-inch diameter pipeline will be removed and replaced with new 20-inch diameter pipeline and will extend approximately 5.85 miles from MP 1.9.

RESPONSIBILITY FOR FACILITIES COSTS:

Pursuant to Section 21 or 29 of the GT&C, Shipper is responsible to pay for the facilities described above and has elected the payment option set forth below.

3. TERMS AND CONDITIONS OF FACILITIES PAYMENT:

- a. Type of Charge: Incremental facilities charge.
- b. Charge \$10,389,775.00

This amount represents the first year facility charge, which will be billed in equal monthly installments over a twelve month period, unless a shorter period is applicable. The facility charge will be adjusted and trued up annually thereafter to reflect the actual costs incurred by Transporter in accordance with the methodology set forth below:

Calculation of the facility charge:

1) Rate Derivation Assumptions.

The Facility Charge for the North Seattle Lateral Upgraded Facilities Project ("Upgraded Delivery Facilities") will be calculated annually using the same rate derivation assumptions utilized in calculating the maximum base reservation rate approved by FERC under Rate Schedule TF-1 of the Tariff (" Tariff Reservation Rate "), as such Tariff Reservation Rate and underlying assumptions may change from time to time, with the exceptions that the Facility Charge will:

a) Be recalculated and trued-up after the end of each calendar year as provided in Sections (4) through (7) below;

b) Have a weighted overall cost of capital (exclusive of taxes) of ten (10) percent ("Fixed Return");

c) Have a depreciable life equal to twenty-five (25) years ("Fixed Depreciable Life"); and

2) Definitions.

The terms below have the following meanings for purposes of the Facility Charge calculation:

a) " Directly Assigned Transmission Operation and Maintenance ("O&M") " means all transmission costs in the 800 series FERC Accounts as so defined in 18 CFR Part 201, except FERC Accounts 850-852 and 861.

b) " Directly Assigned Transmission O&M Labor " means only the transmission labor costs in the 800 series FERC Accounts as so defined in 18 CFR Part 201, except FERC Accounts 850-852 and 861.

c) " Directly Assigned Transmission O&M Labor Ratios " means the ratio of Directly Assigned Transmission O&M Labor of the Upgraded Delivery Facilities to the total Directly Assigned

Transmission O&M Labor of the transmission system.

d) " Indirectly Assigned Transmission O&M " means all costs in FERC Accounts 850-852 and 861.

e) Administrative and General (" A&G ") means all costs in FERC Accounts as so defined in 18 CFR Part 201.

f) " Total O&M " means all costs in the 800 series FERC Accounts as so defined in 18 CFR Part 201 and A&G.

g) " Total O&M Labor Ratios " means the ratio of Total O&M labor related costs assigned to the Upgraded Delivery Facilities to the Total O&M labor related costs assigned to the transmission and storage system.

h) "Transmission Communication Point Ratios" means the total communication points utilized in the Upgraded Delivery Facilities to the total communication points utilized in the transmission system.

i) " Transmission & Storage Communication Point Ratios " means the total communication points utilized in the Upgraded Delivery Facilities to the total communication points utilized in the transmission and storage system.

j) " Miles of Pipe Ratios " means the total miles of pipe for the Upgraded Delivery Facilities to the total miles of pipe for the transmission system.

3) Annual Cost-of-Service Components.

a) O&M Expenses.

i) Directly Assigned Transmission $\mathsf{O}\mathtt{\&M}$ related to the Upgraded Delivery Facilities is accumulated under a separate work order.

ii) Indirectly Assigned Transmission O&M is allocated using a combination method, which allocates: (1) costs in FERC Accounts 850 and 861 based on Directly Assigned Transmission O&M Labor Ratios, and (2) costs in FERC Accounts 851 and 852 based fifty-percent (50%) on Miles of Pipe Ratios and fifty-percent (50%) on Transmission Communication Point Ratios.

iii) A&G is allocated in accordance with the FERC approved Kansas-Nebraska methodology.

If the allocation methods used in this Section (3)(a) change in any future FERC rate proceeding, then the above costs will be allocated consistent with the methods approved in such rate proceeding.

b) Depreciation.

i) Direct depreciation expense for the gross direct plant for the Upgraded Delivery Facilities is based on the Fixed Depreciable Life.

ii) Indirect depreciation expense includes general and intangible plant depreciation and amortization that is allocated using a combination method, which allocates:

(1) Depreciation related to general plant costs recorded in FERC Accounts as so defined in 18 CFR Part 201, except FERC Account 397, based on Total O&M Labor Ratios; and

(2) Depreciation and amortization related to intangible plant costs recorded in FERC Accounts as so defined in 18 CFR Part 201, and communication equipment costs in FERC Account 397 based fifty-percent (50%) on Miles of Pipe Ratios and fifty-percent (50%) on Transmission & Storage Communication Point Ratios.

If the allocation methods used in this Section (3) (b) change in any future FERC rate proceeding, then the above costs will be allocated consistent with the methods approved in such rate proceeding.

c) Net Negative Salvage ("NNS").

NNS is calculated using gross direct plant for the Upgraded Delivery Facilities multiplied by the NNS rate developed for the transmission system. If the NNS rate changes in any future FERC rate proceeding, then the NNS rate will be revised consistent with the NNS rate developed for the transmission system in such rate proceeding or as otherwise specified in such rate proceeding.

d) Federal and State Income Taxes.

