

COLUMBIA GAS OF MARYLAND, INC.

**121 Champion Way, Suite 100
Canonsburg, PA 15317**

Rates, Rules and Regulations for Furnishing

GAS SERVICE

IN

THE TERRITORY AS DESCRIBED HEREIN

**Filed with
THE PUBLIC SERVICE COMMISSION OF MARYLAND**

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(C) Indicates Change

RATES AVAILABLE UNDER THIS TARIFF (continued)

Rate RS – Residential Service

Available, at one location, for the total requirements of any residential customer.

Rate SS – Standby Service

Available to any qualified customer, receiving service under Rate TS - Transportation Service who executes a contract with the Company for a period of not less than one (1) year for standby service.

(C)

Rate STS – Small Transportation Service

Available to any commercial or industrial account whose transportation requirements are less than 20,920 therms annually, provided that service can be rendered within the limits of the Company's operating conditions and facilities.

Rate TS – Transportation Service

Available to any commercial or industrial customer whose transportation requirements under separately billed account(s) are at least 20,920 therms annually; however, transportation service shall not be available to a commercial or industrial customer who provides residential-type service such as master-metered apartment buildings unless such customer agrees to contract for an appropriate level of standby service under Rate Schedule SS of this Tariff for peak day demand, that is not protected by installed and operable alternate fuel facilities, which will enable the customer to continue to provide human needs services. Service is available when such customer acquires its own gas and executes a contract with the Company for a period of not less than one (1) year for delivery service in accordance with all terms and conditions of such contract.

(C) Indicates Change

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

1. The Gas Tariff (continued)

1.6 Definitions (continued)

- 1.6.23 **IS** - Interruptible service provided by an interstate pipeline, in which natural gas is transported on an interruptible basis. (C)
- 1.6.24 **Local Market Area** - A continuous, physically-interconnected system of Company-owned distribution piping through which the Company provides natural gas service to customers in a discrete geographic area, utilizing one or more common Delivery Points from interstate pipeline supplier(s) or local gas supplier(s).
- 1.6.25 **Marketer** – (also known as Supplier) Third party supplier of natural gas other than the utility that is licensed to provide gas in Maryland.
- 1.6.26 **Material Obligation** - Any obligation of the Marketer or Shipper under these Transportation Service Rules, which if not fulfilled by the Marketer or Shipper, would impair the customer’s natural gas supply services or would impair the Company’s ability to provide natural gas distribution services to its customers.
- 1.6.27 **Mcf** - One thousand (1000) cubic feet of gas.
- 1.6.28 **Month** - Calendar month.
- 1.6.29 **Primary FTS** - With regard to Columbia Gas Transmission Corporation capacity, shall mean FTS which has a designated primary delivery point located in the same Upstream Pipeline Scheduling Point in which the Customer is located and has a designated primary receipt point at a location considered to be a point of generally available supply. “Primary FTS” with regard to any other transmission pipeline shall mean firm transportation service which has a designated primary delivery point located in the same Company Local Market Area in which the customer is located and has a designated primary receipt point at a location considered to be a point of generally available supply.
- 1.6.30 **Reliability** - Comprises adequacy and security.
- 1.6.31 **Residential Customer** – A customer using gas in a single family residential dwelling or unit for space heating, air conditioning, cooking, water heating, incineration, refrigeration, laundry drying, lighting, incidental heating, or other domestic purposes. Included in this group are tenants billed by the Company for natural gas consumption or use by other tenants at the same premise when the lease states that the tenants are responsible for their own utility bills. If gas is supplied through a single meter and is used for both residential and commercial purposes, the service shall be considered residential if the residential usage is the predominant usage factor.

(C) Indicates Change

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

2. The benefits and obligations of the service agreement shall begin when the Company first receives gas on the customer's behalf. However, no agreement for service may be assigned or transferred without the written consent of or approval of the Company, which shall not unreasonably be withheld.
 3. Within sixty (60) days of receipt of all necessary information requested by the Company to evaluate a customer's application, the Company will respond to the Transportation Service Application and Agreement and agree either to supply service or to deny service. If the Company refuses to provide transportation service under the requested rate schedule, the Company shall provide detailed support for its decision.
- C) Transportation customers, without daily measurement, must agree to the Company's estimate of takes and pay all charges assessed by the Company. The customer may opt to install daily metering if it does not want to be subject to the Company's estimates. The Company reserves the right, as a condition of service, to require any customer requesting service under Rate TS - Transportation Service, to install a daily demand reading meter. The Company also reserves the right to require installation of such a meter as a condition of continuation of service under Rate TS - Transportation Service.

Transportation customers with daily metering, under Rate STS - Small Transportation Service or Rate TS - Transportation Service, are required to pay for all costs of daily metering including the cost of telemetering equipment, installation, and a telephone line to the meter. Certain customers may be required to have a dedicated phone line. Customers with daily metering will pay all charges assessed by the Company as a result of the customer taking more quantities of gas than authorized by the Company. The meter and associated telemetering equipment shall be the property of the Company.

21.4 ORDER OF GAS THROUGH THE METER

- A) Gas through the customer's meter during each billing month shall be considered to have come from the following sources, in a sequential manner:
1. First through - gas supplies which have reached the facilities of the Company on behalf of the customer, including customer-owned supplies; next through,
 2. Prior months bank balance, if any, under Rider BBS, next through, (C)
 3. Firm sales, if any contracted by the customer from the Company; next through,
 4. Consumption in Excess of Deliveries provided by the Company as defined in the Transportation Service Rules of this tariff.

21.5 SYSTEM INTEGRITY MEASURES AND PROCEDURES

- A) Operational Alert (OA). An OA may be called during periods of projected increased or decreased consumer demand for, or supply of, natural gas which may cause system stress or threaten applicable storage or other pipeline contract limitations. An OA is a request for specific action on the part of an individual Customer Proxy, or all Customer Proxies. The Customer Proxies are expected to respond to OAs within four (4) hours after the Company provided notice, informing the Company of their intended action(s). Where possible, an OA may be used to avoid an OFO or OMO but shall not be required as a condition to the issuance of an OFO or OMO.

(C) Indicates Change

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

- B) Emergency Alerts (EAs). If an unforeseen emergency situation arises which could threaten the continuous adequate delivery of natural gas to a customer, the Company will provide the Customer Proxy with as much notice as is reasonably possible under the emergency situation. Such notice shall be made by the medium most reasonably expected to reach the Customer Proxy in a timely manner, including but not limited to: telephonic, e-mail, facsimile, the Company's internet-based website, or personal contact. In such notice, the Company will advise the Customer Proxy of the unforeseen emergency situation, and the Customer Proxy is expected to comply with the Company's requests.
- C) Seasonal Flow Orders (SFOs). As detailed below in the Seasonal Flow Orders provision of this tariff, the Company shall have the authority to issue SFOs whenever the Company believes that the seasonal supplies of Sales Service customers may be jeopardized. The Company may issue an SFO to Customer Proxies in instances including but not limited to the following: in order to prevent an excess of gas supply on the Company's system, to respond to an operational issue, or to direct Customer Proxies to direct their Shippers to adjust gas quantities being delivered to the Company to match Distribution Service customers' estimated requirements to prevent shortages of seasonal supplies on the Company's system.
- D) Operational Flow Orders (OFOs) and Operational Matching Orders (OMOs). The Company has the authority to issue OFOs and OMOs whenever the Company believes that the daily safe and/or reliable operation of its distribution system may be jeopardized including, without limitation, the need to protect the daily supply of Sales Service customers. The Company will endeavor to take all actions reasonably practicable to avoid issuing an OFO or OMO. In determining whether to issue an OFO or OMO the Company shall not be required to consider the availability of assets paid for by PGA customers, or to acquire additional capacity or gas supply to serve Distribution Service customers (with the exception of quantities elected under Rate SS, and existing capacity for Rider BBS). If the Company has the necessary information and conditions do not require a system-wide OFO or OMO, the Company may issue an OFO or OMO to an individual Customer Proxy or Proxies, but this action shall not be a precondition for the Company to issue an OFO or OMO applicable to all Distribution Service customers or Customer Proxies. Where operationally feasible, the Company will endeavor to issue OFOs/OMOs by Upstream Pipeline Scheduling Point. (C)

