

RULES & REGULATIONS FOR NATURAL GAS SERVICE

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ERRATA

Changes to Wyoming PSC Tariff No. 7:

THE PUBLIC SERVICE COMMISSION OF WYOMING

PINEDALE NATURAL GAS
P.O. Box 649
Pinedale, WY 82541

Service Natural Gas
Available Town of Pinedale, Wyoming and vicinity
Applicable Domestic, Business and Governmental

	<u>Residential & Commercial</u>	<u>Large Commercial</u>	<u>School Class</u>
Projected Base Cost of Gas	\$ 0.279	\$ 0.279	\$ 0.279
C B A Surcharge Adjustment	(0.049)	(0.049)	(0.049)
Total Commodity Charge	0.230	0.230	0.230
Non Gas Rate	0.380	0.333	0.304
Total Volumetric Rate per Therm	\$ 0.610	\$ 0.563	\$ 0.534
Monthly Minimum Charge (\$/meter/month)	\$ 15.00	\$ 25.00	\$ 50.00

Rules and Regulations: On file with the Wyoming Public Service Commission
and at Pinedale Natural Gas, Inc. office

Issued by: Steven Shute, President
Issued on: January 26, 2016

Effective: January 28, 2016

RULES & REGULATIONS FOR NATURAL GAS SERVICE

GENERAL STATEMENT

The following Rules and Regulations are filed with the Wyoming Public Service Commission as part of the natural gas tariff of the gas utility operations of Pinedale Natural Gas, Inc., hereinafter referred to as "Company" or the "Utility". These Rules and Regulations set forth the terms and conditions under which natural gas service is supplied and govern all classes of service in all territory served by the utility.

Copies of these rules are available for any Customer's inspection at the offices of the Company. They are subject to termination, change, or modification, in whole or in part, at any time.

Service furnished by the Company is also subject to the Rules of the Public Service Commission of Wyoming.

Any waiver at any time of the Company's rights or privileges under these Rules & Regulations will not be deemed a waiver as to any later breach of these rules.

GENERAL

RULES APPLICABLE TO ALL NATURAL GAS SERVICE

APPLICATION FOR GAS SERVICE

Application for natural gas service may be made at any office of the Company. The Company may require any applicant to sign a Service Contract before service is supplied. However, the use of natural gas service constitutes an agreement under which the user receives natural gas service, agrees to pay the Company therefore in accordance with the applicable Tariff rate schedule, and agrees to comply with the Rules and Regulations of the utility. The benefits and obligations of the agreement for service may not be assigned without written consent of the Company. A separate agreement will be made for each class of service at each separate location.

A Customer is defined as any individual, enterprise or legal entity classified as either a residential, commercial, school or large commercial customer purchasing natural gas from the Company at each point of delivery, under each rate classification, contract or schedule.

CHOICE OF RATES

A schedule of rates is available at the offices of the Company. When two or more rate schedules apply to a customer's service requirements, the Company will assist in selecting the most suitable rate. Applicant is responsible for the final selection of said rate, and Company assumes no liability for that selection.

TEMPORARY OR INTERMITTENT SERVICE

If service to Customer is to be temporary or intermittent, service will be supplied in accordance with the rate schedule applicable thereto and service connection and any main construction involved will be at option of Company as set forth in Company's natural gas Service Extension Policy.

DEPOSITS

The Customer, if requested by the Company, shall deposit a sum not exceeding an estimated ninety days' maximum bill. Such deposit is not an advance payment or partial payment of any bill for service, but is security for payment of bills for service, to be applied against unpaid bills only in event service is discontinued.

Simple interest on such deposits at a rate not less than as prescribed by the Public Service Commission of Wyoming will be calculated for the period elapsed from date of deposit to date refunded, provided that such period is not less than six months, and provided further that such deposits will not draw interest after the date on which Company notifies Customer that deposit will be refunded or after service is discontinued. Interest will be paid upon refund of deposit.

Deposits shall be refunded after a twelve consecutive month period if the Customer has had no delinquency resulting in the issuance of a written Notification of Discontinuance of Service.

Deposits will be refunded when service is discontinued, or at any other time prior to the end of the twelve-month period at the option of the Company, upon proof that person claiming deposit is legally entitled to same. On discontinuance of service, the Company reserves the right to apply the Customer's deposit and any interest accrued thereon against unpaid bills for service, and only the remaining balance of the deposit, if any, will be refunded.

In cases where the Applicant for new service is in default of payment of bills for any service previously rendered to Applicant, a settlement of the old account, or arrangement satisfactory to the company for its settlement, will be required before the new service is rendered.

MONTHLY BILLS

Bills for service will be rendered monthly. The term "month" for billing purposes means the period between any two consecutive regular readings by the Company of the meters at the Customer's premises, such readings to be taken as nearly as may be practicable every thirty days. However, the Company reserves the right to require payment of bills for service at more frequent intervals. In such event, meters will be read at the intervals specified by the Company. If the Company is unable to read a meter after reasonable effort, the Customer will be billed on an estimated usage based on the best available information.

If an initial or final bill is for a period less than the "monthly" billing period described above, the billing will include the monthly service charge plus actual gas usage from the prior meter reading.

All bills for service, including any excise tax, sales tax, franchise fee or the like imposed by governmental authority, are due and payable at an office of the Company, or to an authorized agent of the Company, not later than the due date shown on the bill. All bills are due upon presentation.

The bill will be considered as received by the Customer when mailed to, or left at, the location where service is used or at some other location that has been mutually agreed upon. If the Customer fails to receive a bill, the Company, upon request, will issue a duplicate. However, failure to receive a bill in no way exempts the Customer from payment, before delinquent date, for service rendered.

When Company for any reason submits a bill to a Customer for utility service which contains an estimated reading or a no-charge, Company will include on such bill a notice informing Customer that the bill does contain an estimate or no-charge.

