



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Sean Parnell, Governor
Susan K. Bell, Commissioner
T.W. Patch, Chairman

Regulatory Commission of Alaska

December 10, 2013

In reply refer to: Tariff Section
Docket: TA246-4
LO#: L1300553

Colleen Starring
President
ENSTAR Natural Gas Company
3000 Spenard Road
P.O. Box 190288
Anchorage, AK 99519-0288

Dear Ms. Starring:

On December 5, 2013, the Commission concurred with Staff's recommendation to approve the Special Contract and Service Agreement (Agreement) between ENSTAR Natural Gas Company (ENSTAR) and Chugach Electric Association, Inc., as well as, Tariff Sheet Nos. 165 and 190, all of which were filed November 1, 2013. The Agreement and both tariff sheets will become effective December 15, 2013.

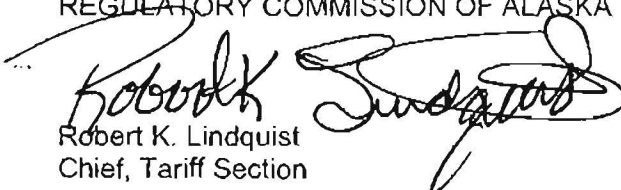
It is further ordered that ENSTAR provide notice to the Commission when the Agreement is canceled by either party and modify Tariff Sheet Nos. 165 and 190 accordingly.

Enclosed are validated copies of the Agreement and both tariff sheets. Please note that the effective date has been added to the bottom right of both tariff sheets, as well as each page of the Agreement. In addition, a reference to TA246-4 has been added to the bottom left of each page of the Agreement. Also enclosed is a copy of Staff's Memorandum.

BY DIRECTION OF THE COMMISSION, (Chairman T.W. Patch, not participating and Commissioner Paul F. Lisankie, dissenting).

Sincerely,

REGULATORY COMMISSION OF ALASKA


Robert K. Lindquist
Chief, Tariff Section

cc: Daniel M. Dieckgraeff
Manager Finance and Rates
ENSTAR Natural Gas Company
P.O. Box 190288
Anchorage, Alaska 99519-0288

Date: 12/16/17 Exh # H-89
Regulatory Commission of Alaska
By: CPT U-16-066
Northern Lights Realtime & Reporting, Inc.
(907) 337-2221

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**STATE OF ALASKA
REGULATORY COMMISSION OF ALASKA**

**SPECIAL CONTRACT AND SERVICE AGREEMENT
WITH CHUGACH ELECTRIC ASSOCIATION, INC.
FOR INTERRUPTIBLE TRANSPORTATION SERVICE TO
THE BELUGA POWER PLANT**

This Special Contract and Service Agreement ("Agreement") is made between Chugach Electric Association, Inc. (the "Customer") and ENSTAR Natural Gas Company, a division of SEMCO Energy, Inc., (the "Company") on November 1, 2013 for natural gas transportation service to the Customer's Beluga Power Plant ("BPP") to be supplied under the Company's Rate Schedule IIT - Interruptible Industrial Transportation Service (the "Service") as set forth in the Company's Tariff ("Tariff"), solely as filed with and approved by the Regulatory Commission of Alaska ("RCA"), except as modified below.