The federal income tax expense is based on the federal income tax rate in effect for the period of the cost-of-service calculation. The state income tax expense is based on the average weighted state income tax rates in effect for the period of the cost-of-service calculation.

e) Taxes Other Than Income Taxes.

i) Ad valorem taxes are based on the rate(s) used to determine the taxes paid in the county or counties where the Upgraded Delivery Facilities are located, multiplied by the total

average net plant of the Upgraded Delivery Facilities and the general and intangible plant assigned to the Upgraded Delivery Facilities.

ii) Payroll taxes are allocated to the Upgraded Delivery Facilities based on the Total ${\tt O\&M}$ Labor Ratios.

iii) Other taxes not mentioned above, such as state franchise taxes and state sales and use taxes, are allocated to the Upgraded Delivery Facilities based on the appropriate combination method ratios used to allocate indirect depreciation expense discussed in Section (3) (b) (ii) above.

If the allocation methods used in this Section (3)(e) change in any future FERC rate proceeding, then the above taxes will be allocated consistent with the methods approved in such rate proceeding.

f) Return on Rate Base.

Return on rate base is calculated by multiplying the Fixed Return by the remaining rate base of the Upgraded Delivery Facilities.

i) Rate Base. Rate base for the Upgraded Delivery Facilities includes both direct and indirect rate base and is calculated on an annual basis using a 13-month average (12 months of the current calendar year and the last month of the prior calendar year, if available).

(1) Direct rate base equals gross direct plant less accumulated depreciation and accumulated deferred income taxes for the Upgraded Delivery Facilities.

(a) Gross direct plant is based upon actual initial capital expenditures for the Upgraded Delivery Facilities. Any subsequent additional capital expenditures will be added to gross direct plant in the year incurred. To the extent that the gross direct plant has not been fully depreciated by the end of the Fixed Depreciable Life, the remaining net book value of the Upgraded Delivery Facilities, less any related accumulated deferred income taxes, will be included as part of the final cost-of-service true-up calculation.

(2) Indirect rate base equals gross general and intangible plant for the same accounts identified in the indirect depreciation expense discussed in Section (3) (b)(ii) above less related accumulated depreciation and accumulated deferred income taxes, plus working capital allocated to the Upgraded Delivery Facilities. Working capital includes materials and supplies and prepaid expenses.

(a) Indirect rate base is allocated to the Upgraded Delivery Facilities based on the same combination method ratios used to allocate indirect depreciation expense discussed in Section (3) (b) (ii) above.

(b) Working capital is allocated to the Upgraded Delivery Facilities using a combination method based fifty-percent (50%) on Miles of Pipe Ratios and fifty-percent (50%) on Transmission & Storage Communication Point Ratios.

If the allocation methods in this Section (3)(f)(i)(2) change in any future FERC rate proceeding, then indirect rate base and working capital will be allocated consistent with the methods approved in such rate proceeding.

4) Initial Facility Charge:

The initial Facility Charge will be calculated from the forecasted cost-of-service of the Upgraded Delivery Facilities between thirty (30) to ninety (90) days prior to the actual inservice date of the Upgraded Delivery Facilities and will be communicated by Northwest to Customer prior to the in-service date of the Upgraded Delivery Facilities.

5) Annual Recalculation of the Facility Charge.

A new Facility Charge will be calculated after the end of each calendar year in accordance with Sections (1) through (3).

6) Assessment Period.

Each new Facility Charge will be assessed from April of the current calendar year through March of the next calendar year unless a shorter period is applicable at the beginning and/or end of the Fixed Depreciable Life period.

7) Annual True-up of the Prior Facility Charge.

a) True-up Period. The "True-up Period " is the immediately preceding calendar year (or partial preceding calendar year if this Agreement was in effect for only a portion of such preceding calendar year).

b) True-up Calculation. The difference between: (1) the actual cost-of-service calculation for Customer on the Upgraded Delivery Facilities during the True-up Period, and (2) the amount billed to Customer during the True-up Period plus Carrying Costs, as defined in Section (7) (c) below, will be billed or refunded as a lump sum on or before the current calendar year's April invoice. Other charges such as ACA, scheduled overrun, penalties, etc.

are not trued-up and are therefore not included in the true-up calculation.
c) Carrying Costs. " Carrying Costs " equal the interest computed in conformance with FERC
regulations from either:

i) The date the overcharge was paid by Customer through the date the overcharge is refunded by Northwest; or

ii) The date the undercharge would have been due to Northwest through the date the undercharge is paid by Customer.

d) Adjustments for FERC Rate Proceedings. To the extent that any part of a True-up Period falls within a FERC subject-to-refund period wherein any of the allocation methods described in this Exhibit are subject to change, initial billings will be based on the allocation methods used by Northwest in calculating its subject-to-refund Tariff Reservation Rate. If the allocation methods finally approved in such rate proceeding differ from those used by Northwest in calculating its subject-to-refund Tariff Reservation Rate, then the difference between the Facility Charge previously billed during the subject-to-refund period and the Facility Charge subsequently calculated using the allocation methods finally approved by FERC in such rate proceeding will be refunded or billed for the applicable billings. Such refund or billing will occur in the next True-up Period and will include Carrying Costs.

8) Audit Rights. Accounting records and work papers for each True-up Period will be available for audit or review at Northwest's offices for 180 days after the true-up for each year is invoiced. The true-up will be deemed correct if not challenged by Customer during that 180-day period.

9) Northwest agrees to propose and defend in future FERC rate proceedings (up to FERC's rehearing process) the cost allocation methods described herein.

- c. Term of Charge:25 years, commencing the latter of November 1, 2019, or the in-service date of the facilities.
- d. Accelerated Payment: None