If a Customer gives notice at the Company's office prior to the time that payment is due that the correctness of the bill is disputed, stating reasons, the Company will investigate the complaint. However, such notice disputing correctness of a bill shall not be sufficient reason for withholding payment. If the bill is found to be incorrect, the Company will refund the amount of overpayment or credit the amount of overpayment to the next bill rendered.

BUDGET BILLING PLAN

Customers served under Residential Service rates who have no Notice of Discontinuance of Service pending may elect, at their option, to pay monthly bills for service on a Budget Billing Plan beginning with the May billing month. The monthly amount to be paid under the Budget Billing Plan is equal to the billing for the most recent twelve months' usage per the current rate tariff, divided by the current calculation factor. The calculation factor is subject to change by the Company as conditions warrant.

Said monthly payment shall be made for eleven successive months with the twelfth month's payment being a settlement amount equal to the difference between the total of the prior eleven months' payments and the actual billings for the twelve month period. If the settlement amount is a credit balance the Company may issue

a check to the Customer in the amount of the credit balance, or the Customer may elect to have the credit applied to future billings. If the settlement amount is a debit balance owed by the Customer, the total balance will be due and payable on the due date shown on the bill for the settlement month, except that in the event the debit balance exceeds \$20, the Customer may elect to pay the debit over a two month period with at least one half of the total debit balance payable in the settlement month. The Customer may continue on the Budget Billing Plan for succeeding years, in which case the settlement month for each year will occur in twelve month cycles starting with the beginning month.

If a Customer electing Budget Billing Plan fails to pay the budget billing obligation in any month, normal collection procedures shall be applicable for the outstanding budget billing amount. Upon termination of service of a Customer on the Budget Billing Plan, the entire balance amount of the account for actual usage shall be due and payable by Customer to Company if a debit balance exists or shall be refunded by Company to Customer if a credit balance exists.

The monthly budget billing amount will be adjusted for changes in the Company's base rates and for unusual changes in Gas Cost Adjustment levels due to major purchase gas cost changes from the Company's gas suppliers. No adjustment in monthly budget billing amounts will be made for normal Gas Cost Adjustment changes. Changes in Gas Cost Adjustment levels shall be considered unusual when such changes would result in a 10% or more increase or decrease in Customer's anticipated annual billing for gas service.

MEASUREMENT OF GAS SERVICE

The Company will install, own, and maintain suitable metering necessary for measuring the natural gas supplied. The Point of Delivery to the Customer is the outlet of the Company's meter.

Each class of natural gas service supplied will be metered and billed separately. All service to a Customer under one applicable rate schedule will be measured by a single meter installation and meter readings of one meter installation shall not be combined with meter readings of another meter installation for billing purposes, unless specifically allowed under the applicable tariff. Adjoining properties may be combined on a single meter installation at the Customer's expense, and served as a single Customer where such properties are controlled, occupied, and used for commercial purposes by a single enterprise engaged in the pursuit of a single business.

Service to the same Customer at different premises will be considered as service to separate Customers.

Standard delivery pressure and temperature of natural gas supplied by the Company is four (4) ounces per square inch above average atmospheric pressure (which is assumed to be 11.30 psia in the Pinedale service area) and sixty (60) degrees Fahrenheit. All meters shall be temperature-compensated. Where necessary, the volume of gas as registered on the service meter shall be adjusted to the foregoing conditions for billing purposes.

Customer shall not construct any addition or structure over utility-owned mains, service lines, or meters. Customer shall not enclose exposed portion of gas service facilities with any unventilated enclosure. Customer shall notify Company of any leak or defect observed in Company's facilities.

DISCONTINUANCE OF SERVICE AT CUSTOMER'S REQUEST

A Customer wishing to discontinue service should give at least three days' notice to Company to that effect, unless otherwise specified in the rate or contract applicable, in order to allow time for final meter reading and disconnection of service. Where such notice is not received by the Company, the Customer will be liable for service until final reading of the meter. Notice to discontinue service will not relieve a Customer from any minimum or guaranteed payment under any contract or applicable rate.

DISCONTINUANCE OF SERVICE BY COMPANY

Company may discontinue service upon not less than seven days' written notice to Customer, and to any Customer designated third party, of Company's intention to discontinue service:

- 1) If Customer fails to pay, or make arrangements for payment of, bills for service rendered as provided in these rules.
- 2) If Customer fails to comply with Company's Rules and Regulations after due notice of such failure is given by Company and reasonable time is allowed for compliance.
- 3) If Customer's use of service is detrimental to the natural gas service being furnished by Company to other Customers in the immediate vicinity or supplied from the same distribution system.

Discontinuance of service under (1) above shall not occur until Company has made a reasonable effort to give notice of the proposed discontinuance: in person to the Customer, to a responsible member of Customer's household or to any designated third party, or posted in the US Mail to Customer.

Discontinuance of service under (1) will not occur if: Customer makes full payment of outstanding bill, such payment to be made by cash, credit or bona fide check to a Company representative or field employee unless Customer has twice previously tendered payment with check which was returned to the Company by the banking institution unpaid, and the second such check was returned within the most recent twelve month period, in which cases payment by cash or certified check is required to avoid termination.

A Customer who receives a Notice of Discontinuance is entitled, at Customer's request, to a hearing in person before a managerial representative of the Company at a reasonable time and place within ten days of the date of such notice.

Discontinuance of service shall only occur between 8:00 am and 4:00 pm, Monday through Thursday. Service may not be terminated on the day prior to, or the day of, a legal holiday.

Company may discontinue service without notice:

- 1) If a condition or installation of any part of the Customers' gas piping or any appliance is found to be dangerous to life, health, or safety of any person. Company does not assume responsibility for, and will not be held liable for, ascertaining such condition.
- 2) Upon the receipt of a lawful request or order of the properly constituted authority applicable to Customer's gas service.
- 3) If service is found to have been restored by someone other than Company and the original cause for the discontinuance has not been cured. The Company does not assume responsibility and will not be held responsible for ascertaining such condition.

