



September 27, 2021

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Tuscarora Gas Transmission Company**  
700 Louisiana Street, Suite 1300  
Houston, TX 77002-2700

Sorana Linder  
Director, Rates, Tariffs & Modernization

**Tel** 832.320.5209  
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Re: Tuscarora Gas Transmission Company  
Non-Conforming/Negotiated Rate Agreement  
Docket No. RP21- -000

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”), and Part 154 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations,<sup>1</sup> Tuscarora Gas Transmission Company (“Tuscarora”) hereby respectfully submits for filing and acceptance:

- Revised Part 1 – Table of Contents (“Table of Contents”) to be part of its FERC Gas Tariff, Second Revised Volume No. 1 (“Tariff”);
- Revised Part 4.6 – Statement of Rates, Non-Conforming Service Agreements (“Section 4.6”), and
- Two (2) Rate Schedule FT (“FT”) negotiated rate service agreements containing a non-conforming provision entered into with Southwest Gas Corporation (“SWG”) (collectively “Agreements”, and individually “FT Service Agreement No. 385” or “FT Service Agreement No. 388”).

The revised tariff sections and the Agreements are associated with service contemplated under Tuscarora’s Tuscarora XPress Project (“TXP” or “TXP Project”), regarding which the Commission issued an Order Issuing Certificate and Approving Abandonment in Docket No.

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<sup>1</sup> 18 C.F.R. Part 154 (2021).

CP20-486-000 (“Certificate Order”).<sup>2</sup> Tuscarora respectfully requests that the Commission accept the tariff sections and the Agreements, included herein as Appendix A,<sup>3</sup> to become effective November 1, 2021.

### **Correspondence**

The names, titles, mailing addresses, and telephone numbers of those persons to whom correspondence and communications concerning this filing should be directed are as follows:

Sorana Linder  
Director, Rates, Tariffs & Modernization  
Jonathan Scullion \*  
Manager, Tariffs  
Columbia Gas Transmission, LLC  
700 Louisiana Street, Suite 1300  
Houston, TX 77002-2700  
Telephone: (832) 320-5520  
Email: jonathan\_scullion@tcenergy.com

David R. Hammel  
Director, Regulatory and Commercial Law  
Eva N. Neufeld \*  
Associate General Counsel  
Tuscarora Gas Transmission Company  
700 Louisiana Street, Suite 1300  
Houston, TX 77002-2700  
Telephone: (832) 320-5623  
Email: eva\_neufeld@tcenergy.com

\* Persons designated for official service pursuant to Rule 2010.

### **Statement of the Nature, Basis and Reasons for Filing**

#### **Background**

On June 24, 2020, in Docket No. CP20-486-000, Tuscarora filed an abbreviated application pursuant to sections 7(b) and 7(c) of the NGA<sup>4</sup> and Part 157 of the Commission’s regulations<sup>5</sup> (“Certificate Application”) requesting authorization to replace one 600 horsepower (“hp”) compressor unit with one 1,380 hp compressor unit, among other things, at its existing Wadsworth Compressor Station in Washoe County, Nevada, for its TXP Project. Pursuant to the TXP Project and modifications to the original design assumptions of Tuscarora’s engineering models, Tuscarora determined its system could provide an additional 15,000 dekatherms (“Dth”) per day of firm transportation service from an existing interconnect with Gas Transmission Northwest LLC

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<sup>2</sup> *Tuscarora Gas Transmission Company*, 175 FERC ¶ 61,147 (2021).

<sup>3</sup> *Electronic Tariff Filings*, 124 FERC ¶ 61,270 (2008) (“Order No. 714”). Order No. 714 at P 42. Order No. 714 states that “Negotiated rate agreements...need not be divided but can be filed as entire documents.” Tuscarora has elected to file the Agreement included herein as a whole document, in PDF format.

<sup>4</sup> 15 U.S.C. Sections 717f(b), (c).

<sup>5</sup> 18 C.F.R. Part 157 (2021).

in Klamath County, Oregon, to an existing interconnect with Paiute Pipeline Company in Washoe County, Nevada, while maintaining existing delivery pressure commitments. The replacement compressor unit will remain a booster unit on Tuscarora's system to facilitate deliveries into Paiute's system and will not, itself, add additional capacity on Tuscarora's system. As part of its Certificate Application, Tuscarora submitted an executed precedent agreement entered into with SWG for all the capacity created by the overall project.<sup>6</sup>

In the Certificate Application, Tuscarora requested to increase its capability to provide an additional 15,000 Dth per day of firm transportation service to SWG, a local distribution company, to accommodate SWG's growing general system needs. On May 20, 2021, the Commission issued its Certificate Order authorizing Tuscarora to complete the TXP Project and provide the additional 15,000 Dth per day of firm transportation service to SWG.

As a result of the Certificate Order, Tuscarora is submitting the Agreements, which are further discussed below and included herein as part of Appendix A, as negotiated rate agreements containing non-conforming provisions.

FT Service Agreement No. 385  
Between Tuscarora and SWG  
Dated July 19, 2021  
Tariff Record 8.1

FT Service Agreement No. 388  
Between Tuscarora and SWG  
Dated July 19, 2021  
Tariff Record 8.2

*Non-Conforming Provision*

The Agreements contain one provision which deviates from the applicable FT *pro forma* Form of Service Agreement in Tuscarora's Tariff. The non-conforming provision in Article III (Term) of each agreement states that SWG has the right to extend the initial term of their service agreement for up to two successive 5-year terms. This extension provision reflects the result of negotiations

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<sup>6</sup> Tuscarora held an open season and request for offers to turnback capacity from October 4 to October 10, 2019.

between Tuscarora and SWG to reach agreement on terms which support the TXP Project on a long-term basis. As reflected in the Certificate Application, no bids other than SWG's bid were received during Tuscarora's binding open season leading to the TXP Project.<sup>7</sup> As other potentially interested parties were afforded the opportunity to participate in the open season process, but chose not to do so, Tuscarora submits that SWG's contract extension provision does not create a risk of undue discrimination. Therefore, those other shippers or potential shippers that did not timely commit to the TXP Project cannot be viewed as similarly situated to SWG.

Tuscarora requests the Commission accept this deviation from Tuscarora's *pro forma* service agreement consistent with the above reasoning.

### Negotiated Rates

Additionally, the Agreements are filed herein as service agreements containing negotiated rates, as further described below:<sup>8</sup>

- Tuscarora has mutually agreed with SWG that the fixed negotiated daily demand rate in the Agreements shall be: a) \$0.42 per Dth for contract years 1 through 5; b) \$0.37 per Dth for contract years 6 through 10; c) \$0.31 per Dth for contract years 11 through 15; and d) \$0.24 per Dth for contract years 16 through 20, or as adjusted under a construction cost sharing mechanism. The Agreements are included herein as part of Appendix A as tariff records 8.1 and 8.2.

