

8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166 TELEPHONE 509-734-4500 FACSIMILE 509-737-9803 www.cngc.com

March 31, 2020 CNG/O20-03-01

Public Utility Commission of Oregon P.O. Box 1088 201 High St SE, Suite 100 Salem, OR 97308-1088

Attn: Filing Center

Re: UG 390, Cascade Natural Gas Corporation's Application for General Rate Revision

Cascade Natural Gas Corporation (Cascade or the Company) files herewith its Application for a General Rate Revision. Cascade is filing pursuant to OAR 860-001-0170 and 860-001-0140. Cascade is also complying with the Commission wavier of rules issued in Order No. 20-088, issued on March 18, 2020. Therefore, all confidential and general filing requirements in the Company's general rate revision will be provided in electronic format and, in accordance with OAR 860-01-0480(5), work papers are provided on Huddle and filed thru PUC.workpapers@state.or.us.

As part of this application, Cascade herewith files the following revision to its Tariff P.U.C. OR 10 stated to become effective with service on and after **April 30, 2020**:

Fifth Revision of Sheet No. 101.1	Sixth Revision of Sheet No. 170.1
Fifth Revision of Sheet No. 104.1	Third Revision of Sheet No. 197.1
Fifth Revision of Sheet No. 105.1	Sixth Revision of Sheet No. 800.1
Sixth Revision of Sheet No. 111.1	
Sixth Revision of Sheet No. 163.1	

The proposed tariff revisions are discussed in detail in the testimony of Pamela J. Archer, included as Exhibit No. CNGC/500. Redlined version of the proposed changes to the tariff are provided in Exhibit No. CNGC/510.

The purpose of this general rate case filing is to increase in the Company's Oregon revenues by \$4,507,842 or 6.67 percent. This request is primarily driven by an increase in investments. The executive summary required per OAR 860-022-0019 is attached.

Schedule 197 is also included as part of this filing which increases annual revenues by \$363,765, which is not part of the general rate increase of \$4,507,842. Schedule 197 is the amortization of environmental remediation deferred costs. The combined impact is an increase request of \$4,871,607 or 7.21 percent.

If approved, this filing would impact customer bills as follows:

Rate Schedule	Current Average Monthly Bill	Therms per Month	Proposed Average Monthly Bill	Change in Average Monthly Bill (\$)	Change in Average Annual Bills	Change in Average Monthly Bill (%)
RS 101 -	\$50.24	58	\$54.48	\$4.25	\$50.98	8.46%
Residential						
RS 104- General	\$175.09	250	\$176.90	1.81	\$21.72	1.03%
Commercial						
RS 105 –	\$1,145.59	1,764	\$1,317.97	\$172.38	\$2,068.63	15.05%
General						
Industrial						
RS 111 – Large	\$7,945.57	13,845	\$7,986.30	\$40.74	\$488.83	0.51%
Volume						
RS 163 –	\$7,041.09	100,305	\$8,670.56	\$1,629.48	\$19,553.70	23.14%
Transportation						

This filing will affect approximately 77,000 customers that Cascade serves in Oregon.

In compliance with OAR 860-022-0019(2)(b), Cascade filed a motion for a general protective order on March 16, 2020. In response, the Commission issued protective Order No. 20-089, issued on March 18, 2020. Exhibits that should be granted the protections provided in this protective order are marked confidential.

Pursuant to OAR 860-022-0019(2)(a), the Company's responses to Standard Data Requests will be uploaded to Huddle. Customer notification of this filing will be published within fifteen (15) days in accordance with the requirements of OAR 860-022-0017.

The Company waives paper service in this proceeding and requests that all correspondence related to this filing be sent to me with copies to the following:

Cascade Natural Gas Corporation Department of Regulatory Affairs 8113 West Grandridge Blvd Kennewick, WA 99336 Telephone: 503-734-4593

Email: CNGCRegulatory@cngc.com

Jocelyn Pease McDowell Rackner & Gibson PC 419 SW 11th Avenue, Suite 400 Portland, OR 97205

Telephone: 503-290-3620 Email: jocelyn@mrg-law.com UG 390, CNGC GRC CNG/O20-03-01 Page 3

If you have any questions regarding this filing, please contact me at (509) 734-4593.