RESTORATION OF SERVICE

Service which has been terminated due to failure to pay or make arrangements for payment of bills for service rendered will be restored if Customer pays all applicable collection and/or reconnection charges as stated in Charges for Rendering Service.

Where service has been discontinued as set forth in these rules, Company shall restore such service within 24 hours after elimination by Customer of the cause for discontinuance, unless extenuating circumstances prevent restoration. Extenuating circumstances includes, but is not limited to, the requirement that the Customer or a responsible individual designated by the Customer be at the premises at the time of restoration of service.

RECONNECTION FEE

The Company shall charge the Customer a Reconnection Fee as set forth herein for the following services:

- 1) Reconnection of gas service to a Customer who has requested discontinuance of service at the same premises within the past six months; and
- 2) Reconnection of gas service to a Customer whose service has been discontinued by the Company for any reason stated herein within the past six months.

METER TRANSFER FEE

The Company shall charge a Meter Transfer Fee as set forth herein for transfers of service from one tenant to another when the gas service is not otherwise changed or interrupted. Such Fee will be charged to the new Customer who will be responsible for paying the gas bill.

RETURNED CHECK CHARGE

The Company shall charge a Returned Check Charge as set forth herein for each check that is returned to the Company as uncollectable by its bank, up to the maximum amount allowed under the statutes of the State of Wyoming.

LATE PAYMENT CHARGE

The Company shall charge a Late Payment Charge of 1.5% per month on account balances more than 30 days delinquent.

DIVERSION OF NATURAL GAS

The existence of natural gas consuming devices installed ahead of the meter or any tampering or interfering with pipes, devices, or equipment connected to Company's distribution system or the damage to, alteration, or obstruction of any meter (including the breaking of meter seals) which will permit or make possible the use of natural gas without its proper registration on Company's meter shall constitute prima facie evidence of diversion of natural gas by the Customer in whose name service is being rendered, or by the person benefiting from the use of such diverted natural gas. In the event that a Company check meter registers more natural gas in the same interval of time than does the meter installed at Customer's premises after such meters have been tested and found to be registering within the limits of accuracy prescribed by the Public Service Commission of Wyoming, such fact shall also constitute prima facie evidence of diversion of natural gas.

In such instances, Company will, in any reasonable manner, compute the amount of diverted natural gas and shall have the right to enter Customer's premises and make an actual count of all natural gas consuming devices to aid in such computation. Where Company is unable to make such count, the computation will be based on any other available information, or estimated. Such computation will be made for the period beginning with the date on which Customer began using natural gas at the location where the diversion occurred, unless evidence proves the diversion commenced a later date, and ending with the date on which said diversion ceases. Bills for natural gas diverted, based upon the aforesaid computation, under the applicable rate effective during the period of diversion, plus the cost of investigating and confirming such diversion and disconnecting service, shall be due and payable upon presentation.

If service has been discontinued for diversion of natural gas, Company will not render service to Customer, or to any other person for Customer's use, at the same or any other location until:

- 1) Customer has paid all bills as set forth preceding, and
- 2) Customer has paid to Company or others the installation cost of such entrance and service equipment as is necessary to prevent further diversion of natural gas.

The foregoing rules pertaining to diversion of natural gas are not in any way intended to affect or modify any action or prosecution under the statutes of the State of Wyoming.

EASEMENTS

A contract for natural gas service, or receipt of service by Customer, will be construed as an agreement granting to Company an easement for gas mains, services, meters, and other equipment of Company necessary to render service to Customer. If requested by Company and before or after service is connected, Customer will execute Company's standard form of right-of-way agreement, granting to Company, at no expense therefore, satisfactory easements for suitable location of Company's mains, services, meters and metering equipment, and other appurtenances on or across lands owned or controlled by Customer, and will furnish space and shelter satisfactory to Company for all apparatus of Company located on Customer's premises. In the event that Customer shall divide premises by sale in such manner that one parcel shall be isolated from streets where Company's gas mains are accessible, Customer shall grant or reserve an easement for gas service over parcel having access to gas mains for the benefit of the isolated parcel.

ACCESS FOR COMPANY'S EMPLOYEES AND AGENTS

The customer will provide access to its premises at all reasonable times for authorized employees and agents of the Company for any proper purpose incidental to the supplying of natural gas service.

REALLOCATION OR RESALE OF NATURAL GAS

Natural gas service supplied by the Company is for the exclusive use of the customer. The customer is expressly forbidden to resell gas, except that by written agreement, CNG (Compressed Natural Gas) may be resold to the public.

CUSTOMER'S INSTALLATION

The Customer, before purchasing equipment or beginning construction of a proposed installation, shall confer with the Company to determine if the type of service, capacity, and pressure desired by Customer is available, to determine if extensions of, or additions to, Company's facilities will be required; and to secure definite location of the point of delivery, the point where Company's natural gas facilities will connect to those of the Customer. The Company must also be notified in advance before any additions to or alterations of existing installations which will materially affect the existing gas consumption.

All gas piping and other natural gas equipment on the Customer's side of the point of delivery will be furnished, installed and maintained at all times by the Customer in conformity with good practice, the requirements of any public body having jurisdiction, and in accordance with the Company's Rules and Regulations. However, Company accepts no liability for injury or damage caused by defects in Customer's piping or equipment.

No equipment or apparatus will be connected to Company's distribution system, the operation of which may cause such an abnormal pressure variation in said system as to impair or endanger the natural gas service supplied to other customers on said system or to adversely affect operation of Company's metering or pressure regulating equipment. In the event that equipment having a high instantaneous demand such as a gas engine is to be connected, Customer shall provide adequate pulsation or surge tank, shut off valves and other protective devices as may be required by Company. Customer shall, in every case, confer with Company before any equipment or apparatus requiring extremely close regulation of pressure or quality of gas is connected to Company's distribution systems.

When the Company is required by order of proper authorities to move or alter its existing distribution system, thereby necessitating a change in the location of the service line and the point of delivery, the Company will designate a new point of delivery to which the Customer, at its expense, will bring the customer-owned piping.