Tuscarora advises that no undisclosed agreements, etc. are linked to the Agreements, which are included herein as a part of Appendix A. To conform with Order No. 714, Tuscarora is submitting the Agreements individually and in their entirety as tariff records 8.1 and 8.2.<sup>9</sup> Additionally, a

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<sup>7</sup> Certificate Application at p. 5, Part IV. Market Support.

<sup>8</sup> On June 3, 2009, in Docket No. RP09-8-000, *et. al.*, and July 16, 2009, in Docket No. RP09-8-002, the Commission approved Tuscarora's proposal to implement a negotiated rate program for transportation services on its system. See *Tuscarora Gas Transmission Company*, 127 FERC ¶ 61,217 (2009), and *Tuscarora Gas Transmission Company*, Docket No. RP09-8-002 (July 16, 2009) (unpublished Director's Letter Order), respectively.

<sup>9</sup> Consistent with Commission policy, the Agreements provide the essential elements for negotiated rate transactions, including: (1) the exact legal name of the shipper; (2) the negotiated rate; (3) the applicable rate schedule; (4) the receipt and delivery points; and (5) the contract quantity.

revised Table of Contents and Section 4.6 are submitted herein as part of Appendix A to reflect the housing of the tariff records in Tuscarora's Tariff.

Tuscarora is requesting that the Commission accept the Agreements (tariff records 8.1 and 8.2) and the proposed tariff sections to become effective November 1, 2021.

### **Effective Date**

Tuscarora respectfully requests the Commission accept the tariff sections and tariff records included as Appendix A to become effective November 1, 2021.

### **Other Filings That May Affect This Proceeding**

There are no other filings before the Commission that may significantly affect the changes proposed herein.

### **Contents of Filing**

In accordance with Section 154.7 of the Commission's regulations, Tuscarora is submitting the following via its electronic tariff filing:

1. This transmittal letter;
2. Clean versions of the tariff sections and Agreements (Appendix A);
3. Marked versions of the tariff sections (Appendix B); and
4. Redlined versions of the Agreements (Appendix C).

### **Certificate of Service**

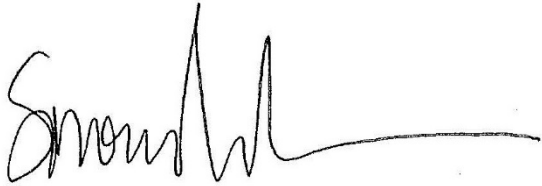
As required by Sections 154.7(b) and 154.208 of the Commission's regulations, a copy of this filing is being served upon all of Tuscarora's existing customers and interested state regulatory agencies. A copy of this letter, together with any attachments, is available during regular business hours for public inspection at Tuscarora's principal place of business.

Pursuant to Section 385.2005 of the Commission's regulations, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of her knowledge and belief. Additionally, the undersigned possesses full power and authority to sign such filing.

Any questions regarding this filing may be directed to Jonathan Scullion at (832) 320-5520.

Respectfully submitted,

TUSCARORA GAS TRANSMISSION COMPANY

A handwritten signature in black ink, appearing to read 'Sorana Linder', written over a horizontal line.

Sorana Linder  
Director, Rates, Tariffs & Modernization

Enclosures

# Appendix A

## Clean Tariff Sections

### ***Tuscarora Gas Transmission Company FERC Gas Tariff, Second Revised Volume No. 1***

<b><u>Tariff Sections</u></b>	<b><u>Version</u></b>
1 Table of Contents	v.6.0.0
4.6 Statement of Rates, Non-Conforming Service Agreements	v.3.0.0

<b><u>Tariff Records</u></b>	<b><u>Version</u></b>
8.1 Service Agreement No. 385 – Southwest Gas Corporation	v.0.0.0
8.2 Service Agreement No. 388 – Southwest Gas Corporation	v.0.0.0

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NON-CONFORMING SERVICE AGREEMENTS  
PURSUANT TO § 154.112(b)

<u>Name of Shipper/Contract No.</u>	<u>Rate Schedule</u>	<u>Agreement Date</u>	<u>Effective Date</u>
California Department of Corrections #F021	FT	5/25/2000	12/1/2001
Southwest Gas Corporation #385	FT	7/19/2021	11/1/2021
Southwest Gas Corporation #388	FT	7/19/2021	11/1/2021

Firm Transportation Service Agreement  
Rate Schedule FT

Southwest Gas Corporation  
(#385)

Agreement Effective Date: November 1, 2021

**Date:** July 19, 2021

**Contract No.:** 385\_01

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO FT RATE SCHEDULE)

This Agreement ("Agreement") is made and entered into this day of July 19, 2021, by and between Tuscarora Gas Transmission Company, a Nevada general partnership (herein called "Transporter"), and Southwest Gas Corporation (herein called "Shipper" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
GENERAL

1. Pursuant to the terms of this Agreement, Transporter agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay Transporter for such service.
2. This Firm Transportation Agreement is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.

ARTICLE II  
QUANTITY OF GAS AND POINTS OF RECEIPT AND DELIVERY

1. The Maximum Transportation Quantity to be received or delivered by Transporter for the account of Shipper hereunder shall be at the Primary Receipt Point and Primary Delivery Point set forth in Exhibit A of the Transportation Service Agreement along with the pressure obligations indicated for each point. Exhibit A is attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.
2. The Maximum Transportation Quantities listed in Exhibit A are subject to adjustment to reflect the Fuel and Line Loss Quantity as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE III  
TERM

1. The service commencement date is the later of (i) the date that Transporter is legally authorized to provide, and physically capable of providing, the Service (the "**In-Service Date**"); and (ii) November 1, 2021 and shall continue until twenty (20) years thereafter. Transporter anticipates that the In-Service Date will occur on November 1, 2021 (the "Targeted In-Service Date"); provided, however, that in the event the In-Service Date does not occur on or before the Targeted In-Service Date, the In-Service Date will be as soon as

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possible thereafter, and Transporter shall have no liability or obligation to Shipper as a result of any such delay.

Shipper shall have the right to extend the Initial Term for up to two successive 5-year terms (each an "Extended Term"), exercisable no later than twelve months prior to the expiration of the Initial Term and each Extended Term, if applicable, by providing written notice to Transporter indicating that it is exercising such extension right and stating the Extended Term Rate that it elects as contemplated in Article IV ("Extension Notice"). Shipper's quantity for each Extended Term must be for a minimum quantity equal to the MDQ during the Initial Term.

Shipper shall not have a Right of First Refusal.

