RATE SS – STANDBY SERVICE

AVAILABILITY

Available to any qualified customer receiving General Distribution Service or Negotiated Sales Service who executes a contract with the Company for service under this rate schedule for a period of not less than one (1) year for Standby Service.

PURPOSE

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 Maximum Daily Firm Requirement which best meets the degree of system supply risk which the customer is willing to assume.

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 purchase from the Company. The Maximum Daily Firm Requirement shall be the quantity of gas nominated by the customer in the customer's contract. The Company retains the right to refuse the requested nomination if the Company determines, in its sole discretion, that it does not have adequate gas supplies or distribution capacity to provide the service over the life of the contract. (C)

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 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 and storage capacity, or any combination thereof; or (2) the Company concludes, in its sole judgment, that the Company can accommodate the requested change without changes in the Company's gas supplies, transportation capacity or storage capacity. 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.

RATES

Maximum Daily Firm Requirement - The rate per thm of Maximum Daily Firm Requirement shall be computed as follows: (C)

The total estimated demand charges to be paid by the Company for the projected period that is the basis for the computation of the projected cost of purchased gas included in base rates under the Purchased Gas Cost Rider of this Tariff, shall be divided by, the total firm entitlement of the Company, expressed in thm, for the projected period that is the basis for the computation of the projected cost of purchased gas included in base rates under the Purchased Gas Cost Rider of this Tariff. (C)

Each time there is a change in the provision for recovery of purchased gas costs pursuant to the Purchased Gas Cost Rider of this Tariff, a re-computation shall be made of the rate per thm of Maximum Daily Firm Requirement. (C)

(C) Indicates Change

RATE SS - STANDBY SERVICE (Continued)

COMMODITY RATE FOR PURCHASES

Quantities of gas purchased from the Company shall be charged an amount for recovery of purchased gas costs set forth in the Rules Applicable to Distribution Service plus the non-gas portion of commodity rates set forth in Rate SGSS. (C)

CHARGE FOR UNAUTHORIZED TAKES

On any day when the Customer has been given notice by the Company to interrupt, pursuant to provisions contained in the Customer's Primary Rate Schedule, any quantity of gas taken in excess of the Customer's Maximum Daily Firm Requirement for that day shall constitute unauthorized takes and shall be subject to the charges set forth under the Rules Applicable to Distribution Service.

STATE TAX ADJUSTMENT SURCHARGE

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

TERM OF CONTRACT

Contracts for service hereunder shall be for not less than a one (1) year period. Contracts shall be automatically renewed at the end of the initial term for a one year period unless written notice to terminate is given by the Company or the customer not later than sixty days prior to expiration of the contract.

SPECIAL PROVISIONS

1. The Maximum Daily Firm Requirement of the customer will be contracted for by the Company from its supplier and no curtailments or interruptions of this gas are planned. However, in the event of emergencies, shortages of gas or force majeure causes, the Company reserves the right to curtail the Maximum Daily Firm Requirement of customer, without incurring any liability for any loss or damage that may be sustained by the customer by reason of any such interruptions. The Company will, however, adjust the applicable monthly Maximum Daily Firm Requirement charge, on a pro rata basis, for any curtailment in such Maximum Daily Firm Requirement except for instances where such curtailment is the result of failure by supplier to deliver its contractual commitment to the Company because of a gas supply shortage. Such adjustment shall be made by crediting the customer's applicable monthly bill with an amount equal to the appropriate unit monthly Daily Purchased Gas Demand charge per thm divided by the number of days in the billing month times the quantity of gas represented by the difference between the Maximum Daily Firm Requirement and the quantity of gas actually delivered on those days during the billing month when deliveries were curtailed below the Customer's Maximum Daily Firm Requirement. (C)

2. The Company reserves the right to require any customer requesting service under this rate schedule to install, as a condition of service under this Rate Schedule, a daily demand reading meter 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) Indicates Change

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FOR FUTURE USE