Service will be delivered to the Customer for each premise at one point of delivery to be designated by the Company. For the mutual protection of the Customer and the Company, only authorized employees of the Company are permitted to make connections between the Company's facilities and the Customer's gas service piping.

The Company reserves the right to require the Customer to reimburse the Company for any cost due to a change in meters or other apparatus or in their locations made at the request of the Customer. Meters and other Company equipment will be removed or relocated only by Company employees.

PROTECTION OF SUB-SURFACE FACILITIES

Customer shall consult Company regarding necessity of changing location of gas service before building any improvement, addition, or structure over the gas service pipe. Customer shall notify Company before operating or permitting the operation of any power excavating or ditching equipment in the proximity of Company's underground gas service on Customer's premises.

SHORTAGE OF NATURAL GAS SUPPLY

In case of emergency causing a shortage of supply, Company shall have the right to grant preference to that service, which, in its opinion is most essential to the public welfare.

LIABILITY

All mains, services, apparatus, instruments, meters, regulators, and materials supplied by Company at its expense or under its standard policies will be and remain the property of the Company. Company's property shall not be worked upon or interfered with by Customer or other unauthorized person.

The Customer shall be responsible for any damage to or loss of Company's property located on Customer's premises, caused by or arising out of the acts, omissions or negligence of Customer or others, or the misuse or unauthorized use of Company's property by Customer or others. The cost of making good such loss and/or repairing such damage shall be paid by the Customer. Customer shall be held responsible for injury to Company's employees if caused by Customer's act, omissions or negligence.

The Customer shall be responsible for any injury to persons or damage to property occasioned or caused by the acts, omissions or negligence of the Customer or any of its agents, employees, or licensees, in installing, maintaining, operating, or using any of the Customer's piping, equipment, machinery, or apparatus and for injury and damage caused by defects in same.

Company shall not be liable for injury to persons, damage to property, monetary loss, or loss of business caused by accidents, acts of God, fires, floods, strikes, wars, authority or orders of government, or any other causes and contingencies beyond its control.

INDEMNITY TO COMPANY

Customer shall hold the Company harmless and indemnify it against all claims and liability for injury to persons or damage to property when such damage or injury results from the facilities located on Customer's side of the point of delivery, unless caused by the negligence or wrongful acts of Company's agents or employees.

INSIDE GAS SERVICES RENDERED BY COMPANY

The Company will not perform installation or maintenance services on customer facilities downstream of the meter. Some health- and safety-related services are provided by Company free of charge to its customers. Such gratuitous services are limited to the following:

- 1) Response to gas leak complaints regardless of cause.
- 2) Response to fires regardless of cause.
- 3) Restore service when outage is caused by Company.
- 4) Bill investigations, meter and meter reading investigations, and routine maintenance of Company facilities.

COMPLAINTS

The Company will investigate promptly all complaints made by its Customers and will keep a record of all written complaints which record will include: name and address of complainant, date, nature of complaint, and adjustment or disposition made. This record will be kept at least three years after the date of the complaint.

RESIDENTIAL SERVICE

These Rules and Regulations apply to Residential Service in all territory served by the Company.

DEFINITION

Residential Service is the furnishing of natural gas for the exclusive use of the individual customer for domestic purposes: for cooking, water heating, space heating, clothes drying, and incineration, in a private home or individual living unit where only one household is served through a single meter. Service to buildings adjacent to the residence including garages, barns, and other minor buildings for use of the residents may also be served through the residential meter. Each family dwelling place or housekeeping unit shall be considered as a separate living unit if separately metered.

Where two or more separate living units in a private residence or apartment building are offered for rent and the entire building is supplied through one meter, such building shall be classified as a commercial establishment and shall not be entitled to a residential schedule.

Except as specifically provided herein, Residential Service rates are not applicable to service for commercial enterprises as defined herein.

COMMERCIAL SERVICE

These Rules and Regulations apply to Commercial Service in all territory served by the Company.

DEFINITION

Commercial Service is the furnishing of natural gas for the exclusive use of the individual customer for cooking, water heating, space heating, heat applications, and miscellaneous purposes to commercial establishments.

Any entity engaged in the operation of an enterprise, whether or not for profit, shall be considered a Commercial customer. Such enterprises will include but not be limited to retail and wholesale merchants, professional services, offices, restaurants, clubs, lodges, hotels and motels; apartment buildings, rooming houses, assisted living and multi-unit dwellings where more than one living unit is served through one meter; schools, government, churches and charitable institutions; mobile home parks, camp grounds, greenhouses, dairies, manufacturing, agriculture, livestock production, mining, oil and gas extraction, construction, communication, transportation, natural gas engine service, gas-fired power back-up service, and other uses. These enterprises may also be supplied under an industrial or large commercial rate if such exists.

Where the total load of a customer served at one point of delivery cannot be combined under one classification for billing purposes due to restrictions in the applicable schedule, customer shall so arrange the piping so that each class of service can be separately metered and billed under the applicable schedule.

LARGE COMMERCIAL SERVICE

These Rules and Regulations apply to Large Commercial Service in all territory served by the Company.

DEFINITION

Large Commercial Natural Gas Service is the furnishing of natural gas to large commercial establishments for the exclusive use of the individual customer for space heating, water heating, heat applications, cooking and miscellaneous purposes.

The Large Commercial category applies to any customer engaged in the operation of an enterprise, whether or not for profit, which has a gas meter with capacity of 500 cfh or larger.

SCHOOL SERVICE

These Rules and Regulations apply to School Service in all territory served by the Company.

DEFINITION

School Natural Gas Service is the furnishing of natural gas for the exclusive use of a public school district property for space heating, water heating, heat applications, kitchen and miscellaneous purposes.

This service is limited to any public school district facility which has a gas meter with capacity of 500 cfh or larger.

