

SCHEDULE NO. TF
FIRM TRANSPORTATION OF CUSTOMER-OWNED NATURAL GAS

1. **APPLICABLE**

This rate schedule provides firm transportation of the Customer's natural gas by the Utility from any interconnection between the Utility and any interstate pipeline to the Customer's specified Delivery Point(s) on the Utility's system subject to:

- 1.1 Available capacity to render the requested service without construction of any additional facilities, except under Facility Additions below;
- 1.2 Transportation quantities shall average on an annual basis not less than 1,000 therms per day to each of Customer's premises for service under Schedules TF and TI;
- 1.3 The gas transported is for the sole use of the Customer and not for delivery or resale to any third party;
- 1.4 The Customer and the Utility executing the Form of Service Agreement for Schedules TF, TI and TOP, and paragraph 6 below; and
- 1.5 May not be combined with any sales rate schedule.

2 **TERRITORY**

- 2.1 Service is available in the Company's certificated natural gas service area.
- 2.2 Existing transportation customers are required annually to elect sales or transportation service. The election must be submitted to the Utility no later than April 30 of each year for a period of no less than 12 months commencing the following July 1. New customers or customers adding new equipment or end uses may begin service as a transportation or sales customer any time, subject to meeting the conditions set forth in the rate schedule, but subsequently will be subject to the conditions set forth in this section.

3 **FACILITY ADDITIONS**

- 3.1 Any facilities which must be installed by the Utility to serve the customer will be constructed in accordance with the Utility's tariff.

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3 **FACILITY ADDITIONS** (Continued)

3.2 Telemetering facilities are required prior to performing transportation service. Telemetering facilities will be installed by the Utility at Customer expense. The customer will be responsible for the installation of phone lines and any other facilities that may be required for the safe installation and operation of the telemetering facilities.

4 **RATES**

Rates shall be stated in the Service Agreement. Monthly billings shall be the sum of:

4.1 **Basic Service Charge**

The Basic Service Charge is equal to the Basic Service Charge in Schedule LCNG payable for the term of the service agreement. The Customer shall not be billed for more than one Basic Service Charge per meter per month.

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4.2 **Firm Transportation Charge**

	<u>Minimum</u>	<u>Maximum</u>
Per Therm per month of Maximum Daily Receipt Obligation	see 4.2.1. below	\$1.65938

4.2.1 The minimum Firm Transportation Charge is the greater of the marginal cost to serve the Customer or \$0.87022.

4.2.2 The Firm Transportation Charge may vary from customer to customer based upon the customer's ability to change from one fuel to another, or the customer's demonstrated ability to bypass the distribution system.

4.2.3 In the case of bypass, the Customer must establish to the Utility's satisfaction that bypass is economically, operationally, physically feasible and imminent.

4.2.4 The Firm Transportation Charge for a Customer may be revised by mutual agreement.

4.3. **Imbalance Penalties**

Monthly and daily imbalance penalties are stated in Schedule TOP, Transportation of Customer-Owned Natural Gas Operating Procedures and Imbalance Trading.

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4. RATES (Continued)

4.4. Administrative Charge

The Administrative Charge is stated in Schedule No. TOP, Transportation of Customer-Owned Natural Gas Operating Procedures and Imbalance Trading. No customer will be billed more than one Administrative Charge per month.

4.5. Third Party Charges

Third Party Charges are stated in Schedule TOP, Transportation of Customer-Owned Natural Gas Operating Procedures and Imbalance Trading.

4.6. Gas Cost Adjustment

4.6.1. Customers who convert from a sales service which is subject to the Purchased Gas Adjustment Provision to transportation service must pay an amount or receive a credit equal to the currently effective Gas Cost Balancing Account Adjustment rate multiplied by the quantity of sales gas delivered to the customer for the twelve months ending with the end of the Customer's sales service.

4.6.2. Any Gas Cost Adjustment may be paid over one year or in a lump sum.

4.7. Late Charge

The Late Charge is equal to 1% of any amount in arrears from the previous bill.

4.8. Tax Adjustment Charge

The Tax Adjustment Charge is 2% of the total bill rendered within incorporated areas.