2. Thereafter, this Agreement shall continue in full force and effect for an additional term of N/A unless N/A gives at least N/A prior written notice of its desire to terminate this Agreement. Under this evergreen provision, parties capable of giving notice of termination may include only Shipper (unilateral evergreen) or may include both Shipper and Transporter (bilateral evergreen).

ARTICLE IV  
RATE(S), RATE SCHEDULES,  
AND GENERAL TERMS AND CONDITIONS OF SERVICE

1. Shipper shall pay Transporter each month for services rendered pursuant to this Agreement in accordance with Transporter's Rate Schedule FT, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.

In the event Transporter and Shipper mutually agree on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.

During each of the following time periods during the Initial Term, a fixed negotiated demand rate equal to the corresponding amount:

Term	Daily Rate	Monthly Rate
Years 1-5	\$0.42	\$12.775
Years 6-10	\$0.37	\$11.2542
Years 11-15	\$0.31	\$9.4292
Years 16 - 20	\$0.24	\$7.3000

In addition to the Negotiated Daily Demand Rate, Shipper shall pay Daily Commodity Rate, and all surcharges (reservation and usage) under Rate Schedule FT pursuant to the Tariff, including but not limited to those set forth in Section 5.1.3.3 of the Tariff, as such may change from time to time. Shipper will also furnish to Transporter the Measurement Variance Gas Quantity, as applicable under Transporter's FT Rate Schedule, as such may

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change from time to time. Collectively, all of the aforementioned rates, charges and surcharges shall be referred to herein as the “TGT Expansion Rate.”

Shipper shall have secondary receipt point and delivery point access under Transporter’s Rate Schedule FT pursuant to the terms and conditions of the Tariff, during the Initial Term at the TGT Expansion Rate and during the Extended Term, as applicable, the Extended Term Rate.

For each Extended Term, Shipper shall have an option to elect to receive service at a reservation charge of either (a) Transporter’s maximum generally applicable system Reservation Charge associated with service under Transporter’s Rate Schedule FT within its Tariff, as such may change from time to time; or (b) a negotiated reservation charge of \$7.30 or \$0.24/Dth daily (the option so elected by Shipper shall be referred to herein as the “Extended Term Rate”). Shipper shall exercise its option by electing one of the foregoing rates within the Extension Notice. In the event Shipper does not make such an election for any Extended Term, the reservation charge for service within such Extended Term shall be that reflected in clause (a) of this paragraph. Also, for each Extended Term, in addition to the Extended Term Rate, Shipper shall pay all other components of the TGT Expansion Rate except the Negotiated Daily Demand Rate set forth above.

**Cost Sharing:**

Transporter and Shipper shall share any actual Project construction cost overruns or savings compared to the Estimated Costs (defined below) on a 50/50 basis via an adjustment to Shipper’s Negotiated Daily Demand Rate; provided, however, that such adjustment would be subject to a rate adjustment cap or floor of plus or minus \$0.025/Dth. Any such adjustment to Shipper’s Negotiated Daily Demand Rate shall be effective beginning on the actual In-Service Date based on the Project’s then-estimated final costs, and adjusted, if necessary, to keep the Parties whole as if the actual Project costs were known as of the actual In-Service Date, as soon as administratively feasible based on the Project facilities’ final cost report filed with FERC, but not later than the first anniversary date of the actual In-Service Date, and remain in effect for the balance of the Initial Term.

To effectuate such cost sharing, Shipper’s Negotiated Daily Demand Rate shall be adjusted as follows:

To the extent Actual Project Costs (defined below) exceed Estimated Project Costs (as further defined below), Shipper’s Negotiated Daily Demand Rate shall be multiplied by the Capital Cost Overrun Factor (“CCO Factor”). The CCO Factor shall be equal to  $1 + [(CCO/EPC) \times 50\%]$ . In no event shall the CCO Factor exceed  $1.0595 ((\$0.42 + \$0.025) / \$0.42)$ .

To the extent Actual Project Costs (defined below) are less than Estimated Project Costs (as further defined below), Shipper’s Negotiated Daily Demand Rate shall be multiplied by the Capital Cost Underrun Factor (“CCU Factor”). The CCU Factor shall be equal to 1

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-  $[(CCU/EPC) \times 50\%]$ . In no event shall the CCU Factor be less than 0.9405 ( $(\$0.42 - \$0.025)/\$0.42$ ).

**“Actual Project Costs”** or **“APC”** shall mean all costs and expenses incurred by Transporter, including trailing costs up to twelve months subsequent to the actual In-Service Date, to complete the Project in the manner contemplated by this Precedent Agreement, including but not limited to (a) all costs and expenses incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project, including all compression costs, (b) all costs and expenses incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, and (c) all direct and allocated internal overhead and administrative costs. Transporter shall maintain books and records reasonably necessary for Shipper to verify the APC.

**“Estimated Project Costs”** or **“EPC”** shall mean all costs and expenses that are projected to be incurred by Transporter to complete the Project in the manner contemplated by this Agreement, including but not limited to (a) all costs and expenses projected to be incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project, including all compression costs, (b) all costs and expenses projected to be incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs, and (d) a contingency amount equal to at least 10% of (a) and (b). For purposes of determining the adjustment to Shipper’s Negotiated Daily Demand Rate pursuant to this provision, the Parties agree that the Estimated Project Costs shall be equal to \$11,757,039.

**“Capital Cost Overrun”** or **“CCO”** shall be an amount in U.S. dollars equal to the difference between the APC and the EPC, if APC exceeds EPC.

**“Capital Cost Underrun”** or **“CCU”** shall be an amount in U.S. dollars equal to the difference between the APC and the EPC, if APC is less than EPC.

2. This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FT, or superseding rate schedule(s) and to the applicable General Terms and Conditions of Service of Transporter’s FERC Gas Tariff on file with FERC, all of which are by this reference made a part hereof.
3. Transporter shall have the right to file with FERC any changes in the terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as Transporter may deem necessary, and to make such changes effective at such times as Transporter desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.



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ARTICLE V  
MISCELLANEOUS

1. The interpretation and performance of the Agreement shall be in accordance with the laws of Nevada, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.
2. Shipper warrants that requisite upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit A attached hereto.
3. Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:
  - (a) Transporter: Tuscarora Gas Transmission Company  
700 Louisiana Street, Suite 1300  
Houston, Texas 77002-2700  
Attention: Transportation Accounting and Contracts
  - (b) Shipper: Southwest Gas Corporation  
8360 S. Durango Drive  
LVD-570  
Las Vegas, NV  
89102  
Attention: Director/Gas Supply
4. No modification of the terms and provisions of a Transportation Service Agreement shall be made except by the execution of written contracts signed by Transporter and Shipper.

