



IGU INTERIOR ALASKA NATURAL GAS UTILITY

TARIFF

INTERIOR ALASKA NATURAL GAS UTILITY

2525 Phillips Field Road
Fairbanks, AK 99709
(907) 452-7111
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RULES AND REGULATIONS

RATE SCHEDULES

Governing the transportation and sale of natural gas pursuant to
RCA Certificate of Public Necessity No. 753



IGU INTERIOR ALASKA NATURAL GAS UTILITY

Interior Alaska Natural Gas Utility

Rules and Regulations

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DESCRIPTION OF SERVICE AREA

<u>TOWNSHIP</u>	<u>RANGE</u>	<u>SECTION OR PORTION OF SECTION</u>
T1N	R1W	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36
T1N	R2W	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36
T1S	R1W	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, N $\frac{1}{2}$ of 25 - 30
T1S	R2W	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, N $\frac{1}{2}$ 25 N $\frac{1}{2}$ 26, 27, 28, 29, 30, 31, 32, 33
T1S	R3W	13, 24, 25, 36
T2S	R2W	5, 6
T2S	R3W	1, 2, 11, 12,
T1N	R1E	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36
T1N	R2E	16, 17, 18, 19, 20, 21, 25, 26, 27, 28, 29, 30, 31, 32

DESCRIPTION OF SERVICE AREA (continued):



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<u>TOWNSHIP</u>	<u>RANGE</u>	<u>SECTION OR PORTION OF SECTION</u>
T2N	R1E	28, 29, 30, 31, 32, 33, 34, 35, 36
T1S	R1E	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36
T1S	R2E	5, 6, 7, 8, 9, 10, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36
T1S	R3E	29, 30, 31, 32
T2S	R1E	1, 2, 3
T2S	R2E	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 21, 22, 23, 24, 25, 26, 27, 35, 36
T2S	R3E	6, 7, 18, 19, 20, 27, 28, 29, 30, 31, 32, 33, 34, 35
T3S	R3E	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35, 36

(All the above with reference to the Fairbanks Meridian)



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Rules and Regulations

Section 100 - Territory

These Rules and Regulations shall be applicable to all Customers within the area covered by Interior Alaska Natural Gas Utility's Certificate of Public Convenience and Necessity Number 753 from the Regulatory Commission of Alaska.



Section 200 - Definitions

The definitions set forth below apply throughout these Rules and Regulations:

201 Company or Utility -

Interior Alaska Natural Gas Utility; its successors and assigns.

202 Customer -

Any individual, partnership, association, public or private corporation or governmental agency being served with or applying for gas service at a specific location or locations on the Company's system.

203 Point of Delivery –

The point of connection between the outlet connection of the Company's meter and the Customer's piping, unless otherwise specified in the Agreement for Service.

204 Service Connection -

Company's pipes and equipment (including regulator and meter) for delivering gas to the Customer from the Company's gas distribution system. Service connection terminates at point of delivery.

205 Customer's Installation -

In general, all pipes, utilization equipment and apparatus of any kind or nature on Customer's side of the point of delivery (from the outlet connection of the regulating and metering equipment) for receiving gas from Company and for applying or utilizing gas.



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206 Agreement for Service -

The written agreement or contract between Company and Customer pursuant to which service is supplied and received.

207 British Thermal Unit (BTU) -

The amount of heat required to raise the temperature of one (1) pound of water from fifty-nine degrees (59 degrees F) Fahrenheit to sixty-degrees (60 degrees F) Fahrenheit at a pressure of 14.65 pounds per square inch absolute.

208 Heat Content –

The number of British Thermal Units produced by the combustion, at constant pressure, of one (1) cubic foot of gas at a temperature of sixty degrees (60 degrees F) Fahrenheit and pressure of 14.65 pounds per square inch absolute with air at the same temperature and pressure.

209 MCF-

One thousand (1,000) cubic feet.

210 CCF-

One hundred (100) cubic feet.

211 Deposit-

Funds paid to the Company by a Customer and held by the Company for a certain time and later returned to the Customer if all requirements for a refund are met.

212 Contribution in Aid of Construction-

Funds paid or services provided by the Customer for making additions or modifications to facilities used in the provision of gas service which become the property of the Company. Generally non-refundable.



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213 Firm Service-

Supply of natural gas to a Customer that will not be interrupted other than for a period of gas shortages as described in Section 801.

214 Interruptible Service-

Supply of natural gas to a Customer that may be interrupted, at the sole discretion of the Company, if the Company believes it has insufficient gas supplies to meet its Firm Service obligations. Interruptible Service is subject to the conditions contained in the rules for Schedule F Service and Schedule G Service.



Section 300 - Character of Service

301 Type of Gas -

All gas supplied by the Company is natural, as described in paragraphs 302, 303 and 304 below. In case of emergency or for economy of operation, manufactured gas, or a mixture of natural and manufactured gas, or a mixture of methane, propane and air may be supplied.

302 Heating Value-

Company's rates are based on the supplying of natural gas having a heating value of approximately 1,000 British thermal units per cubic foot when such gas is at a temperature of sixty degrees (60°) Fahrenheit and at a pressure of 14.65 pounds per square inch absolute (psia).

The Company reserves the right to designate a higher or lower monthly average heating value. Thereafter, the standard shall be the monthly average until the same is modified in a similar manner.

303 Pressures -

The gas pressure provided to the meter on the Customer's gas service piping is seven (7) inches of water column (w.c.) or two (2) psi. Gas may be supplied at higher pressure at request of a Customer and upon approval of the Company.

The metered number of cubic feet will be corrected to the volume at a pressure of 14.65 pounds per square inch absolute (psia) and a temperature of sixty degrees (60 degrees F) Fahrenheit before applying the applicable rate.

304 Odorization -



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The Company will add a standard odorant so that the gas will possess a distinctive odor to the extent that its presence in the atmosphere is readily detectable at concentrations of approximately one fifth, by volume, of that required to produce an explosive mixture.



Section 400 - Customer / Company Relations
Regarding Service

401 Application for Service -

Application for service may be made at any business office of the Company, electronically or by mail:

Interior Alaska Natural Gas Utility
2525 Phillips Field Road
Fairbanks AK 99709
info@interiorgas.com

The Company will require each prospective Customer to sign an application for the service desired, and to establish credit.

The application should show the following information:

- a. Name, Address and phone number of Applicant.
- b. Location of the premises to be served and phone number.
- c. Date applicant desires service.
- d. Whether or not the premises have previously been supplied.
- e. Description and BTU load of appliances.
- f. Address for billing and phone number.
- g. Whether the applicant is owner, agent or tenant of the premises.
- h. Such other information as the Company may reasonably require.



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The application is only a request for services and does not bind the Company to serve, nor does it bind the Customer to take service.

402 Service Agreement –

An Agreement for Natural Gas Service or contract for service may be required by the Company, to be signed by the Customer when the Customer signs the application for service. No agreement or service contract is required except:

- a. where such contract is required as set forth in the rate schedule.
- b. to document Section 603, Temporary Service.
- c. where such contract is for Interruptible Service.

Additionally, the Company may offer landlords and property managers a “Landlord Tenant Agreement” where responsibility for the gas service reverts to the landlord or property manager when 1) the tenant refuses to satisfy a delinquency after proper notification, or 2) when a tenant vacates a property and a new tenant has not applied for service.

403 Credit Establishment and Re-establishment -

Each applicant for service will be required to establish or re-establish their credit to the satisfaction of the Company before service will be rendered.

a. Establishment of Credit

The applicant's credit will be deemed established:

- (1) If the applicant makes a cash deposit to secure the payment of any bills for service to be furnished by the Company as provided in paragraph 403 (c), or
- (2) If the applicant has a record of prompt payment for service satisfactory to the Company for twenty-four (24) months or more for previous use at the Company or another utility company, provided such service



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occurred within four (4) years from date of new application for service,
or

- (3) If the applicant does not have a sufficient payment history with the Company or another utility, the Company will consider credit established if the applicant is the record owner of the real property to be served by the Company (provided the real property is of sufficient value), the Customer is not in bankruptcy or receivership, and the Customer agrees to pay all future bills for service to the location, or
- (4) If the applicant is a tenant and the property location has on file with the Company a signed "Landlord Tenant Agreement" by the owner of the property.

b. Re-establishment of Credit

- (1) A Customer who fails to pay their bills for gas after a second notice, or after service has been discontinued for non-payment, may be required to pay their bills and re-establish credit by making a cash deposit as established in 403 (c) (1).
- (2) A Customer who pays their bill with a check that is subsequently returned to the Company unpaid by the bank will be deemed to have never paid that bill and subject to the provisions of paragraph 403 (b)(1). The Company shall charge the Customer a \$35.00 handling fee for each such returned check.

c. Amount of Deposit

- (1) The amount of the deposit required to establish the credit of an applicant for gas service shall be \$100.
- (2) Re-establishment of Credit

The amount of the deposit to establish the credit for the same class of gas service, to a Customer whose service has been discontinued for



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failure to pay bills for such service, shall not exceed twice the estimated average periodic bill for that service.

d. Return of Deposit

The Company will refund the deposit as set forth below:

- (1) When the service is terminated, the Company will refund to the extent the amount held exceeds any balance due the utility for service. All refunds generated by discontinuing service will be returned to the Customer within twenty-five (25) working days after the date of discontinuance.
- (2) Refunds to Customers who have established their credit will be made automatically, in the normal course of business, in the form of a refund check or as a credit to the Customer's account. Under no circumstances shall the utility retain a Customer's deposit longer than two (2) years, provided that the Customer:
 - (a) Has not been delinquent in payment (as stated in section 705) more than once in any twelve (12) consecutive months.
 - (b) Has not been delinquent in the previous six (6) month period.
 - (c) Is not past due at time of review.

These refunds will be made within thirty (30) working days of expiration of the two (2) year period.

404 Rates and Optional Rates -

Complete schedules of all rates in effect will be kept at all times in the Company's offices where they will be available for Customer inspection.

In the event of the adoption by the Company of new or optional schedules or rates, the Company will take such measures as may be practicable to advise those of its Customers who may be affected that such new or optional rates are



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available.

In the event that a Customer desires to take service under a different rate schedule than that under which Customer is being served, the Customer must submit written notice to the Company at least 15 days prior to the next meter reading date that the Customer desires the new schedule to apply. The new rate will become effective for service rendered after the next regular meter reading.

The Company will not be liable for any refunds for failure of the Customer to take advantage of an optional rate which might reduce Customers cost for service.