1. This Agreement will only take effect with the RCA's prior approval and is, at all times, subject to revisions by the Commission. This Agreement shall be effective on the later of December 15, 2013 or on the date of a final order by the RCA approving this Agreement. In the event that the RCA or another governmental body requires revisions to this Agreement and the revisions are not acceptable to either party, either party may terminate this Agreement by giving notice within thirty (30) days of receipt of the order requiring the revisions.
2. The general terms and conditions for the Service are set out in the Company's Tariff, including Sections 1605 and 1620 as modified herein. Terms which are capitalized in this Agreement are defined either in the Company's Tariff or in this Agreement.
3. The Service is subject to the following conditions:
 - a. The Company will provide the Service under Section 1620 of the Company's Tariff, as modified herein. The Service is intended to be utilized on a temporary basis in the event of unusual situations such as periods of maintenance (of pipelines, power generating units, power transmission lines, or a combination thereof) and certain emergencies. The Service is not a backup service, nor is it a standby service, and is expected to be used only rarely.
 - b. Each time the Customer requests the Service, the Company must approve that request. The Company may determine in its sole discretion whether it will provide the Service.
 - c. The Company will not be responsible for any damages the Customer may incur as the result of the Company's decision not to provide the Service.
 - d. If the Customer incurs Interruption Expense as defined by the Company's Tariff Section 1205 (Interruption Cost Sharing) as a result of curtailment or interruption of any or all of the Service, the Customer is not entitled to reimbursement of those Interruption Expenses by the Company.
 - e. For each specific situation where the Company agrees to provide the Service, the Company also agrees to waive Section 1620b(1) of its Tariff.

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4. The rates for the Service will be as provided in the Company's Schedule IIT (Section 2201) if the volume for the Month is greater than 100,000 Mcf. For any Month in which the volume is greater than zero but less than 100,000, the rate will be equal to the highest block rate under the Company's Schedule IIT (in Section 2201b) of the Company's tariff, divided by the number of Mcfs of Gas included in that block. For example, if the Company's highest block rate under its current Schedule IIT is \$17,390 for the first 100,000 Mcf or less, the Customer's rate is \$0.1739 per Mcf (\$17,390 divided by 100,000 Mcf).
5. The Customer shall also reimburse the Company for tariffed transportation costs the Company incurs to provide the Service, specifically:
 - a. For gas Customer delivers to Company on the east side of Cook Inlet, Customer will reimburse the Company for such tariffed transportation costs that are both (i) directly incurred by the Company solely as a result of Customer's nominated volumes and (ii) tariffed gas transportation costs on CIGGS and/or Beluga Pipeline for gas the Company delivers to Customer from gas supplies the Company received from the Customer at Receipt Points on the west side of Cook Inlet.
 - b. For gas Customer delivers to the Company on the west side of Cook Inlet, Customer will reimburse the Company for such tariffed transportation costs that are directly incurred by the Company solely as a result of Customer's nominated volumes except:
 - i. for gas the Customer delivers to the 8101 meter because the 8100 meter was inoperable;
 - ii. for gas that Customer delivers directly onto the Company's Beluga pipeline, including but not limited to Receipt Points at Pretty Creek, Stump Lake/Ivan River and Lewis River.
6. The Service will be available to the Customer upon approval by the RCA as provided in Paragraph 1, and Service under this Agreement will continue through December 15, 2014 and shall continue thereafter until canceled upon 90 days' written notice by either party. The Gas to be transported is for the ultimate delivery only to the Customer's BPP Delivery Point, which is the Company's metering station B253, meter 8107.
7. The "Receipt Points" for Gas transported as set forth herein are listed in Attachment A along with the gas supplier and a contact for the Receipt Point.
8. Customer agrees to the terms and conditions of payment provided in the Company's Tariff.
9. Notices to the Customer and Company, and billings for service to the Customer shall be mailed or delivered to the addresses listed below. Telephone and facsimile numbers are provided for other communications.