21.6 SEASONAL FLOW ORDERS (SFOs)

- A) An SFO is a demand for specific actions on the part of Shippers that are serving STS or TS customers.
- B) An SFO will be issued, to the extent possible, with a minimum of two business days notice to the affected parties.
- C) The Company will have the authority to direct Customer Proxies to direct their Shippers to adjust daily scheduled quantities to a specified level (the SFO Level). The SFO Level may be necessary to restrict under-deliveries or over-deliveries, as the Company deems appropriate.
- 1) For Customers without daily measuring devices, the SFO Level will be determined by the Company based upon the Company's projection of usage by distribution service customers during the period. Issuance of an SFO shall not prohibit issuance of an OFO/OMO if conditions warrant. To meet the daily SFO Level, the Shipper may use quantities of gas which are: 1) scheduled and delivered on that day to the Company in the same

(C) Indicates Change

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

- Upstream Pipeline Scheduling Point in which the Shipper’s customer(s)’s facilities are located; 2) contracted for under Rate SS – Standby Service; 3) available on that day pursuant to the Rider BBS; or 4) additional quantities that may be made available by the Company at its sole discretion including quantities delivered in accordance with the applicable rate schedule and Tariff requirements. (C)
- 2) For customers with daily measuring devices, the Company shall have the authority to direct Customer Proxies to direct their Shippers to adjust customer’s daily consumption or daily scheduled deliveries in order that daily scheduled deliveries (the SFO Level) match customer’s consumption. In order to determine the SFO Level the Company will include quantities: (1) scheduled and delivered on that day to the Company in the same Upstream Pipeline Scheduling Point in which the Shipper’s customer(s)’s facilities are located; (2) contracted for under Rate SS – Standby Service; (3) available on that day pursuant to the Rider BBS; or (4) additional quantities that may be made available to the Shipper by the Company at its sole discretion including quantities delivered in accordance with the applicable rate schedule and Tariff requirements. (C)
- D) At the end of the normal billing month, the Company shall calculate the deliveries that the Shipper was required to deliver each day during the SFO as provided within this Seasonal Flow Orders provision. When a difference between the daily SFO Level and actual daily quantities available to meet the SFO Level exists, the following charges will be assessed on the difference:
- 1) If a Shipper under-delivers during an SFO that restricts under-deliveries, the charge to the Customer Proxy for under-deliveries shall be calculated using the gas supply index identified in the Banking and Balancing provisions of these Transportation Service Rules. The “Adjustment to Index Price” shall be the adjustment shown in the following table:

| Ratio of Under-Deliveries to Consumption | Adjustment to Index Price |
|---|----------------------------------|
| 0% - 10.00% | 125% |
| 10.01% and over | 150% |

- 2) If a Shipper over-delivers during an SFO that restricts over-deliveries, the charge to the Customer Proxy for over-deliveries shall be calculated using the gas supply index identified in the Banking and Balancing provisions of these Transportation Service Rules; The “Adjustment to Index Price” shall be the adjustment shown in the following table:

| Ratio of Over-Deliveries to Consumption | Adjustment to Index Price |
|--|----------------------------------|
| 0% - 10.00% | 75% |
| 10.01% and over | 50% |

- 3) The Customer Proxy shall also be required to pay all other charges incurred by the Company on the dates of the SFO that result from the Shipper’s failure to comply with the SFO, including a proportionate share of any pipeline penalties that are incurred by the Company.

(C) Indicates Change

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

21.7 Operational Flow Orders (OFOs)

- A) An OFO is a demand for specific actions on the part of Shippers that are serving customers without daily measuring devices. All customers without daily measuring devices are subject to the Company's issuance of OFOs.
- B) An OFO will be issued, to the extent possible, with a minimum of eight (8) hours notice to the affected parties. Notice shall be made by the medium most reasonably expected to reach the Customer Proxy with as much notice as reasonably expected to reach the Customer Proxy in a timely manner, including but not limited to: e-mail, facsimile, or the Company's internet-based website. The notice will include the circumstance that warrants the issuance of the OFO or OMO, and it will explain why the actions are necessary. (C)
- C) The Company will have the authority to direct Customer Proxies to direct their Shippers to adjust daily deliveries to a specified level (the Daily OFO Level). Generally, during peak design day conditions, the Daily OFO Level will be equal to the then current maximum daily quantity. Should expected conditions be different than peak design day conditions, the Daily OFO Level may be greater or less than the then current maximum daily quantity. In order to determine compliance with the OFO the Shipper may use gas quantities which are: 1) scheduled and delivered on that day to the Company in the same Upstream Pipeline Scheduling Point in which the Shipper's customer facilities are located; 2) contracted for under Rate SS – Standby Service; 3) available pursuant to the Rider BBS; or 4) additional quantities that may be made available to the Shipper by the Company at its sole discretion including quantities delivered in accordance with the applicable rate schedule and Tariff requirements. (C)
- D) When a difference between the Daily OFO Level and actual daily OFO compliance quantities to the Company exists, the following charges will be assessed to the Customer Proxy:
 - 1. A rate equal to one and one-half (1 ½) times the highest of the midpoint prices reflected in Platts Gas Daily for the day of the OFO non-compliance and based on pipeline scheduling point applicable indices as specified in the Platts "Gas Daily", Daily Price Survey – Design by Pipeline Scheduling Point as set forth in paragraph E below.

The charge will be multiplied by the therm difference, except however, the charge will not be assessed if the difference results from the Shipper delivering more than the Daily OFO Level during an OFO that restricts under-deliveries, or from the Shipper delivering less than the Daily OFO Level during an OFO that restricts over-deliveries; and
 - 2. The payment of all other charges incurred by the Company on the date of the OFO that results from the Shipper's failure to comply with the OFO, including a proportionate share of any pipeline penalties that are incurred by the Company.

(C) Indicates Change

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

- B) An OMO will be issued, to the extent possible, with a minimum of eight (8) hours notice to the affected parties. Notice shall be made by the medium most reasonably expected to reach the Customer Proxy with as much notice as reasonably expected to reach the Customer Proxy in a timely manner, including but not limited to: e-mail, facsimile, or the Company's internet-based website. The notice will include the circumstance that warrant the issuance of the OMO and explain why the actions required are necessary. (C)
- C) The Company shall have the authority to direct Customer Proxies to adjust customer's daily consumption or daily scheduled deliveries (Daily OMO Level) in order that daily scheduled deliveries match customer's consumption. In order to comply with the OMO, the Shipper may use gas quantities which are: 1) scheduled and delivered on that day to the Company in the same Upstream Pipeline Scheduling Point in which the Shipper's customer(s)'s facilities are located; 2) contracted for under Rate SS – Standby Service; 3) available pursuant to the Rider BBS; or 4) additional quantities that may be made available to the Shipper by the Company at its sole discretion including quantities delivered in accordance with the applicable rate schedule and Tariff requirements. (C)
- D) When a difference exists between the Daily OMO Level and actual daily OMO compliance quantities, the following charges will be assessed to the Customer Proxy:
1. A rate equal to one and one-half ($1 \frac{1}{2}$) times the highest of the midpoint prices reflected in Platts Gas Daily for the day of the OMO non-compliance and based on pipeline scheduling point applicable indices as specified in the Platts "Gas Daily", Daily Price Survey – Designation by Pipeline Scheduling Point in Section 21.7 (E) on Sheet No. 47a.

The charge will be multiplied by the therm difference, except however, the charge will not be assessed if the difference results from the Shipper delivering more than the Daily OMO Level during an OMO that restricts under-deliveries, or from the Shipper delivering less than the Daily OMO Level during an OMO that restricts over-deliveries; and,
 2. The payment of all other charges incurred by the Company on the date of the OMO that results from the Shipper's failure to comply with the OMO, including a proportionate share of any pipeline penalties that are included by the Company.
 3. In the event midpoint prices referenced in subparagraph (1) above, are not published in the Platts Daily Gas for the day of the OMO non-compliance, the highest price paid by the Company on that day shall be used as the index price.
 4. The Company shall update the applicable indices on 60 days' notice to Customer Proxies in the event of a change in applicable indices. Applicable indices are subject to change based upon changes in market circumstances.