4.9 Universal Energy Charge (UEC)

All Therms, Per Therm \$.00330

4.9.1 The UEC as mandated by AB 661, passed by the 2001 Legislature, will go to fund the Nevada fund for energy assistance and conservation. Under certain circumstances, Customers will be refunded amounts paid in excess of \$25,000 per calendar quarter. The Commission will administer the collection of the UEC, certify exemptions, and administer refunds. Exemptions are generally Therms sold to:

4.9.1.1 Any governmental agency, including the State of Nevada and any political subdivision thereof, and

4.9.1.2 Any Customer using such natural gas solely as a source of energy to generate electricity.

4.9.1.3 Except as provided above, all Therms sold are subject to the charge.

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(Continued)

4. RATES (Continued)

4.9.2 The UEC is not subject to the Tax Adjustment Charge.

5. CHARACTER OF SERVICE

5.1. The firm transportation service shall consist of:

5.1.1. The receipt by the Utility for the account of the Customer of the Customer's gas at the designated Receipt Point(s);

5.1.2. The transportation of gas through the Utility's system for the account of the Customer; and

5.1.3. The delivery of gas after transportation by the Utility for the account of the customer at the Delivery Point(s).

5.2. The Customer's scheduled transportation delivery quantity shall be reduced by a fixed percentage as compensation for Utility Use and Lost and Unaccounted for Gas prior to transportation by the Utility. This fixed percentage shall be determined as set forth in Section 2.6 of Schedule No. TOP. The difference between the total system deliveries and the total system receipts divided by the total system receipts will determine the fixed percentage.

5.3. Service under this rate schedule shall not constitute the dedication of the Utility's distribution system or any portion thereof to the customer.

5.4. The Utility will provide firm transportation service up to the Maximum Daily Receipt Obligation stated in the Service Agreement.

5.5. Firm transportation service may be subject to curtailment due to emergency conditions pursuant to Nevada Administrative Code, Sections 704.478 through 704.511, *Curtailment of the Distribution of Natural Gas* and Rule 8, Continuity of Service.

5.6. In the event of curtailment or interruption, the Utility shall provide service as follows:

5.6.1. The Utility shall provide the Customer with as much notice as is practical of any curtailment of service.

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(Continued)

5. CHARACTER OF SERVICE (Continued)

- 5.6.2. The Utility shall not be required to interrupt or curtail transportation to any customer where the Utility's ability to maintain service to other customers would not be improved by an interruption or curtailment.
- 5.6.3. The Utility may, to the extent feasible, continue to receive the Customer's gas at the Receipt Point(s) on a scheduled basis during the period of curtailment or interruption, and shall, to the extent feasible, redeliver such gas at the Delivery Point(s). For the period of curtailment or interruption, the Utility shall waive any Monthly Imbalance Penalty payments that may otherwise be due to the extent that such payments are caused by the curtailment or interruption.
- 5.7. The Utility is not obligated to provide any gas sales service to replace any gas to be transported under this schedule during the term of the Service Agreement. The Utility will employ its best efforts to accommodate a customer's request to purchase gas to replace the gas to be transported before the end of the Service Agreement subject to:
 - 5.7.1. The availability of adequate upstream system capacity and gas supplies, and
 - 5.7.2. The customer reimbursing the Utility for all costs associated with securing additional upstream capacity and gas supplies.
- 5.8. The availability of firm transportation service shall be determined by the Utility using analytical tools, such as a gas distribution computer simulation program using the Applicant's "per day" requirements.
- 5.9. Firm transportation shall be provided on a non-discriminatory basis.
 - 5.9.1. Firm transportation service shall be provided so that no harm to existing customers' service occurs.
- 5.10. Upon an Applicant's request, the Utility shall deliver to an Applicant who has met the requirements stated in Schedule TOP, 3.7, Requests for Transportation Service, a written report describing all analyses performed and all rationale for any changes in the applied for service and for any facility additions beyond those required for telemetering facilities. This report will be provided to the Staff of the Public Service Commission upon request.

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6 SERVICE AGREEMENT

6.1 A transportation Service Agreement is required for service under this schedule.

6.2 The minimum term of service shall be one (1) year, and shall end on June 30.

6.3 The Service Agreement shall state:

6.3.1 The Maximum Daily Receipt Obligation for firm transportation (MDRO) for each Receipt Point, and

6.3.2 The Maximum Daily Quantity for firm transportation (MDQ) for each Delivery Point

6.4 The sum of the Customer's MDRO shall be equal to the sum of the Customer's MDQ.

7 OPERATING PROCEDURES

Operating procedures are in Schedule TOP, Transportation of Customer-Owned Natural Gas Operating Procedures and Imbalance Trading.

8 ACCOUNTING

8.1 The Basic Service Charge, the Firm Transportation Charge, the Administrative Charge and the Late Charge shall be contributions to general revenues.

8.2 All Imbalance Penalties shall be credited to Account No. 191, Unrecovered Purchased Gas Costs.

8.3 The Third Party Charges shall be one-for-one reimbursements for any such charges incurred on behalf of the Customer.

9 GENERAL TERMS AND CONDITIONS

Except where specifically provided for in this rate schedule, service under this schedule is subject to all other provisions of the Utility's tariff.

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