

**RULE 8
EXTENSION OF DISTRIBUTION FACILITIES**

LARGE VOLUME, INTERRUPTIBLE, AND TRANSPORTATION (Rate Schedules 511, 570, 663):

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Interruptible, industrial, large volume, and transportation customers taking service on Rate Schedules 511, 570, or 663 may receive an allowance not to exceed the sum of annual basic service charges plus estimated annual distribution margin (twelve consecutive months of billing revenue minus gas costs) the Company expects it will receive from the customer based on current rates, divided by 7.31%, the Company's approved rate of return per Commission Order No. 06 issued in UG-170929.

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Prior to receiving an allowance, an interruptible, industrial, large volume, or transportation customer must complete a customer load summary that, to the best of the customer's ability, accurately defines the gas fired equipment to be installed, and the estimated days and hours of equipment operation. The Company, in its sole opinion, will determine the customer's estimated annual usage, which may not conform to the customer's expectations.

Customers must consume the minimum agreed metered therms annually (Annual Minimum Quantity) per the terms of the agreement for natural gas service. If a customer does not consume the Annual Minimum Quantity within the 12 months ending on the customer's agreement for natural gas service anniversary date, the customer will pay for the deficiency balance of the therms not used during that 12 month period. The deficiency billing will be equal to the difference between Annual Minimum Quantity and actual consumption times the margin rate at the tail block usage rate.

(N)

(N)

The Company may offer nonresidential customers served on Schedules 511, 570, and 663 the opportunity to pay line extension costs over time through a facility charge; in which case the Company may require the customer to provide an irrevocable letter of credit in the amount not to exceed the line extension costs and for the timeframe not to exceed the payback period.

GENERAL CONDITIONS:

The following applies to all applicants or customers requesting new gas service:

- 1) The applicant shall grant the Company the right to enter and exit the Customer's property, and to remove (and replace) or otherwise disturb lawns, shrub or other property on the applicant's premises as reasonably necessary for the purpose of installing an extension. The Company's agents and employees shall have access at all reasonable times for reading, inspecting, constructing, reconstructing, repairing, and removing the Company's meters, metering equipment and natural gas facilities.
- 2) All necessary right-of-way assignments, easements, and permits across other properties will be secured at no cost to the Company before the Company constructs the line extension.

(continued)

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