(C) Indicates Change

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

21.11 Banking and Balancing - For Transportation Customers

A. Consumption in Excess of Deliveries

1. If, in any billing month, the customer's consumption, plus retainage on the distribution system is greater than the sum of: (a) the quantity of gas delivered to the Company's City Gate by the Shipper for the customer's account during the billing month, plus (b) banked gas quantities as permitted under Rider BBS, plus (c) imbalance trading performed during that month, then such use shall be considered imbalance gas sold by the Company to the Customer Proxy. (C)
2. For Rider BBS, the index price for such imbalance gas shall be determined by selecting the greater of: (1) the average of the highest City Gate price for deliveries for ten (10) consecutive days during the calendar month as published in Platt's Gas Daily "Daily Price Survey" under the heading Texas Eastern, M-3 Or (2) the highest commodity cost of purchases by the Company during the calendar month, including the delivered cost of purchases at the city gate. (C)
3. After the index price of gas is determined pursuant to the Banking and Balancing provisions above, it shall then be adjusted by the percentages shown in the following table to reflect the degree to which consumption exceeds deliveries. The Company shall calculate the Customer Proxy's bill for imbalance gas by determining the quantities of imbalance gas sold to the Customer Proxy in each of the four tiers of the table, multiplying the quantities sold in each tier by the corresponding factor shown in the table, and adding that amount to any other applicable charges in the customer's rate schedule or the Transportation Service Rules. (C)

| Ratio of Under-Deliveries to Consumption | Adjustment to Index Price |
|--|---------------------------|
| 0.00% - 5.00% | 105% |
| 5.01% - 10.00% | 115% |
| 10.01% - 15.00% | 125% |
| 15.01% and over | 150% |

During an SFO, the table in the Seasonal Flow Order provisions of these Transportation Service Rules shall replace the foregoing table.

4. The Customer Proxy also shall be subject to any applicable penalty under the Operational Matching Order or Operational Flow Order provisions of these Transportation Service Rules in the event that such purchases occur during the existence of an OFO or OMO condition. (C)
5. The Customer Proxy has no right to make purchases pursuant to this provision, and all such sales are considered interruptible sales except to the extent that the customer has contracted for Standby Service. (C)

(C) Indicates Change

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

6. The purchase of imbalance gas pursuant to this paragraph shall not relieve the Customer Proxy of any applicable penalty resulting from the use of those quantities.

B) Deliveries in Excess of Consumption

1. If, in any billing month, the customer's consumption, plus retainage on the distribution system is less than the sum of: (a) the quantity of gas delivered to the Company's City Gate by the Shipper for the customer's account during the billing month, minus (b) increases in the Customer Proxy's positive bank as permitted under Rider BBS, plus (c) imbalance trading performed for the month, then such deliveries shall be considered imbalance gas purchased by the Company from the Customer Proxy. (C)
2. For Rider BBS, the index price of such imbalance gas shall be determined by selecting the lower of: (1) the average of the lowest City Gate price for deliveries for ten (10) consecutive days during the calendar month as published in Platt's Gas Daily "Daily Price Survey" under the heading Texas Eastern, M-3 or (2) the lowest commodity cost of purchases by the Company during the calendar month, including the delivered cost of purchases at the City Gate. (C)
3. After the index price of gas is determined pursuant to the Banking and Balancing provisions of these Transportation Service Rules, it shall then be adjusted by the percentages shown in the following table to reflect the degree to which deliveries exceeds consumption. The Company shall calculate the Customer Proxy's payment for imbalance gas by determining the quantities of imbalance gas purchased from the Customer Proxy in each of the four tiers of the table, multiplying the quantities purchased in each tier by the corresponding factor shown in the table. (C)

| Ratio of Over-Deliveries to Consumption | Adjustment to Index Price |
|--|----------------------------------|
| 0.00% - 5.00% | 90% |
| 5.01% - 10.00% | 85% |
| 10.01% - 15.00% | 75% |
| 15.01% and over | 50% |

During an SFO, the table in the Seasonal Flow Order provisions of these Transportation Service Rules shall replace the foregoing table.

4. The Customer Proxy also shall be subject to any applicable penalty under the Operational Matching Order or Operational Flow Order provisions of the Transportation Service Rules in the event that such sale occurs during the existence of an OFO or OMO condition. (C)
5. The purchase of imbalance gas pursuant to this paragraph shall not relieve the Customer Proxy of any applicable penalty resulting from the delivery of those quantities. (C)

(C) Indicates Change

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

- 2) The Aggregation Agent shall use its best efforts to achieve a balance between its deliveries and its Aggregation Nomination Group's total usage both on a daily and monthly basis, for each Aggregation Nomination Group. The Company reserves the right: (1) to require an Aggregation Agent to balance deliveries and takes of gas; or (2) to require a reasonably uniform daily delivery rate of gas which, at month's end, will equal the Aggregation Nomination Group's requirements for each Aggregation Nomination Group.
- 3) Aggregation Nomination Groups may include customers taking service under Rate Schedule TS.
- 4) An Aggregation Agent shall supply its Aggregation Nomination Group's full service requirements for natural gas. The Aggregation Agent accepts supply co-management responsibility as defined hereinafter.
- 5) Supply Co-Management Defined. The Aggregation Agent agrees to deliver gas supplies into the Company's designated City Gate receipt points on a daily basis, in accordance with the aggregate usage requirements of all those customers that comprise the Aggregation Agent's Aggregation Nomination Group. For those Transportation Service customers which are members of Aggregation Agent's Aggregations Nomination Group without daily measurement, the Aggregation Agent agrees to the Company's estimate of takes and the Aggregation Agent agrees to pay all charges assessed by the Company as provided in the Operational Flow Orders provision. The Aggregation Agent shall also be required to balance its gas deliveries into the Company's system with the estimated overall usage levels of each individual Aggregation Nomination Group, in accordance with the provisions of Rider BBS. (C)
- 6) The Company will provide the actual usage data for each customer in that Aggregation Agent's Aggregation Nomination Group. The actual usage data provided will be for the customer's most recent billing period as customers are billed by the Company for Rates TS.
- 7) The Aggregation Agent's transportation quantities shall be determined from the Company's "Monthly Summary Billing Report." The "Monthly Summary Billing Report" reflects customer's actual billed distribution quantities as reported to the Aggregation Agent, as generated within the Company's revenue reporting system.

C) Aggregation Service Under Rider BBS

(C)

- 1) The Aggregation Agent will be allowed to aggregate all participating individual customer's quantities and any applicable bank tolerances for the purposes of administering Rider BBS.
- 2) Should a customer, either by itself or through its Aggregation Agent terminate its Transportation Aggregation Service, or its Transportation Service, no portion of the aggregate bank will be assigned to the customer. Should all the customers in an Aggregation Nomination Group, either by themselves or through their Aggregation Agent, terminate their Transportation Aggregation Service or their Transportation Service, and the Aggregation Agent has no other Aggregation Nomination Group to transfer the banked quantities then the bank may be purchased by the Company at a price determined in accordance with the Banking and Balancing provisions of this tariff.

(C) Indicates Change

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

- 3) At the close of each business month, an accounting will be made comparing the total quantities delivered into the Aggregation Nomination Group versus the consumption of the Customers within the Aggregation Nomination Group. (C)
- 4) Should the total consumption of the Nomination Aggregation Group exceed its total deliveries, adjusted for unaccounted-for gas and appropriate Customer's Btu adjustments, plus any banked quantities from the previous month, the Aggregation Agent shall be charged an amount for recovery of purchased gas costs as set forth in Paragraph 21.11(B) of these Transportation Service Rules plus the non-gas portion of commodity rates contained in the first block of Rate GS. (C)
- 5) Should the total deliveries for the Nomination Aggregation Group exceed its total consumption, the excess deliveries shall be considered imbalance gas purchased by the Company from the Aggregation Agent as specified in Paragraph 21.11(A) of these Transportation Service Rules.

D) Customer Accountability

Customers in the Aggregation Nomination Group remain ultimately responsible for all imbalance purchases, banking/balancing charges and SFO, OFO or OMO charges, if the Aggregation Agent fails to pay such charges. Failure of an Aggregation Agent to pay charges will be grounds for immediately ending the Aggregation Agent's authority

E) Assignment.