Sincerely,

/s/ Michael Parvinen

Michael Parvinen Director, Regulatory Affairs Email: michael.parvinen@cngc.com

Attachments

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UG 390

In the Matter of
CASCADE NATURAL GAS CORPORATION
Application for a General Rate Revision.

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CASCADE NATURAL GAS CORPORATION'S EXECUTIVE SUMMARY

I. INTRODUCTION

Cascade Natural Gas Corporation (Cascade or Company) is filing a general rate increase with the Public Utility Commission of Oregon (Commission), pursuant to ORS 757.205, 757.215, and 757.220, to revise its schedules of rates and charges for natural gas service in Oregon to become effective with service provided on and after April 30, 2020. With this filing, the Company requests a revision to customer rates that will increase the Company's annual Oregon jurisdictional revenues by \$4,507,842 for an increase of 6.67 percent over current customer rates. The Company also requests a revision to it amortization rate to recover environmental remediation costs that will increase the Company's annual revenues by \$363,765. The combined impact is an increase request of \$4,871,607 or 7.21 percent.

The revised rates produce revenues necessary to sustain the provision of safe, reliable, and low-cost natural gas service to customers in Oregon, while preserving the Company's ability to attract capital for future investments. The Company files this Executive Summary in accordance with OAR 860-022-0019(1). Exhibit A to the Executive Summary provides the required information in accordance with OAR 860-022-0019(1)(a)-(h).

II. BACKGROUND

Cascade is headquartered in Kennewick, Washington and provides natural gas distribution service to over 100 towns and cities in Washington and Oregon. Cascade has approximately 299,000 customers, of which 77,000 are in Oregon, and serves 25 communities in Oregon, the largest of

- 1 which are Bend, Baker City, and Pendleton. In 2007, Cascade became a wholly owned subsidiary
- of MDU Resources Group, Inc. (MDU Resources or MDUR), located in Bismarck, North Dakota.
- 3 Cascade is a public utility providing natural gas service in Oregon within the meaning of
- 4 ORS 757.005. The Company is subject to the jurisdiction of this Commission, the Washington
- 5 Utilities and Transportation Commission, the Federal Energy Regulatory Commission, and the
- 6 Department of Transportation.
- 7 Cascade waives paper service in this docket. Communications regarding this filing should
- 8 be addressed to:

Cascade Natural Gas Corporation Department of Regulatory Affairs 8113 West Grandridge Boulevard Kennewick, WA 99336-7166 Telephone: 509-734-4593

Telephone: 509-734-4593 Facsimile: 509-737-9834

Email: <u>CNGCRegulatory@cngc.com</u>

Jocelyn Pease McDowell Rackner & Gibson PC

419 SW 11th Avenue, Suite 400

Portland, OR 97205 Telephone: 503-290-3620

Facsimile: 503-595-3928 Email: <u>lisa@mcd-law.com</u>

- 9 Communications regarding discovery matters, including data requests issued to the Company,
- 10 should be addressed to:

Cascade Natural Gas Corporation Department of Regulatory Affairs 8113 West Grandridge Boulevard Kennewick, WA 99336-7166 Telephone: 509-734-4593

Facsimile: 509-737-9834

Email: <u>CNGCRegulatory@cngc.com</u>

Jocelyn Pease McDowell Rackner & Gibson PC 419 SW 11th Avenue, Suite 400 Portland, OR 97205

Telephone: 503-290-3620 Facsimile: 503-595-3928 Email: lisa@mcd-law.com

III. CASE SUMMARY

11 A. The Test Year

- The Company's test year in this case is the twelve-months ending December 31, 2020 (Test
- 13 Year). Cascade provides information for a historical base year of the twelve-months ending
- December 31, 2019 (Base Year) and adjusts that information to reflect the forecasted Test Year. In
- order to meet the legal requirement that rates be fair, just, reasonable, and sufficient, the Company

- 1 has selected a test year that closely reflects the investment and expense levels that will exist during
- 2 the time that the rates adopted in this case are expected to be in effect. The new rates are filed with
- 3 a requested effective date of April 30, 2020. Assuming the addition of the full nine-month statutory
- 4 suspension period to the 30-day effective date now contained in the tariffs, the new rates would
- 5 become effective February 1, 2021.