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Notices to Customer:	Notices to Company:
<i>For Scheduling and Day to Day Operations:</i> Chugach Electric Association, Inc. ATTN: Director, System Control Manager, Fuel Supply Physical Address: 5601 Electron Drive Anchorage, AK 99518 Mailing Address: P.O. Box 196300 Anchorage, AK 99519 Telephone: (907) 762-4779 Facsimile: (907) 762-5792 E-mail: burke_wick@chugachelectric.com andrew_white@chugachelectric.com	<i>For Scheduling and Day to Day Operations:</i> ENSTAR Natural Gas Company ATTN: Gas Control Physical Address: 401 E. Int'l Airport Road Anchorage, AK 99518 Mailing Address: P.O. Box 190288 Anchorage, AK 99519 Telephone: (907) 334-7788 Facsimile: (907) 334-7779 E-Mail: enstar.gascontrol@enstarnaturalgas.com
<i>For Payments:</i> Chugach Electric Association, Inc. ATTN: Director, System Control Physical Address: 5601 Electron Drive Anchorage, AK 99518 Mailing Address: P.O. Box 196300 Anchorage, AK 99519 Telephone: (907) 762-4779 Facsimile: (907) 762-5792 E-mail: burke_wick@chugachelectric.com	<i>For Payments:</i> ENSTAR Natural Gas Company ATTN: General Accounting Manager Physical Address: 3000 Spenard Road Anchorage, AK 99503 Mailing Address: P.O. Box 190288 Anchorage, AK 99519 Telephone: (907) 334-7628 Facsimile: (907) 272-3403 E-Mail: natalia.nelson@enstarnaturalgas.com
<i>For All Other Notices:</i> Chugach Electric Association, Inc. ATTN: Director, System Control Physical Address: 5601 Electron Drive Anchorage, AK 99518 Mailing Address: P.O. Box 196300 Anchorage, AK 99519 Telephone: (907) 762-4779 Facsimile: (907) 762-5792 E-mail: burke_wick@chugachelectric.com	<i>For All Other Notices:</i> ENSTAR Natural Gas Company ATTN: Director of Rates and Regulatory Affairs Physical Address: 3000 Spenard Road Anchorage, AK 99503 Mailing Address: P.O. Box 190288 Anchorage, AK 99519 Telephone: (907) 334-7625 Facsimile: (907) 334-7671 E-Mail: dan.dieckgraeff@enstarnaturalgas.com

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

Chugach Electric Association, Inc.

By: [Signature]

LEE D. THIBERT

Title: S.R. V.P.

Date: 10-29-13

ENSTAR Natural Gas Company

By: [Signature]

M. Colleen Starring

Title: President

Date: Oct. 30, 2013

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ATTACHMENT A - RECEIPT POINTS

Beluga-Anchorage Pipeline

a. Beluga Pipeline Company Connection (ENSTAR/APC Station B605, Meters 700 & 701, BLPC Nos. 8101 & 8102)

At the upstream flange of Alaska Pipeline Company's meter at or near the connection of Alaska Pipeline Company's Beluga-Anchorage pipeline and Beluga Pipeline Company's Granite Point-Beluga pipeline located within the West 1/2 of the Southwest 1/4 of Section 26, Township 13 North, Range 10 West, Kenai Peninsula Borough, Seward Meridian, State of Alaska.

Suppliers and Supplier Contact Information:

Hilcorp Alaska, LLC

Telephone: Hilcorp Alaska Gas Control 283-2552, Emergency Number 398-8584

b. Beluga Pipeline Company Connection (ENSTAR/APC Beluga Area Unit Connection Metering station 8601, Meters 170 A & B)

At the upstream flange of Alaska Pipeline Company's meter at or near the inlet of Alaska Pipeline Company's Beluga-Anchorage pipeline located within the West 1/2 of the Southwest 1/4 Section 26, Township 13 North, Range 10 West, Kenai Peninsula Borough, Seward Meridian, State of Alaska.

Suppliers and Supplier Contact Information:

ConocoPhillips Company ("COP") and ConocoPhillips Alaska, Inc. ("CPAI")

Attention: Cook Inlet Marketing/Cook Inlet Control

Telephone: (907) 265-1605, (907) 263-4704 or cell: (907) 748-5966

Facsimile: (918) 662-6895

E-mail: Joe.Falcone@conocophillips.com

Hilcorp Alaska, LLC

Telephone: Hilcorp Alaska Gas Control 283-2552, Emergency Number 398-8584

c. Beluga Pipeline Company Connection (ENSTAR/APC Pretty Creek Unit & Storage Metering station B602, Meters 189 A & 189 B)

At the upstream flange of Alaska Pipeline Company's meter at or near the connection of the Alaska Pipeline Company's Beluga-Anchorage pipeline located within the South 1/2, Section 28, Township 14 North, Range 9 West, Matanuska-Susitna Borough, Seward Meridian, State of Alaska.