405 Changes in Customer's Requirements -

The Company will furnish equipment of such size and type that it determines will adequately serve the expected deliverability requirements of the premise at the time of installation based upon the information supplied by the Customer. The Customer shall give the Company ninety (90) days' advance notice of intention to increase Customer's gas requirements materially so that adequate facilities may be provided. The Company may charge the customer for costs associated with any such work performed.

406 Access to Premises -

Authorized agents of the Company shall, at all times, have free access to Customer's premises to read meters, to inspect, test, repair and replace meters and other property of the Company, to inspect the Customer's gas piping and utilization equipment, to remove Company property, and for any other purposes directly related to the supply of gas service.

407 Connection of Service -

Only duly authorized employees of the Company will be allowed to connect the Customer's facilities or disconnect the same from the Company's service connection and/or gas mains.

408 Discontinuance and Restoration of Service -



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a. Nonpayment of Bills

(1) Delinquent Bills

- (a) A bill for gas service is delinquent (past due) if not paid within twenty-five (25) days of the billing date.
- (b) It is the responsibility of the Customer to make prepayment or other satisfactory arrangements with the Company if absence from the community or other reasons will preclude timely payment of the Customer's bill.

(2) Deferred Payment Arrangements

The Company may offer a deferred payment plan to a delinquent Customer if the Company determines that the deferred payment plan will assist the Company in collecting the delinquent account. When considering such arrangements, the Company shall consider the length of service, the amount of the delinquency, the amount of the deposit held, adherence to prior payment arrangements, and prior payment history.

(3) Notice Before Discontinuance of Service for Non-Payment

- (a) When a bill for gas service has become delinquent, the Company shall give the Customer at least ten (10) days' notice before discontinuing service. The written notice will state the Company's intent to discontinue service if the bill is not paid.

Such notice may be included with the Customer's regular monthly billing or with a separate mailing Customer

At the end of the ten (10) day notice period, if the bill remains delinquent, the Company will proceed with the noticing specified in Section 408a(3)(b) below.



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- (b) At least three (3) days prior to discontinuing service for non-payment, the Company will make a reasonable attempt to contact the Customer either by mail, telephone, personal visit or by leaving a notice at the service location.
- (4) Discontinuance of Service for Non-Payment (Delinquency)
- (a) When a bill for gas service has become delinquent and the discontinuance notices as provided for in 408a(3) above have been issued, service may be discontinued if the delinquent bill is not paid within the time required by the last notice. A Customer's service, however, will not be discontinued until the amount of any deposit made to establish credit for that service has been fully absorbed.
- (b) A Customer's gas service may be discontinued for non-payment of a bill owed to the Company by the Customer for service at a previous location, provided such bill is not paid within ten (10) days after presentation of a discontinuance of service notice similar to that provided in 408a(3)(a) above. In no case will service be discontinued within less than thirteen (13) days after establishment of service at the new location and service being supplied under the Company's Schedule A (Residential Service) service may not be discontinued because of nonpayment of bills for other classes of service.
- (c) If a Customer is receiving service at more than one location, service at any or all locations may be discontinued for non-payment of any one bill in accordance with the time and noticing procedures specified in Section 408a(3) above. However, service being supplied under the Company's Schedule A (Residential Service) service may not be discontinued because of nonpayment of bills for other classes of service.
- (d) A Customer who pays a bill with a check, credit union share draft or bank draft that is returned to the Company will be deemed to be delinquent. Once the original bill is past due, the Company may discontinue service after giving three (3) days' notice of



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discontinuance, similar to that provided in Section 408a(3)(b) above, once the original bill is past due. The Customer may also be required to re-establish credit subject to the provisions of Section 403b(1) above. The Company shall charge a handling fee of thirty-five dollars (\$35.00) for each returned check or draft.

- (e) A Customer's gas service may be discontinued by the Company for failure to fulfill the terms of a deferred payment arrangement, written or verbal, after three (3) days' notice similar to that provided in Section 408a(3)(b) above.
- (f) The Company may delay discontinuance of service to domestic space heating Customers during winter periods where the Company believes severe weather conditions exist.
- (g) The Company will not discontinue service under this Section 408a(4) (that is, for non-payment) on a Friday, a week-end, or on a day preceding a Company-recognized holiday.
- (h) If the Company postpones discontinuance beyond ten (10) days from the date of discontinuance indicated by the last notice as provided in Section 408a(3)(b) or Sections 408a(4)(b)-(e) above, then the Company will make a reasonable effort to contact the Customer in the manner provided for in Section 408a(3)(b) above at least one (1) day prior to actual discontinuance.
- (i) The Company shall not be liable to the Customer for any damage caused by the discontinuance of service. If service is discontinued due to non-payment, we reserve the right to remove the company's equipment from the customers property.

b. Unsafe Apparatus

The Company shall have the right of refusing or ceasing to deliver gas to a Customer if any part of the Customer's service, appliances, or apparatus shall at any time be deemed unsafe by the Company or any of its employees, or if the utilization of gas by means thereof shall be prohibited or forbidden under



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the authority of any law or regulation (until such law or regulation shall be declared invalid by a court of competent jurisdiction), and may refuse to serve until the Customer shall put such service, appliance, or apparatus in good and safe condition and comply with all laws and regulations applicable thereto.

The Company does not assume the duty of inspecting the Customer's service, appliances or apparatus, or any part thereof, and assumes no liability therefore. In the event the Customer finds the gas service to be defective, the Customer shall immediately notify the Company to this effect.

c. Fraud

The Company shall have the right to refuse to serve gas or to discontinue gas service to any location and at any time to discontinue service if found necessary to do so in order to protect itself against abuse or fraud.

d. Non-Compliance with Company's Rules

If a Customer should fail to comply with any of the Company's Rules and Regulations from time to time in force, the Company will advise the Customer of such failure. If the Customer does not remedy same within five (5) working days, the Company shall have the right, after giving due notice, to discontinue service to the Customer.

Except in cases of emergency, or as otherwise provided in these Rules and Regulations, the Company will not discontinue the service of any Customer for violation of any of these Rules or Regulations except on written notice of at least five (5) days, advising the Customer of the Rule or Regulation violated for which service will be discontinued if the violation is not remedied. This notice may be waived in the event of discovery of an unsafe condition on a Customer's premises or in case of a Customer utilizing the service in such a manner as to make it unsafe for occupants of the premises, thus rendering the immediate discontinuance of service to the premises, imperative.



e. Customer Wishing to Discontinue Service

Each Customer about to vacate any premises or otherwise discontinue service by the Company shall give written notice of Customers intended discontinuance at least five (5) days prior thereto, specifying the date service is desired discontinued; otherwise, Customer will be held responsible for all gas furnished to such premises until the Company shall have notice of such discontinuance.

f. Usage of Service Detrimental to Other Customers

The Company will not furnish service to gas apparatus or appliances, the operation of which will be detrimental to the gas service being furnished by the Company to its other Customers in their immediate vicinity, or to service supplied from the same distribution system, and the Company will refuse to continue furnishing gas to any Customer who shall, after being notified by the Company to discontinue the use of gas for such apparatus or appliances, continue to so use the same.

g. Failure to Establish Credit After Institution of Service

If, for the convenience or at the request of the Customer, the Company institutes gas service prior to credit having been established (as provided in Section 403) and if, within five (5) days from such institution of service, such Customer shall not have so established credit, the Company shall thereupon have the right, upon five (5) days' notice and continued failure to establish credit, to discontinue service of gas to such Customer.

h. Re-connection Service Charge

A re-connection charge of one hundred dollars (\$100.00) may be made and collected by the Company before service is renewed where service has been discontinued for non-payment of bills as required by these Rules and Regulations, or to protect the Company against fraud, or for other noncompliance with the Rules and Regulations of the Company. In the event a customer requests the re-establishment of service outside regular business hours, the customer will be charged an Outside Office Hours charge of one hundred and fifty dollars (\$150.00).



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The Company shall not be liable for any injury, casualty or damage resulting in any way from the supply or use of gas or from the presence or operation of the Company's structures, pipes, or devices on Customer's premises.

410 Customer Complaints -

Customer complaints may be registered at our office in person or by telephone during regular business hours, or by mail. Such complaints will be promptly handled on an individual basis and appropriate steps taken to resolve the situation.

411 Non-Warranty for Customer Equipment -

Neither by inspection nor nonrejection, nor in any other way, does the Company give any warranty, expressed or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, wires, conduit, appliances, or devices owned, installed, or maintained by the Customer or leased by the Customer from third parties.

412 Payment and Late Payment Charge -

Payment for the full amount of the statement, including taxes or fees applicable thereon, will be made to Interior Alaska Natural Gas Utility on or before the 1st business day after the 25th calendar day following the billing date. If the Customer fails or neglects to make any payment required under this Schedule, or any portion thereof, to Interior Alaska Natural Gas Utility when due, Interior Alaska Natural Gas Utility will include in the next bill to the Customer a late payment charge of 0.875% per month (10.5% per annum) on the outstanding amount.



Section 500 - Customer's Installation

501 Customer's Facilities -

The Company will determine the location of Company's service connection, regulating and metering equipment. The Customer will, at Customer's own expense, furnish, install, and keep in good and safe condition, all piping, appliances, fixtures and apparatus which may be required for receiving gas from the Company, or for utilizing such gas, including all necessary protective appliances.

The Company shall not be responsible for any loss or damage due to the neglect or wrongful act of the Customer or any of Customer's employees in installing, maintaining, using or operating Customer's equipment.

The Company reserves the right to inspect and approve of all construction by the Customer related to gas service.

No inspection by the Company, or failure of it to object to the Customer's installation or construction, nor the fact that it made connection to the Customer's installation, will cause the Company to become liable for any damage or injury resulting from any defective installation or construction by the Customer.

All of the piping and gas appliances upon the Customer's premises shall be installed and maintained in accordance with the applicable laws and rules of any governmental authority having jurisdiction, the National Board of Fire Underwriters, and the Company.

502 Notice of Gas Leak -

The Customer shall give the Company immediate notice of any leakage or escape of gas. However, all repairs to and maintenance of the Customer's piping and equipment shall be made by the Customer.



Section 600 - Company's Installation

601 Service Connections and Facilities on Customer's Premises -

a. Service Connections

- (1) Upon a completed application for service, the Company will make service piping extensions on the following basis:

Under Normal Conditions, when a service line is run from the street mains adjacent to a Customer's property, starting at the Customer's property line, the Company will install up to one hundred (100) feet of service piping from the property line to the meter location, or to each meter if more than one (in separate billing only) for which the Customer will pay a service installation fee of three hundred fifty dollars (\$350.00) for residential services and five hundred dollars (\$500.00) for commercial services.

