



GREAT PLAINS NATURAL GAS CO.

A Division of MDU Resources Group, Inc.

State of North Dakota Gas Rate Schedule

NDPSC Volume 2
Original Sheet No. 5

TRANSPORTATION SERVICE

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Availability:

Service under this rate schedule is available on an interruptible basis to any commercial or industrial customer located in Wahpeton, North Dakota who has entered into a gas transportation agreement with Company to have gas other than Company system supply delivered to Company's border station on customer's behalf.

This rate schedule is available to customers whose normal annual requirements are in excess of 1,000 MCF and who, absent the request for transportation service, are eligible for natural gas service on an interruptible basis pursuant to Company's effective Interruptible Gas Service – General rate.

Rate:

Basic Service Charge: \$3.50 per month

Distribution Delivery Charge:

| | | | |
|-----------|-------|-----------|------------------|
| First | 400 | MCF/month | \$1.1391 per MCF |
| Next | 2,600 | MCF/month | \$0.8931 per MCF |
| Excess of | 3,000 | MCF/month | \$0.7411 per MCF |

Minimum Monthly Bill: \$3.50

Terms of Payment:

Bill is due within 15 days from the billing date. If payment is not received in time to record to your account prior to the next scheduled billing date, unpaid balances are subject to a late payment charge in accordance with the provisions of Rate 100, §V.13 or any amendments or alterations thereto.

General Terms and Conditions:

1. **CRITERIA FOR SERVICE:** In order to receive transportation service, customer must qualify under the Company's applicable natural gas transportation service rate and comply with the general terms and conditions of the service provided herein. The customer is responsible for making all arrangements for transporting the gas from its source to the Company's interconnection with the delivering pipeline(s).

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2. REQUEST FOR GAS TRANSPORTATION SERVICE:
 - a. To qualify for gas transportation service a customer must request the service pursuant to the provisions set forth herein. The service shall be provided only to the extent that the Company's existing operating capacity permits.
 - b. Requests for transportation service shall be considered in accordance with the provisions of Rate 100, §V.12.
3. MULTIPLE SERVICES THROUGH ONE METER:
 - a. In the event customer desires firm sales service in addition to gas transportation service, customer shall request such firm volume requirements, and upon approval by Company, such firm volume requirements shall be set forth in a firm service agreement. For billing purposes, the level of volumes so specified or the actual volume used, whichever is lower shall be billed under the Firm Gas Service – General rate (distribution delivery charge and cost of gas). Volumes delivered in excess of such firm volumes shall be billed at the applicable gas transportation rate. Customer has the option to install at their expense, piping necessary for separate measurement of sales and transportation volumes.
 - b. The customer shall pay, in addition to charges specified in the applicable gas transportation rate schedule, charges under all other applicable rate schedules for any service in addition to that provided herein (irrespective of whether the customer receives only gas transportation service in any billing period).
4. PRIORITY OF SERVICE – Company shall have the right to curtail or interrupt deliveries without being required to give previous notice of intention to curtail or interrupt whenever, in its judgment, it may be necessary to do so to protect the interest of its customers whose capacity requirements are otherwise and hereby given preference. The priority of service and allocation of capacity shall be accomplished in accordance with the provisions of Rate 100, §V.12.

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5. PENALTY FOR FAILURE TO CURTAIL OR INTERRUPT – If customer fails to curtail or interrupt their use of gas hereunder when requested to do so by the Company, any gas taken above that received on customer’s behalf, shall be billed at the Firm Gas Service – General rate (distribution delivery charge and cost of gas), plus either an amount equal to any penalty payments or overrun charges the Company is required to make to its interconnecting pipeline(s) under the terms of its contract(s) as a result of such failure to curtail or interrupt, or \$50.00 per MCF of gas used in excess of the volume of gas to which customer was requested to curtail or interrupt, whichever amount is greater. The Company, in its discretion, may shut off customer’s supply of gas in the event of customer’s failure to curtail or interrupt use of gas when requested to do so by the Company.