Date: July 19, 2021

Contract No.: 385\_01

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

TUSCARORA GAS TRANSMISSION COMPANY

DS  
JR

July 20, 2021

DS  
JS

July 21, 2021

By: DocuSigned by:  
Kay Dennison July 25, 2021 nc  
A0EF51A630C148B...

DS  
CW

July 21, 2021

Name: Kay Dennison

Title: Director, Trans. Acct.& Contracts

Southwest Gas Corporation

By: Randy Gabe  
Randy Gabe (Jul 13, 2021 10:42 PDT)

John Olenick  
John Olenick (Jul 13, 2021 10:08 PDT)

Name: Randy Gabe

Title: Vice President/Gas Resources

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## EXHIBIT A

## TO THE FIRM TRANSPORTATION AGREEMENT

Dated: July 19, 2021

Between  
Tuscarora Gas Transmission Company  
and Southwest Gas Corporation

<u>Start Date</u>	<u>End Date</u>	<u>Receipt Point</u>	<u>Delivery Point</u>	<u>Maximum Transportation Quantity Dth/d</u>	<u>Minimum Receipt Pressure (Psig)</u>	<u>Minimum and Maximum Delivery Pressure (Psig)</u>
11/1/2021	10/31/2041	TUSCARORA/GTN INTERCONNECT	WADSWORTH	12,200	825	525/1000

Firm Transportation Service Agreement  
Rate Schedule FT

Southwest Gas Corporation  
(#388)

Agreement Effective Date: November 1, 2021

**Date:** July 19, 2021

**Contract No.:** 388

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO FT RATE SCHEDULE)

This Agreement ("Agreement") is made and entered into this day of July 19, 2021, by and between Tuscarora Gas Transmission Company, a Nevada general partnership (herein called "Transporter"), and Southwest Gas Corporation (herein called "Shipper" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
GENERAL

1. Pursuant to the terms of this Agreement, Transporter agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay Transporter for such service.
2. This Firm Transportation Agreement is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.

ARTICLE II  
QUANTITY OF GAS AND POINTS OF RECEIPT AND DELIVERY

1. The Maximum Transportation Quantity to be received or delivered by Transporter for the account of Shipper hereunder shall be at the Primary Receipt Point and Primary Delivery Point set forth in Exhibit A of the Transportation Service Agreement along with the pressure obligations indicated for each point. Exhibit A is attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.
2. The Maximum Transportation Quantities listed in Exhibit A are subject to adjustment to reflect the Fuel and Line Loss Quantity as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE III  
TERM

1. The service commencement date is the later of (i) the date that Transporter is legally authorized to provide, and physically capable of providing, the Service (the "**In-Service Date**"); and (ii) November 1, 2021 and shall continue until twenty (20) years thereafter. Transporter anticipates that the In-Service Date will occur on November 1, 2021 (the "Targeted In-Service Date"); provided, however, that in the event the In-Service Date does not occur on or before the Targeted In-Service Date, the In-Service Date will be as soon as

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possible thereafter, and Transporter shall have no liability or obligation to Shipper as a result of any such delay.

Shipper shall have the right to extend the Initial Term for up to two successive 5-year terms (each an "Extended Term"), exercisable no later than twelve months prior to the expiration of the Initial Term and each Extended Term, if applicable, by providing written notice to Transporter indicating that it is exercising such extension right and stating the Extended Term Rate that it elects as contemplated in Article IV ("Extension Notice"). Shipper's quantity for each Extended Term must be for a minimum quantity equal to the MDQ during the Initial Term.

Shipper shall not have a Right of First Refusal.

2. Thereafter, this Agreement shall continue in full force and effect for an additional term of N/A unless N/A gives at least N/A prior written notice of its desire to terminate this Agreement. Under this evergreen provision, parties capable of giving notice of termination may include only Shipper (unilateral evergreen) or may include both Shipper and Transporter (bilateral evergreen).

ARTICLE IV  
RATE(S), RATE SCHEDULES,  
AND GENERAL TERMS AND CONDITIONS OF SERVICE

1. Shipper shall pay Transporter each month for services rendered pursuant to this Agreement in accordance with Transporter's Rate Schedule FT, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.

In the event Transporter and Shipper mutually agree on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.

During each of the following time periods during the Initial Term, a fixed negotiated demand rate equal to the corresponding amount:

Term	Daily Rate	Monthly Rate
Years 1-5	\$0.42	\$12.775
Years 6-10	\$0.37	\$11.2542
Years 11-15	\$0.31	\$9.4292
Years 16 - 20	\$0.24	\$7.3000

In addition to the Negotiated Daily Demand Rate, Shipper shall pay Daily Commodity Rate, and all surcharges (reservation and usage) under Rate Schedule FT pursuant to the Tariff, including but not limited to those set forth in Section 5.1.3.3 of the Tariff, as such may change from time to time. Shipper will also furnish to Transporter the Measurement Variance Gas Quantity, as applicable under Transporter's FT Rate Schedule, as such may

**Date:** July 19, 2021

**Contract No.:** 388

change from time to time. Collectively, all of the aforementioned rates, charges and surcharges shall be referred to herein as the "TGT Expansion Rate."

Shipper shall have secondary receipt point and delivery point access under Transporter's Rate Schedule FT pursuant to the terms and conditions of the Tariff, during the Initial Term at the TGT Expansion Rate and during the Extended Term, as applicable, the Extended Term Rate.

For each Extended Term, Shipper shall have an option to elect to receive service at a reservation charge of either (a) Transporter's maximum generally applicable system Reservation Charge associated with service under Transporter's Rate Schedule FT within its Tariff, as such may change from time to time; or (b) a negotiated reservation charge of \$7.30 or \$0.24/Dth daily (the option so elected by Shipper shall be referred to herein as the "Extended Term Rate"). Shipper shall exercise its option by electing one of the foregoing rates within the Extension Notice. In the event Shipper does not make such an election for any Extended Term, the reservation charge for service within such Extended Term shall be that reflected in clause (a) of this paragraph. Also, for each Extended Term, in addition to the Extended Term Rate, Shipper shall pay all other components of the TGT Expansion Rate except the Negotiated Daily Demand Rate set forth above.

**Cost Sharing:**

Transporter and Shipper shall share any actual Project construction cost overruns or savings compared to the Estimated Costs (defined below) on a 50/50 basis via an adjustment to Shipper's Negotiated Daily Demand Rate; provided, however, that such adjustment would be subject to a rate adjustment cap or floor of plus or minus \$0.025/Dth. Any such adjustment to Shipper's Negotiated Daily Demand Rate shall be effective beginning on the actual In-Service Date based on the Project's then-estimated final costs, and adjusted, if necessary, to keep the Parties whole as if the actual Project costs were known as of the actual In-Service Date, as soon as administratively feasible based on the Project facilities' final cost report filed with FERC, but not later than the first anniversary date of the actual In-Service Date, and remain in effect for the balance of the Initial Term.