If, in the Company's judgment, the installation of a service line will entail costs in excess of the Company's normal service line installation cost to satisfy a request of the Customer, those costs will be considered excess costs. The Customer will pay the Company for the excess costs. Excess costs may include, but are not limited to, costs incurred for difficult construction problems such as rock, excessive pavement or frost.

Definition of Normal Conditions: Construction of a service line along a cleared unobstructed route and the placement of the facilities as determined by the Company constitute normal conditions. Clearing, underground obstructions, special equipment or construction under hazardous conditions are not considered normal construction conditions.

- (2) If more than one hundred (100) feet of service piping is required, the Customer shall pay the sum of three hundred fifty dollars (\$350.00) (Residential) or five hundred dollars (\$500.00) (Commercial) plus the excess footage fees as described in the Schedule of Nonrecurring



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Fees and Charges.

Payments made by Customers under this provision shall be nonrecoverable contributions. Once installed, the Company will fully maintain the service facility at no cost to the Customer, and may at its option abandon any underground piping in the event service is discontinued.

- (3) The Company may accommodate a Customer's request for a service connection during periods in which the ground is frozen by installing a temporary service line and assessing the Customer for the cost of installation and removal pursuant to Section 603 below, or by constructing a permanent service and assessing the Customer the excess installation costs as provided in Section 601a(1) above.

b. Maintenance of Service Connections

The materials furnished by the Company, at its own expense, in the construction or operation of such service extension will at all times be and remain the sole property of the Company, which will have the right, by its agents or employees, to enter upon the property of the Customer and remove such materials after the Customer shall cease taking service from the Company.

The service connection materials furnished by the Company and for which the Customer was charged a nonrecoverable contribution for the construction of such service connection will at all times be and remain the sole property of the Company. The Company will make all repairs thereon and have sole control of the same.

c. Meters and Appliances

All meters, regulators, service pipe, appliances, fixtures, etc., installed by the Company at its expense upon the Customer's premises for the purpose of delivering gas to the Customer shall continue to be the property of the Company, and may be repaired, replaced or removed by the Company at



any time.

No rent or other charge whatsoever will be required of the Company, by the Customer for placing or maintaining said meters, regulators, service pipe, appliances, fixtures, etc., upon the Customer's premises. All meters may be sealed or soldered by the Company, and no such seal or solder shall be tampered with or broken except by a representative of the Company appointed for that purpose. The Customer shall exercise extreme care to prevent the meters, regulators, service pipe, appliances, fixtures, etc., of the Company upon said premises from being damaged or destroyed, and shall refrain from interfering with the same, and, in the case any defect therein shall be discovered, the Customer shall notify the Company thereof.

The Company shall have the right to remove any and all of its facilities installed on Customer's premises at the termination of service.

d. Meter Installation

All meters will be installed by the Company in some convenient place approved by the Company upon the Customer's premises, and so placed as to be at all times accessible for inspection, reading and testing. While the Company will approve the location of and install the Company-owned facilities located on the Customer's premises, it is the responsibility of the Customer to exercise reasonable care to prevent damage to the facilities (including damage by snow and ice from roofs or vehicular damage). The Customer may be held responsible for any such injury or damage as further provided in Section 606 below. The Customer must notify the Company immediately if any damage, defect or leakage of gas is discovered.

e. Company's Right of Ingress to and Egress from Customer's Premises.

The Company shall at all times have the right of ingress to and egress from the Customer's premises at all hours for any purpose reasonably connected with the furnishing of gas, and the exercise of any and all rights secured to it by law, or by these Rules and Regulations.



f. Customer Responsibility for Equipment for Receiving Gas

The Customer shall, at Customers own risk and expense, furnish, install and keep in good and safe condition all regulators, gas piping, appliances, fixtures and apparatus, of any kind or character, which may be required for receiving gas from the Company, and for applying and utilizing such gas, including all necessary protective appliances and suitable housing thereof, and the Company shall not be responsible for any loss or damage occasioned or caused by the negligence, or wrongful act of the Customer or of any of his agents, employees or licensees in installing, maintaining, using, operating or interfering with any such regulators, service pipes, gas piping, appliances, fixtures or apparatus.

All gas piping, appliances, equipment and apparatus downstream of the meter are the responsibility of the Customer.

g. Service Connections Made by Company's Employees

Only duly authorized employees or contractors of the Company shall be allowed to connect service piping to the Company's gas mains and/or install service connections and meters, or to unlock meters.

h. Excess Flow Valve Installation -

Effective April 14, 2017, the Company is required by Federal Pipeline Safety Regulations 49 CFR 192.383 to install an Excess Flow Valve (EFV) or shut off valve in all new and renewed service lines.

(1) An Excess Flow Valve (EFV) is a device placed inside the natural gas service line near the gas main that shuts off the flow of natural gas automatically if the Company's service line is broken or otherwise has excessive flow, thereby restricting the flow of gas and mitigating the potential for property damage. Such excessive flow can be caused by damage due to excavation, damage caused by a natural disaster such as an earthquake, or excessive flow due to additional gas-fired equipment



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being added to the service line that exceeds the design capacity of the EFV. EFV's are designed for a specific flow range with some tolerance for additional load, and will be sized based on information provided by the Customer at the time application is made for a new or renewed service line. Installation of an EFV will not protect against Customer appliance gas leaks, small service line punctures or gas meter leaks. An EFV may not protect against damages due to earthquakes or flooding.

(2) It is critical that the Customer inform the Company before any additional gas-fired equipment is added to the service line. Failure to do so could cause the EFV to close, disrupting natural gas service to the home. If a larger EFV needs to be installed to handle the Customer's increased load, the Customer will be responsible for the Company's cost to replace the EFV.

(3) Should a Customer increase the load on the service line without notifying the Company causing the EFV to close, the Customer will be responsible for any and all costs and damages associated with the closed EFV, including but not limited to Company's cost to repair and/or replace the EFV.

(4) If a Customer requests the installation of an EFV in an existing service line, the Customer will be responsible for the Company's cost to install the EFV.

602 Extension of Mains

a. General

(1) Base System of Distribution Mains - The Company has designed a base system of distribution mains which will best serve the current service area. This system may be constructed without being subject to extension policy. This base system is designed to serve Customers within the certificated area. Main extensions will be approved if they are economically feasible and do not cause an unreasonable added cost burden to be borne by existing Customers.



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Any main extension beyond the base system will be subject to the provisions set forth below. Each extension to a Customer or group of Customers must be considered individually.

- (2) Easements and Right-of-Way - The Customer shall grant the Company specific easements and rights-of-way necessary for a proper gas service connection to that Customer's location. Failure on the part of the Customer to grant such easements and right-of-way constitutes grounds for the Company to refuse service.
- (3) Initiation of Main Construction - No main construction or clearing of right-of-way shall be initiated under this provision until all required advances, contributions, applicable fees, deposits, easements, permits, and related documents have been received by the Company, properly signed and executed.
- (4) Cost Estimates - A Cost estimate is good for thirty (30) days. The Company will calculate the costs to construct each extension of gas distribution main. These costs are based on the facilities necessary to provide service and include distribution mains, underground service pipes, meters, regulators, etc. as well as the engineering and supervision necessary in constructing said facilities to meet all legal and safety requirements.

The Company may include charges in excess of standard costs in its calculation of the cost to construct an extension for items which are particularly unique to that extension and which could cause an undue additional cost burden to be borne by existing Customers if only standard costs are used. Examples of such unique charges would include, but are not limited to, the construction costs of: river or stream crossings; construction in swamp, hard rock, or frozen ground areas; construction and permitting in ecologically fragile areas; road bores, open cut crossings, asphalt right-of-way of a limited access highway. Charges for these items will be based on the Company's current cost estimates.



- (5) Payment of Advances - The initial advance required of a Customer will be based on a cost estimate. If the actual costs of construction are less than the written estimate, the Customer will receive a refund of the difference between the advance and the actual costs. If the actual costs of construction are more than the written estimate, the Customer will be required to advance additional funds sufficient to cover the actual costs except no charges in excess of the written estimate plus ten (10) percent will be collected from the Customer unless the additional charges are the result of additional construction work requested or caused by the Customer subsequent to the initial written estimate. Other than additional costs necessitated by the Customer, actual costs in excess of one hundred ten (110) percent will be borne by the Company.

No interest will be paid on advances or main extension deposits.

- (6) Customer Construction - The Company may, at its discretion, allow Customers, or their appointed agents, to perform a portion of the trenching and backfilling of a main extension. The Company will establish, in writing, standards of performance, safety, inspection, insurance and bonding which must be complied with prior to commencement and acceptance of any Customer trenching and backfilling. These standards will be substantially equivalent to the Company's standard for Company installed main extensions. Failure of a Customer, or the Customer's appointed agent, to comply with the standards as set forth by the Company may result in additional charges by the Company. The Company is not obligated to accept or provide gas service through any facilities which do not meet its construction standards. In the event additional Customers receive service from this main extension the constructor (Customer) shall receive refunds, consistent with Section 602 b., based on actual cost,



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not exceeding the Company's written estimated cost. The Customer's costs eligible for refund would include Customer construction costs and required advances to the Company, net of any free allowance.

- (7) Ownership - At all times the Company shall own, operate and maintain all gas distribution facilities up to the point of delivery regardless of whether the facilities have been constructed using Customer-supplied trenching and backfilling or through Customer advances.
- (8) Cost of System Upgrade - Charges in excess of standard costs may include cost of system upgrade if it is incidentally the result of a Customer's addition to the system and the Customer has a load requirement that is not comparable to those in the area being served by the facilities requiring the upgrade.

b. Individual Main Extensions

- (1) Free Allowance - Each applicant will receive a free allowance equal to \$0.206 times the estimated annual gas usage in CCF of the applicant. The free allowance will be applied before any advances or contributions are required from the applicant. The estimated billing will be confirmed by either a take-or-pay contract or a minimum bill schedule for 1 year of service. A payment by a Customer pursuant to Section 602 a. is an advance which may be subject to refund as additional Customers receive service from the applicant's extension.
- (2) Principles and Objectives
 - (a) After the Company has determined the costs of an applicant's extension, the Company will pay those costs up to the free allowance. The applicant will pay the costs that exceed the free allowance. Under most conditions, these additional payments are advances which may be subject to refund as additional Customers receive service from the applicant's extension.



