

CASCADE NATURAL GAS CORPORATION

Customer Name Long - FACILITIES AGREEMENT

This Facilities Agreement (“Agreement”) is made and entered into as of this Date day of Choose an item, Choose an item (the “Effective Date”) by and between **CASCADE NATURAL GAS CORPORATION**, a Washington corporation (hereinafter referred to as "Cascade") and Customer Name Short on behalf of its facility located at Facility Address, (hereinafter referred to as "Customer"). Cascade and Customer are herein collectively referred to as the "Parties" or individually as a "Party".

Whereas, Cascade owns and operates a natural gas distribution system which can be or is already interconnected with Customer’s facility described above.

Whereas, Customer desires that Cascade extend or modify its distribution system to provide natural gas service or improved natural gas service to Customer’s facility.

Whereas, Cascade, subject to the terms and conditions hereof, is willing to provide such natural gas service.

Now, Therefore, in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties hereto, intending to be legally bound, agree as follows:

1. **Project.** Customer desires that Cascade install natural gas facilities as described below and other related equipment and infrastructure (hereinafter referred to as the "Project"), to provide sufficient capacity to enable daily natural gas delivery for Customer’s facility located at the above referenced address. Customer has requested that the facilities be designed for a capacity of Click or tap to enter text therms per hour and a Click or tap to enter text psig delivery pressure.

Project Description:

2. **Cascade’s Obligation.** Cascade hereby agrees to construct, install, maintain, and operate the natural gas facilities described herein to serve Customer’s facility as further shown on Exhibit B.

3. **Customer’s Obligation.** Customer agrees that it shall be responsible for:

Customer Project Responsibilities

4. **In-Service Date.** The “In-Service Date” is the date Cascade completes construction of the Project. Cascade estimates but does not guaranty that the Project will be complete on or about [Click or tap to enter a date](#), provided that Customer meets obligations described in Section 3 by the dates specified, and this Agreement is executed by Customer and all Advance Payments are received by Cascade no later than [Click or tap to enter a date](#). Customer acknowledges that this is an estimate and agrees Cascade shall not be liable for any damages, costs, or expenses related to a failure to meet this estimate.
5. **Ownership and Operation.** Cascade shall retain all ownership of the Project facilities and will, in its sole and reasonable discretion, operate the necessary natural gas facilities to serve Customer's facility according the terms of this Agreement, any service agreement executed between the Parties, and Cascade’s effective Tariffs, provisions, and rules.
6. **Tariffs, Provisions and Rules.** This Agreement is entered into pursuant to, and subject to, Cascade's effective Tariffs, applicable Rate Schedules, rates, rules, and regulations, all incorporated by reference, as they may be amended by Cascade with the approval of the Washington Utilities and Transportation Commission (“WUTC”).
7. **Project Cost and Advance Payment.** The total estimated cost of the Project “Estimated Project Cost” is [Click or tap here to enter text](#). (see Exhibit A, attached hereto and incorporated herein). Customer shall be afforded a margin allowance toward the cost of the Project (“Allowance”) of [Click or tap here to enter text](#). Customer shall be responsible for the remainder of the costs associated with construction of the Project plus an amount to account for Federal Income Tax as shown in Exhibit A. Therefore, the adjusted amount for which Customer is responsible to pay (“Amount Due”) is [Click or tap here to enter text](#). Customer will pay Amount Due as follows:
 - a. An “Advance Payment” of [Click or tap here to enter text](#), shall be paid in full by [Click or tap to enter a date](#). Cascade shall provide an invoice reflecting the Advance Payment. Cascade will not initiate work on or purchase any materials for the Project until the Advance Payment is received. This Agreement is contingent on receipt of the Advance Payment by the date specified in this paragraph. In the event the Advance Payment is not received by this date, this Agreement shall never come into effect.
 - b. A “Total Facilities Charge” of [Click or tap here to enter text](#). This amount will be paid through a flat Monthly Facilities Charge of [Click or tap here to enter text](#), paid monthly over [Choose an item](#) months and incorporated with Customer’s monthly bill under the Service Agreement, as defined in Section 8. Failure to pay the Monthly Facilities Charge as required shall be considered a breach of this Agreement.

The sum of the Advance Payment and the Total Facilities Charge together equal the Amount Due.

8. **Service Agreement.** The Parties shall execute an agreement for natural gas service with a Primary Term of [Choose an item](#) years. Said agreement shall commence no later than 6 months following the actual In-Service Date of the Project (“Service Deadline”). Customer has agreed that it will execute a new agreement for natural gas service under the following Schedule:

- Schedule 505, General Industrial Service
- Schedule 511, Large Volume Service
- Schedule 570, Interruptible Service
- Schedule 663, Transportation Service; Contract Demand (CD): **CD or Enter NA.** therms/day

(the "Service Agreement"). The Service Agreement will supersede and cancel the gas service agreement dated **Click or tap to enter a date.**, as it may have been amended or otherwise modified, currently in place between the Parties.