STANDARDS OF SERVICE

STANDARDS APPLICABLE TO ALL NATURAL GAS SERVICE

UTILITY SYSTEM OPERATION & MAINTENANCE

The Company will construct, operate, and maintain its natural gas delivery systems in such manner as to furnish safe, adequate, and continuous natural gas service in accordance with the Rules & Regulations and the Operations & Maintenance Plan of the Company:

- 1) The Company will exercise reasonable diligence and care to furnish and deliver a continuous and sufficient supply of natural gas and to avoid any shortage or interruption. However, the Company shall not be liable for interruption, shortage, or insufficiency in the supply of natural gas, or for any injury, loss, or damage caused thereby, if same is due to causes beyond the control of the Company. These causes include but are not limited to accidents, breakdown of equipment, operations of supply pipelines and gas production facilities, storms and acts of God, civil disorders and authority and orders of government.
- 2) The Company will have the right to temporarily suspend the delivery of natural gas whenever necessary for the purpose of making repairs or improvements to its system. Whenever possible, the utility shall plan its work to minimize the disruption of service.
- 3) Interruptions of service will not relieve Customer from any charges for service actually provided by Company, nor will accidents to or failures of Customer's equipment or facilities not due to fault of Company, relieve Customer of payment of minimum charges under the rate or contract applicable.

TESTING EQUIPMENT

Meters will be tested using a certified bell prover. Pressure gauges used for gas measurement will be verified annually. The reference instruments used in calibrating the bell prover, pressure gauges, and other equipment shall have a higher degree of accuracy than the equipment being tested, which accuracy shall be traceable to the National Bureau of Standards.

METER ACCURACY

The Company will exercise reasonable means to determine and maintain the general accuracy of all natural gas meters in use. All meters will be tested for accuracy of adjustment and registration before installation and will be tested periodically in accordance with the test schedule set forth by the Company. If inaccuracy is found such meters shall be adjusted to register within one per cent of accuracy when metering gas at twenty per cent (20%) of its rated capacity at one-half inch of water column differential pressure.

ROUTINE METER TEST SCHEDULES

The Company will routinely test its natural gas meters in accordance with the following schedule:

- 1) Diaphragm meters for Residential and small Commercial service (smaller than 500 cfh) will be tested at least once every fifteen (15) years.
- 2) All meters for large Commercial service (larger than 500 cfh) will be tested at least once every seven (7) years.

OTHER METER TESTS

The Company may test any of its meters at any time.

Upon written request of a Customer, the Company will test the accuracy of the service meter installed at Customer's premises. Any meter so tested will be considered accurate if the accuracy of the meter is within 2% plus or minus the calibrated test meter. There will be no charge to the Customer for meter testing, if the meter has not been tested within the past 12-month period, or if the meter proves to be inaccurate.

If any meter so tested is found to be more than 2% fast, the Company will adjust the natural gas used, as measured by such meter, by such percentage that the meter was found to be in error. The Company will re-bill the adjusted amount and refund to Customer the difference between the amount paid by the Customer and the adjusted bills.

When undercharges result from a metering inaccuracy or other problem under the Company's control, the Company may only make corrections on the billings rendered in the 183 days immediately prior to the date when the error was remedied. These limitations do not apply to instances of customer fraud, theft of gas, where access to meter has been denied, or to sales taxes which are separately itemized when billed. Undercharges resulting from a non-conforming meter or other continuing problem under the utility's control shall be refunded pursuant to W. S. 37-2-222.

Estimated use shall be calculated by averaging the amounts used under similar weather or operating conditions during the period immediately preceding or subsequent to the period of non-registration, or over a corresponding period in a previous year.

BILLING

The Company will exercise all reasonable means to assure accurate computation of all bills for natural gas service. If billing errors occur, Company shall refund to Customer the amount of any overcharge having occurred therefrom and, likewise, shall have the right to collect from Customer the amount of any undercharge.

DEFINITION OF A CUBIC FOOT OF GAS

- 1) For purpose of testing natural gas the physical conditions shall be as follows:

When the gas itself is to be tested, a standard cubic foot of gas shall be taken to be that amount of gas which occupies a volume of one cubic foot, dry, at a temperature of 60 degrees Fahrenheit and under an absolute pressure of 14.73 pounds per square inch.

- 2) For the purpose of volumetric measurement of gas to a Customer, a cubic foot of gas shall be taken to be the amount of gas which occupies a volume of one (1) cubic foot under the conditions existing in such Customer's meter as and where installed. When gas is metered at a pressure in excess of 4 ounces above average local atmospheric pressure, a suitable correction factor shall be applied to provide for measurement of gas as if delivered and metered at a pressure of 4 ounces above average local atmospheric pressure.

HEATING VALUE

The Company shall maintain a minimum monthly average total heating value of the natural gas sold by the Company when tested under standard conditions as set forth above of not less than 950 BTU per standard cubic foot.

THERM BILLING

Natural gas service shall be measured volumetrically by the Company in units of actual cubic feet at 4 ounces per square inch above the local atmospheric pressure, and compensated for temperature differential from the standard. Each month, the Company shall determine the average heating content per standard cubic foot of natural gas delivered to its customers. Using this heat content factor, each customer's volumetric gas usage shall be calculated in therms or decatherms, as defined:

- one Therm = 100,000 BTU's in heating value.
- one Decatherm = 10 therms, or one million BTU's.

For Customer billing purposes, the Company's gas commodity rate shall be calculated and filed with the Public Service Commission in terms of US Dollars per therm or decatherm (or other standard heat content units that may replace or supersede therms).

DELIVERY PRESSURE

The Company will maintain the gas pressure at the outlet of the meter with as little variation as practicable. For service at low pressure, from standard distribution systems, the gas will be delivered at a pressure as close as practicable to 4 ounces above the average local atmospheric pressure. Gas may be delivered at higher pressure where operating conditions are such that the Company deems a higher pressure is necessary. Company reserves the right to specify the pressure to be carried at the point of delivery.

SERVICE EXTENSION POLICY

These rules set forth the Service Connection and Main Extension Policy of the Company and are applicable in all territory served by the Company.