- (b) When an applicant requires a main extension and that extension is directly connected to a main extension constructed by advances from earlier applicants, the new applicant will be required to share in the costs of the earlier extension if there are advances associated with the earlier main extension which have not been refunded and the applicant begins to receive service either in the year of construction of the earlier main extension or during the next five years.
- (3) In determining how advances are to be shared when more than one Customer is using facilities constructed through advances, the general principle to be applied is that each Customer should have equal advances for commonly used facilities. In applying this principle each Customer should only share in the costs of those facilities actually used. For example, if a Customer built a one-mile extension and the next year a new applicant began to receive service one-half mile into the original extension, the new applicant must share in the costs of one-half mile of the original extension.
- (4) Beginning on January 1 of the sixth calendar year following the construction of an individual main extension, new applicants are not required to share in the costs of that main extension, and any remaining advances associated with that main extension will become contributions (non-refundable).
- (5) For administrative efficiency, the Company may elect to make the refunds in a single annual payment. All such refunds will be made by March 1 of the year following the year the refundable amounts were established.
- (6) Determination of Advance Amounts and Refunds
 - (a) After the Company has applied the applicant's free allowance as described above, the applicant must pay as an advance



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(potentially refundable) any remaining costs of the main extension being constructed for the Customer.

- (b) If a part of the applicant's free allowance was used to reduce the advances of a prior main extension to which the applicant's new main extension directly connects, that part of the free allowance used to reduce those advances will be refunded to the Customer(s) who previously made those advances for the portion of the facilities now used by the new applicant. This rule is applied in the same manner as in Section 602 b (3).
- (c) To calculate how the cost of the earlier main extension are to be shared, the advances for that portion of the earlier main extension will be totaled and divided by the total number of Customers, including the new applicant, who share the use of those facilities. The applicant will pay this amount as an advance which will be refunded on an equal basis to the individuals who previously made advances for the earlier main extension.
- (d) In no case may the amount of the refund or the amount totally refunded exceed the amount of the original deposit.

603 Temporary Service -

Temporary service, as herein considered, refers to service of a temporary nature, and to operations of a speculative character or of questionable permanency.

The Company will, furnish temporary service under the following conditions:

- a. If in its opinion the furnishing of such service will not impose an undue hardship upon it or its then existing Customers.
- b. The applicant for such temporary service shall be required to pay to the Company in advance or otherwise, as the Company may elect, the net cost of installing and removing any facilities necessary in connection with the furnishing



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of such service by the Company.

- c. Each applicant for temporary service shall be required to deposit with the Company a sum of money equal to the estimated amount of the Company's bill for such service, not to exceed the estimated maximum bill for two (2) months' consumption.
- d. Nothing in these Rules and Regulations shall be construed as limiting or in any way affecting the right of the Company to collect from the Customer an additional sum of money which may become due and payable to the Company from the Customer by reason of the temporary service furnished hereunder.
- e. In the event that a Customer shall have operated the gas equipment or apparatus originally installed by Customer, or its equivalent, for a period of twelve (12) consecutive months from the date service is first delivered under this rule, and, provided the Customer's business has proved its permanency to the entire satisfaction of the Company, the payment made by Customer pursuant to Section 603 a hereof, shall be adjusted to the basis of Sections 601a and 602 above and provided the Customer complies with the rules applicable to gas service.

604 Change in Location of Existing Service Facilities -

Any change requested by the Customer in the point of delivery or location of the service pipe, provided such change is approved by the Company, will be made at the expense of the Customer. The Customer shall pay the Company's estimated cost of such change in advance. In the event the actual cost is more or less than the estimated cost then the Company will charge or refund to the Customer any difference between the actual and estimated cost.

605 Delayed-Use Facilities -

Whenever, at the request of a Customer, a main extension and/or service pipe is provided under Sections 601 and 602 above, through which service is not immediately desired, said Customer shall bear the entire reasonable expense of providing, placing, and constructing these facilities.



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Any Customer who does not begin using gas within six months of service line installation will be considered a “delayed use Customer.”

606 Protection by Customer -

Customer shall protect all of Company's property on Customer's premises. Customer shall not tamper with or remove any of such property and shall permit no one but Company's authorized employees or agents to inspect or handle same. In the case of loss or damage to Company property caused by or arising from carelessness, neglect, or misuse by the Customer or Customer agents or employees or third parties, the Customer shall pay Company the amount of such loss or damage to the property.



Section 700 - Metering and Billing

701 Measurement of Gas -

The measurement of gas by Company's meter shall be considered conclusive and binding upon the Customer and the Company, except when such meter ceases to register, prove to be defective, or is found by test not to be accurate within the limits prescribed in Section 702 of these Rules and Regulations. Company may seal or lock its meter or enclosures containing meters and associated equipment. No person, except a duly authorized employee or agent of the Company, shall be permitted to break or replace a seal or lock, or to alter or change a meter or its connections or location, or to alter a gas pressure regulator.

702 Meter Tests and Adjustment of Bills for Meter Error -

a. Meter Tests

Any Customer may, upon not less than fifteen (15) days' notice, require the Company to test Customer's gas meter. No payment or deposit will be required from the Customer for such tests except:

When a Customer whose average monthly bill for gas service is less than five hundred dollars (\$500.00) requests a meter test within twelve (12) months after date of installation of the meter, or more often than once in twelve (12) months thereafter, a fee to cover the reasonable cost of the test will be required of the Customer, in accordance with the following:

- (1) For meters of rated capacities not exceeding 250 cubic feet per hour, \$150.00 per meter
- (2) For meters of rated capacities in excess of 250 cubic feet per hour, but not exceeding 750 cubic feet per hour, \$200.00 per meter
- (3) For meters of rated capacities in excess of 750 cubic feet per hour, \$500.00 per meter



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The amount so deposited will be returned to the Customer only if the meter is found, upon test, to register more than two percent (2%) fast under conditions of normal operation.

A Customer shall have the right to require the Company to conduct the test in Customer's presence, or if Customer so desires in the presence of an expert or other representative appointed by Customer. A report giving the result of the test will be supplied to the Customer within a reasonable time after completion of the test.

b. Adjustment of Bills for Meter Error -

- (1) When, as the result of any test, a meter is found to be more than two percent (2%) fast, the Company shall refund to the Customer the overcharge, based on the corrected meter readings for the period in which the meter was in use, not exceeding six (6) months, unless it can be shown that the error was due to some cause, the date of which can be fixed. In this case, the overcharge shall be computed back to, but not before such time.
- (2) If, in the case of domestic or residential service, the meter, upon test as herein provided, is found not to register, or to register less than seventy-five percent (75%) of the actual consumption, an average bill, or a bill for the gas consumed but not covered by the bills previously rendered for a period not to exceed three (3) months, may be rendered to the Customer by the company.
- (3) If a meter for service other than residential service, upon test as herein provided, is found to register more than two percent (2%) slow, the Company may render a bill for gas consumed but not covered by bills previously rendered for a period not to exceed three (3) months, provided that the actual period of error exceeds three (3) months. In the event the rate the error commenced can be definitely determined, the correction to be made, as herein provided, shall cover such actual period.



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- (4) If the metering adjustments amount to less than five dollars (\$5.00) no refund or billing will be made.

703 Estimated Usage -

Where the Company is unable to read meter on Customer's service, the Company may estimate the amount of gas supplied and submit a bill to Customer. The estimated usage will be based on actual consumption over similar periods and under similar conditions, preceding or subsequent thereto, or over corresponding periods in previous years.

Adjustment of the estimated billing to actual use will be made when the next actual meter reading is obtained.

704 One Meter Per Service -

The rate schedules of the Company are based on service to the same Customer at the same premises being supplied through a single meter. If service to the same Customer at the same premises is taken through more than one meter for the convenience of Customer, separate bills will be rendered for service received through each meter. Where such service is taken through more than one meter for the convenience of the Company, the gas registered by the meters shall be added for billing purposes. Such installations must be approved in advance by the Company's General Manager.

Gas service used by the same Customer at different premises will be delivered, measured, and billed separately.

Gas service taken by the same Customer at the same premise but under different Service Schedules will be delivered, measured and billed separately.

705 Billing Procedure -

Bills for gas service ordinarily are rendered at regular monthly intervals. A Customer's first billing may be for a period longer or shorter than a month to



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accommodate the Company's meter reading and billing schedules.

Meters are normally read by the Company at regular monthly or bi-monthly intervals, though some meters may be read more frequently than monthly. Where meters are read at intervals greater than monthly, the Company may estimate the meter reading for the month the meter was not actually read and indicate so on the bill. Estimated meter readings will be based upon established calculation procedures. An adjustment of estimated meter readings to actual use will be made when the next actual meter reading is obtained. Meter reading periods shall in no case cover service for more than four (4) months. The Company reserves the right to modify its meter reading and billing schedules as required by changing conditions.

Bills are due upon presentation and are payable at any office of the Company, any collection agency duly approved by the Company, or by mail to the address designated by the Company.

A bill will be considered past due and delinquent if not paid within Twenty-Five (25) days from the date billed, except by separate agreement.

Failure to receive a bill that has been properly addressed and mailed to the Customer does not prevent the bill from becoming delinquent (past due) or excuse the Customer's responsibility from payment. If a Customer does not receive a monthly bill at the time of the month the Customer would normally receive a bill, the Customer should immediately notify the Company.

706 Discontinuance of Service Notice -

The Company will notify Customers by mail, telephone, personal visit, or by leaving a notice at the service address in the event of delinquency requiring discontinuance of service, in accordance with Section 408 of these Rules and Regulations.

707 Adjustment for Delivery Pressure - Volume of gas registered shall be corrected for billing purposes by the application of a proper correction factor.



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708 Resale of Service -

Gas will not be supplied for submetering for resale by or to any owner, tenant, or occupant of any premises without prior written approval from the Company. The supply of gas by Company for the use of a Customer will be furnished directly to them through Company's meters.

The renting of premises with the cost of gas service included in the rental as an incident of tenancy will not be considered a resale of service.

709 Tax Adjustments-

All bills will detail as line items applicable sales taxes collected.

800 Meter Read Fee-

Customers requesting an additional meter reading outside the regular billing cycle will incur a service charge of \$30. However, as a courtesy, at the Customer's request, the Company will offer one complimentary meter reading every three months, not including the regular end-of-the-month radio reads.



