

RATE MLDS – MAIN LINE DISTRIBUTION SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available at one location, for the total requirements of a commercial or industrial customer when the Customer meets either one of the following qualifications:

- (a) the Customer has annual throughput requirements of not less than 268,250 thms and is connected directly through a dual-purpose meter to facilities of an Interstate pipeline supplier of the Company ("Class I MLDS Customer"); or (C)
- (b) the Customer has annual throughput requirements of not less than 2,146,000 thms and there are two (2) miles or less of pipeline facilities of the Company connecting the Customer to facilities of an interstate pipeline supplier of the Company ("Class II MLDS Customer") (C)

and meets all of the following conditions:

- (a) Customer does not take service under any other rate schedule except Rate SS – Standby Service
- (b) Customer acquires its own gas and executes an application and agreement with the Company, as specified in the Rules Applicable to Distribution Service section of this Tariff, for a period of not less than one (1) year for distribution service in accordance with all terms and conditions of such contract.

Service under this rate schedule shall not be available to a single customer who is a Priority One Customer, as defined in the Service Limitations section of this tariff, unless such customer also contracts for firm service under Rate SS – Standby Service at a level necessary to meet the portion of daily and seasonal requirements of the facility not covered by installed operable alternative fuel capability. (C)

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.

A Main Line Distribution Service account may be returned to the applicable Sales Service rate if for a period of at least five (5) consecutive days in one billing month the Company,

- (1) has not received gas supply for the account;
- (2) the account's bank balance is insufficient to cover the consumption or the customer did not have access to its bank balance due to the issuance of an OFO and/or OMO; and
- (3) the customer consumed gas on one or more days during such five (5) day period.

For a non-daily read account, the account may be returned to the applicable Sales Service rate at the end of a billing cycle if the above three conditions are met unless the customer furnishes proof that they did not consume gas on one or more days during such five (5) day period.

(C) Indicates Change

RATE MLDS – MAIN LINE DISTRIBUTION SERVICE (Continued)

RATE

The customers under this rate schedule shall be subject to a monthly customer charge, and a distribution charge.

The rate information is detailed in the Rate Summary pages of this tariff.

The applicable distribution charge for all distribution quantities for MLDS Class II customers shall be determined based upon the Customer Charge group in which the Customer is placed, as established annually. (C)

The distribution rates may be flexed in accordance with the Flexible Rate Provisions set forth in the Rules and Regulations of this Tariff.

STATE TAX ADJUSTMENT SURCHARGE

The charges described in this rate schedule are subject to a State Tax Adjustment Surcharge as set forth in the tariff.

ELECTIVE BALANCING SERVICES RIDER

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

DETERMINATION OF MONTHLY CUSTOMER CHARGE

The customer charge will be determined based upon the customer's actual throughput quantities, including sales and distribution, measured in therms (thms), for the most recent twelve-month period ended October 31. If a customer does not have sufficient consumption history to determine its customer charge based on twelve months, the customer charge 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 customer charge. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's customer charge will remain constant annually, subject to change January 1 of each year. (C)

In all cases, the Company reserves the right to review the customer charge and, upon receipt of satisfactory proof, to adjust the customer charge to reflect the installation and use of energy efficient gas burning equipment, or the implementation of energy conservation practices or measures, which results in a measurable permanent change in the customer's requirement or consumption.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the sum of (a) the Customer Charge; plus (b) purchased gas demand charges, if any, under Rate SS. In the event of curtailment in the delivery of gas by the Company below the Maximum Daily Firm Requirement of the Customer, if any, under Rate SS, or complete or partial suspension of operation by the customer due to strikes, fires, floods, explosions or other similar casualties, the Customer 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.

(C) Indicates Change

RATE MLDS – MAIN LINE DISTRIBUTION SERVICE (Continued)

APPLICABLE SALES SERVICE RATE

Customers under this Rate Schedule desiring to purchase gas shall be charged an amount for recovery of purchased gas costs as set forth in the Rules Applicable to Distribution Service, plus the non-gas portion of distribution charges contained in the first block of Rate SGDS – Small General Distribution Service.

