

## RATE SDS - SMALL DISTRIBUTION SERVICE

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

Available to any commercial or industrial customer meeting all of the following conditions:

1. The Customer's annual throughput requirements, including sales and distribution, are in excess of 64,380 thms. (C)
2. The Customer does not take service under any other rate schedule except Rate SS - Standby Service.
3. The Customer's annual throughput, as determined under the Customer Charge provisions below, is less than 536,500 thms. (C)

A customer who is served by the Company under more than one account at a single contiguous location may aggregate total throughput requirements under all such accounts for purposes of meeting the 64,380 thm annual throughput requirement. Service is available when such customer(s) acquires its own gas and executes a contract with the Company for a period of not less than one (1) year for distribution service in accordance with all terms and conditions of such contract. (C)

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 Small 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 SDS - SMALL 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 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.

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

### **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.

### **STATE TAX ADJUSTMENT SURCHARGE**

The above charges 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 within this tariff.

(C) Indicates Change

**RATE SDS - SMALL DISTRIBUTION SERVICE (Continued)**

**APPLICABLE SALES SERVICE RATE**

(C)

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 rates contained in Rate SGSS - Small General Sales 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 section of this tariff. The Company undertakes no responsibility to obtain sufficient gas supplies to avoid interruption of sales service on a daily basis, and sales 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 herein.

**TERMS OF PAYMENT**

(C)

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.

(C) Indicates Change

## RATE SDS - SMALL DISTRIBUTION SERVICE (Continued)

### SPECIAL PROVISIONS APPLICABLE TO ALL SDS CUSTOMERS

1. Customers desiring to transfer 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 transfer; 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.
2. In the event customer's throughput requirements, as determined annually under the Customer Charge provisions above, are 536,500 thms or greater, the customer shall be transferred to Rate LDS - Large Distribution Service, effective the immediately succeeding January 1. (C)
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 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.

### 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