The Aggregation Agent shall only assign its Aggregation Nomination Groups to another Aggregation Agent with the prior written consent of the Company. The Company shall not unreasonably withhold its consent; however, the Company may condition the assignment upon the fulfillment of reasonable requirements including but not limited to: requiring the assignee to take assignment of any bank balance existing at the time of the assignment; requiring the assignee to take assignment of any financial obligation existing at the time of the assignment, or requiring the Aggregation Agent to represent that the Customers in its Aggregation Nomination Group consent to the assignment.

21.14 Charges By Other Transporters

- A) If furnishing service, pursuant to the customer's applicable transportation rate schedule, required the Company to use a transportation service provided other than by the Company, any cost incurred by, or billed to, the Company, with regard thereto, shall be billed to the customer by the Company.
- B) The customer also shall reimburse the Company for penalties assessed to the Company under the applicable rate schedule of a third party transporter as a result of daily excess consumption, daily excess tenders, excess monthly imbalances, banking imbalances or other factors set forth in such rate schedules.

(C) Indicates Change

RATE RS - RESIDENTIAL SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available at one location for the total requirements of any residential customer.

CHARACTER OF SERVICE

Residential customers who take service under this rate schedule are entitled to firm retail gas service from the Company.

RATE

System Charge: \$ 19.24

(I)

Distribution Charge: \$ 1.18892 per therm

(I)

TERMS OF PAYMENT

The above rates are net. Bills for gas service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the due date of payment shown on the bill, which date shall be not less than twenty (20) days after presentation.

MINIMUM CHARGE

The minimum charge shall be the System Charge.

SPECIAL PROVISIONS

If service is discontinued at the request of the customer, the Company will not resume service to such customer at the same premises within twelve (12) months, unless it shall first receive payment of the applicable minimum charge for each month of the intervening period, but not to exceed twelve (12) months.

Where a customer has installed a gas light(s) in lighting devices approved by the Company, and the gas used by such light(s) is unmetered, the gas consumed by such light(s) shall be assumed to be twenty-one (21) therms per month when the Btu/hr input rating for such light(s) is 2,700 or less. For each additional 1,350 Btu/hr input or fraction thereof, the assumed consumption shall be increased by one eleven (11) therms per month. Such assumed consumption shall be billed under the rates contained herein, or if in combination with metered usage under this rate schedule, shall be added to the customer's metered usage and the total billed under the rates contained herein.

(C) Indicates Change (D) Indicates Decrease (I) Indicates Increase

RATE GS - GENERAL SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available at one location, for the total requirements of any commercial or industrial customer.

CHARACTER OF SERVICE

Industrial and commercial customers who take service under this rate schedule are entitled to firm retail gas service from the Company.

RATE

System Charge:

| | | |
|---|-------------|-----|
| Annual consumption < 20,920 therms | \$ 74.69 | (I) |
| Annual consumption = > 20,920 therms and = < 523,000 therms | \$ 248.98 | (I) |
| Annual consumption > 523,000 therms | \$ 1,295.92 | (I) |

Distribution Charge:

| | | |
|---|----------------------|-----|
| Annual consumption < 20,920 therms | \$ 0.83790 per therm | (I) |
| Annual consumption = > 20,920 therms and = < 523,000 therms | \$ 0.48810 per therm | (I) |
| Annual consumption > 523,000 therms | \$ 0.29410 per therm | (I) |

The rate billed to the customer will be determined based upon the customer's actual throughput quantities, including sales and distribution, measured in therms (thm) for the most recent twelve-month period ended with the customer's October billing cycle. If a customer does not have sufficient consumption history to determine its rate based on twelve (12) months, the rate will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the customer to submit estimated annual gas requirements, including sales and distribution, upon which to develop the rate. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's rate will remain constant annually, subject to change effective with the January billing cycle each year.

TERMS OF PAYMENT

The above rates are net. Bills for gas service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the due date of payment shown on the bill, which date shall be not less than fifteen (15) days after presentation.

If the customer fails to pay the full amount of any bill which is Two Thousand Dollars (\$2,000.00) or more, a delayed payment penalty charge of one and one-quarter percent (1¼%) per month will accrue on the unpaid portion of such bill from the due date to the date of payment but not to exceed five percent (5%).

MINIMUM CHARGE

The minimum charge shall be the System Charge.

(C) Indicates Change (D) Indicates Decrease (I) Indicates Increase

RATE IS - INTERRUPTIBLE SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available to any Industrial or Commercial customer using gas for any purpose when: (1) the Company's facilities and gas supply are adequate or can be economically provided to supply the customer's requirements, (2) such service will not unduly jeopardize the general character of existing interruptible service, (3) the customer does not take service under any other rate schedule, except where, in the sole judgement of the Company, separate metering of interruptible gas under this schedule is practicable. Interruptible service shall not be available to a commercial customer who provides residential-type service. (C)

CHARACTER OF SERVICE

The Company undertakes no responsibility to obtain sufficient gas supplies to avoid interruption on a daily basis, and service hereunder is totally interruptible on any day when the Company gives notice to the customer that gas supply is inadequate to supply the customer's requirements. (C)

The Company shall give the customer as much advance notice of interruption as is feasible in the sole judgement of the Company. Customer agrees that Company shall not be liable for any loss or damage that may be sustained by the customer by reason of any interruption of service.

RATE

System Charge:

| | | |
|--|-------------|-----|
| Annual consumption less than 20,920 therms | \$ 74.69 | (I) |
| Annual consumption = >20,920 therms and < = 523,000 therms | \$ 248.98 | (I) |
| Annual consumption greater than 523,000 therms | \$ 1,295.92 | (I) |

Distribution Charge:

| | | |
|---|----------------------|-----|
| Annual consumption < 20,920 therms | \$ 0.83790 per therm | (I) |
| Annual consumption = > 20,920 therms and < = 523,000 therms | \$ 0.48810 per therm | (I) |
| Annual consumption > 523,000 therms | \$ 0.29410 per therm | (I) |

The rate billed to the customer will be determined based upon the customer's actual throughput quantities, including sales and distribution, measured in therms (thm), for the most recent twelve-month period ended with the customer's October billing cycle. If a customer does not have sufficient consumption history to determine its rate based on twelve months, the rate will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the customer to submit estimated annual gas requirements, including sales and distribution, upon which to develop the rate. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's rate will remain constant annually, subject to change effective with the January billing cycle each year.

(C) Indicates Change (D) Indicates Decrease (I) Indicates Increase

RATE IS - INTERRUPTIBLE SERVICE (continued)

INFRASTRUCTURE REPLACEMENT AND IMPROVEMENT SURCHARGE

Service provided under this rate schedule shall be subject to the Infrastructure Replacement and Improvement Surcharge (IRIS) as set forth in this tariff.

WEATHER NORMALIZATION ADJUSTMENT PROVISION

The quantities of gas sales sold to Commercial customers under this rate schedule are subject to adjustment for weather as set forth in the Weather Normalization Adjustment provisions of the Rules and Regulations of this Tariff.

MINIMUM CHARGE

For commercial and industrial customers the minimum charge shall be the System Charge. (C)

In case of (1) complete suspension of operations at customer's premises for a period of not less than seven (7) consecutive days in any billing month due to causes not within customer's control; or (2) customer being subject to the minimum monthly charge due to the extent of service interruption by the Company, customer shall be billed and pay an amount calculated by billing the quantity of gas actually consumed during such billing month at the then currently effective rate.

TERMS OF PAYMENT

The above rates are net. Bills for gas service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the due date of payment shown on the bill, which date shall be not less than fifteen (15) days after presentation.

If the customer fails to pay the full amount of any bill which is Two Thousand Dollars (\$2,000.00) or more, a delayed payment penalty charge of one and one-quarter percent (1¼ %) per month will accrue on the unpaid portion of such bill from the due date to the date of payment but not to exceed five percent (5%).