Provided, however, that sales service hereunder shall be considered imbalance gas as defined in the Consumption in Excess of Deliveries section in Paragraph 3 of the Rules Applicable to Distribution Service. The Company undertakes no responsibility to obtain sufficient gas supplies to avoid interruption of sales service on a daily basis, and service 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, except to the extent the customer nominates Maximum Daily Firm Requirement under Rate SS.

The Company shall give the customer 2 hours advance notice of interruption. 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.

On any day when the Customer has been given notice by the Company to interrupt, any quantity of gas taken in excess of the quantity specified to be made available that day shall constitute unauthorized takes and shall be subject to the charges set forth in the Rules Applicable to Distribution Service. Payment of such penalty charge shall be in addition to the charges specified above.

TERMS OF PAYMENT

Gas distributed hereunder shall be billed in accordance with the terms and conditions set forth in the customer's executed contract governing distribution service. Bills for distribution service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the final date of payment shown on the bill, which date shall not be less than fifteen (15) days after presentation (date of postmark).

If the customer fails to pay the full amount of any bill, a delayed payment charge of one and one-quarter percent (1 1/4%) per month shall accrue on the portion of the bill that is unpaid on the due date.

SPECIAL PROVISIONS APPLICABLE TO ALL MLDS CUSTOMERS

1. 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 application and agree either to supply service or to deny service on the grounds of insufficient capacity. If the Company refuses to provide distribution service under this rate schedule, the Company shall provide detailed support for its decision.
2. Customers desiring to transfer to or from this rate schedule must notify the Company in writing. Transfers to or from this rate schedule will be allowed only if: (1) the Company can obtain any increase or decrease in its gas supplies, transportation capacity and storage capacity, or any combination thereof that is required to accommodate such change; or (2) the Company, in its sole judgment, concludes that no increase or decrease is required. The Company shall establish the date any transfer is to be effective.

RATE MLDS - MAIN LINE DISTRIBUTION SERVICE (Continued)

SPECIAL PROVISIONS APPLICABLE TO ALL MLDS CUSTOMERS – Continued

3. Customers that request to be transferred to this rate schedule prior to the end of the Customer's existing contract under another rate schedule shall be required to contract for Maximum Daily Firm Requirement under Rate SS at the level of the Customer's Maximum Daily Firm Requirement, if any, under such existing contract.
4. 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 and such installation shall be at the expense of the customer, excluding the cost of the meter plus all costs associated with dedicated telephone lines and telemetering equipment. 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.
5. Energy usage eligibility for this rate schedule shall be determined annually. In the event Customer's annual throughput is less than 268,250 thms, the customer shall be transferred to either Rate LDS, Rate SDS or Rate SGDS effective the immediately succeeding January 1. (C)

SPECIAL PROVISION APPLICABLE TO CLASS I MLDS CUSTOMERS

In the event a Class I MLS customer desires to obtain firm transportation capacity on the interstate pipeline system of Columbia Gas Transmission Corporation, as to which supplier the Company may exercise an option to convert daily firm wholesale entitlement to daily firm transportation capacity entitlement under Federal Energy Regulatory Commission (FERC) approved rate schedules pursuant to Order 500 and successor orders of that Agency, the Company may assign daily firm transportation capacity entitlement to a Class I MLS customer under the following conditions:

- (a) If, in the exercise of its informed business judgment, the Company determines that it can exercise its conversion option under FERC Order 500 and/or assign such increased transportation capacity without impairing its ability to meet its public service obligation to all customers and its ability to pursue a least cost acquisition policy to obtain system supplies. The Company reserves the right to limit any such conversion and/or assignment as necessary to maintain its ability in this regard;
- (b) The Class I MLS customer agrees to maintain the customer's existing contractual Maximum Daily Firm Requirement under Rate SS - Standby Service (if any) during the term of the assignment;
- (c) The Class I MLS customer signs an agreement committing to pay for the firm transportation demand charges constituting the Company as its agent to purchase gas to be redelivered to the Class I MLS customer after firm transportation service has been provided using the assigned capacity;
- (d) The term of this assignment shall be coextensive with the term of the agency agreement, subject to renewal with express approval of the Public Utility Commission;
- (e) This provision shall be operative only so long as Columbia continues to have the option to convert daily firm wholesale entitlement to daily firm transportation capacity requirements under FERC Order 500 or any successor thereto.

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 distribution service under this rate schedule.

(C) Indicates Change