B. Return on Equity

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- 7 The Company's current return on equity (ROE) is 9.4 percent, as established in Commission
- 8 Order No. 19-088, issued in Docket UG 347, the Company's most recent general rate case. In this
- 9 case, the Company seeks a ROE of 9.4 percent. The Company believes that proposing a ROE of
- 10 9.4 percent will reduce costs to all parties and ultimately rate payers represents a reasonable return
- 11 for both shareholders and customers based on recent Commission decisions.

C. Factors Driving Rate Adjustment

As described in the testimony of Nicole Kivisto, the primary factor driving Cascade's need for a rate increase is increased investment with the majority of the investment needed to ensure a safe and reliable service to our customers.

16 IV. TESTIMONY SUMMARY

- 17 The Company's direct case consists of the testimony and exhibits of 5 witnesses:
- In CNGC/100, Nicole A. Kivisto, President and Chief Executive Officer (CEO), provides a
- 19 general overview of the Company, explains the primary drivers of the rate increase, and
- introduces the Company witnesses and briefly describes their testimony;
- In CNGC/200, Patrick Darras, Vice President of Engineering & Operation Services, will
- discuss plant investments.
- In CNGC/300, Maryalice C. Peters, Regulatory Analyst III, presents the overall revenue
- requirement.
- In CNGC/400, **Isaac D. Myhrum**, Regulatory Analyst II, describes the proof of revenues by
- rate schedules.

In CNGC/500, Pamela J. Archer, Senior Regulatory Analyst, presents the Company's
 long-run incremental cost study for the Oregon service territory, discusses her study results,
 and describes how each schedule's present and proposed rates compare to the indicated
 costs. Also, she will be discussing the proposed tariff changes.

5 V. CONCLUSION

The Company requests that the Commission issue an order approving the proposed rate changes and the proposed tariffs.

DATED: March 31, 2020

/s/ Michael Parvinen

Michael Parvinen
Director, Cascade Natural Gas Corporation
8113 W. Grandridge Blvd
Kennewick, WA 99336
509-734-4593
michael.parvinen@cngc.com

Exhibit A to Cascade's Executive Summary Summary of Requested General Rate Increase

Filed March 31, 2020

Total Revenues Collected Under Proposed Rates:

\$72,086,038 Revenue Change Requested: \$ 4,507,842 Revenues Net of any Credits from Federal Agencies: \$72,086,038 Percentage Change in Revenues Requested: 6.67% Percentage Change in Revenues 6.67%

Net of any Credits from Federal Agencies:

Test Period: January 1, 2020 to December 31, 2020

Requested Overall Rate of Return 7.08%

Requested Rate of Return on Equity: 9.40%

Proposed Rate Base: \$132,613,684

Results of Operation¹

Before Proposed Rate Change

Utility Operating Income: \$6,648,724 Average Rate Base: \$119,952,371 Rate of Return on Capital: 5.54% Rate of Return on Equity: 9.40%