PAYMENT FOR UNAUTHORIZED TAKES

On any day when the customer has been given notice by the Company to interrupt, any quantity of gas taken in excess of the customer's authorized quantity by the Company, shall constitute unauthorized takes and shall be subject to payment for unauthorized takes of Nine dollars and Fifty-six cents (\$9.56) per therm. Payment of such penalty charge shall be in addition to the charges specified in this rate schedule. (C)

(C) Indicates Change

RATE IS - INTERRUPTIBLE SERVICE (continued)

SPECIAL PROVISIONS

1. Customers desiring to transfer to this rate schedule must notify the Company not later than January 2 preceding November 1 of that year. Customers taking service under another firm rate schedule can only transfer to this rate schedule as of November 1 of any year. Transfers to this rate schedule will be allowed only if: (1) the Company can obtain any increase or decrease in its gas supplies, transportation capacity, storage capacity, upstream pipeline capacity, or any combination thereof; or (2) the Company, in its sole judgement, concludes that no increase or decrease in its gas supplies, transportation capacity, storage capacity, upstream pipeline capacity, or any combination thereof is required.

2. In the event customer's natural gas requirements become such that it would be advantageous for the customer to purchase said natural gas under one of the Company's other applicable rate schedules, the customer may request to transfer to said other rate schedule, as of November 1 of any year during the term of this agreement, or at the end of the existing contract, by giving written notice to the Company on or before January 2 of such year. The Company will grant such request if: (1) the Company can obtain any increase or decrease in its contract demand under the Company's firm gas supply contracts that is required to accommodate such change; or (2) the Company, in its sole judgement, concludes that no increase or decrease in the Company's contract demand under the Company's firm gas supply contracts is required.

(C)

3. The Company reserves the right, as a condition of service under this Rate Schedule to require any customer requesting service under this rate schedule to install and bear the costs associated with a daily demand reading meter plus all costs associated with dedicated telephone lines and telemetering equipment, and such installation shall be at the expense of the customer, excluding the cost of the meter. The Company also reserves the right to require installation of such a meter, at the customer's expense, as a condition of continuation of service under this Rate Schedule. The meter and associated telemetering equipment shall be the property of the Company.

(C)

VOLUMETRIC FRANCHISE TAX RIDER

The quantities of gas sold to customers under this rate schedule are subject to adjustment for the Volumetric Franchise Tax set forth in this tariff.

PURCHASED GAS ADJUSTMENT CLAUSE

The above rates are subject to the Purchased Gas Adjustment Clause of this Tariff.

RULES AND REGULATIONS

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of gas service under this Service Classification.

(C) Indicates Change

They are

RATE SS - STANDBY SERVICE

AVAILABILITY

Available to any qualified customer, receiving service under Rate TS - Transportation Service who executes a contract with the Company for a period of not less than one (1) year for Standby Service. (C)

CHARACTER OF SERVICE

This rate schedule is designed to provide the maximum unbundling of supply options to customers for which this rate schedule is available. The customer will elect a Maximum Daily Firm Requirement which best meets the degree of system supply risk which the customer is willing to assume. Customers that satisfy the "Availability" provisions of this rate schedule are entitled to purchase retail gas from the Company only to the extent the customer has elected to nominate a daily quantity of gas as standby service under Rate SS.

NOMINATION OF STANDBY SERVICE QUANTITIES

Nomination of Maximum Daily Firm Requirement

The Maximum Daily Firm Requirement shall be the maximum daily quantity of gas that the customer proposes to reserve for purchases from the Company. The Maximum Daily Firm Requirement shall be the quantity of gas specified by the customer in the customer's contract. The Company retains the right to refuse the requested MDFR if the Company determines, in its sole discretion, that it does not have adequate gas supplies or transportation capacity to provide the service over the life of the contract.

In the event the customer desires to increase or decrease the then effective Maximum Daily Firm Requirement, during or at the end of the contract term, it shall, on or before April 1 of any year, notify the Company by letter as to the total amount of such increase or decrease. The Company shall notify the customer by letter as to whether the Company will grant the requested increase or decrease within thirty (30) days of notification that it has received any required change in its daily demand from its supplier. Requests not granted in writing by November 1, shall be deemed denied. No increase or decrease will be granted unless: (1) the Company can obtain a corresponding increase or decrease in its gas supplies, transportation capacity, storage capacity, upstream pipeline capacity, or any combination thereof; or (2) the Company concludes, in its sole judgement, that the Company can accommodate the requested change without changes in the Company's gas supplies, transportation capacity, storage capacity, upstream pipeline capacity, or any combination thereof. Any decrease or increase in the customer's Maximum Daily Firm Requirement authorized by the Company shall become effective November 1 following April 1 of the year in which notification of the request for change is timely received.

(C) Indicates Change

RATE STS - SMALL TRANSPORTATION SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available to any commercial or industrial account whose transportation requirements are less than 20,920 therms annually, provided that service can be rendered within the limits of the Company's operating conditions and facilities.

CHARACTER OF SERVICE

Service furnished pursuant to this rate schedule shall be firm service, with no planned interruption.

RATE

System Charge: \$ 74.69 (I)

Distribution Charge: \$ 0.83790 per therm (I)

PURCHASED GAS ADJUSTMENT CLAUSE

Charges for all gas consumed will include the Purchased Gas Demand Component included in the monthly purchased gas adjustment clause as set forth in this tariff.

In addition, if the customer transfers to this rate from Rate GS-General Service, then for a period of twelve (12) months, the rate shall be adjusted to include the amount per therm equal to the commodity and demand ACA factors included in the monthly purchased gas adjustment clause as set forth in the monthly purchased gas adjustment clause of this tariff, plus the associated Office of People's Counsel assessment fees.

MINIMUM CHARGE

The minimum charge shall be the System Charge.

TERMS OF PAYMENT

Bills for distribution service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the due date of payment shown on the bill, which dates shall be not less than fifteen (15) days after presentation.

If the customer fails to pay the full amount of any bill which is Two Thousand Dollars (\$2,000.00) or more, a delayed payment penalty charge of one and one-quarter percent (1¼%) per month will accrue on the unpaid portion of such bill from the due date to the date of payment but not to exceed five percent (5%).

(C) Indicates Change (D) Indicates Decrease (I) Indicates Increase

RATE STS - SMALL TRANSPORTATION SERVICE (continued)

INFRASTRUCTURE REPLACEMENT AND IMPROVEMENT SURCHARGE

Service provided under this rate schedule shall be subject to the Infrastructure Replacement and Improvement Surcharge (IRIS) as set forth in this tariff.

ENERGY EFFICIENCY RIDER

Quantities transported under this rate schedule shall be subject to the Energy Efficiency Rider, as set forth in this Tariff.

VOLUMETRIC FRANCHISE TAX RIDER

The quantities of gas sold to customers under this rate schedule are subject to adjustment for Volumetric Franchise Tax set forth in this tariff.

RIDER BBS - BANKING BALANCING SERVICE

(C)

Transportation service under this rate schedule shall be subject to the provisions of Rider BBS as set forth in this tariff.

(C)

WEATHER NORMALIZATION ADJUSTMENT PROVISION

The quantities of gas transported under this rate schedule are subject to the adjustment for weather as set forth in the Weather Normalization Adjustment provisions of the Rules and Regulations of this Tariff.

APPLICABLE SALES SERVICE RATE

Transportation service under this Rate Schedule purchasing gas from the Company shall be charged an amount for recovery of purchased gas costs as set forth in the Banking and Balancing provisions of this tariff, plus the non-gas portion of the applicable distribution rates.

PROPANE

Customers will also be billed their portion of propane and other variable costs associated with the operation of the peak shaving facility. Billing will occur subsequent to the month following the operation of the propane facility and will be allocated to the customer on a pro rata basis based on the ratio of the customer's monthly usage to Columbia's firm customer throughput.

RULES AND REGULATIONS

The Rules and Regulations Governing the Distribution and Sale of Gas of this Tariff, which are not inconsistent with the provisions of this rate schedule, shall govern, where applicable, the supply of gas service under this rate schedule.

(C) Indicates Change

RATE TS - TRANSPORTATION SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available to any commercial or industrial customer whose transportation requirements under separately billed account(s) are at least 20,920 therms annually; however, transportation service shall not be available to a commercial or industrial customer who provides residential-type service such as master-metered apartment buildings unless such customer agrees to contract for an appropriate level of Standby Service under Rate Schedule SS of this Tariff for peak day demand, that is not protected by installed and operable alternate fuel facilities, which will enable the customer to continue to provide Human Needs services. Service is available when such customer acquires its own gas and executes a contract with the Company for a period of not less than one (1) year for delivery service in accordance with all terms and conditions of such contract.

