APPENDIX A: Proposed Tariff

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APPLICABILITY

Applicable to qualified Applicants requiring Compression Services, provided by Utility's ownership and operation of Compression Facilities located on Applicant's Premises. Service under this Schedule is available to qualified nonresidential Applicants receiving service under G-10, G-AC, G-EN, G-NGV, GT-F, GT-I, or GT-TLS. Compression Services under this Schedule is conditional upon arrangements mutually satisfactory to the Applicant and the Utility for design, location, construction, and operation of required Compression Facilities.

Service under this Schedule is optional subject to the terms and conditions set forth herein.

TERRITORY

Applicable throughout Utility's service territory.

GENERAL

- 1. APPLICANT REQUIREMENTS. Applicant shall provide Utility with its compression requirements.
- 2. DESIGN. Utility will be responsible for planning, designing, procuring, installing, constructing, and engineering the Compression Facilities using the Utility's standard for design, materials, and construction.
- 3. OWNERSHIP OF COMPRESSION FACILITIES. Compression Facilities installed under the provisions of this Schedule shall be owned, operated, and maintained by Utility. Applicant shall own, operate, and maintain any and all equipment and facilities beyond the Service Delivery Point.
- 4. PLACEMENT OF COMPRESSION FACILITIES AND RIGHTS-OF-WAY. Applicant shall provide an appropriate location for the safe and secure placement and operation of Compression Facilities as required by Utility. Applicant shall provide rights-of-way, leases and/or easements as required by Utility, to Utility to install Compression Facilities on Applicant's Premises to serve the Applicant.
- 5. ACCESS TO APPLICANT'S PREMISES. Utility shall have at all times the right to enter and leave Applicant's Premises for any purpose connected with the furnishing of Compression Services or other gas services and the exercise of any and all rights secured to it by law, or under Utility's tariff schedules. These rights include, but are not limited to:
 - a. The use of a Utility-approved locking device to prevent unauthorized access to Utility's facilities;
 - b. Safe and ready access for Utility personnel, free from unrestrained animals;

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- c. Unobstructed ready access for Utility's vehicles and equipment to install, remove, repair, or maintain Compression Facilities; and
- d. Removal of any and all of Utility's property installed on or below Applicant's Premises after the termination of Compression Services.
- 6. SERVICE CONNECTIONS. Only personnel duly authorized by Utility are allowed to connect or disconnect Compression Facilities to or from the Service Delivery Point, remove Compression Facilities, or perform any work upon Compression Facilities or Utility-owned existing facilities.
- 7. APPLICANT RESPONSIBILITIES. In accordance with Utility's design, specifications, and requirements for the installation, maintenance and operation of Compression Facilities, Applicant shall have the following responsibilities:
 - a. Applicant shall be solely responsible for electric service and all electric bills and electric costs, including electricity to run Compression Facilities, during construction and operating periods and all other utility services required.
 - b. Applicant shall be solely responsible for obtaining traditional Utility uncompressed gas transportation service to the Premises and natural gas commodity through either a marketer or Utility under the G-NGV rate or other applicable tariff. If gas service or gas service upgrade is necessary, it will be established pursuant to Rules 20 and 21.
 - c. Applicant shall be solely responsible, at Applicant's own liability, risk and expense, to plan, design, install, construct, own, maintain, and operate facilities and equipment beyond the Service Delivery Point in order to properly receive and dispense compressed natural gas, including, but not limited to, fast fill dispensers, time fill posts and hoses, and any required high pressure piping, fittings, valves, regulators, appliances, fixtures, and apparatus of any kind or character required for interconnection with Compression Facilities, all of which shall conform to industry standards and applicable laws, codes, and ordinances of all governmental authorities having jurisdiction, including any applicable environmental laws. Detailed information on Utility's service equipment requirements will be furnished by Utility to Applicant.
 - d. Applicant shall make arrangements to shut down the operation of existing equipment as needed to allow Utility to tie into existing gas piping (both on the supply side and on the high-pressure side), to tie into the electrical system to provide power to the Compression Facilities, to tie into the existing grounding system, and to tie into existing control/emergency systems.
 - Applicant (i) shall limit access and take all necessary steps to prevent Compression Facilities from being damaged or destroyed, (ii) shall not interfere with Utility's ongoing operation of Compression Facilities, and (iii) shall provide adequate notice to Utility through Utility's representative identified in the Compression Services Agreement prior to any inspection of Compression Facilities by regulatory agencies.

