

**Transportation Service - Schedule TS-1**

Transportation service provides for the transportation of customer-owned gas from the applicable city gate station through the Company's distribution system to the customer's meter. The customer is responsible for arranging for the purchase and delivery of gas to the Company's city gate station.

**Availability**

This service is available for customers who would otherwise be qualified to receive service under the Company's system supply schedules but have elected to be transportation customers and have made arrangements for the delivery of customer-owned gas to the Company's city gate station.

This service is available when the installed distribution capacity and facilities are sufficient to provide service under this schedule without reducing the quality or quantity of services to any higher priority customer as defined in the Priority Use Program, Schedule PUP-1.

Customers seeking service under this rate schedule must also execute an End User Allocation Agreement with Northern Natural Gas Company and the Company. Service under this Rate Schedule shall start on the first gas day of the month and terminate on the last gas day of the month.

**Applicability and Character of Service**

Customers under this Rate Schedule shall be responsible for arranging for the purchase and delivery of Third-Party Natural Gas Supplies to the Company's facilities for the term of service under this Rate Schedule. Deliveries of Third-Party Natural Gas Supplies to the Company must be nominated on a daily basis in accordance with the terms and provisions of this Rate Schedule.

Telemetering equipment must be installed by the Company before service shall be provided on this Rate Schedule and incurs a monthly telemetering charge. The customer must provide a connection to existing electrical facilities as necessary for operation of the telemetering equipment. Customers must maintain continuous electric service to the telemetering equipment to continue on this service. Once telemetering is installed, the Company, at its option, may bill the customer based on telemetered consumption, provided that actual meter readings are taken no less often than once every six months to verify the telemetered consumption.

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Rate

Transportation Administration Charge: \$115.00 per month

Distribution Service Charge:

|                                 | Applicable<br>System Sales<br>Rate Class | Customer<br>Charge<br>Per Month | Base Rate<br>Per Therm |
|---------------------------------|--|---------------------------------|------------------------|
| Firm Service:                   | Cg-1                                     | \$26.00                         | \$0.1036               |
|                                 | Cg-2                                     | \$55.00                         | \$0.1026               |
|                                 | Cg-3                                     | \$76.00                         | \$0.1018               |
| Interruptible Service:          | Ig-1                                     | \$78.00                         | \$0.0843               |
|                                 | Ig-2                                     | \$115.00                        | \$0.0913               |
| Monthly Telemetering<br>Charge: |  | \$25.00                         |                        |

Minimum Monthly Bill

The minimum monthly bill shall be the Transportation Administrative Charge plus the applicable monthly customer charge for distribution service. Distribution volume charges shall be added to the minimum monthly bill.

Billing

Bills for natural gas service are rendered monthly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 3 percent but not less than 30 cents shall be added to bills not paid within 20 days of issuance. This one-time 3 percent late payment charge shall be applied only to any unpaid balance for the current billing period's usage. This late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued and unless payment or satisfactory arrangement for payment is made within the next eight days, service may be disconnected pursuant to Wis. Admin. Code Ch. PSC 134.

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**Curtailment/Interruption of Service**

The Company shall attempt to deliver the customer-owned gas on a day-to-day basis in accordance with the customer's requirements and subject to maximum allowable delivery restrictions. Delivery of gas may be subject to supply restrictions when required for situations that include Company distribution system capacity constraints, and a reduction or interruption in customer-owned quantities being delivered to Company's distribution system. Customers may be required to not exceed their daily nomination. Company shall provide notice of supply restriction as far in advance as possible.

The Company reserves the right to curtail or suspend service on any day the Company determines that:

1. Operating conditions are such that interruption is necessary.
2. The natural gas distribution system capacity is not sufficient to meet the requirements of existing firm delivery customers regardless of the ownership of the gas.
3. The producer or transmission supplier curtails or interrupts the supply of customer-owned natural gas to the Company's city gate station.
4. A constraint day is declared and the transportation customer is required to stay within nominated volumes.

If in the event of a disruption on the Company's system it is determined that the Company has delivered gas transported under this tariff to the Company's system customers, compensation to the transporting customer shall be at the Company's weighted average cost of gas.

**Penalty Clause**

Customers are responsible for an additional charge for unauthorized use upon failure to curtail or interrupt natural gas requirements when notified by Company. Availability of this charge does not preclude Company from physically controlling customer's gas supply upon customer's failure to curtail or interrupt. The additional charge for unauthorized use shall be assessed as follows:

During a curtailment or interruption when interstate pipeline capacity is not limited, the additional charge shall be the greater of incremental cost to the Company that results from a failure to curtail or interrupt, or \$2.50 per therm for gas used in excess of the maximum quantity level requested by the Company.