Section 800 - Continuity of Supply

801 Shortages and Interruption -

The Company will use reasonable diligence to supply steady and continuous service, but does not guarantee the service against irregularities or interruptions.

In case of shortage of supply and during the period of such shortage, the Company will apportion its available supply of gas among all Customers in the most reasonable manner possible under law. The supply of gas for commercial and industrial purposes may be curtailed or discontinued at any time when it shall be necessary to do so in order to supply domestic Customers.

Under no circumstances will Customers under Interruptible Service receive any priority of gas supply during periods of supply shortages.

802 Liability –

The Company shall not be liable for any loss, damage, or expense to any Customer occasioned by any suspension, curtailment, or discontinuance of gas supply by the Company for any reason or cause, or occasioned by any failure to supply gas according to the terms of the Agreement for Service for any reason or cause or by interruption of the gas supply for any reason or cause.



Section 900 - Notices

901 Company Notices to Customers -

Any notice the Company may give to any Customer supplied with gas by the Company under this tariff may be given by mail, electronic mail, message service, telephone, facsimile, personal visit, or by leaving a notice (door tag) at the service address, or as specifically provided by the rule, agreement, contract, or rate schedule. If mailed, the notice must be properly enclosed in a sealed envelope and deposited in any United States Post Office in the territory served by the Company, postage prepaid, addressed to the Customer at the Customer's place of address specified in the Customer's application for service of gas, or in the Customer's contract for gas service, if applicable, or at such address as may be subsequently given in writing therefore by the Customer to the Company at its office.

902 Customer's Notices to Company -

Any notice from any Customer to the Company under any of the Company's schedules of rates, or under and pursuant to the effective Rules and Regulations of the Company may be given to the Company by delivering written notice in person, or by an authorized agent, at the Company's office, or by mail, electronic mail, telephone, facsimile, as available via the Customer's web self-service account, or as specifically provided by the rule, agreement, contract, or rate scheduled. If mailed, the notice must be properly enclosed in a sealed envelope and addressed to the Company's office, postage prepaid, and deposited in any United States Post Office in the territory served by the Company. Unless otherwise directed, electronic mail should be addressed to: customerservice@interiorgas.com



Section 1000 - Application of, Conflicts with, and Changes
and Additions to Rules & Regulations and Rate Schedules

1001 Application of Rules and Regulations and Rate Schedules -

All Agreements for Service presently in effect, or that may be entered into in the future, are made expressly subject to these Rules and Regulations, and any modifications hereto that may be lawfully made and subject to all applicable existing Rate Schedules, and any lawfully made changes therein, substitutions therefore and additions thereto.

1002 Conflicts -

In case of conflict between any provision of the Rules and Regulations, Agreements for Service, and Rate Schedules, the provisions of the Agreement for service take precedence, followed by the provisions of the Rate Schedule.

1003 Changes -

The Rules and Regulations, Agreements for Service, and Rate Schedules may be changed or revised from time to time in accordance with the rules of procedure of authorities having jurisdiction.

No promise, agreement, or representation inconsistent with the Rules and Regulations, shall be binding upon the Company unless in writing signed by a duly authorized officer of the Company.



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**SCHEDULE F
LARGE VOLUME INTERRUPTIBLE SERVICE**



Schedule F - Large Volume Interruptible Service

1. Definitions

- 1.1. **Definitions** - Except where the context requires otherwise, all words and phrases defined below or in the Rules and Regulations of Interior Alaska Natural Gas Utility and used in this Schedule or in a Service Agreement have the meanings set out below or in the Rules and Regulations of Interior Alaska Natural Gas Utility (Company). Where any of the definitions set out below conflict with the definitions in the Rules and Regulations of Company, the definitions set out below govern.
- a) **Commencement Date** - means the day specified as the Commencement Date in the Service Agreement.
 - b) **Contract Year** - means a period of 12 consecutive Months, starting on the Commencement Date.
 - c) **Day** – means any period of twenty-four consecutive hours beginning and ending at 8:00 a.m. Alaska Standard Time.
 - d) **Delivery Point** – means the points specified in a Service Agreement where Company delivers Gas to a Customer.
 - e) **Force Majeure** - means any acts of God, strikes, lockouts, or other industrial disturbances, civil disturbances, arrests and restraints of rulers or people, interruptions by government or court orders, present or future valid orders of any regulatory body having proper jurisdiction, acts of the public enemy, wars, riots, blackouts, insurrections, failure or inability to secure materials or labor by reason of regulations or orders of government, serious epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, explosions, breakage or accident to machinery or lines of pipes, or freezing of wells or pipelines, or the failure of gas supply, temporary or otherwise, from a Supplier of gas, which act of Force Majeure was not due to negligence of the party claiming Force Majeure. Further, Force Majeure will also include a declaration of Force Majeure by a Transporter that results in Gas being unavailable for delivery.



Schedule F - Large Volume Interruptible Service (Continued)

- f) **Gas** – means natural gas being a gaseous hydrocarbon material.
- g) **Interruption Period** - means the period or periods during which the Customer is required pursuant to section 4.2 (Curtailed), section 4.3 (Notice of Curtailment) or section 11 (Force Majeure) to interrupt or curtail the receipt of Gas.
- h) **Month** – means a period beginning at 8:00 a.m. Alaska Standard Time on the first day of a calendar month and ending at 8:00 a.m. Alaska Standard Time on the first Day of the next calendar month.
- i) **Service Agreement** – means an Agreement between Interior Alaska Natural Gas Utility and a Customer to provide service pursuant to this Schedule.
- j) **Table of Charges** – means the Schedule F rate schedule.
- k) **Unauthorized Overrun Gas** – means the quantity of gas used by the Customer after Company has properly notified the Customer to Curtail Gas usage as per section 4.3 (Notice of Curtailment).

2. Applicability

This Schedule applies to the sale of interruptible Gas, no portion of which may be resold, through individual meter stations to one Customer. For greater certainty, interruptible Gas sales under this Schedule means the sale by Company to a Customer which may be interrupted or curtailed by Company pursuant to sections 4.2 (curtailment), 11 (Force Majeure) and the Rules and Regulations Company.



Schedule F - Large Volume Interruptible Service (Continued)

3. Conditions of Service

3.1. **Conditions** – Company will only sell Gas under this Schedule to Customers in the area served by Company under Company Rules and Regulations of which this Schedule is a part, subject to the following conditions:

- a) the Customer has entered into a Large Volume Interruptible Service Agreement. Company is, and continues to be, reasonably assured that the Customer is willing and able to consume a total of at least 500,000 CCF per year at one or more locations;
- b) adequate Gas volumes for such service are available;
- c) adequate capacity exists on the Company system;
- d) at all times when adequate quantities of Gas are available for sale by Company to the Customer at the locations and facilities specified in the Service Agreement, the Customer will use such Gas as the only Gas for all such locations and facilities;
- e) the Customer must maintain its ability to operate on an alternate fuel completely independent of the supply of natural gas from the Company system;
- f) the Customer must be able to switch to an alternate fuel within two hours of receiving notice from Company that Gas service is to be interrupted; and,
- g) the Customer is required to maintain an adequate supply of alternate fuel at all locations and premises receiving interruptible service.



Schedule F - Large Volume Interruptible Service (Continued)

3.2. Warning Relating to Firm Sales or Firm Transportation Schedule – A Customer wishing to switch at the end of the term of an Interruptible Service Agreement to a firm Gas sales or firm Transportation Schedule must comply with the requirements set out in the applicable Schedule, including the following:

- a) give 12 months prior notice to Company of the Customer's desire to do so.

Notwithstanding section 3.2, Company may reject such request, in its sole discretion, if Company does not have adequate Gas Supply or Distribution Capacity to accommodate the increased demand.

3.3. Access to Gas Meter and Equipment – The Customer must provide adequate access to the gas meter and any related equipment owned by Company on a 24 hour a day basis. In addition, the Customer must allow Company to install and maintain any telemetry and related instruments as required in order to monitor the consumption and use of natural gas under this Schedule.

4. Sales

4.1. Sale of Gas – Subject to section 801 of the Rules and Regulations of Company (Shortages and Interruption), Company will sell to the Customer and the Customer will buy and pay for gas from Company at the Delivery Point such quantity of Gas as is required by the Customer for the operation of the Customer's facilities specified in the Service Agreement, estimated to be a maximum quantity per Day set out in the Service Agreement, for the charges and all of the terms and conditions set out in either this Schedule or the Service Agreement.

4.2. Curtailment – If at any time Company determines that it does not have capacity, or adequate Gas volumes to accommodate the Customer's request for Interruptible Gas service under this Schedule, Company may, for any length of time, interrupt or curtail the delivery of Gas to the Customer at any or all Delivery Point under this Schedule.



Schedule F - Large Volume Interruptible Service (Continued)

- 4.3 Notice of Curtailment** – Each notice from Company to the Customer with respect to the interruption or curtailment by Company of deliveries of Gas to the Delivery Point will be by telephone and/or fax or email and will specify the quantity of Gas to which the Customer is curtailed and the time at which this curtailment is to be made. Company will make reasonable efforts to give the Customer as much notice as possible with respect to such curtailment, not to be less than 2 hours' prior notice unless prevented by Force Majeure.
- 4.4 Default Regarding Curtailment** – The Customer will comply with each notice from Company to interrupt or curtail the Customer's take. If the Customer at any time fails or neglects to comply with a notice from Company to interrupt or curtail the Customer's take, Company may, in addition to any other remedy that it may then or thereafter have, at its option, without liability therefore and without any prior notice to the Customer
- a) turn off the valve at the Delivery Point, or
 - b) deliver such Gas and charge the Customer for such Gas consumed on that Day the charge for Unauthorized Overrun Gas set out in the Table of Charges.
- 4.5 Failure to Comply** – If during any one Contract Year the Customer fails or neglects to comply with two notices from Company to interrupt or curtail the Customer's take, Company may, in addition to any other remedy that it may then or thereafter have, at its option and without liability therefore, switch the Customer to a firm Gas sales Schedule or suspend service delivery of Gas, beginning at the commencement of the next following Month.
- 4.6 Maximum Hourly Quantities** – Company will not be obliged to deliver in any one Hour more than 5% of the maximum quantity per Day set out in the Service Agreement.
- 4.7 Notice to Resume** – Once the Customer has been instructed to curtail consumption of Gas, Company will provide notification to the Customer as to when consumption of Gas may resume under this Schedule.