6. NON-DELIVERED VOLUMES/PENALTY:
 - a. In the event customer uses more gas than is being delivered to the Company’s interconnection with the delivering pipeline(s) (receipt point), customer shall pay an amount equal to any penalty payments or overrun charges the Company is required to make to its interconnecting pipeline(s) under the terms of its contract(s) resulting from such action by customer. In the event that more than one customer is obtaining gas from the same shipper and/or agent at the same receipt point, any payment or overrun penalties the Company is required to make shall be allocated on a pro rata basis among such customers on the basis of each customer’s use of gas in excess of available volumes.

 - b. In the event the customer’s gas is not being delivered to the receipt point for any reason and the customer continues to take gas, the customer shall be subject to any applicable penalties or charges set forth in Paragraph 6.a. Gas volumes supplied by Company will be charged at the Firm Gas Service – General rate (distribution delivery charge and cost of gas). The Company is under no obligation to notify customer of non-delivered volumes.

 - c. In the event customer’s transportation volumes are not available for any reason, customer may take interruptible sales service if such service is available. The availability of interruptible sales service shall be determined at the sole discretion of the Company.

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7. **ELECTION OF SERVICE** – Prior to the initiation of service hereunder, the customer shall make an election of its requirements under each applicable rate schedule for the entire term of service. If mutually agreed to by Company and customer, the term of service may be amended. Upon expiration of service, the customer may apply for and receive, at the sole discretion of the Company, gas service under the appropriate sales rate schedule for the customer’s operations.

Transportation customers who cease service and then resume service within the succeeding 12 months shall be subject to a reconnection charge as specified in Rate 100, §V.18.

8. **DAILY IMBALANCE** – To the extent practicable, customer and Company agree to the daily balancing of volumes of gas received and delivered on a thermal basis. Such balancing is subject to the customer’s request and the Company’s discretion to vary scheduled receipts and deliveries within existing Company operating limitations.

In the event that the deviation between scheduled daily volumes and actual daily volumes of gas used by customer causes the Company to incur any additional costs from interconnecting pipeline(s), customer shall be solely responsible for all such penalties, fines, fees or costs incurred. If more than one customer has caused the Company to incur these additional costs, all costs (excluding those associated with Company’s firm deliveries) will be prorated to each customer based on the customer’s over- or under-take as a percentage of the total.

9. **MONTHLY IMBALANCE** – The customer’s monthly imbalance is the difference between the amount of gas received by Company on customer’s behalf and the customer’s actual metered use, plus the lost and unaccounted for factor. Monthly imbalances will not be carried forward to the next calendar month.
 - a. **Undertake Purchase Payment** – If the monthly imbalance is due to more gas delivered on customer’s behalf than the actual volumes used, Company shall pay customer an Undertake Purchase Payment in accordance with the following schedule:

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| <u>% Monthly Imbalance</u> | <u>Undertake Purchase Rate</u> |
|----------------------------|--------------------------------|
| 0 – 5% | 100% Cash-out Mechanism |
| > 5 – 10% | 85% Cash-out Mechanism |
| > 10 – 15% | 70% Cash-out Mechanism |
| > 15 – 20% | 60% Cash-out Mechanism |
| > 20% | 50% Cash-out Mechanism |

Where the Cash-out Mechanism is equal to the lesser of the Company's WACOG or the Index Price, as defined in Paragraph 9(c).

- b. Overtake Charge – If the monthly imbalance is due to more gas actually used by the customer than volumes delivered on their behalf, customer shall pay Company an Overtake Charge in accordance with the following schedule:

| <u>% Monthly Imbalance</u> | <u>Overtake Charge Rate</u> |
|----------------------------|-----------------------------|
| 0 – 5% | 100% Cash-in Mechanism |
| > 5 – 10% | 115% Cash-in Mechanism |
| > 10 – 15% | 130% Cash-in Mechanism |
| > 15 – 20% | 140% Cash-in Mechanism |
| > 20% | 150% Cash-in Mechanism |

Where the Cash-in Mechanism is equal to the greater of the Company's WACOG or the Index Price, as defined in Paragraph 9(c).