CHARACTER OF SERVICE

Service furnished pursuant to this rate schedule shall be considered firm service on the Company's system; provided, however, that it is the customer's obligation to deliver sufficient gas supplies to the mutually agreed upon receipt point in the Company's facilities.

RATE

System Charge:

| | | |
|---------------------------------------|-------------|-----|
| Annual consumption < = 523,000 therms | \$ 248.98 | (I) |
| Annual consumption > 523,000 therms | \$ 1,295.92 | (I) |

Distribution Charge:

| | | |
|---------------------------------------|----------------------|-----|
| Annual consumption < = 523,000 therms | \$ 0.48810 per therm | (I) |
| Annual consumption > 523,000 therms | \$ 0.29410 per therm | (I) |

The rate billed to the customer will be determined based upon the customer's actual throughput quantities, including sales and distribution, measured in therms (thm), for the most recent twelve-month period ended with the customer's October billing cycle. If a customer does not have sufficient consumption history to determine its rate based on twelve (12) months, the rate will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the customer to submit estimated annual gas requirements, including sales and distribution, upon which to develop the rate. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's rate will remain constant annually, subject to change effective with the January billing cycle each year.

WEATHER NORMALIZATION ADJUSTMENT PROVISION

The quantities of gas sales sold to Commercial customers under this rate schedule are subject to adjustment for weather as set forth in the Weather Normalization Adjustment provisions of the Rules and Regulations of this Tariff.

(C) Indicates Change (D) Indicates Decrease (I) Indicates Increase

RATE TS - TRANSPORTATION SERVICE (continued)

FLEXIBLE DELIVERY CHARGE

Components of a customer's rate may be lowered in any month when customer submits a sworn affidavit as described below. Rate components eligible for a downward adjustment include the distribution charge, the Rider BBS rate and the Infrastructure Replacement and Improvement Surcharge. (C)

The affidavit must be submitted to the Company ten (10) days prior to the beginning of each billing month. When the alternate fuel capability is a bypass to an interstate pipeline or switching to another natural gas distribution company, the affidavit must only be submitted at the time of the flex agreement negotiation. The Company reserves the right to verify the accuracy of statements included in this affidavit, and the right to make final determination as to the quantities of natural gas used in each billing period pursuant to the affidavit. The Company will notify the customer of the applicable charge, if lower than the applicable charge, that the Company determines is required to meet the delivered price of energy identified in the affidavit four (4) days prior to the beginning of each billing month.

The Company will only lower its distribution charge, Rider BBS rate or Infrastructure Replacement and Improvement Surcharge under this rate schedule as a last resort, and only to the extent it is necessary to meet the demonstrated competitive energy price. (C)

In the sworn affidavit submitted by the customer, the following must be documented:

- a. The customer has alternate fuel capability in place and operable or would otherwise construct facilities to obtain gas service from an alternate source;
- b. The quantities of natural gas transported by Columbia which would be displaced by operation of the alternate fuel capability;
- c. The burner tip cost in therm equivalent of the customer's alternate fuel; and
- d. If the customer has an agreement with a supplier for purchase of gas, the customer must verify that it has exercised all contractual rights available to the customer, including price redetermination, marketability or market reopener provisions, to reduce the city gate price of natural gas delivered to Columbia for redelivery to the customer, and that the customer has the right to cease purchases under the agreement. Upon request by the Company, the customer agrees to submit a true copy of the currently effective agreement or agreements between the customer and Supplier(s) for purchase of natural gas quantities delivered to the Company's city gate for redelivery to the customer. If the customer does not have an outstanding contract with a Supplier, the customer must verify that the customer is unable to purchase gas at a price, including cost of delivery by the Company, that is equal to the cost of alternative fuel.

(C) Indicates Change

RATE TS - TRANSPORTATION SERVICE (continued)

MINIMUM CHARGE

1. For commercial customers the minimum charge shall be the System Charge.
2. For industrial customers the minimum charge shall be the System Charge except that in the event of curtailment in the delivery of gas by the Company or complete or partial suspension of operation by the customer due to strikes, fires, floods, explosions or other similar casualties, the minimum charge shall be reduced in direct proportion to the ratio which the number of days of curtailed service or complete or partial suspension of operation bears to the number of days in the billing period provided, however, that the minimum charge will not be reduced whenever curtailment by the Company is the result of failure by supplier to deliver its contractual commitment to the Company because of the gas supply shortage.

TERMS OF PAYMENT

The rates contained in Rate TS are net. Bills for service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the due date of payment shown on the bill, which date shall not be less than fifteen (15) days after presentation. (C)

If the customer fails to pay the full amount of any bill which is Two Thousand Dollars (\$2,000.00) or more, a delayed payment penalty charge of one and one-quarter percent (1¼%) per month will accrue on the unpaid portion of such bill from the due date to the date of payment but not to exceed five percent (5%).

INFRASTRUCTURE REPLACEMENT AND IMPROVEMENT SURCHARGE

Service provided under this rate schedule shall be subject to the Infrastructure Replacement and Improvement Surcharge (IRIS) as set forth in this tariff.

VOLUMETRIC FRANCHISE TAX RIDER

The quantities of gas sold to customers under this rate schedule are subject to adjustment for the Volumetric Franchise Tax set forth in this tariff.

RIDER BBS - BANKING BALANCING SERVICE

Transportation service under this rate schedule shall be subject to the provisions of Rider BBS as set forth in this tariff. (C)

APPLICABLE SALES SERVICE RATE

Customers under this Rate Schedule purchasing gas from the Company shall be charged an amount for recovery of purchased gas costs as set forth in the Banking and Balancing provisions of this tariff, plus the non-gas portion of the applicable distribution rate.

RULES AND REGULATIONS

The Rules and Regulations Governing the Distribution and Sale of Natural Gas of this Tariff, which are not inconsistent with the provisions of this rate schedule, shall govern, where applicable, the supply of gas service under this rate schedule.

(C) Indicates Change

RIDER EDS - ECONOMIC DEVELOPMENT SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

This Rider is available to a commercial or industrial customer who would receive service under Rate GS, IS or TS ("Applicable Schedule") and who meets the following additional qualifications:

- (a) The customer is a new customer or has not been a customer of the Company for a period of two (2) years prior to requesting service in accordance with this Rider;
- (b) The throughput requirements of the customer are projected to be not less than 104,600 therms annually;
- (c) The customer's facility is non-retail and has a minimum of ten (10) full-time employees; and
- (d) The customer gives the Company satisfactory proof that utilization of this rate is an important factor in their location decision, or that, absent service under this rate schedule, customer would install long-term alternate fuel facilities.

CHARACTER OF SERVICE

This Rider provides for reduced charges for new gas loads related to economic development projects within the Company's service area. Service pursuant to this Rider will commence upon approval by the Company and will continue for a period not to exceed three (3) years.

RATE

The monthly charges for service to customers for which this Rider is applicable shall be computed based upon declining, three-year percentage reduction in the non-gas demand, if any, distribution rates under the Applicable Schedule and Rider BBS rate if applicable. System Charges, penalties and charges of third party transporters, if any, under the Applicable Schedule are not subject to reduction. The percentage reductions are as follows:

First Year - 15% reduction

Second Year - 10% reduction

Third Year - 5% reduction

TERMS OF PAYMENT

The rates for Rider EDS are net. Bills for service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the due date of payment shown on the bill, which date shall be not less than fifteen (15) days after presentation.

If the customer fails to pay the full amount of any bill which is Two Thousand Dollars (\$2,000.00) or more, a delayed payment penalty charge of one and one-quarter percent (1¼ %) per month will accrue on the unpaid portion of such bill from the due date to the date of payment but not to exceed five percent (5%).

(C) Indicates Change

PURCHASED GAS ADJUSTMENT CLAUSE (continued)

COMPUTATION OF PURCHASED GAS DEMAND COSTS PER THERM

The Purchased Gas Demand Costs (PGDC), per therm, shall be computed quarterly to the nearest one-thousandth of a cent (0.001¢), in accordance with the formula set forth below:

$$\text{PGDC} = (\text{DC} \div \text{DS}) + \text{DE} + \text{Refund Adjustment} + \text{Rider BBS} \quad (\text{C})$$

In computing the PGDC, per therm, pursuant to the formula above, the following definitions shall apply:

“DC” – the estimated current demand cost of gas, which shall be equal to the following:

1. For the twelve (12) month period beginning with the effective date of the PGA, the contracted monthly pipeline quantity determinants, excluding quantity determinants acquired for the purpose of providing the Rider BBS, shall be multiplied by the number of months for which the quantity determinants will be billed. (C)
2. Item 1 multiplied by the applicable billing rates.