Schedule F - Large Volume Interruptible Service (Continued)

5. Table of Charges

5.1. **Charges** – In respect of all quantities of Gas delivered to the Delivery Point pursuant to this Schedule and the Service Agreement, the Customer will pay to Company all of the charges set out in the Table of Charges.

6. Unauthorized Gas Use

6.1. **Charge for Unauthorized Service** – On any Day the Customer takes Unauthorized Overrun Gas, the Customer will pay to Company the unauthorized overrun charge set out in the Table of Charges.

6.2. **Payments Not License** – Payments made by the Customer to Company for Unauthorized Overrun Gas neither gives the Customer the right to take Unauthorized Overrun Gas, nor exclude or limit any other remedies available to Company for the Customers' taking of Unauthorized Overrun Gas.

7. Term of Service Agreement

7.1. **Term** – The initial term of the Service Agreement will begin on the Commencement Date and will expire at 8:00 a.m. Alaska Standard Time at the end of one Contract Year.

7.2. **Automatic Renewal** – Except as specified in the Service Agreement, the term of the Service Agreement will continue from year to year after the expiry of the initial term unless cancelled by either Company or the Customer, subject to section 3.3, upon not less than 30 days' notice prior to the end of the Contract Year then in effect.

7.3. **Statements to be Provided** – Company will, on or about the 15th day of each month, deliver to the Customer a statement for the preceding month showing the Gas quantities delivered to the Customer and the amount due. Any errors in any statement will be promptly reported to the other party as provided hereunder, and statements will be final and binding unless questioned within one year after the date of the statement.



Schedule F - Large Volume Interruptible Service (Continued)

7.4. Payment and Late Payment Charge - Payment for the full amount of the statement, including taxes or fees applicable thereon, will be made to Company at its Fairbanks office, on or before the 1st business day after the 25th calendar day following the billing date. If the Customer fails or neglects to make any payment required under this Schedule, or any portion thereof, to Company when due, Company will include in the next bill to the Customer a late payment charge of 0.875% per month (10.5% per annum) on the outstanding amount.

8. Default or Bankruptcy

8.1. Default - If the Customer at any time fails or neglects to make any payment due to Company under this Schedule or the Service Agreement within 30 days after payment is due, or to correct any default of any of the other terms, covenants, agreements, conditions or obligations imposed upon it under this Schedule or the Service Agreement, within 30 days after Company gives to the Customer notice of such default or, in the case of a default that cannot with due diligence be corrected within a period of 30 days, the Customer fails to proceed promptly after the giving of such notice with due diligence to correct the same and thereafter to prosecute the correcting of such default with all due diligence, then Company may in addition to any other remedy that it has, including the rights of Company set out in section 4.4 (Default Regarding Curtailment), 4.5 (Failure to Comply) and 6 (Unauthorized Gas Use), at its option and without liability therefore

- a) suspend further service to the Customer and may refuse to deliver Gas to the Customer until the default has been fully remedied, and no such suspension or refusal will relieve the Customer from any obligation under this Schedule or the Service Agreement, or,
- b) terminate the Service Agreement, and no such termination of the Service Agreement pursuant hereto will exclude the right of Company to collect any amount due to it from the Customer for what would otherwise have been the remainder of the term of the Service Agreement.



Schedule F - Large Volume Interruptible Service (Continued)

9. Notice

9.1. **Notice** - Any notice, request, statement or bill that is required to be given or that may be given under this Schedule or under the Service Agreement will, unless otherwise specified, be in writing and will be considered as fully delivered when mailed, personally delivered or sent by fax to the other in accordance with the following:

if to Company:

Interior Alaska Natural Gas Utility

2525 Phillips Field Road
Fairbanks, Alaska, 99709
info@interiorgas.com
Fax: (907) 457-8111

if to the Customer:

as set out in the Service Agreement

9.2. **Specific Notices** – Notwithstanding section 9.1 (Notice), notices with respect to Force Majeure will be sufficient if given by either party in writing by fax, or orally in person, or by telephone (to be confirmed in writing) to the person or persons designated from time to time by either party as authorized to receive such notices.

10. Indemnity and Limitation on Liability

10.1 **Limitation on Liability** – Company, its employees, contractors or agents are not responsible or liable for any loss or damages for or on account of any interruption or curtailment of Gas service permitted under the Rules and Regulations of Company or this Schedule.



11. Force Majeure

- 11.1 **Force Majeure** - Subject to the other provisions of this section 11, if either party is unable or fails by reason of Force Majeure to perform in whole or in part any obligation or covenant set out in this Schedule under which service is rendered or in the Service Agreement, the obligations of both Company and the Customer will be suspended to the extent necessary for the period of the Force Majeure condition.
- 11.2 **Curtailment Notice** - If Company claims suspension pursuant to this section 11, Company will be deemed to have issued to the Customer a notice of curtailment.
- 11.3 **Exceptions** - Neither party will be entitled to the benefit of the provisions of section 11.1 under any of the following circumstances
- a) to the extent that the failure was caused by the negligence or contributory negligence of the party claiming suspension,
 - b) to the extent that the failure was caused by the party claiming suspension having failed to diligently attempt to remedy the condition and to resume the performance of the covenants or obligations with reasonable dispatch, or
 - c) unless as soon as possible after the happening of the occurrence relied on or as soon as possible after determining that the occurrence was in the nature of Force Majeure and would affect the claiming party's ability to observe or perform any of its covenants or obligations under the Schedule or the Service Agreement, the party claiming suspension will have given to the other party notice to the effect that the party is unable by reason of Force Majeure (the nature of which will be specified) to perform the particular covenants or obligations.
- 11.4 **Notice to Resume** - The party claiming suspension will likewise give notice, as soon as possible after the Force Majeure condition has been remedied, to the effect that it has been remedied and that the party has resumed, or is then in a position to resume, the performance of the covenants or obligations.



- 11.5 Settlement of Labor Disputes** - Notwithstanding any of the provisions of this section 11, the settlement of labor disputes or industrial disturbances will be entirely within the discretion of the particular party involved and the party may make settlement of it at the time and on terms and conditions as it may deem to be advisable and no delay in making settlement will deprive the party of the benefit of section 11.1.
- 11.6 No Exemption for Payments** - Notwithstanding any of the provisions of this section, Force Majeure will not relieve or release either party from its obligations to make payments to the other.
- 11.7 Periodic Repair by Company** - Company may temporarily shut off the delivery of Gas for the purpose of repairing or replacing a portion of the Company System or its equipment and Company will make reasonable efforts to give the Customer as much notice as possible with respect to such interruption, not to be less than 8 hours' prior notice except when prevented by Force Majeure. Company will make reasonable efforts to schedule repairs or replacements to minimize interruption of Gas service to the Customer and to restore service as quickly as possible.

12. Interpretation

- 12.1 Interpretation** - Except where the context requires otherwise or except as otherwise expressly provided in this Schedule or in a Service Agreement all references to a designated section are to the designated section of this Schedule unless otherwise specifically stated. The singular of any term includes the plural, and vice versa, and the use of any term is equally applicable to any gender and, where applicable, body corporate. Any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity. All words, phrases and expressions used in this Schedule or in a Service Agreement that have a common usage in the gas industry and that are not defined in the Rules and Regulations of Company, the Definitions or in the Service Agreement have the meanings commonly ascribed thereto in the gas industry. The headings of the sections set out in this Schedule or in the Service Agreement are for convenience of reference only and will not be considered in any interpretation of this Schedule or the Service Agreement.



Schedule F - Large Volume Interruptible Service (Continued)

13. Miscellaneous

- 13.1. **Waiver** - No waiver by either Company or the Customer of any default by the other in the performance of any of the provisions of this Schedule or the Service Agreement will operate or be construed as a waiver of any other or future default or defaults, whether of a like or different character.
- 13.2. **Successors** - The Service Agreement will be binding upon the parties and their respective successors and permitted assigns, including without limitation successors by merger or consolidation.
- 13.3. **Assignment** - The Customer will not assign the Service Agreement or any of its rights or obligations thereunder without the prior written consent of Company, which consent will not be unreasonably withheld or delayed. No assignment will release the Customer from its obligations under this Schedule or under the Service Agreement that existed prior to the date on which the assignment takes effect. This provision applies to every proposed assignment by the Customer.
- 13.4. **Amendments to be in Writing** - Except as set out in this Schedule, no amendment or variation of the Service Agreement will be effective or binding upon the parties unless such amendment or variation is set out in writing and duly executed by the parties.
- 13.5. **Proper Law** - The Service Agreement will be construed and interpreted in accordance with the laws of the State of Alaska and the laws of the United States applicable therein.
- 13.6. **Time is of Essence** - Time is of the essence of this Schedule, the Service Agreement and of the terms and conditions thereof.
- 13.7. **Subject to Legislation** - Notwithstanding any other provision hereof, this Schedule and the Service Agreement and the rights and obligations of Company and the Customer under this Schedule and the Service Agreement are subject to all present and future laws, rules, regulations and orders of any legislative body, governmental agency or duly constituted authority now or hereafter having jurisdiction over Company or the Customer.



IGU INTERIOR ALASKA NATURAL GAS UTILITY

**SCHEDULE G
SMALL VOLUME INTERRUPTIBLE SERVICE**



Schedule G - Small Volume Interruptible Service

1. Definitions

- 1.1. **Definitions** - Except where the context requires otherwise, all words and phrases defined below or in the Rules and Regulations of Company and used in this Schedule or in a Service Agreement have the meanings set out below or in the Rules and Regulations of Company. Where any of the definitions set out below conflict with the definitions in the Rules and Regulations of Company, the definitions set out below govern.
- a) **Commencement Date** - means the day specified as the Commencement Date in the Service Agreement.
 - b) **Contract Year** - means a period of 12 consecutive Months, starting on the Commencement Date.
 - c) **Day** – means any period of twenty-four consecutive hours beginning and ending at 8:00 a.m. Alaska Standard Time.
 - d) **Delivery Point** – means the point specified in a Service Agreement where Company delivers Gas to a Customer.
 - e) **Force Majeure** - means any acts of God, strikes, lockouts, or other industrial disturbances, civil disturbances, arrests and restraints of rulers or people, interruptions by government or court orders, present or future valid orders of any regulatory body having proper jurisdiction, acts of the public enemy, wars, riots, blackouts, insurrections, failure or inability to secure materials or labor by reason of regulations or orders of government, serious epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, explosions, breakage or accident to machinery or lines of pipes, or freezing of wells or pipelines, or the failure of gas supply, temporary or otherwise, from a Supplier of gas, which act of Force Majeure was not due to negligence of the party claiming Force Majeure. Further, Force Majeure will also include a declaration of Force Majeure by a Transporter that results in Gas being unavailable for delivery.