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Penalty Clause (continued)

During a curtailment or interruption due to capacity limitations on interstate pipelines, the additional charge shall be the greater of incremental cost to the Company that results from a failure to curtail or interrupt, or \$10.00 per therm for gas used in excess of the maximum quantity level requested by the Company.

Incremental cost, as referenced above, shall include any interstate pipeline penalties incurred as a result of customers' failure to curtail or interrupt, as well as the total cost of incremental interstate pipeline capacity and/or gas commodity purchased to serve customers' load on the day(s) of curtailment or interruption.

Conversion From System Sales Service To Transportation

Any customer who wishes to convert from the Company's system sales service and be served under this schedule shall provide a minimum of twelve months written notice prior to November 1 of the year preceding the year in which the conversion is to become effective. In lieu of the waiting period, the Company may condition conversion on the payment of an exit fee as described below.

Exit Fee

A current Company sales service customer transferring to transportation service may be required to pay an exit fee. The purpose of the exit fee is to recover the costs of the next 12-month period that shall not be recovered as a result of the customer's transfer from sales service to transportation service. The exit fee shall include all costs incurred by the Company to provide service to the customer as a sales service customer. These costs include, but are not limited to, the following:

1. Any take-or-pay or similar charges incurred by the Company under its supply contracts that result from the customer's decision to transport and to purchase supplies from an entity other than the Company for the next twelve months,
2. Any charges, including, but not limited to, reservation charges, commodity charges, minimum bills, penalties, balancing charges, transition costs, and take-or-pay costs, incurred by the Company under its capacity, storage, peaking, and other contracts that result from the customer's decision to transport and to purchase supplies from an entity other than the Company; and
3. Any other charges that are incurred as a result of the customer's decision to transport and to purchase supplies from an entity other than the Company.

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Exit Fee (continued)

A system sales service customer that has decided to convert to transportation service and purchase capacity from an entity other than the Company must pay the total exit fee as described above. A system sales service customer that agrees to accept an assignment of a pro rata portion of the Company's firm upstream pipeline capacity and other services contracted for on behalf of the customer and also agrees to pay all charges and rates of whatever kind associated with those services shall have the exit fee reduced by such an amount.

The Company shall determine the total amount of the above costs and bill the transporter for either the total amount or for the amount reduced for costs associated with any capacity assignment. Transporter must pay this preliminary bill in full prior to the commencement of service under this tariff.

Conversion to System Sales Service

Any customer served under this schedule that plans to transfer to the Company's system sales service shall provide a minimum of twelve months notice prior to November 1 of the year preceding the year in which the conversion is to become effective. The Company may waive this notice requirement if the Company has adequate supply and capacity to serve the customer.

Special Terms and Conditions

1. Customers served under this schedule shall be required to execute a written contract between the customer and the Company setting forth specific arrangements as to contract periods, volumes to be transported by Company on behalf of customer, point of delivery, methods of metering, nomination and notification procedures and any other matters deemed necessary.
2. Service under this rate schedule shall be metered separately from any other gas service.
3. The Company's Service Rules tariff shall apply except where otherwise noted in this schedule.
4. The customer must comply with all the conditions as stated in the separate signed service agreement, this schedule and Company's Service Rules.
5. The Company shall require the installation and operation of equipment and other facilities to remotely read the customer's meter. Installation and operation shall include access to electric power, telephone lines or data transmission lines and customer property or other customer equipment when it is necessary to make the remote meter reading operational. The customer agrees to allow the Company to install and operate such equipment. The Company shall continue to own and maintain this equipment.

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Special Terms and Conditions (continued)

1. The Company shall not be required to extend or reinforce its established distribution system for the purpose of furnishing interruptible service under this schedule, unless, in the Company's sole judgment, the cost to the Company of making such installation is justified by the character and permanence of the applicant's load.
2. The Company reserves the right, subject to regulatory requirements, to change the terms and conditions of this Rate Schedule resulting from changes made by any of the transporting interstate pipelines in their terms and conditions for transportation service.
3. Gas delivered by the Company under this rate schedule shall be commingled with other natural gas, vaporized liquefied natural gas, and propane-air vapor that are delivered by the Company. Accordingly, the gas of the customer shall be subject to such changes in heat content as may result from such commingling, and the Company shall be under no obligation to redeliver for the customer's account gas of a heat content identical to that caused to be delivered by the customer to the Company.
4. Company reserves the right to divert customer-owned natural gas supply delivered to Company for use by Company's firm service customers, during and to the extent emergency conditions that are out of Company's immediate control (force majeure) prevent Company from meeting firm service customer requirements. Company shall reimburse any customer whose gas supply is diverted to respond to force majeure conditions at the greater of Company's weighted average cost of gas for each month in which the diversion occurs or customer's actual cost for the diverted supply.