From the product of Items 1 and 2 the following amount shall be deducted:

- a) The Capacity Release Incentive Plan Credits

“DS” – total therm sales for PGCC less IS sales plus STS.

“DE” – the demand Actual Cost Adjustment. (For computation see section entitled “Actual Cost Adjustment”)

“Refund Adjustment” – This adjustment, if applicable, will be computed based on supplier refunds received by the Company. (For computation see section herein entitled “Limited Term Adjustment for Supplier Refunds”)

The PGCC and PGDC shall be multiplied by a factor to reflect the Public Service Commission and Office of People’s Counsel assessment fees. (C)

Purchased gas, as used in the determination of the PGCC and PGDC, shall include, but not be limited to, natural gas, liquefied natural gas, synthetic gas, liquefied propane, or naphtha. In determining the current cost of gas, the Company will (1) annualize the effect of purchasing gas under new approved contracts commencing with the first computation in which the new gas supply is reflected in the aforementioned “latest available twelve (12) month period” and (2) adjust both purchase and sales quantities to reflect curtailments in supplies of purchased gas.

(C) Indicates Change

PURCHASED GAS ADJUSTMENT CLAUSE (continued)

ACTUAL COST ADJUSTMENT

An Actual Cost Adjustment (ACA) to reflect PGCC and PGDC under or over collections shall be computed annually, based on the twelve (12) months ended October 31 each year and shall become effective for a twelve (12) month period beginning with each January Purchased Gas Adjustment Statement. All Purchased Gas Costs incurred by the Company to serve customers pursuant to all rate schedules of this tariff, should be included in the calculation of the ACA.

A. Calculation of the Commodity ACA

1. All commodity purchased gas costs and the index price of gas purchased from distribution customers under the Banking and Balancing provisions of this tariff but excluding supplier refunds, and carrying costs for prepaid gas will be tabulated. Such costs include commodity purchased gas costs as recorded in Account Nos. 801, 803, 804 and 805.
2. Commodity gas costs revenues (excluding in all instances assessment fees) shall be computed by multiplying commodity sales quantities billed under Rates RS, GS, and IS for the applicable over/under collection period, times the quarterly PGCC of the PGA.
3. The previous year's net Commodity ACA over/under collection shall be included.
4. Any OFO and OMO charges, as described in the Operational Flow Order and Operational Matching Order sections of this tariff, during the November through October PGA period.
 - a) The commodity portion of the ACA to be effective January 2021 will include \$67,664.00 plus any OFO and OMO charges realized subsequent to March 2020 through the October 2020 period.
 - b) The commodity portion of the ACA to be effective January 2022 will include \$67,664.00 plus any OFO and OMO charges during the applicable November through October PGA period.
 - c) The commodity portion of the ACA to be effective January 2023 will include \$67,664.00 plus any OFO and OMO charges during the applicable November through October PGA period.
 - d) Beginning January 2024, the commodity portion of the ACA will include the OFO and OMO charges during the applicable November through October PGA period.
5. The net amount of items 1-4 shall be divided by the estimated therm quantities for Rate Schedules RS, GS and IS during the ensuing twelve (12) months to produce a per therm rate to be reflected in the Company's quarterly PGA beginning each January.

B. Calculation of the Demand ACA

1. All purchased gas demand costs, excluding supplier refunds and the cost of capacity acquired for the purpose of providing Rider BBS, actually incurred by the Company to service customers shall be included as demand costs of purchased gas. (C)
2. Demand gas costs revenues (excluding in all instances assessment fees) shall include:
 - a) An amount determined by multiplying tariff sales quantities billed under the Rate RS and Rate GS for the applicable over/undercollection period, times the quarterly PGDC of the PGA; plus,
 - b) Amounts billed under Rate STS for the recovery of demand costs of purchased gas; plus
 - c) The amounts billed under Rate SS; plus,
 - d) The amounts billed to STS and TS customers under Rider BBS; plus, (C)
 - e) Propane costs collected from STS customers.

(C) Indicates Change

RIDER BBS - BANKING BALANCING SERVICE

(C)

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

This Rider has been established to provide balancing service for Rate Schedules STS-Small Transportation Service and TS-Transportation Service customers in Maryland.

(C)

In addition to the charges provided in the customer's rate schedule, an amount may be added to the otherwise applicable charge for each therm of distribution volumes distributed by the Company to a customer receiving service under Rate Schedule STS and TS, or successor rate schedules, for Rider BBS service as provided below.

(C)

BANKING BALANCING SERVICE

The Customer Proxy will have the opportunity to: (1) maintain a bank from month to month on the Company's system; (2) access banked gas on a firm basis pursuant to the Seasonal Flow Order, Operational Flow Order, and Operational Matching Order provisions of the Transportation Service Rules ("TSR") provisions of this tariff on any day, including days in which an SFO, OFO, or OMO restricts STS and TS under-deliveries, up to five percent (5%) of the customer's then current maximum daily quantity ("MDQ"), and, to the extent made available by the Company on a best efforts basis, additional interruptible access to the Customer Proxy's bank and (3) to add to the bank on any day, including days in which an SFO, OFO, or OMO restricts STS and TS over-deliveries. Deliveries to the Company on days in which an SFO, OFO or OMO restricts over-deliveries shall not exceed one hundred two and one-half percent (102.5%) of the maximum prescribed SFO, OFO, or OMO Level unless authorized by the Company.

(C)

BANK TOLERANCE

The cumulative balance of excess deliveries ("positive bank"), at the end of any billing month, shall not exceed the following specified Bank Tolerance Percentages:

(C)

1. For any customer qualifying for service under Rate Schedules STS or TS --- five percent (5%) of the customer's then current annual quantities.

RATES

The Company will calculate the rates for Rider BBS on an annual basis. The Company shall calculate the rates and after the Company has secured the assets that are required to provide the service. The Company shall file the rates

(C)

(C) Indicates Change

RIDER BBS – BANKING BALANCING SERVICE (continued)

(C)

with the Commission to take effect on April 1 of each year upon one (1) day's notice. The rate for service shall be:

(C)

| | Rate per therm |
|--------|----------------|
| STS/TS | \$0.00956 |

The Company may reduce or eliminate the otherwise applicable charge for Rider BBS to any customer if it is reasonably necessary to do so to meet competition from an alternative fuel, including gas from another supplier of gas that has constructed, or could construct, facilities to deliver gas to the customer without use of the Company's facilities. The Company will notify the Customer Proxy of the applicable rate if lower than the applicable rate set forth above, at least four (4) days prior to the beginning of each billing month, unless the rate is the same as charged by the Company in the prior month.

(C)

The rate identified in this section billed and collected shall not be credited toward recovery of purchased gas costs pursuant to the Purchased Gas Cost Rider

(C)

The Company's obligation to provide service under Rider BBS is conditioned upon its ability to secure the assets necessary to provide the service

(C)

(C) Indicates Change (D) Indicates Decrease (I) Indicates Increase

RIDER BBS – BANKING BALANCING SERVICE (continued)

(C)

CHARACTER OF SERVICE

(C)

Normal Operations

In any billing month under Normal Operations (defined as operations during times when neither an SFO, OFO nor an OMO is in effect), if the customer's consumption plus retainage on the distribution system is greater than the sum of: (a) the quantity of gas delivered to the Company's City Gate by the Shipper for the Customer Proxy's account during the billing month, plus (b) the Customer Proxy's positive bank at the beginning of the month, such use shall be considered imbalance gas sold by the Company to the Customer Proxy under the Banking and Balancing provisions of this tariff.

If in any billing month under Normal Operations, the customer's consumption plus retainage on the distribution system is less than the quantity of gas delivered into the Company's system on its behalf, the customer may use such excess delivered gas to meet requirements in any succeeding billing month, subject to the Company's rights to limit service as provided in the TSR. Provided, however, that the cumulative balance of excess deliveries ("positive bank"), at the end of any billing month, shall not exceed the Bank Tolerance Percentage. Any positive bank in excess of this tolerance level shall be considered imbalance gas purchased by the Company from the Customer Proxy under the Banking and Balancing provisions of the Transportation Service Rules of this tariff.