To effectuate such cost sharing, Shipper's Negotiated Daily Demand Rate shall be adjusted as follows:

To the extent Actual Project Costs (defined below) exceed Estimated Project Costs (as further defined below), Shipper's Negotiated Daily Demand Rate shall be multiplied by the Capital Cost Overrun Factor ("CCO Factor"). The CCO Factor shall be equal to  $1 + [(CCO/EPC) \times 50\%]$ . In no event shall the CCO Factor exceed  $1.0595 ((\$0.42 + \$0.025) / \$0.42)$ .

To the extent Actual Project Costs (defined below) are less than Estimated Project Costs (as further defined below), Shipper's Negotiated Daily Demand Rate shall be multiplied by the Capital Cost Underrun Factor ("CCU Factor"). The CCU Factor shall be equal to 1

**Date:** July 19, 2021

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-  $[(CCU/EPC) \times 50\%]$ . In no event shall the CCU Factor be less than 0.9405  $(\$0.42 - \$0.025)/\$0.42$ ).

**“Actual Project Costs”** or **“APC”** shall mean all costs and expenses incurred by Transporter, including trailing costs up to twelve months subsequent to the actual In-Service Date, to complete the Project in the manner contemplated by this Precedent Agreement, including but not limited to (a) all costs and expenses incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project, including all compression costs, (b) all costs and expenses incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, and (c) all direct and allocated internal overhead and administrative costs. Transporter shall maintain books and records reasonably necessary for Shipper to verify the APC.

**“Estimated Project Costs”** or **“EPC”** shall mean all costs and expenses that are projected to be incurred by Transporter to complete the Project in the manner contemplated by this Agreement, including but not limited to (a) all costs and expenses projected to be incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project, including all compression costs, (b) all costs and expenses projected to be incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs, and (d) a contingency amount equal to at least 10% of (a) and (b). For purposes of determining the adjustment to Shipper’s Negotiated Daily Demand Rate pursuant to this provision, the Parties agree that the Estimated Project Costs shall be equal to \$11,757,039.

**“Capital Cost Overrun”** or **“CCO”** shall be an amount in U.S. dollars equal to the difference between the APC and the EPC, if APC exceeds EPC.

**“Capital Cost Underrun”** or **“CCU”** shall be an amount in U.S. dollars equal to the difference between the APC and the EPC, if APC is less than EPC.

2. This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FT, or superseding rate schedule(s) and to the applicable General Terms and Conditions of Service of Transporter’s FERC Gas Tariff on file with FERC, all of which are by this reference made a part hereof.
3. Transporter shall have the right to file with FERC any changes in the terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as Transporter may deem necessary, and to make such changes effective at such times as Transporter desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.



**Date:** July 19, 2021

**Contract No.:** 388

ARTICLE V  
MISCELLANEOUS

1. The interpretation and performance of the Agreement shall be in accordance with the laws of Nevada, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.
2. Shipper warrants that requisite upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit A attached hereto.
3. Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:
  - (a) Transporter: Tuscarora Gas Transmission Company  
700 Louisiana Street, Suite 1300  
Houston, Texas 77002-2700  
Attention: Transportation Accounting and Contracts
  - (b) Shipper: Southwest Gas Corporation  
8360 S. Durango Drive  
LVD-570  
Las Vegas, NV  
89102  
Attention: Director/Gas Supply
4. No modification of the terms and provisions of a Transportation Service Agreement shall be made except by the execution of written contracts signed by Transporter and Shipper.

Date: July 19, 2021

Contract No.: 388

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

TUSCARORA GAS TRANSMISSION COMPANY

DS  
JR

July 20, 2021

DS  
JS

July 21, 2021

By: DocuSigned by:  
Kay Dennison July 25, 2021  
A0EF51A630C148B...

DS  
nc

DS  
CW

July 21, 2021

Name: Kay Dennison

Title: Director, Trans. Acct.& Contracts

Southwest Gas Corporation

By: Randy Gabe  
Randy Gabe (Jul 13, 2021 10:42 PDT)

John Olenick  
John Olenick (Jul 13, 2021 10:10 PDT)

Name: Randy Gabe

Title: Vice President/Gas Resources

**Date:** July 19, 2021**Contract No.:** 388

## EXHIBIT A

## TO THE FIRM TRANSPORTATION AGREEMENT

Dated: July 19, 2021Between  
Tuscarora Gas Transmission Company  
and Southwest Gas Corporation

<u>Start Date</u>	<u>End Date</u>	<u>Receipt Point</u>	<u>Delivery Point</u>	<u>Maximum Transportation Quantity Dth/d</u>	<u>Minimum Receipt Pressure (Psig)</u>	<u>Minimum and Maximum Delivery Pressure (Psig)</u>
11/1/2021	10/31/2041	TUSCARORA/GTN INTERCONNECT	WADSWORTH	2,800	825	525/1000

# Appendix B

## Marked Tariff Sections

### ***Tuscarora Gas Transmission Company FERC Gas Tariff, Second Revised Volume No. 1***

<u>Tariff Sections</u>	<u>Version</u>
1 Table of Contents	v.6.0.0
4.6 Statement of Rates, Non-Conforming Service Agreements	v.3.0.0

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NON-CONFORMING SERVICE AGREEMENTS  
PURSUANT TO § 154.112(b)

<u>Name of Shipper/Contract No.</u>	<u>Rate Schedule</u>	<u>Agreement Date</u>	<u>Effective Date</u>
California Department of Corrections #F021	FT	5/25/2000	12/1/2001
<a href="#"><u>Southwest Gas Corporation #385</u></a>	<a href="#"><u>FT</u></a>	<a href="#"><u>7/19/2021</u></a>	<a href="#"><u>11/1/2021</u></a>
<a href="#"><u>Southwest Gas Corporation #388</u></a>	<a href="#"><u>FT</u></a>	<a href="#"><u>7/19/2021</u></a>	<a href="#"><u>11/1/2021</u></a>



# Appendix C

## Marked Tariff Records

- 1) Southwest Gas Corporation  
Rate Schedule FT Service Agreement (#385)
- 2) Southwest Gas Corporation  
Rate Schedule FT Service Agreement (#388)

Date: \_\_\_\_\_

Contract No.: 385\_01

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO FT RATE SCHEDULE)

This Agreement ("Agreement") is made and entered into this day of \_\_\_\_\_, \_\_\_\_\_, by and between Tuscarora Gas Transmission Company, a Nevada general partnership (herein called "Transporter"), and Southwest Gas Corporation (herein called "Shipper" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
GENERAL

1. Pursuant to the terms of this Agreement, Transporter agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay Transporter for such service.
2. This Firm Transportation Agreement is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.

