

RATE SGDS - SMALL GENERAL DISTRIBUTION SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available, at one location, for the total requirements of any commercial or industrial customer meeting all of the following conditions:

1. The Customer's total annual throughput requirements, as determined under the Customer Charge provisions below, are less than 64,380 thms annually. (C)
2. The Customer does not take service under any other rate schedule except Rate SS – Standby Service.
3. 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.
4. The customer is a member of an aggregation group pursuant to the provisions of the Rules Applicable to Distribution Service.
5. Priority One customers, as defined in the Service Limitations section of this tariff, must buy distribution service at the Priority One distribution rate, which includes recovery of purchased gas demand costs pursuant to the Purchased Gas Cost Rider as set forth in this tariff. All other SGDS customers wishing to contract for Standby Service may execute a contract for service under Rate SS – Standby Service. (C)
6. There is an annual enrollment window for accounts transferring from Rate Schedule SCD to Rate Schedule SGDS. Notice of intent to switch from Rate Schedule SCD to Rate Schedule SGDS is due January 2nd of each year to be effective April 1st of the same year.

CHARACTER OF SERVICE

Distribution 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

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

(C) Indicates Change

RATE SGDS - SMALL GENERAL DISTRIBUTION SERVICE (Continued)

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) purchase 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 charges are subject to a State Tax Adjustment Surcharge as set forth in this tariff.

PURCHASED GAS COST RIDER

The distribution charges for Priority One Service include recovery of Purchased Gas Demand Costs pursuant to the Purchased Gas Cost Rider as set forth in this tariff.

ELECTIVE BALANCING SERVICE RIDER

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

CUSTOMER CHOICE COSTS

The distribution charge is subject to a Customer Choice charge pursuant to Rider CC.

APPLICABLE SALES SERVICE RATE

Priority One customers 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 Priority One Service rate.

(C) Indicates Change

RATE SGDS - SMALL GENERAL DISTRIBUTION SERVICE (Continued)

APPLICABLE SALES SERVICE RATE (Continued)

(C)

Non-Priority One distribution 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 the distribution rate.

Sales service hereunder shall be considered imbalance gas as defined in 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.

A Non-Priority One customer is subject to a charge for unauthorized takes after notice to interrupt. On any day when a Non-Priority One 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. Payments of such penalty charge shall be in addition to the charges specified in this rate schedule.

TERMS OF PAYMENT

(C)

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 be not 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 penalty charge of one and one-quarter percent (1 1/4%) per month will accrue on the portion of the bill that is unpaid on the due date.

CUSTOMER DEVELOPMENT/RETENTION PROVISIONS

1. An existing Customer currently receiving service under this rate schedule or a potential Customer eligible to receive service under this rate schedule is eligible to receive special development/retention rates, if the customer meets the following conditions:

a. The Customer agrees to enter into a three-year contract for service under this rate schedule.

b. The Customer gives the Company a sworn affidavit stating that, absent service under these Customer Development/ Retention Provisions, the Customer would install an alternate source of energy; would construct facilities to obtain gas service from an alternative source; or would not construct facilities or operations in the Company's operating territory.

(C) Indicates Change

RATE SGDS - SMALL GENERAL DISTRIBUTION SERVICE (Continued)

CUSTOMER DEVELOPMENT/RETENTION PROVISIONS (Continued)

c. If the Customer qualifies under these Customer Development/Retention Provisions, the monthly charges for service to the Customer shall be computed based upon a declining, percentage reduction in the non-gas distribution rates under this rate schedule. Customer charges, gas costs, penalties and charges of third party transporters, if any, to a Customer served under this rate schedule are not subject to reduction. The percentage reductions are as follows:

First Year	35% reduction
Second Year	25% reduction
Third Year	15% reduction

2. Except as modified by the terms of these Customer Development/Retention Provisions, all provisions of this rate schedule apply to service to the Customer.

SPECIAL PROVISIONS

1. If service is discontinued at the request of the customer, the Company shall be under no obligation to reconnect service to the same customer on the same premises until the customer pays the monthly minimum charge for each month of the intervening period, but not to exceed twelve (12) months.

2. 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) thms per month when the Btu/hr input rating for such light(s) is 2,700 or less. For each additional 1,350 Btu/hr or fraction thereof, the assumed consumption shall be increased by eleven (11) thms 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)

3. Energy usage eligibility for this rate schedule will be determined annually. In the event the Customer's total annual purchases of sales and distribution are in excess of 64,380 thms, the customer shall be transferred to Rate SDS, or Rate LDS, as applicable. (C)

4. The Company reserves the right, as a condition of service or as a condition of continuation of service under this rate schedule, to require the customer 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 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