GENERAL

One or more Applicants may request gas service at premises not connected to the Company's distribution system, or may request an increase in service to premises already connected where such increase will require additional investment. The Company, after consideration of the Applicant's gas requirements, will designate the service requested as either Residential or Commercial, and as Permanent, Indeterminate, Temporary or Intermittent in accordance with the definitions herein. The Company will construct the extension with reasonable promptness in accordance with the applicable terms.

In all cases, the facilities provided will be constructed by the Company in accordance with the Company's specifications and shall be, at all times, the property of the Company to the Point of Delivery. Construction costs for main extensions will be based upon Company's cost of constructing and installing the facilities necessary to adequately supply the service requested by the Applicant. Such Construction Costs may include, but are not limited to, costs incurred for obtaining rights of-way, permit fees, provisions for special crews, overtime wages, use of special equipment and facilities, accelerated work schedules to meet Applicant's request, or difficult construction problems due to rock, frost, boring, together with all incidental and overhead expenses connected therewith. Where special items or practices, not incorporated in said specifications, are required to meet local construction conditions, the cost thereof will also be included.

CONSTRUCTION SPECIFICATIONS

All construction shall conform with the Company's Operations & Maintenance Plan and the requirements of local governing bodies. The location of the origin and the route to be followed in the construction of a Main Extension shall be determined by the Company after consideration of the engineering problems involved, and with the objective of providing safe and adequate service. The origin need not necessarily be at the point on the existing distribution system nearest to the Applicant premises, nor the route selected the shortest distance between origin and delivery point.

In all cases where it is deemed desirable or necessary by the Company to construct a Main Extension of greater capacity than that required for the Applicant in order to conform with future plans of the Company, the excess Construction Cost shall be borne by the Company.

DEFINITION OF TERMS

Construction Allowance

That portion of the necessary Construction Costs made by the Company at Company's expense.

Construction Costs

The combined costs of all facilities and permits required and necessary for the Main Extension or Reinforcement.

Construction Deposit

Amount advanced for service by the Applicant to pay for Construction Costs in excess of the Construction Allowance for construction of facilities or a new service line.

Construction Payment

Non-refundable amount advanced by the Applicant to pay installation costs in excess of the Construction Allowance, or for excess Construction Costs.

Direct Connection to an Extension

Any distribution connection less than 300 feet long that is connected to an open Main Extension.

Distribution Main

A distribution main that serves as a common source of supply to one or more customers.

Extension Completion Date

The date on which the construction of a Main Extension or Main Reinforcement is completed as shown by the Company's records.

Main Extension

Distribution facilities including all appurtenant facilities, excepting service piping, regulation, and metering equipment which is necessary to supply service to one or more additional customers. Any main extension which involves adding distribution facilities in excess of 300 feet will be considered a new Main Extension.

Main Reinforcement

Increase in size or number of existing facilities necessitated by an Applicant's estimated gas requirements.

Meter Location

The physical location of the gas meter measuring the amount of gas supplied to the customer.

Open Extension Period

The five-year period during which the Company shall calculate and pay refunds of customer Construction Deposits according to the provisions of this extension policy. The five year period begins on the Extension Completion Date.

Permanent Service

A requirement for gas service that will continually be utilized for a period of longer than eighteen months.

Point of Delivery

Where the Company's gas facilities are first connected to the gas facilities of the customer ("Customer Service Piping").

Refund of Construction Deposit

Amount of Construction Deposit returned to the Applicant or assignee by the Company.

Service Line

The buried supply pipe extending from the Distribution Main to and including the first valve at the meter set. The Service Line is owned, operated, and maintained by the Company.

Customer Service Piping

Any piping or gas facilities downstream of the Company meter or delivery point. Customer Service Piping is for the customer's exclusive use, and is owned, operated, and maintained by the Customer. Company assumes no responsibility whatsoever for maintaining the integrity of any Customer Service Piping. For large customers with metering installations that are remote from the customer's building or facilities, the Customer Service Piping will begin at the Point of Delivery.

EXTENSION OF NEW SERVICE, METERS & MAINS

METER INSTALLATION

For residential customers, the Company will determine, furnish and install the appropriate metering and pressure regulation equipment at Company expense. The applicant for service or customer will furnish a suitable location, access, connections and other facilities necessary for the proper metering installation as requested by Company.

Meter locations in all instances will be determined by the Company and will be located so as to be accessible to Company personnel at all times. Title to metering facilities shall at all times vest in the Company.

SERVICE LINE INSTALLATION

For Residential and Commercial gas service of a permanent character, the Company will install a Service Line on the Applicant's property or on the right-of-way provided to the Company. The easement for the utility facilities will be provided to the Company at no expense.

The Company and Applicant will share in the expense of installing the Service Line. The Company will own, operate and maintain the Service Line from the Distribution Main to the Point of Delivery.

PERMANENT RESIDENTIAL OR COMMERCIAL GAS SERVICE

For permanent Residential or Commercial gas service, the Company will share with the customer the cost of the Basic Service Connection, which includes the meter assembly and the first 100 feet of the new service line. At the start of each construction season, the Company will establish the cost of the Basic Service connections of 100 feet or less, along with cost per foot for Extra-length Service lines in excess of 100 feet.

In accordance with the extension policy, the Company will provide a credit of 50% of the cost of the Basic Service Connection, and will charge the customer 50% for its portion of the connection cost. For new service lines that will extend beyond 100 feet, the customer is responsible for the cost of the installation and construction at the Extra-length Service charge.

To reduce construction costs, the Company will allow an additional credit of 20% to the customer for Basic and Extra Service, if the applicant provides an open trench to reduce the cost of the service connection.

The default or stated costs for the service connections are based on average construction costs of a service connection in normal conditions. If there are extraordinary costs such as boring, water crossings, trenching through rock or other conditions that increase the cost significantly above average, an additional installation charge may be assessed.