Should Customer fail to enter into the Service Agreement and commence gas usage by the Service Deadline, no Allowance as discussed in Section 7 will be provided and Customer shall reimburse Cascade for the Estimated Project Cost plus an amount to account for Federal Income Tax less the Advance Payment as shown in Exhibit A. Cascade will invoice Customer for this amount, and Customer agrees to pay any such invoice within thirty (30) days of receipt. In this event, Customer will not be required to pay the Monthly Facilities Charge discussed in Section 7 if the Parties enter into a future service agreement for natural gas service at the facility location described above unless required by a separate Facilities Agreement. Cascade shall have the right, in its sole discretion, to extend the Service Deadline for Customer to enter the Service Agreement and commence gas usage. Any such extension shall only be effective if in writing and signed by an authorized representative of Cascade.

9. Early Termination.

- A. Customer shall have the right to terminate this Agreement upon written notice to Cascade at any time after the Agreement is executed and the Advance Payment is received but prior to the actual In-Service Date. Cascade shall acknowledge receipt of notice from Customer in writing.
- B. Cascade shall have the right to terminate this Agreement should the Project not be completed within **Choose an item.** months of the Effective Date due to Customer's facility not being capable of receiving natural gas or if the state of Customer's facility has otherwise prevented Cascade from completing the Project.
- C. Upon early termination, Cascade shall 1) stop all activities related to the construction of said Project except to the extent necessary to wind up and otherwise secure the Project construction activities and ensure that Cascade's system is safe to operate and will suffer no degradation of service to any existing customer, 2) total all related internal and external costs to date incurred by Cascade related to construction and winding up of the Project plus an amount to account for Federal Income Tax, and 3) if those total costs plus an amount to account for Federal Income Tax exceed the Advance Payment, Cascade will invoice Customer for that difference plus an amount to account for Federal Income Tax. Customer agrees to pay said invoice within thirty (30) days. If the Project costs plus an amount to account for Federal Income Tax are less than the Advance Payment Cascade will pay Customer that difference within thirty (30) days.

- D. Further, upon early termination, the Parties agree that upon such Notice, other terms and conditions related to the transportation of natural gas set forth herein shall be null and void.
- E. For the avoidance of any doubt, this Section 9 shall not be applicable after Project completion.

10. **Meter Site and SCADA Obligation.** Customer agrees to provide a site of suitable location and size for Cascade's meter and SCADA/telemetry equipment. Cascade requires 24/7 access to meter and SCADA site. Customer further agrees to provide and maintain, at no cost to Cascade, a standard, continuous 120-volt AC power supply or other power source acceptable to Cascade during the time that Customer receives service through the Schedule indicated above. Cascade will use data obtained by its SCADA system relating to Customer's facility only for billing or other internal purposes or for providing information to Customer or Customer's agent, and will not, without the prior written consent of Customer, disclose such information to any third party. Notwithstanding the foregoing, Cascade shall be entitled to disclose this data and related information in response to legal or regulatory authority.

11. **Security.**

- Customer is not required to furnish a Letter of Credit.
- Customer shall furnish a standby, unconditional, irrevocable Letter of Credit to secure any and all amounts owed by Customer under this Agreement. The following terms shall apply:
 - A. The letter of credit shall be in the amount of the Estimated Project Cost plus an amount to account for Federal Income Tax less any Advance Payment amount which is equal to [Click or tap here to enter text.](#) Said letter of credit shall be in a form acceptable to Cascade and shall be issued by a federally insured bank or lending institution reasonably acceptable to Cascade.
 - B. The letter of credit shall be maintained in effect, whether through renewal or extension, from the execution of this Agreement and until a date that is thirty (30) days after the end of the Primary Term of the Service Agreement. However, in the event of Early Termination as discussed in Section 9 or termination of the Service Agreement prior to the end of the Primary Term, the letter of credit may be released by Cascade, in its discretion, after Customer has satisfied all of its payment obligations under this Agreement applicable in the event of early termination. Customer shall deliver a new letter of credit, or a certificate of renewal or extension, to Cascade at least thirty (30) days prior to the expiration of the letter of credit then held by Cascade.
 - C. Customer's failure to deliver, renew, and maintain the letter of credit shall be a breach of this Agreement and shall entitle Cascade to draw upon the letter of credit in the amount of the entire value of the Letter of Credit, and hold the proceeds thereof as a cash security deposit until such time as another letter of credit is delivered or until a

date that is thirty (30) days after the expiration of the Primary Term of the Service Agreement. Cascade shall have the same right to draw on the cash security deposit as under the letter of credit.