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- f. Utility shall incur no liability whatsoever, for any damage, loss, or injury occasioned by or resulting from:
 - i. The selection, installation, operation, maintenance or condition of Applicant's facilities or equipment; or
 - ii. The negligence, omission of proper shut-off valves or other protective and safety devices, want of proper care, or wrongful act of Applicant, or any agents, employees, or licensees of Applicant, on the part of Applicant installing, maintaining, using, operating, or interfering with its own pipes, fittings, valves, regulators, appliances, fixtures, or apparatus.
- g. Applicant shall meet all Utility requirements regarding creditworthiness and insurance.
- h. Applicant shall indemnify, defend and hold harmless Utility and its authorized officers, employees, and agents from any and all claims, actions, losses, damages and/or liability of every kind and nature in any way connected with or resulting from the violation or noncompliance with any local, state, or federal environmental law or regulation as a result of pre-existing conditions at the Premises, release or spill of any pre-existing hazardous materials or waste, or out of the management and disposal of any pre-existing contaminated soils or groundwater, hazardous or nonhazardous, removed from the ground as a result of the Compression Services or Compression Facilities ("Pre-Existing Environmental Liability"), including, but not limited to, liability for the costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial work, penalties, and fines arising from the violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs. As between Applicant and Utility, Applicant agrees to accept full responsibility for and bear all costs associated with Pre-Existing Environmental Liability. Applicant agrees that Utility may stop work, terminate Compression Services, redesign the Compression Facilities to a different location or take other action reasonably necessary to install the Compression Facilities without incurring any Pre-Existing Environmental Liability.
- Applicant shall be responsible for the additional costs required to modify or maintain Compression Facilities or to provide Compression Services due to any changes in local, state or federal laws, regulations or permit requirements.

8. UTILITY RESPONSIBILITIES

- a. Utility shall plan, design, procure, install, construct, own, operate, and maintain Compression Facilities sufficient to provide Compression Services to Applicant.
- b. Utility shall be responsible for any necessary permits to construct and operate the Compression Facilities, however Applicant shall be responsible, at its own cost and expense without any dollar contribution or reimbursement from Utility, for any modification(s) to

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Premises required by any permit.

- c. Utility or its subcontractor shall be responsible for the operation of the Compression Facilities and shall perform all preventative maintenance, including regular inspections, on Compression Facilities consistent with the manufacturer's recommendations and regulatory requirements.
- d. Utility shall be responsible to remove Compression Facilities at the end of the term of the Compression Services Agreement or any extensions thereof, and Applicant shall allow Utility a sufficient amount of time to complete removal of Compression Facilities.

<u>RATES</u>

Utility and Applicant will negotiate a rate structure based on Utility's expected cost of service over a period agreed upon by the parties.

The rate structure shall be designed to recover costs including, but not limited to, depreciation, returns to capital, income taxes, property taxes, Operation and Maintenance (O&M) expense, Administrative and General (A&G) expense, Franchise Fees, Uncollectibles, and insurance. Upon early termination of the Compression Services Agreement for any reason other than Utility's default under the Compression Services Agreement, Utility shall recover from Applicant an amount based on Utility's unrecovered ownership and removal costs and any early-termination provisions in Utility's subcontracts.

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SPECIAL CONDITIONS

- 1. The definitions of principal terms used in this schedule are found either herein or in Rule No. 1, Definitions.
- 2. Service may be denied, suspended or discontinued for nonpayment, unsafe apparatus, or other reasons in accordance with Rule No. 9, Discontinuance of Service.
- 3. Any disputed bill will be treated in accordance with Rule No. 11, Disputed Bills.
- 4. As a condition precedent to service under this schedule, a fully executed Compression Services Agreement is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
- 5. At the end of the term of the Compression Services Agreement and assuming that all required payments have been made by Applicant, the parties may mutually agree to extend the term of the Compression Services Agreement for a period to be mutually agreed upon and at the then available Compression Services tariff rate or if the tariff rate is unavailable, at a rate based on a cost of service methodology determined by Utility.
- 6. Utility may file in the public records, including real estate records, such instruments as may be appropriate or desirable (such as UCC financing statements and fixture filings) to put others on notice of Utility's ownership of the Compression Facilities.
- 7. Applicant may request changes to Compression Services or Compression Facilities as a result of changes to Applicant's compression requirements at any time during the term of the Compression Services Agreement, however Utility has sole discretion whether to make any changes to Compression Services or Compression Facilities, and Applicant shall be responsible for the full costs related to the resulting changes in Compression Services or Compression Facilities.

DEFINITIONS

- 1. COMPRESSION FACILITIES. Facilities to be placed on Applicant's Premises in order to provide Compression Services (to be identified in Exhibit A of the Compression Services Agreement) including, but not limited to:
 - Compressors, gas dryers, storage vessels, and any other equipment needed to supply gas a. pressure to Applicant's facilities at times and levels required by Applicant's operations;
 - b. Integrated equipment that includes a compressor and peripheral equipment related to Applicant's specific application; and
 - c. Other associated equipment that may be requested by Applicant and agreed to by Utility.
- 2. COMPRESSION SERVICES. Compression of natural gas delivered to the Applicant by the

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Utility to levels agreed upon by both the Utility and Applicant through the use of Compression Facilities located on Applicant's Premises.

- 3. COMPRESSION SERVICES AGREEMENT. Agreement between Applicant and Utility describing Compression Services to be provided to Applicant and Compression Facilities to be installed by Utility, subject to this Schedule and all applicable tariff schedules as filed from time to time with the Commission.
- 4. PREMISES. All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided (excepting in the case of industrial, agricultural, oil field, resort enterprises, and public or quasi-public institutions) by a dedicated street, highway, or other public thoroughfare, or a railway.
- 5. PROTECTIVE STRUCTURES. Fences, retaining walls (in lieu of grading), barriers, posts, barricades and other structures as required by Utility, permitting agencies, or other regulations.
- 6. SERVICE DELIVERY POINT. Physical point(s) of delivery to the Applicant downstream of Compression Facilities. Each Service Delivery Point shall be clearly marked or tagged physically and identified in the Compression Services Agreement.

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