During SFOs/OFOs/OMOs

During periods when there is an SFO, OFO or OMO that restricts STS or TS under-deliveries, Rider BBS Customer Proxies will have firm daily access to banks equal to five percent (5%) of the customer's maximum daily quantity. Additional interruptible access to bank capacity will be available on a best-efforts basis. Should a Shipper on any SFO, OFO, or OMO day under-deliver gas supplies to the Company by a quantity greater than 5% of the customer's MDV and any interruptible access to the bank permitted through the SFO, OFO or OMO notice, such quantities shall be charged to the Customer Proxy in accordance with the Banking and Balancing provisions, the Seasonal Flow Order provisions, the Operational Flow Order provisions and/or the Operational Matching Order provisions of this tariff as is appropriate to the circumstance. If on any day, the Customer Proxy's bank is not adequate to support any part or all of the bank access made available by the Company and the resulting bank availability combined with other confirmed deliveries by the Shipper is less than the daily delivery requirement under the SFO, OFO, or OMO, the Customer Proxy will be charged for any delivery deficiency in accordance with the Seasonal Flow Order provisions for an SFO, or the Operational Flow Order provisions, the Operational Matching Order provisions and the Banking and Balancing provisions for an OFO/OMO. At the end of any month in which there has been an SFO, OFO, or OMO that restricts STS or TS under-deliveries, authorized bank withdrawals used to help meet the daily delivery requirements of an OFO or OMO will be deemed to be the first gas withdrawn from the bank, followed by authorized bank withdrawals used to help meet the daily delivery requirements of an SFO during the month. Any remaining available bank quantities will be applied to days of Normal Operations. Authorized bank withdrawals herein are considered to be the firm access provided under Rider BBS plus any interruptible access provided by the Company subject to the Customer Proxy(ies) having sufficient quantities in its (their) bank to support the access permitted by the Company.

(C)

(C)

(C) Indicates Change

RIDER SERVICESBBS – BANKING BALANCING SERVICE (continued)

(C)

During periods when there is an SFO, OFO or OMO restriction of STS or TS over-deliveries, Shippers will be entitled to deliver to the Company up to one hundred two and one-half percent (102.5%) of the Company's maximum prescribed daily SFO, OFO or OMO quantity. However, should daily deliveries exceed one hundred two and one-half percent (102.5%) of the customer's maximum daily prescribed SFO, OFO, or OMO quantity, or if the cumulative excess deliveries exceed the bank tolerances described above, those excess daily deliveries shall be considered imbalance gas purchased by the company pursuant to the Banking and Balancing provisions, or the Seasonal Flow Order provisions and the Customer Proxy shall be charged in accordance with the provisions for Seasonal Flow Orders, Operational Flow Orders or Operational Matching Orders included in this tariff.

IMBALANCE TRADING SERVICES

(C)

A) Bank Balance Transfers

During Normal Operations, Customer Proxies may transfer a bank balance that existed at the beginning of the month to another Customer Proxy that also schedules deliveries to the Company's city-gates within the same Upstream Pipeline Scheduling Point. No pre-arranged contract is required. The Customer Proxy must submit all requests for Imbalance Trading to the Company in writing (e.g. fax, e-mail, the Company's internet-based website) no later than the first business day following the last business day of the calendar month in which the trade is to apply. A fee of \$0.007 for each therm transferred between the Upstream Pipeline Scheduling Points shall be charged to the Customer Proxy transferring the bank balance. A fee of \$0.007 per therm, with a cap of Five Hundred Dollars (\$500) per trade, for transfers within an Upstream Pipeline Scheduling Point shall be charged to the Customer Proxy transferring the bank balance. Customer Proxies who successfully transfer bank balances to eliminate an imbalance will not be subject to the Banking and Balancing provisions of this tariff.

(C)

During any month in which an SFO, OFO, or OMO was in effect, Customer Proxies may transfer a bank balance that existed at the beginning of the month to another Customer Proxy located in the same Upstream Pipeline Scheduling Point that has schedules deliveries to the Company's city-gates on the same transmission company. Provided, however, that bank balance transfers will apply to the SFO, OFO, or OMO period only up to the level of daily access to banked quantities authorized by the OFO, OMO, or SFO. No pre-arranged contract is required. The Customer Proxy must submit all requests for Imbalance Trading to the Company in writing (e.g. fax, e-mail, the Company's internet-based website) no later than the first business day following the last business day of the calendar month in which the trade is to apply. A fee of \$0.007 per therm, with a cap of Five Hundred Dollars (\$500) per trade, for transfers within an Upstream Pipeline Scheduling Point shall be charged to the Customer Proxy transferring the bank balance. Customer Proxies who successfully transfer bank balances to eliminate an imbalance will not be subject to the Seasonal Flow Order, the Operational Flow Order or the Operational Matching Order provisions of this tariff as long as the imbalance trade brings the Customer Proxy into compliance with the SFO, OFO, or OMO.

(C)

The imbalance trading services set forth in this Rider do not relieve Shippers of their obligation to deliver gas to the Company in the Upstream Pipeline Scheduling Point in which they or their customers reside.

B) Gas Transfer Service

Availability

During Normal Operations or periods during which an SFO, OFO or OMO is in effect, subject to Section 21 of this Tariff, this operational service is available to Customer Proxies. This service provides for the transfer of gas quantities from one Customer Proxy ("Transferor") to another Customer Proxy ("Transferee").

(C)

Character of Service

- a. Each transfer must occur such that gas is transferred from the Transferor to the Transferee on the same Gas Day. Transferor must request the transfer at the end of the current month, as described in subparagraph (e) below.

(C) Indicates Change

RIDER BBS – BANKING BALANCING SERVICE (continued)

(C)

- b. Transfers may only occur between a Transferor and a Transferee located within the same pipeline scheduling point with confirmed deliveries on the same transmission pipeline.
- c. Quantities eligible for transfer shall not exceed the Transferor's confirmed deliveries for the day of transfer. A transfer may not be accepted by the Company if such transfer would cause the Transferor to incur imbalance charges.
- d. Customer Proxies must rely on customer usage posted daily on the Company's website. The Company shall post customer usage on its Internet-based website as soon as practicable after the end of each Gas Day throughout the billing cycle. All customer usage will be posted on a best efforts by 5:00 P.M. Eastern time on the second business day following the end of the previous calendar month.
- e. . All gas transfer requests must be accurately completed and executed by both the transferor and the transferee and submitted to the Company via the Company's internet based website by the third business day following the end of the previous calendar month.
- f. The Company is not involved in any arrangement or agreement for compensation for the value of the gas being transferred, or for any other fees between the Transferor and the Transferee. The Company's role in administering this rate schedule is limited to transferring the approved gas qualities from the Transferor's to the Transferee's account with the Company.

(C)

Rate

The Company will charge the Transferor \$15.00 per transaction.

TERMINATION OF SERVICE

(C)

A Customer Proxy whose customer is terminating STS or TS service may be charged a termination fee if the Customer Proxy fails to provide termination notice prior to the fifteenth of September prior to the April in which the service is to be terminated.

Such termination fee shall be based upon the cost of the assets secured by the Company to provide service to the customer. Upon termination of service under Rider BBS, the Company will make every effort to deliver to the Customer Proxy the Customer Proxy's banked gas during the next month's billing cycle following the date of termination. However, should the Customer Proxy fail to take delivery of its entire banked quantity within the next month, Company may, at its option, retain and purchase the undelivered banked quantity at ninety percent (90%) of the index rate determined pursuant to the Banking and Balancing provisions of this tariff. In addition, if the Customer Proxy owes the Company any outstanding charges, the Company may retain as an offset to such outstanding charges, banked quantities that would otherwise be delivered to the Customer Proxy upon termination of STS or TS service. The value assigned to such retained bank quantities, which are purchased or retained, will be ninety percent (90%) of the index rate determined pursuant to the Consumption in Excess of Deliveries of the Banking and Balancing provisions included in this tariff for the month in which the Customer Proxy failed to take delivery of the gas.

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