- c. The Index Price shall be the arithmetic average of the "Weekly Weighted Average Prices" published by Gas Daily for Emerson, Manitoba during the given month. The Company's WACOG (Weighted Average Cost of Gas) includes the commodity cost of gas and applicable transportation charges including the fuel cost of transportation.

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10. **NOMINATION VARIANCE CHARGE** – The customer shall pay any payments the Company must make to its interconnecting pipeline(s), as a result of nomination variance penalties caused by customer’s nomination variances. Such penalties will be allocated on the basis of each customer’s contribution toward the nomination variance.

11. **METERING REQUIREMENTS:**

- a. Remote data acquisition equipment required by the Company for daily measurement will be purchased and installed by the Company prior to the initiation of service hereunder. The cost of the equipment and its installation shall be paid for by the customer. Such contribution in aid, as adjusted for federal and state income taxes, must be paid prior to the installation of such equipment unless otherwise agreed to by the Company. Such equipment will be maintained by the Company and will remain the sole property of the Company. Company may remove such equipment when service hereunder is terminated.
- b. The customer shall provide and maintain, at no cost to Company, a 120 volt, 15 ampere, AC power supply or other power source acceptable to the Company and acceptable telephone service available at customer’s meter location(s). Customer agrees to provide and maintain, at no cost to the Company, any necessary telephone enhancements to assure Company of a quality telephone signal necessary to properly transmit data. The customer shall pay all charges for continuous electric and telephone service associated with the Company’s connection of the remote data acquisition equipment, and any interruption in such services must be promptly remedied or service under this tariff will be suspended until satisfactory corrections have been made.
- c. The Company reserves the right to charge for each service call to investigate, repair and/or reprogram the Company’s remote data acquisition equipment when the service call is the result of a failure or change in communication or power source provided by customer or damage to Company’s equipment.

12. **DAILY NOMINATION REQUIREMENTS:**

- a. Customer or customer’s shipper or agent shall advise Company’s gas nominations center, by 9:00 a.m. Central Clock Time, of the MCF

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requirements customer has requested to be delivered at each delivery point the following day. Customer's daily nomination shall be its best estimate of the expected utilization for the gas day. Unless other arrangements are made, customer will be required to nominate for the non-business days involved prior to weekends and holidays.

- b. All nominations should include shipper and/or agent defined begin and end dates. Shippers and/or agents may nominate for periods longer than 1 day, provided the nomination begin and end dates are within the term of the service agreement.
 - c. The Company has the sole right to refuse receipt of any volumes which exceed the maximum daily contract quantity and at no time shall the Company be required to accept quantities of gas for a customer in excess of the quantities of gas to be delivered to customer. If total nominated receipts exceed total deliveries at receipt points where more than one customer is receiving service, nominations will be allocated on a pro rata basis.
 - d. At no time shall Company have the responsibility to deliver gas in excess of customer's nomination.
 - e. In the event that more than one customer is receiving gas from the same shipper and/or agent at the same receipt point, any reduction in nominated volumes will be allocated on a pro rata basis, unless Company and shipper(s) and/or agent(s) have agreed to a predetermined allocation procedure.
13. WARRANTY – The customer, customer's agent or customer's shipper warrants that it will have title to all gas it tenders or causes to be tendered to the Company, and such gas shall be free and clear of all liens and adverse claims and the customer, customer's agent or customer's shipper shall indemnify the Company against all damages, costs and expenses of any nature whatsoever arising from every claim against said gas.
14. FACILITY EXTENSIONS – If facilities are required in order to furnish gas transportation service, and those facilities are in addition to the facilities required to furnish firm gas service, the customer shall pay for those

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additional facilities and their installation in accordance with the Company's applicable natural gas extension policy. Company may remove such facilities when service hereunder is terminated.

15. BILLING ERROR – In the event an error is discovered in any bill that the Company renders to customer, such error shall be adjusted within a period not to exceed 6 months from the date the billing error is first discovered.
16. AGREEMENT – Upon request of the Company, customer may be required to enter into an agreement for service hereunder.

The foregoing schedule is subject to Rates 100 and 101 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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