LARGE COMMERCIAL SERVICE

For permanent Large Commercial gas service including Schools, the Applicant shall comply with the general rules for Residential & Commercial extensions herein. Applicant shall pay the additional cost of the larger meter and regulator facilities, and for larger diameter pipe as made necessary by the size of the new load.

MAIN EXTENSIONS

In the event that service to a new customer requires extending a new main and service line which together total more than 100 feet, the customer shall advance to the Company, prior to start of construction, as a Construction Deposit, an amount equal to the excess footage multiplied by the current installed per foot cost of the required main extension.

Any easement required for any main extension across Applicant's property will be provided at no expense. After any main is installed, the easement across the property will remain in effect as long as the main stays in gas service, even if the property occupant is no longer served.

Where more than one applicant is involved in a main extension, the proportionate share of the Construction Deposit for each applicant will be determined by the Company. Applicants, with the permission of the Company, may assume or allocate more or less than their proportionate share of the required Construction Deposit to expedite construction.

PERMANENT COMMERCIAL GAS SERVICE

For commercial gas service of a permanent character, the Company will install at its expense as a Construction Allowance the lesser of either: (a) a maximum of 800 feet of necessary gas Main Extension facilities and Service Line for each Commercial Applicant to be attached to the extension or, (b) the necessary gas Main Extension facilities and Service Line equivalent in cost to one and one half (1.5) times the estimated annual revenue to be received from each Applicant.

Where the total cost of the required Main Extension facilities and Service Line exceed the Construction Allowance, the Applicant shall advance to the Company, prior to start of construction, as a Construction Deposit, an amount equal to the excess cost of the Main Extension. Where more than one Applicant is involved, the proportionate share of the Construction Deposit for each Applicant will be calculated by the Company, considering proportionate footage and estimated gas usage. Any Applicant, with the permission of the Company, may assume more than Applicant's proportionate share of the required Construction Deposit.

INDETERMINATE SERVICE

Applicants requesting service which is of an indefinite or indeterminate nature, such as that required by, but not limited to (a) speculative development of property for sale; (b) paving plants, mines, quarries, sand pits, oil wells, and (c) other enterprises of more or less speculative characteristics, shall be required to pay to the Company, as a Construction Deposit, prior to construction, the entire estimated Construction Cost for the necessary gas Main Extension facilities and Service Line. The Construction Deposit will be refunded at the rate of one and one half (1.5) times the Company's average annual Residential revenue for each permanent Residential customer or one and one half (1.5) times the actual annual revenue for each permanent Commercial customer connected to the Indeterminate Gas Main Extension during the Open Extension Period following completion of the Main Extension.

An evaluation, as conditions warrant, shall be made of Indeterminate Service customers within the Open Extension Period, during which customers may be appropriately reclassified as Permanent Service customers.

TEMPORARY & INTERMITTENT SERVICE

When service under any rate will be Temporary or Intermittent in character, the Extension shall be made at the option of the Company, and only where the Company has adequate capacity available for the requested class of service. For gas service of a Temporary or Intermittent character, the Applicant shall pay to the Company as a Construction Payment an amount equal to the estimated cost of installing and removing the necessary distribution extension facilities, including the service line and metering facilities, less the estimated salvage value.

EXCESS CONSTRUCTION COSTS

If, in the judgment of the Company, an extension will entail Construction Costs which are unusual or abnormal, the Applicant will pay the Company a non-refundable Construction Payment in the amount of these excess costs. Excess costs may include, but are not limited to, costs incurred for obtaining rights-of-way, permit fees, provisions for special crews, overtime wages, use of special equipment and facilities, accelerated work schedules to meet Applicant's request, special items required to meet local construction conditions, or difficult construction problems due to rock, frost, boring, together with all incidental and overhead expenses connected therewith. If excess costs must be paid by the Applicant, the Applicant will be given written notice of such charges and such excess costs will be payable prior to commencement of construction.

REFUNDS OF PERMANENT SERVICE CONSTRUCTION DEPOSITS

Construction deposits from Permanent Service Main Extensions are subject to refund without interest during the Open Extension Period. Such refunds of Construction Deposit will be made in conformance with the provisions of the appropriate plan under which the extension is classified. No refunds will be made after the Open Extension Period and any remaining un-refunded Construction Deposit is forfeited and no longer subject to refund for any reason. In no case shall refunds be made which exceed the total amount of the Construction Deposit made on the main extension.

Refunds will be made to those customers or their assignees taking service from the extension at the time of the refund excepting in the case of real estate subdivisions where the developer or builder has made the necessary Construction Deposit. In no event shall any customer who has terminated service be eligible for any refund after such termination.

No customer shall be entitled to Refund of Construction Deposit until the number of customers currently connected to the Main Extension is equal to the number of Applicants included in the determination of the Construction Allowance and/or Construction Deposit and the total cost in excess of said Construction Allowance has been deposited with the Company.

Construction Deposits made under a Permanent Service Main Extension shall be subject to refund without interest during the Open Extension Period as follows:

For each additional Applicant who will be directly connected to a Main Extension upon which there is un-refunded Construction Deposit remaining, the Company will recalculate the extension considering the costs of any additional distribution facilities and considering the Construction Allowance provided by each such additional Applicant as well as appropriate sharing of Construction Deposit requirements among all customers to be served by the Main Extension. Construction Deposits, as required of each additional Applicant, must be made prior to construction of additional facilities or Service Line. Refunds of Construction Deposits where appropriate will be calculated and paid during the Open Extension Period as additional Applicants are directly connected to the gas Main Extension. Each customer eligible for a Construction Deposit refund will receive an amount necessary to adjust customer's Construction Deposit to the proper level considering the additional customers served from the Extension.

Additional customers of an Indeterminate Service or Temporary service classification can be served from a permanent service main extension on which un-refunded customer Construction Deposits remain only after first allocating a portion of the Construction Costs of the original Extension on a permanent basis to such Indeterminate Service or Temporary Service customers. The portion of customer Construction Payments required from such Indeterminate Service or Temporary Service customers resulting from said allocation will correspondingly reduce the responsibility of the customers on the original Extension and become a part of the annual Refund of Construction Deposit made to such customers.

