

Schedule No. T-FTG-1

TRANSPORTATION BUSINESS UNIT
FIRM TRANSPORTATION NATURAL GAS SERVICE

APPLICABILITY: Applicable to Shippers for firm transportation service on the Utility Transmission System under the terms of a Firm Gas Transportation Service Agreement (Agreement) between the Utility Transportation Business Unit (Utility) and Shipper and as subject to Rate Schedule General Terms and Operating Conditions (Rate Schedule GTC-1).

RATES: Net Monthly Bill:

Monthly Service Charge per Meter:

<u>Meters Rated @ Cu. Ft. per hour</u>	<u>Per Meter Charge</u>	
5,001 to 10,000	\$ 100.85	(I)
10,001 to 30,000	\$ 145.05	(I)
>30,000	\$ 321.90	(I)

PLUS:

Transmission Reservation Rate (Monthly Rate per MDDQ):

Maximum Monthly Reservation Rate for Maximum Daily Delivery Quantity (MDDQ)	\$ 8.248586	(I)
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Transmission Commodity Rate (Monthly Rate per Dkt):

Maximum	\$ 0.062506	(I)
Minimum	\$ 0.017935	
GTAC Amortization	\$ (0.001275)	
Balancing Penalty Rate	Higher of \$25.00 / Dkt. Or 150% of Market Price	

PLUS:

OTHER APPLICABLE CHARGES: All charges contained on other applicable rate schedules approved by the Public Service Commission of Montana.

GAS TRANSPORTATION ADJUSTMENT CLAUSE: Pursuant to MPSC Order the above GTAC Amortization shall be in effect until the balance is extinguished.

MINIMUM BILL: Per respective contracts.

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PAYMENT: Billed amounts shall be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate Schedule No. SGS-1.

APPLICATION OF RATES:

Monthly Bill Components: Each month, Shipper's bill shall include a Monthly Service Charge; a Monthly Reservation Charge; and Firm Transmission Commodity Charges and any Other Applicable Charges for the actual quantities of natural gas delivered for Shipper. Additionally, Shipper shall pay any Balancing Penalty Charges, if applicable.

1. Monthly Service Charge: The Monthly Service Charge shall be the product of the number of delivery meters at Shipper's facility times the applicable Meter Charge(s) set forth above. If Shipper receives service under more than one rate schedule through a single meter, only one Service Charge per meter per month shall apply.
2. Monthly Reservation Charge:
 - A. The Monthly Reservation Charge shall be the product of the Shipper's transmission MDDQ times the Maximum MDDQ Rate set forth above, unless otherwise negotiated between the Utility and Shipper.
 - B. The Reservation Charge shall be prorated in the first month of service if initial service begins on a day other than the first billing day of the Shipper's normal billing cycle.
3. Commodity Charges:
 - A. The Monthly Transmission Commodity Charge shall be the product of the actual monthly quantities of gas delivered for Shipper at Shipper's Point(s) of Delivery times the Maximum Transmission Commodity Rate set forth above, unless otherwise negotiated between the Utility and the Shipper.
 - B. The GTAC Amortization Charge shall be the product of the actual monthly quantities of gas delivered to Shipper at Shipper's Point(s) of Delivery times the GTAC Amortization Rate set forth above.
4. Transportation in Excess of Contract MDDQ: Utility shall receive, transport and deliver gas in excess of Shipper's transmission MDDQ in accordance with Sections 17.2 and 18.3 of Rate Schedule GTC-1.

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5. Balancing Charges: Any imbalance calculated pursuant to Rate Schedule GTC-1 and the Agreement which requires a balancing penalty charge, will be billed at the applicable rate(s) set forth above.
6. Market Price: Market Price is defined as the daily NOVA (AECO-C, NIT) price quoted in Gas Daily Price Survey. The price will be converted to U.S. dollars per Dekatherm using Gas Daily's Canadian/U.S. exchange rate.
7. Cashout Volumes: Cashout Volumes, as defined in Rate Schedule GTC-1, shall be subject to the conditions as set forth in that Rate Schedule.
8. Discounting Rates: The Utility shall have the ability to discount the Maximum Reservation Rate and/or the Maximum Transmission Commodity Rate set forth above if:
 - A. The Shipper can demonstrate that, as a direct result of the availability of the discounted rate, uneconomic bypass will be avoided because Shipper has a more economic alternative; and
 - B. There is unutilized capacity on the particular facilities necessary to provide the service to Shipper.

ADJUSTMENT OF RATES OR CHARGES:

Reservation Rate Adjustment: If the Utility, on any day, is unable to receive from or deliver for Shipper, except under circumstances that fall within the provisions of force majeure as set forth in Rate Schedule GTC-1, the natural gas tendered or required by Shipper for transportation delivery under the Agreement, the Reservation Charge for the month in which such day(s) occurs will be reduced by an amount equal to the volume of gas that the Utility failed to receive or deliver on such day, up to Shipper's MDDQ, multiplied by a unit amount per MMBTU, rounded to the nearest tenth of a cent, obtained by dividing the applicable MDDQ Reservation Rate (as set forth above under RATES) by the number of days in such month. The Utility shall not be required to adjust the Reservation Charge if failure to deliver gas for Shipper is due to Shipper's failure to perform in accordance with the Agreement, including balancing requirements caused by Shipper, and quality problems at Point(s) of Receipt.

FUEL REIMBURSEMENT:

The Utility shall retain a portion of all gas tendered at the Point(s) of Receipt ("Fuel Reimbursement") that is redelivered by the Utility to the Shipper's Point(s) of Delivery. The Fuel Reimbursement shall be calculated by multiplying the Point(s) of Delivery quantity by a Fuel Reimbursement Percentage of 2.46 percent.

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The percentage rate for computing Fuel Reimbursement is subject to change by the Utility from time-to-time to reflect actual transportation fuel and unaccounted for gas, provided the necessary approval is obtained from the MPSC or any successor agency.

SPECIAL TERMS AND CONDITIONS:

1. Definitions: The definitions of the principal terms used in this Rate Schedule are contained in Rate Schedule GTC-1 and Rule No. 1.
2. General Terms and Operating Conditions: The Agreement and Rate Schedule GTC-1 set forth the general terms and operating conditions applicable for service under this Rate Schedule.
3. Economic Alternative: Economic Alternatives include alternative fuel conversion, pipeline bypass, and/or relative costs of gas supply at different Point(s) of Receipt on the Utility's System.

SERVICE AND RATES SUBJECT TO COMMISSION JURISDICTION: All rates and service conditions under this Rate Schedule are governed by the rules and regulations of the Public Service Commission of Montana and are subject to revision as the Commission may duly authorize in the exercise of its jurisdiction.

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