ARTICLE II  
QUANTITY OF GAS AND POINTS OF RECEIPT AND DELIVERY

1. The Maximum Transportation Quantity to be received or delivered by Transporter for the account of Shipper hereunder shall be at the Primary Receipt Point and Primary Delivery Point set forth in Exhibit A of the Transportation Service Agreement along with the pressure obligations indicated for each point. Exhibit A is attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.
2. The Maximum Transportation Quantities listed in Exhibit A are subject to adjustment to reflect the Fuel and Line Loss Quantity as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE III  
TERM

1. The service commencement date is the later of (i) the date that Transporter is legally authorized to provide, and physically capable of providing, the Service (the "**In-Service Date**"); and (ii) November 1, 2021 and shall continue until twenty (20) years thereafter. Transporter anticipates that the In-Service Date will occur on November 1, 2021 (the "**Targeted In-Service Date**"); provided, however, that in the event the In-Service Date does not occur on or before the Targeted In-Service Date, the In-Service Date will be as soon as

Date: \_\_\_\_\_

Contract No.: 385\_01

possible thereafter, and Transporter shall have no liability or obligation to Shipper as a result of any such delay.

Shipper shall have the right to extend the Initial Term for up to two successive 5-year terms (each an “Extended Term”), exercisable no later than twelve months prior to the expiration of the Initial Term and each Extended Term, if applicable, by providing written notice to Transporter indicating that it is exercising such extension right and stating the Extended Term Rate that it elects as contemplated in Article IV (“Extension Notice”). Shipper’s quantity for each Extended Term must be for a minimum quantity equal to the MDQ during the Initial Term.

Shipper shall not have a Right of First Refusal.

2. Thereafter, this Agreement shall continue in full force and effect for an additional term of N/A unless N/A gives at least N/A prior written notice of its desire to terminate this Agreement. Under this evergreen provision, parties capable of giving notice of termination may include only Shipper (unilateral evergreen) or may include both Shipper and Transporter (bilateral evergreen).

ARTICLE IV  
RATE(S), RATE SCHEDULES,  
AND GENERAL TERMS AND CONDITIONS OF SERVICE

1. Shipper shall pay Transporter each month for services rendered pursuant to this Agreement in accordance with Transporter’s Rate Schedule FT, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.

In the event Transporter and Shipper mutually agree on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.

During each of the following time periods during the Initial Term, a fixed negotiated demand rate equal to the corresponding amount:

Term	Daily Rate	Monthly Rate
Years 1-5	\$0.42	\$12.775
Years 6-10	\$0.37	\$11.2542
Years 11-15	\$0.31	\$9.4292
Years 16 - 20	\$0.24	\$7.3000

In addition to the Negotiated Daily Demand Rate, Shipper shall pay Daily Commodity Rate, and all surcharges (reservation and usage) under Rate Schedule FT pursuant to the Tariff, including but not limited to those set forth in Section 5.1.3.3 of the Tariff, as such may change from time to time. Shipper will also furnish to Transporter the Measurement Variance Gas Quantity, as applicable under Transporter’s FT Rate Schedule, as such may

Date: \_\_\_\_\_

Contract No.: 385\_01

change from time to time. Collectively, all of the aforementioned rates, charges and surcharges shall be referred to herein as the “TGT Expansion Rate.”

Shipper shall have secondary receipt point and delivery point access under Transporter’s Rate Schedule FT pursuant to the terms and conditions of the Tariff, during the Initial Term at the TGT Expansion Rate and during the Extended Term, as applicable, the Extended Term Rate.

For each Extended Term, Shipper shall have an option to elect to receive service at a reservation charge of either (a) Transporter’s maximum generally applicable system Reservation Charge associated with service under Transporter’s Rate Schedule FT within its Tariff, as such may change from time to time; or (b) a negotiated reservation charge of \$7.30 or \$0.24/Dth daily (the option so elected by Shipper shall be referred to herein as the “Extended Term Rate”). Shipper shall exercise its option by electing one of the foregoing rates within the Extension Notice. In the event Shipper does not make such an election for any Extended Term, the reservation charge for service within such Extended Term shall be that reflected in clause (a) of this paragraph. Also, for each Extended Term, in addition to the Extended Term Rate, Shipper shall pay all other components of the TGT Expansion Rate except the Negotiated Daily Demand Rate set forth above.

**Cost Sharing:**

Transporter and Shipper shall share any actual Project construction cost overruns or savings compared to the Estimated Costs (defined below) on a 50/50 basis via an adjustment to Shipper’s Negotiated Daily Demand Rate; provided, however, that such adjustment would be subject to a rate adjustment cap or floor of plus or minus \$0.025/Dth. Any such adjustment to Shipper’s Negotiated Daily Demand Rate shall be effective beginning on the actual In-Service Date based on the Project’s then-estimated final costs, and adjusted, if necessary, to keep the Parties whole as if the actual Project costs were known as of the actual In-Service Date, as soon as administratively feasible based on the Project facilities’ final cost report filed with FERC, but not later than the first anniversary date of the actual In-Service Date, and remain in effect for the balance of the Initial Term.

To effectuate such cost sharing, Shipper’s Negotiated Daily Demand Rate shall be adjusted as follows:

To the extent Actual Project Costs (defined below) exceed Estimated Project Costs (as further defined below), Shipper’s Negotiated Daily Demand Rate shall be multiplied by the Capital Cost Overrun Factor (“CCO Factor”). The CCO Factor shall be equal to  $1 + [(CCO/EPC) \times 50\%]$ . In no event shall the CCO Factor exceed  $1.0595 ((\$0.42 + \$0.025) / \$0.42)$ .

To the extent Actual Project Costs (defined below) are less than Estimated Project Costs (as further defined below), Shipper’s Negotiated Daily Demand Rate shall be multiplied by the Capital Cost Underrun Factor (“CCU Factor”). The CCU Factor shall be equal to 1

Date: \_\_\_\_\_

Contract No.: 385\_01

-  $[(CCU/EPC) \times 50\%]$ . In no event shall the CCU Factor be less than 0.9405 ( $(\$0.42 - \$0.025)/\$0.42$ ).

**“Actual Project Costs”** or **“APC”** shall mean all costs and expenses incurred by Transporter, including trailing costs up to twelve months subsequent to the actual In-Service Date, to complete the Project in the manner contemplated by this Precedent Agreement, including but not limited to (a) all costs and expenses incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project, including all compression costs, (b) all costs and expenses incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, and (c) all direct and allocated internal overhead and administrative costs. Transporter shall maintain books and records reasonably necessary for Shipper to verify the APC.