After Proposed Rate Change²

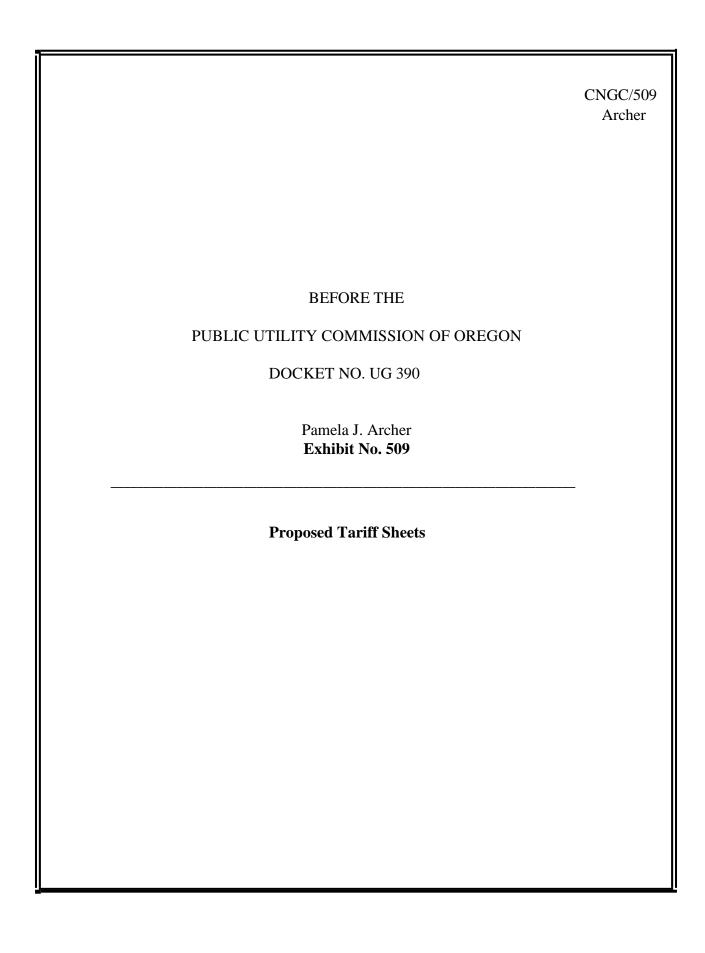
Utility Operating Income: \$9,390,681 Average Rate Base: \$132,613,684 Rate of Return on Capital: 7.08% Rate of Return on Equity: 9.40%

Effect of Rate Change on Each Customer Class' Margin

Customer class	% Change
Residential - 101	16.0%
Commercial - 104	2.4%
Industrial - 105	40.2%
Large Volume - 111	1.8%
General Distribution - 163	17.1%
Interruptible - 170	0.0%

¹ Based upon the Company's 2019 Results of Operations.

² Based upon the Company's 2020 general rate case filing docketed as UG-390.



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Fifth Revision of Sheet No. 101.1

Canceling
Fourth Revision of Sheet No.101.1

P.U.C. OR. No. 10

SCHEDULE 101 GENERAL RESIDENTIAL SERVICE RATE

APPLICABILITY

This schedule is available to residential customers.

RATE

Basic Service Charge		\$6.00	per month
Delivery Charge		\$0.42574	per therm
Schedule 177	Cost of Gas (WACOG)	\$0.339991	per therm
Schedule 191	Temporary Gas Cost Rate	\$0.066015	per therm
Schedule 192	Intervenor Funding	\$0.001570	per therm
Schedule 193	Conservation Alliance Plan	(\$0.024120)	per therm
Schedule 196	Oregon Earnings Sharing	\$0.000000	per therm
Schedule 197	Environmental Remediation Cost	\$0.00322	per therm
Schedule 198	Unprotected EDIT	(\$0.007203)	per therm
Schedule 199	Interim Period	(\$0.018290)	per therm
	Total	\$0.786923	per therm

MINIMUM CHARGE

Basic Service Charge \$6.00

TERMS OF PAYMENT

Each monthly bill shall be due and payable within fifteen days from the date of rendition.

TAX ADDITIONS

The rates named herein are subject to increases as set forth in Schedule 100 for Municipal Exactions.

GENERAL TERMS

Service under this rate schedule is governed by the terms of this schedule, the Rules contained in this Tariff, any other schedules that by their terms or by the terms of this rate schedule apply to service under this rate schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Fifth Revision of Sheet No. 104.1

Canceling
Fourth Revision of Sheet No. 104.1

P.U.C. OR. No. 10

SCHEDULE 104 GENERAL COMMERCIAL SERVICE RATE

APPLICABILITY

This schedule is available to commercial customers.

RATE

Basic Service Charge		\$12.00	per month	(1)
Delivery Charge		\$0.25299	per therm	(R
Schedule 177	Cost of Gas (WACOG)	\$0.339991	per therm	
Schedule 191	Temporary Gas Cost Rate	\$0.066015	per therm	
Schedule 192	Intervenor Funding	\$0.000000	per therm	
Schedule 193	Conservation Alliance Plan	(\$0.024120)	per therm	
Schedule 196	Oregon Earnings Sharing	\$0.000000	per therm	
Schedule 197	Environmental Remediation Cost	\$0.00322	per therm	(1)
Schedule 198	Unprotected EDIT	(\$0.004624)	per therm	
Schedule 199	Interim Period	(\$0.011838)	per therm	
	Total	\$0.621634	per therm	(1)

MINIMUM CHARGE

Basic Service Charge \$12.00 (I)

TERMS OF PAYMENT

Each monthly bill shall be due and payable within fifteen days from the date of rendition.