MAIN REINFORCEMENT

Where gas main reinforcement is required to supply an Applicant for Residential or Commercial gas service, the Company will install such reinforcements at its expense. For other classes of service any reinforcement shall be made in accordance with individual agreements between Applicant and the Company based upon the amount, character and permanency of the load.

SERVICE LINE & METER RELOCATION OR REPLACEMENT

If an existing service line or meter requires relocation for a customer's convenience or because of new construction on the customer's premises, the Company will relocate or replace the Service Line subject to the customer's payment for the amount of the relocation costs. The Company may require that the service line and / or meter be relocated in order to make the installation safer or more accessible to Company or emergency personnel. In such cases, the Company will relocate or replace the service line and / or meter at no cost to the customer.

EXCEPTIONS

An applicant may propose a Main Extension that is not economically feasible due to length or cost and limited anticipated revenue. In such cases the Company reserves the right to require the Applicant to pay the Company, in advance, all construction costs and, in addition, contract to pay the Company annually an amount to cover the cost of operation and maintenance of such facilities.

Similarly, Company may elect to install at its cost main and service extensions that are longer than those stated under its current extension policy. Any such project may be undertaken if the Company determines that such project will be economically feasible and will not reduce reliability or increase cost to its existing customers.

COMMODITY BALANCING ACCOUNT

APPLICABILITY

This Commodity Balancing Account provision applies to the retail rate schedules for all classes of service to all customers of Pinedale Natural Gas, Inc. (PNG or Company) as authorized by the Wyoming Public Service Commission (WPSC). The rates as computed pursuant to this tariff will be adjusted for each six-month period, effective as of the meter reading dates of September and March, or as approved by the Commission. This tariff will be applied to customer billings on a prorated basis for any partial month. The forecast period for the time the rates will be in effect will be the ensuing eight-month period following the effective date of the tariff.

BALANCING ACCOUNT ACCRUAL

Pursuant to Sections 249 and 250 of the WPSC Procedural Rules and Special Regulations, the Company shall establish and maintain a Commodity Balancing Account (CBA) to determine the cumulative over- or under-collections of revenue resulting from changes in the wholesale costs of natural gas purchased by the Company. The Company shall file, no later than fifteen working (15) days prior to the March and September effective dates, an application to pass on to its customers the cost of the wholesale Purchased Gas Cost and the CBA Amortization. The Company may opt not to submit a pass-on filing for these effective dates if it files a letter with the Commission within the time frame stated above stating the change in projected wholesale gas costs is five percent (5%) or less than the Purchased Gas Cost then contained in the Company's tariff (Sheet No. 4). Such pass-on shall be applied uniformly to all Dth's sold and shall be limited to changes in the cost of wholesale gas purchases and the CBA Amortization amounts to serve its customers. Out-of-period adjustments will be requested if the costs of wholesale gas vary by twenty percent (20%) from the gas cost then contained in the Company's tariff (Sheet No. 4).

Purchased Gas Cost:

The gas cost forecast for purchased gas will be based upon forecasted gas monthly index prices based on the monthly Northwest Pipeline Rocky Mountain index. The Projected Gas Cost pursuant to this commodity balancing account rider shall be determined for the forecast period by using the forecasted wholesale purchased gas rate for each month of the ensuing eight-month period and multiplying this value by the projected gas volumes required for that month in the eight-month period. Summing up the eight monthly forecast gas purchase costs as determined above and dividing this Projected Gas Cost by the estimated total Company retail sales volumes for the same eight-month period will determine the Purchased Gas Cost; it will be expressed in a dollar per Dth format. The Purchased Gas Cost may

also include prudent commodity or commodity related expenditures allowed by the WPSC, such as gathering costs, storage costs, transportation costs, gas processing costs, and price stabilizing costs (hedging and forward-contract costs) when these price stabilizing costs are approved by the WPSC. Any other costs included in the Purchased Gas Cost will be approved by the WPSC prior to their inclusion in rates. This Purchased Gas Cost will be used as the Projected Base Cost of Gas as shown on Sheet No. 4 of the Company's tariff for the forecast period.

Any subsequent changes in the actual Purchased Gas Cost determined above for a prior period resulting from refunds or out-of-period charges received from any gas supplier or any taxes or refunds (including interest) will be accrued to the CBA Amortization Account. The WPSC may approve alternate treatment of extraordinary refunds or charges on a case-by-case basis.

CBA Amortization:

The Company shall establish and maintain in its formal accounting records a CBA Amortization Account that tracks the cumulative under- and over-collections of the Purchased Gas Cost resulting from the difference between the Purchased Gas Cost and the actual gas cost for the past period. Each month the Company shall charge or credit this account with the difference between its actual monthly costs of wholesale gas purchases and the revenues recovered through the Total Purchased Gas Rate multiplied by the retail sales volumes for that month.

Interest will also be applied to any cumulative CBA Amortization Account over-collected amounts on a monthly basis. The annual interest rate as set forth on an annual basis by the WPSC as determined in the WPSC Rules and Regulations, Section 241 (c), will be the interest rate applied to any over-collected balance in the CBA Amortization Account. The Company will use generally accepted accounting principles (using 365 or 366 days per annum) in calculating and applying the interest on any over-collected amount in the CBA Amortization Account.

The Amortized CBA Rate (CBA Surcharge Adjustment shown on Sheet No. 4 of this tariff) for the twelve-month period will be determined by dividing the cumulative dollar amount contained in the CBA Amortization Account by PNG's annual projected retail gas sales volume. The rate will be expressed on a dollar per Dth basis.

Total Purchased Gas Rate:

The Total Purchased Gas Rate is the sum of the Purchased Gas Cost and the Amortized CBA Rate.

Total Gas Rate:

The Total Gas Rate is the sum of the Total Purchased Gas Rate and the Non Commodity Rate (non-gas rate as shown on Sheet No. 4 of the Company's tariff).