**“Estimated Project Costs”** or **“EPC”** shall mean all costs and expenses that are projected to be incurred by Transporter to complete the Project in the manner contemplated by this Agreement, including but not limited to (a) all costs and expenses projected to be incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project, including all compression costs, (b) all costs and expenses projected to be incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs, and (d) a contingency amount equal to at least 10% of (a) and (b). For purposes of determining the adjustment to Shipper’s Negotiated Daily Demand Rate pursuant to this provision, the Parties agree that the Estimated Project Costs shall be equal to \$11,757,039.

**“Capital Cost Overrun”** or **“CCO”** shall be an amount in U.S. dollars equal to the difference between the APC and the EPC, if APC exceeds EPC.

**“Capital Cost Underrun”** or **“CCU”** shall be an amount in U.S. dollars equal to the difference between the APC and the EPC, if APC is less than EPC.

2. This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FT, or superseding rate schedule(s) and to the applicable General Terms and Conditions of Service of Transporter’s FERC Gas Tariff on file with FERC, all of which are by this reference made a part hereof.
3. Transporter shall have the right to file with FERC any changes in the terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as Transporter may deem necessary, and to make such changes effective at such times as Transporter desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

Date: \_\_\_\_\_

Contract No.: 385\_01

ARTICLE V  
MISCELLANEOUS

1. The interpretation and performance of the Agreement shall be in accordance with the laws of Nevada, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.
2. Shipper warrants that requisite upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit A attached hereto.
3. Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:
  - (a) Transporter: Tuscarora Gas Transmission Company  
700 Louisiana Street, Suite 1300  
Houston, Texas 77002-2700  
Attention: Transportation Accounting and Contracts
  - (b) Shipper: Southwest Gas Corporation  
8360 S. Durango Drive  
LVD-570  
Las Vegas, NV  
89102  
Attention: Director/Gas Supply
4. No modification of the terms and provisions of a Transportation Service Agreement shall be made except by the execution of written contracts signed by Transporter and Shipper.

**Date:** \_\_\_\_\_

**Contract No.:** 385\_01

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

TUSCARORA GAS TRANSMISSION COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Southwest Gas Corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Contract No.: 385\_01

EXHIBIT A

TO THE FIRM TRANSPORTATION AGREEMENT

Dated: \_\_\_\_\_, \_\_\_\_\_

Between  
Tuscarora Gas Transmission Company  
and Southwest Gas Corporation

<u>Start Date</u>	<u>End Date</u>	<u>Receipt Point</u>	<u>Delivery Point</u>	<u>Maximum Transportation Quantity Dth/d</u>	<u>Minimum Receipt Pressure (Psig)</u>	<u>Minimum and Maximum Delivery Pressure (Psig)</u>
11/1/2021	10/31/2041	TUSCARORA/GTN INTERCONNECT	WADSWORTH	12,200	825	525/1000



Date: \_\_\_\_\_

Contract No.: 388

FORM OF SERVICE AGREEMENT  
(APPLICABLE TO FT RATE SCHEDULE)

This Agreement ("Agreement") is made and entered into this day of \_\_\_\_\_, \_\_\_\_\_, by and between Tuscarora Gas Transmission Company, a Nevada general partnership (herein called "Transporter"), and Southwest Gas Corporation (herein called "Shipper" whether one or more persons).

In consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

ARTICLE I  
GENERAL

1. Pursuant to the terms of this Agreement, Transporter agrees to provide Shipper interstate natural gas transportation service, and Shipper agrees to pay Transporter for such service.
2. This Firm Transportation Agreement is made pursuant to the regulations of the Federal Energy Regulatory Commission (FERC) contained in 18 CFR Part 284, as amended from time to time, and all other applicable laws and regulations.

ARTICLE II  
QUANTITY OF GAS AND POINTS OF RECEIPT AND DELIVERY

1. The Maximum Transportation Quantity to be received or delivered by Transporter for the account of Shipper hereunder shall be at the Primary Receipt Point and Primary Delivery Point set forth in Exhibit A of the Transportation Service Agreement along with the pressure obligations indicated for each point. Exhibit A is attached hereto, and incorporated herein by reference in its entirety and made a part hereof for all purposes.
2. The Maximum Transportation Quantities listed in Exhibit A are subject to adjustment to reflect the Fuel and Line Loss Quantity as provided in the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE III  
TERM

1. The service commencement date is the later of (i) the date that Transporter is legally authorized to provide, and physically capable of providing, the Service (the "**In-Service Date**"); and (ii) November 1, 2021 and shall continue until twenty (20) years thereafter. Transporter anticipates that the In-Service Date will occur on November 1, 2021 (the "**Targeted In-Service Date**"); provided, however, that in the event the In-Service Date does not occur on or before the Targeted In-Service Date, the In-Service Date will be as soon as

Date: \_\_\_\_\_

Contract No.: 388

possible thereafter, and Transporter shall have no liability or obligation to Shipper as a result of any such delay.

Shipper shall have the right to extend the Initial Term for up to two successive 5-year terms (each an “Extended Term”), exercisable no later than twelve months prior to the expiration of the Initial Term and each Extended Term, if applicable, by providing written notice to Transporter indicating that it is exercising such extension right and stating the Extended Term Rate that it elects as contemplated in Article IV (“Extension Notice”). Shipper’s quantity for each Extended Term must be for a minimum quantity equal to the MDQ during the Initial Term.

Shipper shall not have a Right of First Refusal.

2. Thereafter, this Agreement shall continue in full force and effect for an additional term of N/A unless N/A gives at least N/A prior written notice of its desire to terminate this Agreement. Under this evergreen provision, parties capable of giving notice of termination may include only Shipper (unilateral evergreen) or may include both Shipper and Transporter (bilateral evergreen).

ARTICLE IV  
RATE(S), RATE SCHEDULES,  
AND GENERAL TERMS AND CONDITIONS OF SERVICE

1. Shipper shall pay Transporter each month for services rendered pursuant to this Agreement in accordance with Transporter’s Rate Schedule FT, or superseding rate schedule(s), on file with and subject to the jurisdiction of FERC.

In the event Transporter and Shipper mutually agree on a rate other than the Recourse Rate, that rate, and any provisions governing such rate, shall be set forth herein.

During each of the following time periods during the Initial Term, a fixed negotiated demand rate equal to the corresponding amount:

Term	Daily Rate	Monthly Rate
Years 1-5	\$0.42	\$12.775
Years 6-10	\$0.37	\$11.2542
Years 11-15	\$0.31	\$9.4292
Years 16 - 20	\$0.24	\$7.3000

In addition to the Negotiated Daily Demand Rate, Shipper shall pay Daily Commodity Rate, and all surcharges (reservation and usage) under Rate Schedule FT pursuant to the Tariff, including but not limited to those set forth in Section 5.1.3.3 of the Tariff, as such may change from time to time. Shipper will also furnish to Transporter the Measurement Variance Gas Quantity, as applicable under Transporter’s FT Rate Schedule, as such may

Date: \_\_\_\_\_

Contract No.: 388

change from time to time. Collectively, all of the aforementioned rates, charges and surcharges shall be referred to herein as the "TGT Expansion Rate."