Schedule G - Small Volume Interruptible Service (Continued)

- f) **Gas** – means natural gas being a gaseous hydrocarbon material.
- g) **Interruption Period** - means the period or periods during which the Customer is required pursuant to section 4.2 (Curtailment), section 4.3 (Notice of Curtailment) or section 11 (Force Majeure) to interrupt or curtail the receipt of Gas.
- h) **Month** – means a period beginning at 8:00 a.m. Alaska Standard Time on the first day of a calendar month and ending at 8:00 a.m. Alaska Standard Time on the first Day of the next calendar month.
- i) **Service Agreement** – means an Agreement between Company and a Customer to provide service pursuant to this Schedule.
- j) **Table of Charges** – means the Schedule G rate schedule.
- k) **Unauthorized Overrun Gas** – means the quantity of gas used by the Customer after Company has properly notified the Customer to Curtail Gas usage as per section 4.3 (Notice of Curtailment).

2. Applicability

This Schedule applies to the sale of interruptible Gas, no portion of which may be resold, through individual meter stations to one Customer. For greater certainty, interruptible Gas sales under this Schedule means the sale by Company to a Customer which may be interrupted or curtailed by Company pursuant to sections 4.2 (curtailment), 11 (Force Majeure) and the Rules and Regulations of Company.



Schedule G - Small Volume Interruptible Service (Continued)

3. Conditions of Service

3.1. **Conditions** – Company will only sell Gas under this Schedule to Customers in the area served by Company under Company Rules and Regulations of which this Schedule is a part, subject to the following conditions:

- a) the Customer has entered into a Small Volume Interruptible Service Agreement (Service Agreement);
- b) Company is, and continues to be, reasonably assured that the Customer is willing and able to consume at least 10,000 CCF per year at a single location;
- c) adequate Gas volumes for such service are available;
- d) adequate capacity exists on the Company system;
- e) at all times when adequate quantities of Gas are available for sale by Company to the Customer at the facilities specified in the Service Agreement, the Customer will use such Gas as the only Gas for such facilities;
- f) the Customer must maintain its ability to operate on an alternate fuel completely independent of the supply of natural gas from the Company system;
- g) the Customer must be able to switch to an alternate fuel within six hours of receiving notice from Company that Gas service is to be interrupted; and,
- h) the Customer is required to maintain an adequate supply of alternate fuel at the premises receiving interruptible service.

Schedule G - Small Volume Interruptible Service (Continued)

3.2. Warning Relating to Firm Sales or Firm Transportation Schedule – A

Customer wishing to switch at the end of the term of an interruptible Service Agreement to a firm Gas sales or firm transportation Schedule must comply with the requirements set out in the applicable Schedule, including the following:

- a) give 12 months prior notice to Company of the Customer's desire to do so.

Notwithstanding section 3.2, Company may reject such request, in its sole discretion, if Company does not have adequate Gas Supply or Distribution Capacity to accommodate the increased demand.

3.3. Access to Gas Meter and Equipment – The Customer must provide adequate access to the gas meter and any related equipment owned by Company on a 24 hour a day basis. In addition, the Customer must allow Company to install and maintain any telemetry and related instruments as required in order to monitor the consumption and use of natural gas under this Schedule.

4. Sales

4.1. Sale of Gas – Subject to section 801 of the Rules and Regulations of Company (Shortages and Interruption), Company will sell to the Customer and the Customer will buy and pay for gas from Company at the Delivery Point such quantity of Gas as is required by the Customer for the operation of the Customer's facilities specified in the Service Agreement, estimated to be a maximum quantity per Day set out in the Service Agreement, for the charges and all of the terms and conditions set out in either this Schedule or the Service Agreement.

4.2. Curtailment – If at any time Company determines that it does not have capacity, or adequate Gas volumes to accommodate the Customer's request for interruptible Gas service under this Schedule, Company may, for any length of time, interrupt or curtail the delivery of Gas to the Customer at any or all Delivery Point under this Schedule.



Schedule G - Small Volume Interruptible Service (Continued)

- 4.3 **Notice of Curtailment** – Each notice from Company to the Customer with respect to the interruption or curtailment by Company of deliveries of Gas to the Delivery Point will be by telephone and/or fax and will specify the quantity of Gas to which the Customer is curtailed and the time at which this curtailment is to be made. Company will make reasonable efforts to give the Customer as much notice as possible with respect to such curtailment, not to be less than 6 hours' prior notice unless prevented by Force Majeure.
- 4.4 **Default Regarding Curtailment** – The Customer will comply with each notice from Company to interrupt or curtail the Customer's take. If the Customer at any time fails or neglects to comply with a notice from Company to interrupt or curtail the Customer's take, Company may, in addition to any other remedy that it may then or thereafter have, at its option, without liability therefore and without any prior notice to the Customer
- c) turn off the valve at the Delivery Point, or
 - d) deliver such Gas and charge the Customer for such Gas consumed on that Day the charge for Unauthorized Overrun Gas set out in the Table of Charges.
- 4.5 **Failure to Comply** – If during any one Contract Year the Customer fails or neglects to comply with two notices from Company to interrupt or curtail the Customer's take, Company may, in addition to any other remedy that it may then or thereafter have, at its option and without liability therefore, switch the Customer to a firm Gas sales Schedule or suspend service delivery of Gas, beginning at the commencement of the next following Month.
- 4.6 **Maximum Hourly Quantities** – Company will not be obliged to deliver in any one Hour more than 5% of the maximum quantity per Day set out in the Service Agreement.
- 4.7 **Notice to Resume** – Once the Customer has been instructed to curtail consumption of Gas, Company will provide notification to the Customer as to when consumption of Gas may resume under this Schedule.



Schedule G - Small Volume Interruptible Service (Continued)

5. Table of Charges

5.1. **Charges** – In respect of all quantities of Gas delivered to the Delivery Point pursuant to this Schedule and the Service Agreement, the Customer will pay to Company all of the charges set out in the Table of Charges.

6. Unauthorized Gas Use

6.1. **Charge for Unauthorized Service** – On any Day the Customer takes Unauthorized Overrun Gas, the Customer will pay to Company the unauthorized overrun charge set out in the Table of Charges.

6.2. **Payments Not License** – Payments made by the Customer to Company for Unauthorized Overrun Gas neither gives the Customer the right to take Unauthorized Overrun Gas, nor exclude or limit any other remedies available to Company for the Customers' taking of Unauthorized Overrun Gas.

7. Term of Service Agreement

7.1. **Term** – The initial term of the Service Agreement will begin on the Commencement Date and will expire at 8:00 a.m. Alaska Standard Time at the end of one Contract Year.

7.2. **Automatic Renewal** – Except as specified in the Service Agreement, the term of the Service Agreement will continue from year to year after the expiry of the initial term unless cancelled by either Company or the Customer, subject to section 3.3, upon not less than 30 days' notice prior to the end of the Contract Year then in effect.

7.3. **Statements to be Provided** – Company will, on or about the 15th day of each month, deliver to the Customer a statement for the preceding month showing the Gas quantities delivered to the Customer and the amount due. Any errors in any statement will be promptly reported to the other party as provided hereunder, and statements will be final and binding unless questioned within one year after the date of the statement.



Schedule G - Small Volume Interruptible Service (Continued)

7.4. Payment and Late Payment Charge - Payment for the full amount of the statement, including taxes or fees applicable thereon, will be made to Company at its office, on or before the 1st business day after the 25th calendar day following the billing date. If the Customer fails or neglects to make any payment required under this Schedule, or any portion thereof, to Company when due, Company will include in the next bill to the Customer a late payment charge of 0.875% per month (10.5% per annum) on the outstanding amount.

8. Default or Bankruptcy

- 8.1. Default** - If the Customer at any time fails or neglects to make any payment due to Company under this Schedule or the Service Agreement within 30 days after payment is due, or to correct any default of any of the other terms, covenants, agreements, conditions or obligations imposed upon it under this Schedule or the Service Agreement, within 30 days after Company gives to the Customer notice of such default or, in the case of a default that cannot with due diligence be corrected within a period of 30 days, the Customer fails to proceed promptly after the giving of such notice with due diligence to correct the same and thereafter to prosecute the correcting of such default with all due diligence, then Company may in addition to any other remedy that it has, including the rights of Company set out in section 4.4 (Default Regarding Curtailment), 4.5 (Failure to Comply) and 6 (Unauthorized Gas Use), at its option and without liability therefore
- c) suspend further service to the Customer and may refuse to deliver Gas to the Customer until the default has been fully remedied, and no such suspension or refusal will relieve the Customer from any obligation under this Schedule or the Service Agreement, or,
 - d) terminate the Service Agreement, and no such termination of the Service Agreement pursuant hereto will exclude the right of Company to collect any amount due to it from the Customer for what would otherwise have been the remainder of the term of the Service Agreement.



Schedule G - Small Volume Interruptible Service (Continued)

9. Notice

9.1. **Notice** - Any notice, request, statement or bill that is required to be given or that may be given under this Schedule or under the Service Agreement will, unless otherwise specified, be in writing and will be considered as fully delivered when mailed, personally delivered or sent by fax to the other in accordance with the following:

if to Company:

Interior Alaska Natural Gas Utility
2525 Phillips Field Road
Fairbanks, Alaska, 99709
Fax: (907) 457-8111

if to the Customer:

as set out in the Service Agreement

9.2. **Specific Notices** – Notwithstanding section 9.1 (Notice), notices with respect to Force Majeure will be sufficient if given by either party in writing by fax, or orally in person, or by telephone (to be confirmed in writing) to the person or persons designated from time to time by either party as authorized to receive such notices.

10. Limitation on Liability

Limitation on Liability – Company, its employees, contractors or agents are not responsible or liable for any loss or damages for or on account of any interruption or curtailment of Gas service permitted under the Rules and Regulations of Company or this Schedule.



Schedule G – Small Volume Interruptible Service (Continued)

11. Force Majeure

11.1 **Force Majeure** - Subject to the other provisions of this section 11, if either party is unable or fails by reason of Force Majeure to perform in whole or in part any obligation or covenant set out in this Schedule under which service is rendered or in the Service Agreement, the obligations of both Company and the Customer will be suspended to the extent necessary for the period of the Force Majeure condition.