TAX ADDITIONS

The rates named herein are subject to increases as set forth in Schedule 100 for Municipal Exactions.

GENERAL TERMS

Service under this rate schedule is governed by the terms of this schedule, the Rules contained in this Tariff, any other schedules that by their terms or by the terms of this rate schedule apply to service under this rate schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

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Fifth Revision of Sheet No. 105.1

Canceling
Fourth Revision of Sheet No. 105.1

P.U.C. OR. No. 10

SCHEDULE 105 GENERAL INDUSTRIAL SERVICE RATE

APPLICABILITY

This schedule is available to industrial customers.

RATE

Basic Service Charge		\$35.00	per month
Delivery Charge		\$0.32071	per therm
Schedule 177	Cost of Gas (WACOG)	\$0.339991	per therm
Schedule 191	Temporary Gas Cost Rate	\$0.066015	per therm
Schedule 192	Intervenor Funding	\$0.001110	per therm
Schedule 193	Conservation Alliance Plan	\$0.000000	per therm
Schedule 196	Oregon Earnings Sharing	\$0.000000	per therm
Schedule 197	Environmental Remediation Cost	\$0.00322	per therm
Schedule 198	Unprotected EDIT	(\$0.003587)	per therm
Schedule 199	Interim Period	(\$0.009862)	per therm
	Total	\$0.717597	per therm

MINIMUM CHARGE

Basic Service Charge \$35.00 (I)

TERMS OF PAYMENT

Each monthly bill shall be due and payable within fifteen days from the date of rendition.

TAX ADDITIONS

The rates named herein are subject to increases as set forth in Schedule 100 for Municipal Exactions.

GENERAL TERMS

Service under this rate schedule is governed by the terms of this schedule, the Rules contained in this Tariff, any other schedules that by their terms or by the terms of this rate schedule apply to service under this rate schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Sixth Revision of Sheet No. 111.1

Canceling
Fifth Revision of Sheet No. 111.1

P.U.C. OR. No. 10

SCHEDULE 111 LARGE VOLUME GENERAL SERVICE RATE

APPLICABILITY

Service under this schedule shall be for natural gas supplied for all purposes to customers having an annual fuel requirement of not less than 50,000 therms and where the customer's major fuel requirement is for process use.

RATE

Basic Service Charge		\$144.00	per month	//\
Delivery Charge		\$0.15985	per therm	(I) (I)
				\''
OTHER CHARGES:				
Schedule 177	Cost of Gas (WACOG)	\$0.339991	per therm	
Schedule 191	Temporary Gas Cost Rate	\$0.066015	per therm	
Schedule 192	Intervenor Funding	\$0.001110	per therm	
Schedule 193	Conservation Alliance Plan	\$0.000000	per therm	
Schedule 196	Oregon Earnings Sharing	\$0.000000	per therm	
Schedule 197	Environmental Remediation Cost	\$0.00322	per therm	(1)
Schedule 198	Unprotected EDIT	(\$0.002755)	per therm	
Schedule 199	Interim Period	(\$0.006836)	per therm	
	Total	\$0.560595	per therm	(1)

MINIMUM CHARGE

Basic Service Charge \$144.00 (I)

SERVICE AGREEMENT

Customers receiving service under this rate schedule shall execute a service agreement for a minimum period of twelve consecutive months' use. The service agreement term shall be for a period not less than one year and the termination date of the service agreement in any year shall be September 30th.

ANNUAL DEFICIENCY BILL

In the event the customer purchases less than the Annual Minimum Quantity of 50,000 therms as stated in the service agreement, the customer shall be charged an Annual Deficiency Bill. The Annual Deficiency Bill shall be calculated as the difference between the Annual Minimum Quantity and the actual purchase of transport therms times the difference between the per therm rates effective in this schedule and any modifying schedules less WACOG.