- D. If Customer fails to make any payment required hereunder or fails to make payment of the Monthly Facilities Charge under the Service Agreement, Cascade may, at its own discretion, make a demand for payment under the letter of credit in the amount due and owing.
 - E. If the Service Agreement is terminated prior to the end of its Primary Term, Cascade may, at its own discretion, make a demand for payment under the letter of credit in an amount up to the entire value of the letter of credit minus the sum of any Monthly Facilities Charges already paid.
 - F. No delay by Cascade in electing to draw on the letter of credit shall constitute a waiver of its right to do so.
12. **Natural Gas.** This Agreement does not constitute a natural gas purchase or transportation agreement between Customer and Cascade. Cascade's charges for natural gas and transportation of natural gas are pursuant to its effective Tariffs and are subject to the jurisdiction of the WUTC.
13. **Severability.** Each provision of this Agreement shall be considered separable, and if for any reason, any provision or provisions are herein determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of, or affect those portions of this Agreement which are valid, unless a primary purpose of this Agreement is thereby defeated.
14. **No Waiver.** Any failure by any party to insist upon the strict performance of any covenant, duty, agreement, or condition of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall not constitute a waiver of any such breach of any other covenant, agreement, term, or condition.
15. **Attorney's Fees.** In the event either party brings suit to enforce the terms of this Agreement, the prevailing party in such action shall be entitled to an award of reasonable attorney fees and costs from the non-prevailing party, whether at trial, on appeal, or in bankruptcy proceedings.
16. **Entire Agreement.** This Agreement constitutes the entire Agreement between the parties with respect to the matters herein contained and supersedes all prior agreements, representations, or negotiations, whether written or oral. The terms of this Agreement shall not be altered or amended except by a writing signed by both parties hereto.
17. **Applicable Law.** This Agreement is subject to all applicable laws of the State of Washington except as lawfully varied by the contractual terms of this Agreement.
18. **Assignment.** This Agreement shall be binding on and inure to the benefit of the successors and assigns of the parties hereto, provided, however, that no assignment or transfer by

Customer shall be made without the prior written approval of Cascade. Such approval shall not be unreasonably withheld.

19. **Notices.** Any notices or communications required or permitted hereunder may be delivered via the email address below or shall be deemed given and effective seventy-two (72) hours after depositing written notice in the United States mail, postage prepaid, and addressed as shown below. It is the responsibility of each Party to timely communicate to the other Party any changes in the contact information. Failure to make the other Party aware of any such changes shall not be considered grounds for relief for any of the terms herein.

Customer Name Short
Click or tap here to enter text.
Click or tap here to enter text.
Street Address.
City, State, Zip Code
Email Address

Cascade Natural Gas Corporation
Click or tap here to enter text.
Manager, Industrial Services
Street Address.
City, State, Zip Code
Email Address

20. **Heading.** Section headings included herein are for convenience only and do not affect this Agreement's interpretation or intent.

Agreed to accepted on the date first written above on behalf of:

Customer Name Short

CASCADE NATURAL GAS CORPORATION

Name: _____

Name: _____

Printed Name: **Print Name.**

Printed Name: **Print Name**

Title: **Click or tap here to enter text.**

Title: **Click or tap here to enter text.**

Date: _____

Date: _____

EXHIBIT A
Project Cost Estimate and Allowance

Estimated Project Cost:	Click or tap here to enter text.
Allowance ¹ :	Click or tap here to enter text.
Subtotal:	Click or tap here to enter text.
FIT Enter % :	Click or tap here to enter text.
Amount Due:	Click or tap here to enter text.

Amount Due will be paid as follows:

1. A one-time Advance Payment of **Click or tap here to enter text.**
2. A Total Facilities Charge of **Click or tap here to enter text.** This amount will be paid through a flat Monthly Facilities Charge of **Click or tap here to enter text.** paid monthly over **Choose an item.** months.

Note: Should Customer fail to enter into a Service Agreement as required herein, no Allowance will be provided and Customer shall reimburse Cascade for the Estimated Project Cost plus an amount to account for Federal Income Tax less the Advance Payment.

Amount to be reimbursed for failure to execute service agreement:

Estimated Project Cost:	Click or tap here to enter text.
FIT Enter % :	Click or tap here to enter text.
Subtotal:	Click or tap here to enter text.
less Advance Payment:	Click or tap here to enter text.
Reimbursement Amount Due:	Click or tap here to enter text.

¹ The Customer may be provided an Allowance if the requirements in Rule 8 on file with the WUTC are met in Cascade's sole opinion. If provided, the Allowance is to be applied to payments and not reimbursed by Customer only so long as (1) no early termination pursuant to Section 9 takes place; and (2) Customer meets the requirements set forth in Sections 8 and 11 of this Agreement.

EXHIBIT B
Project Details

Insert Project Details/Drawings and/or customer Facility Drawings or Details