11.2 **Curtailed Notice** - If Company claims suspension pursuant to this section 11, Company will be deemed to have issued to the Customer a notice of curtailment.

11.3 **Exceptions** - Neither party will be entitled to the benefit of the provisions of section 11.1 under any of the following circumstances

- d) to the extent that the failure was caused by the negligence or contributory negligence of the party claiming suspension,
- e) to the extent that the failure was caused by the party claiming suspension having failed to diligently attempt to remedy the condition and to resume the performance of the covenants or obligations with reasonable dispatch, or
- f) unless as soon as possible after the happening of the occurrence relied on or as soon as possible after determining that the occurrence was in the nature of Force Majeure and would affect the claiming party's ability to observe or perform any of its covenants or obligations under the Schedule or the Service Agreement, the party claiming suspension will have given to the other party notice to the effect that the party is unable by reason of Force Majeure (the nature of which will be specified) to perform the particular covenants or obligations.

11.4 **Notice to Resume** - The party claiming suspension will likewise give notice, as soon as possible after the Force Majeure condition has been remedied, to the effect that it has been remedied and that the party has resumed, or is then in a position to resume, the performance of the covenants or obligations.



Schedule G – Small Volume Interruptible Service (Continued)

- 11.5 **Settlement of Labor Disputes** - Notwithstanding any of the provisions of this section 11, the settlement of labor disputes or industrial disturbances will be entirely within the discretion of the particular party involved and the party may make settlement of it at the time and on terms and conditions as it may deem to be advisable and no delay in making settlement will deprive the party of the benefit of section 11.1.
- 11.6 **No Exemption for Payments** - Notwithstanding any of the provisions of this section, Force Majeure will not relieve or release either party from its obligations to make payments to the other.
- 11.7 **Periodic Repair by Company** - Company may temporarily shut off the delivery of Gas for the purpose of repairing or replacing a portion of the Company System or its equipment and Company will make reasonable efforts to give the Customer as much notice as possible with respect to such interruption, not to be less than 8 hours' prior notice except when prevented by Force Majeure. Company will make reasonable efforts to schedule repairs or replacements to minimize interruption of Gas service to the Customer and to restore service as quickly as possible.

12. Interpretation

- 12.2 **Interpretation** - Except where the context requires otherwise or except as otherwise expressly provided in this Schedule or in a Service Agreement all references to a designated section are to the designated section of this Schedule unless otherwise specifically stated. The singular of any term includes the plural, and vice versa, and the use of any term is equally applicable to any gender and, where applicable, body corporate. Any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity. All words, phrases and expressions used in this Schedule or in a Service Agreement that have a common usage in the gas industry and that are not defined in the Rules and Regulations of Company, the Definitions or in the Service Agreement have the meanings commonly ascribed thereto in the gas industry. The headings of the sections set out in this Schedule or in the Service Agreement are for convenience of reference only and will not be considered in any interpretation of this Schedule or the Service Agreement.



Schedule G - Small Volume Interruptible Service (Continued)

13. Miscellaneous

- 13.1. **Waiver** - No waiver by either Company or the Customer of any default by the other in the performance of any of the provisions of this Schedule or the Service Agreement will operate or be construed as a waiver of any other or future default or defaults, whether of a like or different character.
- 13.2. **Successors** - The Service Agreement will be binding upon the parties and their respective successors and permitted assigns, including without limitation successors by merger or consolidation.
- 13.3. **Assignment** - The Customer will not assign the Service Agreement or any of its rights or obligations thereunder without the prior written consent of Company, which consent will not be unreasonably withheld or delayed. No assignment will release the Customer from its obligations under this Schedule or under the Service Agreement that existed prior to the date on which the assignment takes effect. This provision applies to every proposed assignment by the Customer.
- 13.4. **Amendments to be in Writing** - Except as set out in this Schedule, no amendment or variation of the Service Agreement will be effective or binding upon the parties unless such amendment or variation is set out in writing and duly executed by the parties.
- 13.5. **Proper Law** - The Service Agreement will be construed and interpreted in accordance with the laws of the State of Alaska and the laws of the United States applicable therein.
- 13.6. **Time is of Essence** - Time is of the essence of this Schedule, the Service Agreement and of the terms and conditions thereof.
- 13.7. **Subject to Legislation** - Notwithstanding any other provision hereof, this Schedule and the Service Agreement and the rights and obligations of Company and the Customer under this Schedule and the Service Agreement are subject to all present and future laws, rules, regulations and orders of any legislative body, governmental agency or duly constituted authority now or hereafter having jurisdiction over Company or the Customer.



IGU INTERIOR ALASKA NATURAL GAS UTILITY

RATE SCHEDULES



IGU INTERIOR ALASKA NATURAL GAS UTILITY

SCHEDULE OF NONRECURRING FEES AND CHARGES

<u>Rule</u>	<u>Service or Charge</u>	<u>Amount</u>
601 a(1)	Basic Service Line Installation Fee – Residential	\$350.00
	Basic Service Line Installation Fee – Commercial	\$500.00

601 a(2) Excess Footage Charge by Method of install

Size	Trenched	Trenchless
¾ inch	\$22	\$45
2 inch	\$23	\$60
4 inch	\$24	\$64
6 inch	\$35	\$87
8 inch	\$40	\$115

601 a(3) Service Line Cost Recovery Fee (Non-Use Penalty)

Size	Trenched or Trenchless
¾ inch	\$45/foot of service line installed
2 inch	\$60/foot of service line installed

This fee reflects the per-foot cost of the service line installation and applies if the customer does not initiate natural gas service within six (6) months of installation, in accordance with the New Service Agreement signed prior to service line construction.



IGU INTERIOR ALASKA NATURAL GAS UTILITY

Schedule A - Residential Service

APPLICATION

This rate applies to natural gas service to any Customer for all domestic purposes in individual private residences or properties and in separately metered individual family apartments, but not for any other application.

CHARACTER OF SERVICE

Natural gas having a heating value of approximately 1,000 BTUs per cubic foot, but not less than 950 BTUs per cubic foot.

MONTHLY CHARGES

Customer charge: \$15.00

Volumetric rate: \$2.488 per hundred cubic feet (CCF)

Service hereunder may be discontinued at any time at the request of the Customer when the premises are vacated, or the service is no longer required.



IGU INTERIOR ALASKA NATURAL GAS UTILITY

Schedule B - Small Commercial Service

APPLICATION

This rate applies to natural gas service to any commercial Customer through a single meter for any purpose including that used for domestic purposes where two or more apartments are supplied through the same meter.

CHARACTER OF SERVICE

Natural gas having a heating value of approximately 1,000 BTUs per cubic foot, but not less than 950 BTUs per cubic foot.

MONTHLY CHARGES

Customer charge: \$28.00

Volumetric rate: \$ 2.482 per hundred cubic feet (CCF)

Service hereunder may be discontinued at any time at the request of the Customer when the premises are vacated or the service is no longer required.



IGU INTERIOR ALASKA NATURAL GAS UTILITY

Schedule C- Large Commercial Service

APPLICATION

This rate applies to natural gas service to any commercial Customer supplied through a single meter for any purpose including that used for domestic purposes where multi-unit apartments are supplied through the same meter and have an average annual usage of 10,000 ccf or higher.

CHARACTER OF SERVICE

Natural gas having a heating value of approximately 1,000 BTUs per cubic foot, but not less than 950 BTUs per cubic foot.

MONTHLY CHARGES

Customer charge:	\$90.00
Volumetric charge:	\$2.476 per hundred cubic feet (CCF)

CONTRACT FOR SERVICE

The minimum period for service for a Customer requiring the construction of a service line and a service connection shall be not less than twelve (12) consecutive months. Customers desiring service under this schedule shall make written application to the Company and execute contracts for such service on an annual basis.



IGU INTERIOR ALASKA NATURAL GAS UTILITY

Schedule D – Transportation Service

APPLICATION

This rate applies to the transportation, within the Company's system, of Customer owned natural gas for any residential or commercial use.

CHARACTER OF SERVICE

Transportation of natural gas having a heating value of approximately 1,000 BTUs per cubic foot, but not less than 950 BTUs per cubic foot.

TRANSPORTATION SERVICE RATE

The charges for transportation service will be established at the time service is requested.

TERMINATION OF SERVICE AND UNAUTHORIZED GAS

This service is discontinued any time the Customer does not tender Customer-owned natural gas for transportation. Any natural gas received by the Customer from the Company after this service is discontinued would be under the terms and conditions of the Company's Schedule A, Schedule B or Schedule C for Gas Sales Service as applicable.



IGU INTERIOR ALASKA NATURAL GAS UTILITY

Schedule E – Fairbanks Memorial Hospital Interruptible Service

APPLICATION

This rate applies to natural gas service to Fairbanks Memorial Hospital.

MONTHLY CHARGES

Customer charge: \$625.00

VOLUMETRIC RATE:

\$2.395 per hundred cubic feet (CCF)

UNAUTHORIZED OVERRUN GAS:

Two times the effective Volumetric Rate at the time of curtailment.



IGU INTERIOR ALASKA NATURAL GAS UTILITY

SCHEDULE F

LARGE VOLUME INTERRUPTIBLE SERVICE

TABLE OF CHARGES

MONTHLY CUSTOMER CHARGE: \$625.00

VOLUMETRIC CHARGE: The rate per hundred cubic feet (CCF) will be set out in the Large Volume Interruptible Service Agreement, and may be changed upon 30 days' notice by Company to the Large Volume Interruptible Customer.

UNAUTHORIZED OVERRUN GAS: Two times the effective Volumetric Rate at the time of curtailment.



SCHEDULE G
SMALL VOLUME INTERRUPTIBLE SERVICE
TABLE OF CHARGES

CUSTOMER CHARGE: The monthly Customer charge for each month during the term of a small volume interruptible service agreement is the Customer charge for large commercial Customers set out in Schedule C.

VOLUMETRIC RATE: \$2.395 per hundred cubic feet (CCF).

UNAUTHORIZED OVERRUN GAS: Two times the effective Volumetric Rate at the time of curtailment.



IGU INTERIOR ALASKA NATURAL GAS UTILITY

Schedule H – University of Alaska Fairbanks Interruptible Service

APPLICATION

This rate applies to natural gas service to the University of Alaska Fairbanks.

MONTHLY CHARGES

Customer charge: \$625.00

VOLUMETRIC RATE:

\$2.488 per hundred cubic feet (CCF)

UNAUTHORIZED OVERRUN GAS:

Two times the effective Volumetric Rate at the time of curtailment.