Shipper shall have secondary receipt point and delivery point access under Transporter's Rate Schedule FT pursuant to the terms and conditions of the Tariff, during the Initial Term at the TGT Expansion Rate and during the Extended Term, as applicable, the Extended Term Rate.

For each Extended Term, Shipper shall have an option to elect to receive service at a reservation charge of either (a) Transporter's maximum generally applicable system Reservation Charge associated with service under Transporter's Rate Schedule FT within its Tariff, as such may change from time to time; or (b) a negotiated reservation charge of \$7.30 or \$0.24/Dth daily (the option so elected by Shipper shall be referred to herein as the "Extended Term Rate"). Shipper shall exercise its option by electing one of the foregoing rates within the Extension Notice. In the event Shipper does not make such an election for any Extended Term, the reservation charge for service within such Extended Term shall be that reflected in clause (a) of this paragraph. Also, for each Extended Term, in addition to the Extended Term Rate, Shipper shall pay all other components of the TGT Expansion Rate except the Negotiated Daily Demand Rate set forth above.

**Cost Sharing:**

Transporter and Shipper shall share any actual Project construction cost overruns or savings compared to the Estimated Costs (defined below) on a 50/50 basis via an adjustment to Shipper's Negotiated Daily Demand Rate; provided, however, that such adjustment would be subject to a rate adjustment cap or floor of plus or minus \$0.025/Dth. Any such adjustment to Shipper's Negotiated Daily Demand Rate shall be effective beginning on the actual In-Service Date based on the Project's then-estimated final costs, and adjusted, if necessary, to keep the Parties whole as if the actual Project costs were known as of the actual In-Service Date, as soon as administratively feasible based on the Project facilities' final cost report filed with FERC, but not later than the first anniversary date of the actual In-Service Date, and remain in effect for the balance of the Initial Term.

To effectuate such cost sharing, Shipper's Negotiated Daily Demand Rate shall be adjusted as follows:

To the extent Actual Project Costs (defined below) exceed Estimated Project Costs (as further defined below), Shipper's Negotiated Daily Demand Rate shall be multiplied by the Capital Cost Overrun Factor ("CCO Factor"). The CCO Factor shall be equal to  $1 + [(CCO/EPC) \times 50\%]$ . In no event shall the CCO Factor exceed  $1.0595 ((\$0.42 + \$0.025) / \$0.42)$ .

To the extent Actual Project Costs (defined below) are less than Estimated Project Costs (as further defined below), Shipper's Negotiated Daily Demand Rate shall be multiplied by the Capital Cost Underrun Factor ("CCU Factor"). The CCU Factor shall be equal to 1

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-  $[(CCU/EPC) \times 50\%]$ . In no event shall the CCU Factor be less than 0.9405 ( $(\$0.42 - \$0.025)/\$0.42$ ).

**“Actual Project Costs”** or **“APC”** shall mean all costs and expenses incurred by Transporter, including trailing costs up to twelve months subsequent to the actual In-Service Date, to complete the Project in the manner contemplated by this Precedent Agreement, including but not limited to (a) all costs and expenses incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project, including all compression costs, (b) all costs and expenses incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, and (c) all direct and allocated internal overhead and administrative costs. Transporter shall maintain books and records reasonably necessary for Shipper to verify the APC.

**“Estimated Project Costs”** or **“EPC”** shall mean all costs and expenses that are projected to be incurred by Transporter to complete the Project in the manner contemplated by this Agreement, including but not limited to (a) all costs and expenses projected to be incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project, including all compression costs, (b) all costs and expenses projected to be incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs, and (d) a contingency amount equal to at least 10% of (a) and (b). For purposes of determining the adjustment to Shipper’s Negotiated Daily Demand Rate pursuant to this provision, the Parties agree that the Estimated Project Costs shall be equal to \$11,757,039.

**“Capital Cost Overrun”** or **“CCO”** shall be an amount in U.S. dollars equal to the difference between the APC and the EPC, if APC exceeds EPC.

**“Capital Cost Underrun”** or **“CCU”** shall be an amount in U.S. dollars equal to the difference between the APC and the EPC, if APC is less than EPC.

2. This Agreement in all respects shall be and remains subject to the applicable provisions of Rate Schedule FT, or superseding rate schedule(s) and to the applicable General Terms and Conditions of Service of Transporter’s FERC Gas Tariff on file with FERC, all of which are by this reference made a part hereof.
3. Transporter shall have the right to file with FERC any changes in the terms or rates/charges applicable to any of its Rate Schedules, General Terms and Conditions of Service or Form of Service Agreement as Transporter may deem necessary, and to make such changes effective at such times as Transporter desires and is possible under applicable law. Shipper may protest any filed changes before FERC and exercise any other rights it may have with respect thereto.

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ARTICLE V  
MISCELLANEOUS

1. The interpretation and performance of the Agreement shall be in accordance with the laws of Nevada, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.
2. Shipper warrants that requisite upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit A attached hereto.
3. Unless herein provided to the contrary, all notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or fax, or other means as agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to:
  - (a) Transporter: Tuscarora Gas Transmission Company  
700 Louisiana Street, Suite 1300  
Houston, Texas 77002-2700  
Attention: Transportation Accounting and Contracts
  - (b) Shipper: Southwest Gas Corporation  
8360 S. Durango Drive  
LVD-570  
Las Vegas, NV  
89102  
Attention: Director/Gas Supply
4. No modification of the terms and provisions of a Transportation Service Agreement shall be made except by the execution of written contracts signed by Transporter and Shipper.

**Date:** \_\_\_\_\_

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

TUSCARORA GAS TRANSMISSION COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Southwest Gas Corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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EXHIBIT A

TO THE FIRM TRANSPORTATION AGREEMENT

Dated: \_\_\_\_\_, \_\_\_\_\_

Between  
Tuscarora Gas Transmission Company  
and Southwest Gas Corporation

<u>Start Date</u>	<u>End Date</u>	<u>Receipt Point</u>	<u>Delivery Point</u>	<u>Maximum Transportation Quantity Dth/d</u>	<u>Minimum Receipt Pressure (Psig)</u>	<u>Minimum and Maximum Delivery Pressure (Psig)</u>
11/1/2021	10/31/2041	TUSCARORA/GTN INTERCONNECT	WADSWORTH	2,800	825	525/1000