(continued)

CASCADE NATURAL GAS CORPORATION

Sixth Revision of Sheet No. 163.1

Canceling
Fifth Revision of Sheet No. 163.1

P.U.C. OR. No. 10

SCHEDULE 163 GENERAL DISTRIBUTION SYSTEM INTERRUPTIBLE TRANSPORTATION SERVICE

PURPOSE

This schedule provides interruptible transportation service on the Company's distribution system of customer- supplied natural gas. Service under this schedule is subject to entitlement and curtailment.

APPLICABILTY

To be served on this schedule, the customer must have a service agreement with the Company. The customer must also have secured the purchase and delivery of gas supplies, which may include purchases from a third party agent authorized by the customer served on this schedule. Such agent, otherwise known as a marketer or supplier and hereafter referred to as supplier, nominates and transports natural gas to the Company's system on a Customer's behalf in the manner established herein.

RATE

A. **Basic Service Charge**

\$719.00 per month

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B. <u>Distribution Charge</u> for All Therms Delivered Per Month

										7
		Base Rate	Sch. 192	Sch. 196	Sch 197	Sch 198	Sch 199	Billing Rate		
First	10,000	0.15052	\$0.001110	\$0.000	\$0.00322	(\$0.001140)	(\$0.003020)	0.15069	per therm	(1)
Next	10,000	0.13579	\$0.001110	\$0.000	\$0.00322	(\$0.001140)	(\$0.003020)	0.13596	per therm	(1)
Next	30,000	0.12758	\$0.001110	\$0.000	\$0.00322	(\$0.001140)	(\$0.003020)	0.12775	per therm	(1)
Next	50,000	0.07836	\$0.001110	\$0.000	\$0.00322	(\$0.001140)	(\$0.003020)	0.07853	per therm	(1)
Next	400,000	0.03975	\$0.001110	\$0.000	\$0.00322	(\$0.001140)	(\$0.003020)	0.03992	per therm	(1)
Next	500,000	0.02130	\$0.001110	\$0.000	\$0.00322	(\$0.001140)	(\$0.003020)	0.02147	per therm	(1)
Over	1,000,000	0.02130	\$0.001110	\$0.000	\$0.00322	(\$0.001140)	(\$0.003020)	0.02147	per therm	(1)

C. Commodity Gas Supply Charge

The Company will pass through to the customer served on this schedule all costs, if any, incurred for securing the necessary supply at the city gate excluding pipeline transportation charges.

D. Gross Revenue Fee

The total of all charges invoiced by Company shall be subject to a Gross Revenue Fee reimbursement charge to cover state utility tax and other governmental levies imposed upon the Company, as those fees and levies may be in effect from time to time.

(continued)

Sixth Revision of Sheet No. 170.1

Canceling
Fifth Revision of Sheet No. 170.1

P.U.C. OR. No. 10

SCHEDULE 170 INTERRUPTIBLE SERVICE

AVAILABILITY

This schedule is available for natural gas delivered for all purposes to customers having an annual fuel requirement of not less than 180,000 therms per year and where customer agrees to maintain standby fuel burning facilities and an adequate supply of standby fuel to replace the entire supply of natural gas delivered hereunder.

SERVICE

Service under this schedule shall be subject to curtailment by the Company when in the judgment of the Company such curtailment or interruption of service is necessary. Company shall not be liable for damages for or because of any curtailment of natural gas deliveries hereunder.

RATE

IVAIL			
Basic Service Charge		\$300.00	per month
Delivery Charge		\$0.12376	per therm
OTHER CHARGES:			
Schedule 177	Cost of Gas (WACOG)	\$0.339991	per therm
Schedule 191	Gas Cost Rate Adjustment	\$0.066015	per therm
Schedule 192	Intervenor Funding Adjustment	\$0.001110	per therm
Schedule 193	Conservation Alliance Plan	\$0.000000	per therm
Schedule 196	Oregon Earnings Sharing	\$0.000000	per therm
Schedule 197	Environmental Remediation Costs	\$0.00322	per therm
Schedule 198	Unprotected EDIT	(\$0.002044)	per therm
Schedule 199	Interim Period	(\$0.005248)	per therm
All Therms per Month:	Total Per Therm Rate	\$0.526804	per therm

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MINIMUM CHARGE

Basic Service Charge \$300.00

TERMS OF PAYMENT

Each monthly bill shall be due and payable fifteen days from the date of rendition.