Suppliers and Supplier Contact Information:

Hilcorp Alaska, LLC

Telephone: Hilcorp Alaska Gas Control 283-2552, Emergency Number 398-8584

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d. Beluga Pipeline Company Connection (ENSTAR/APC Stump Lake/Ivan River Unit & Storage (ENSTAR/APC Metering station B603, Meters 600 & 601)

At the upstream flange of the Alaska Pipeline Company's meter at or near the connection of the Alaska Pipeline Company's Beluga-Anchorage pipeline located within the Southeast ¼ of the Northwest ¼ of the Northeast ¼ of the Southwest ¼ of Section 22, Township 14 North, Range 9 West, Matanuska-Susitna Borough, Seward Meridian, State of Alaska.

Suppliers and Supplier Contact Information:

Hilcorp Alaska, LLC

Telephone: Hilcorp Alaska Gas Control 283-2552, Emergency Number 398-8584

e. Beluga Pipeline Company Connection (ENSTAR/APC Lewis River Unit (ENSTAR/APC Metering station B604, Meters 168 A & 168 B)

At the upstream flange of the Alaska Pipeline Company's meter at or near the connection of the Alaska Pipeline Company's Beluga-Anchorage pipeline located within the Northwest ¼ of Section 2, Township 14 North, Range 9 West, Matanuska-Susitna Borough, Seward Meridian, State of Alaska.

Suppliers and Supplier Contact Information:

Hilcorp Alaska, LLC

Telephone: Hilcorp Alaska Gas Control 283-2552, Emergency Number 398-8584

Kenai-Anchorage Pipeline

a. APC-KNPL Southern Interconnection Point (ENSTAR/APC Station K681, Meter 411)

At the downstream flange of the meter at ENSTAR's metering point located at the Southern terminus of the Kenai Nikiski Pipeline and the lateral to the inlet of the Kenai Anchorage Pipeline in Southeast ¼ of Section 30, Township 5 North, Range 11 West, Kenai Peninsula Borough, Seward Meridian, State of Alaska.

Suppliers and Supplier Contact Information:

ConocoPhillips Company ("COP") and ConocoPhillips Alaska, Inc. "CPAI")

Attention: Cook Inlet Marketing/Cook Inlet Control

Telephone: (907) 265-1605, (907) 263-4704 or cell: (907) 748-5966

Facsimile: (918) 662-6895

E-mail: Joe.Falcone@conocophillips.com

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b. KKPL-APC Interconnection Point (MSN 601)

At the downstream weld of the 8-inch electronic isolation fitting located just outside of KKPL's meter building located at the northern terminus of the KKPL and the APL's lateral to the inlet of the APL's Kenai-Anchorage pipeline in Southeast ¼ of Section 30, Township 5 North, Range 11 West, Kenai Peninsula Borough, Seward Meridian, State of Alaska.

Suppliers and Supplier Contact Information:

Hilcorp Alaska, LLC

Telephone: Hilcorp Alaska Gas Control 283-2552, Emergency Number 398-8584

c. Kenai Unit Area Connection (ENSTAR/APC Station K670, Meters 500 & 505)

At the upstream flange of the Alaska Pipeline Company's master meter located at or near the inlet of the Alaska Pipeline Company's Kenai-Anchorage pipeline in Section 30, Township 5 North, Range 11 West, Kenai Peninsula Borough, Seward Meridian, State of Alaska.

Suppliers and Supplier Contact Information:

Hilcorp Alaska, LLC

Telephone: Hilcorp Alaska Gas Control 283-2552, Emergency Number 398-8584