TAX ADDITIONS

The rates named herein are subject to increases as set forth in Schedule 100 for Municipal Exactions.

SERVICE AGREEMENT

Service under this schedule requires an executed service agreement between the Company and the customer. The service agreement term shall be for a period not less than the period covered under the customer's gas purchase contract with the customer's supplier. However, in no event shall the service agreement be for less than one year and the termination date of the service agreement in any year shall be September 30th. (continued)

CASCADE NATURAL GAS CORPORATION

Third Revision Sheet No. 197.1
Canceling
Second Revision of Sheet No. 197.1

P.U.C. OR. No. 10

SCHEDULE 197 ENVIRONMENTAL REMEDIATION COST ADJUSTMENT

APPLICABLE

This adjustment is applicable to customers served on Schedule 101, 104, 105, 111, 163, 170, and 800.

PURPOSE

This schedule recovers environmental remediation costs for a former manufactured gas plant in Eugene, Oregon. The Company is authorized per Order No. 20-XXX to recover \$1,204,590 over a three-year period of time.

(C)

RATE

The following rate shall be applied to all applicable customers on an equal cents per therm basis:

		(1)	(1)
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LIMITATION

This temporary rate addition shall remain in effect until cancelled pursuant to order of the Oregon Public Utility Commission.

SPECIAL TERMS AND CONDITIONS

The rates named herein are subject to increases as set forth in Schedule No. 100 Municipal Exactions.

GENERAL TERMS

Service under this schedule is governed by the terms of this schedule, the Rules contained in this Tariff, any other schedules that by their terms or by the terms of this schedule apply to service under this schedule, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

P.U.C. OR. No. 10

Schedule 800 Biomethane Receipt Services

PURPOSE:

This Schedule establishes terms and conditions whereby qualifying producers of biomethane (Biomethane Producer) may request either a newly constructed interconnection to the Company's distribution system or increased capacity at an existing interconnection point for the purpose of injecting qualifying biomethane on the Company's distribution system.

APPLICABILITY:

Service under this Schedule is available to Biomethane Producers who meet all of the following conditions:

- 1) The Biomethane Producer must meet the following credit screening criteria as established for nonresidential customers in Rule 2;
- 2) The raw biogas from which the biomethane is produced must be from one or a mix of the following feedstocks: a) agricultural byproducts; b) wastewater; c) landfill waste; or d) food and beverage waste;
- 3) The Company, in its sole opinion, has determined that injection of biomethane will not jeopardize or interfere with normal operation of the Company's distribution system and its provision of gas service to its customers;
- 4) Prior to the Company's building an interconnection, the Biomethane Producer must demonstrate to the satisfaction of Company that it has secured end user(s) that are Company's customers who agree to purchase all the estimated biomethane production; and
- 5) The Biomethane Producer must comply with all terms and conditions preceding biomethane receipt services as established herein, including:
 - a. Paying all costs for the Interconnection Capacity Study and the Engineering Study as well as all interconnect costs; and
 - b. Executing a Biomethane Receipt Services Agreement for ongoing receipt services under this Schedule.

MONTHLY CHARGES

A Biomethane Producer receiving service under this Schedule shall receive the following monthly charges:

Basic Service Charge \$2,500.00

Blocks By Therms		Base Rate	Odorant	Sch. 192	Sch. 197	Sch. 198	Sch. 199	Billing Rate
First	10,000	.15052	\$0.0002125	\$0.001110	\$0.00322	(\$0.001140)	(\$0.003020)	.1509025
Next	10,000	.13579	\$0.0002125	\$0.001110	\$0.00322	(\$0.001140)	(\$0.003020)	.1361725
Next	30,000	.12758	\$0.0002125	\$0.001110	\$0.00322	(\$0.001140)	(\$0.003020)	.1279625
Next	50,000	.07836	\$0.0002125	\$0.001110	\$0.00322	(\$0.001140)	(\$0.003020)	.0787425
Next	400,000	.03975	\$0.0002125	\$0.001110	\$0.00322	(\$0.001140)	(\$0.003020)	.0401325
Over	500,000	.02130	\$0.0002125	\$0.001110	\$0.00322	(\$0.001140)	(\$0.003020)	.0216825

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