



## **GAS SERVICE TARIFF**

### **TERMS, CONDITIONS AND RATE SCHEDULES**

(This Gas Service Tariff supersedes P.S.C. Md. No. 8 together with all supplements)

December 1, 2009

Easton Utilities  
201 N. Washington Street  
Easton, MD 21601  
(410) 822-6110

Issued: December 1, 2009	Signed: Hugh E. Grunden
Effective: December 1, 2009	Title: President & CEO

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# Gas Service Tariff

The Gas Service Tariff is supplementary to the “Regulations Governing Service Supplied by Gas Companies” of the Maryland Public Service Commission, and comprises the Terms, Conditions and Rates under which gas service will be supplied to its Customers by the Easton Utilities Commission, in three parts as follows:

- I. GENERAL
- II. TERMS AND CONDITIONS
- III. RATES

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PART I – GENERAL

1. Definition of Terms

The words listed below shall have the following meanings when used in this tariff:

**Account** – An account is one metered or un-metered rate or Service Classification which normally has one gas delivery point of service. Each account shall have only one gas supplier providing full gas supply requirements for that account. A premise may have more than one account.

**Applicant** – Any person, corporation or other entity that: (i) desires to receive from the Company natural gas or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining natural gas or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, or (iv) is not yet actually receiving from the Company any service provided for in this Tariff. An Applicant shall become a Customer for purposes of this Tariff only after the Applicant actually starts receiving the applicable service(s) from the Company under this Tariff.

**CCF** - One hundred cubic feet equates to one billing unit.

**COMAR** – Code of Maryland Regulations.

**Commission** – Public Service Commission of Maryland

**Company** – Easton Utilities Commission d/b/a Easton Utilities

**Contribution in Aid of Construction** – An amount of money provided to the Company by a Customer that is sufficient to allow the Company to earn a rate of return on its capital investment in gas main and Service line investment.

**Customer** – Any adult person, partnership, association, corporation, or other entity: (i) in whose name an account is listed, (ii) who occupies or is the ratepayer for a premises, building, structure, etc., and (iii) who is primarily responsible for payment of bills. Multiple premises or sites under the same name are considered multiple Customers.

**Customer Charge** – A charge designed to recover the costs the Company incurs for providing such services as metering, reading the meter(s), providing dedicated service and billing the Customer's account.

**Designee** – Any adult person, partnership, association, corporation or other entity who is authorized by the Customer to receive gas meter and billing data.

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PART I - GENERAL – (continued)

**Distribution Facilities** – Natural gas facilities owned by the Company that are used to deliver natural gas to Customers, through and including the gas meter outlet union or flange. This includes natural gas mains, regulators stations, valves and gas Services.

**Extension** – Portion of the Company’s natural gas distribution system from the Company’s existing natural gas system to the Service tap location required to provide service.

**Premises** – A premises is one contiguous property or site which normally has one delivery point of Service and one or more metered service classes, each of which is an Account, that when totaled equals the entire natural gas used at that one premises or site. Multiple premises or sites under the same name are considered multiple Customers.

**Residence** – Applicable to one-family residences or one-family apartments within the Company’s territory for gas service.

**Service** – Portion of the Company’s natural gas distribution system from the gas main to the gas meter.

**Service Classification** – Service is classified as one of the following rate schedules offered by the Company: Residential Service; Commercial Service; or Large Commercial & Industrial Service.

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PART I – GENERAL (continued)

2. Filings and Postings

A copy of this Tariff is on file with the Public Service Commission of Maryland and is posted and open to inspection in the offices of the Company.

3. Application to Contracts

The Tariff is part of every contract for service. The benefits and obligations of the contract inure to and are binding upon the successors, personal representatives and assigns of the parties thereto for the full term of the contract. The contract shall not be assigned by the Customer without prior written consent of the Company. Whether or not a written contract is executed, the applicant by accepting gas service is bound by the applicable rate schedule and these Terms and Conditions as they may be amended from time to time.

4. Revisions

This Tariff may be revised, amended, supplemented or otherwise changed from time to time, in accordance with rules and procedures of the Commission.

5. Statement of Agents

No representative of the Company has authority to modify any rule or provision of this Tariff, or to bind the Company by any promise or statement contrary thereto, unless the same shall be incorporated in a written contract.

6. Rules and Regulations

The Rules and Regulations are a part of every contract for service and govern all classes of service unless otherwise specifically stated by a Service Classification.

7. No Prejudice of Rights

The failure by the Company to enforce, or the decision not to enforce, any of the provisions of this Tariff shall not be deemed a waiver of the right to do so.

8. Gratuities to Employees

The Company's employees are strictly forbidden to demand or accept any personal compensation, or gifts, for service rendered.

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PART I – GENERAL (continued)

9. Resolution of Disputes

When an Applicant or Customer has an issue to resolve with the Company, they should first contact the Company to resolve the issue. The Company and the Applicant or Customer shall use good faith and reasonable efforts to informally resolve the issue. An Applicant or Customer who wishes to file a formal complaint to resolve a dispute involving the Company may do so through the use of the procedures of the Commission.

10. Company's Disclaimer of Liability

10.1. Uninterrupted Supply

The Company does not guarantee continuous uninterrupted gas service and shall not be liable for any loss, damage or expense to any person occasioned by any change in interruption and/or resumption of the Company's gas service due to any cause beyond the reasonable control of the Company. The Company shall not be liable to Customers, their directors, officers, employees, agents, or contractors, for any loss, cost damage, expense, or any other liability (all of which shall be considered "Damages") regardless of whether such Damages are considered direct, indirect, incidental, special, consequential, exemplary or punitive Damages or to arise in contract or in tort, or any other cause of action, except as caused by the gross negligence or willful misconduct of the Company and only to the extent caused by the Company.

10.2 Company Liability

The Company shall not be liable for any delay of performance, failure to perform or failure of equipment for any cause other than the gross negligence or willful misconduct of the Company, and shall not be liable for Damages from causes beyond its reasonable control including but not limited to: Acts of God, storm, fire, flood, lightning, explosion or other catastrophes; any law, order, regulation, direction, action or request of the United States government or of any other government, including state and local governments having or claiming jurisdiction over the Company; acts or omissions of other entities, preemption of existing service in compliance with national emergencies; insurrections; wars; riots; unavailability of rights-of-way or materials, or strikes, lockouts, work stoppages or other labor difficulties.

The Company shall not be liable for any act or omission of any entity furnishing the Company or the Company's Customers goods, services, equipment or other products to be delivered through the Company's facilities or to be used in conjunction with goods, services, equipment of other products furnished by the Company.

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PART I – GENERAL (continued)

The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.

10.3 Notice of Trouble

The Customer shall notify the Company promptly of any defect in service or of any trouble or irregularity in their gas supply.

10.4 Prearrange Interruption of Service

Whenever it is necessary to interrupt gas service to work on mains or other facilities, such work shall be done, to the extent practical, at a time that will cause the least inconvenience to the Customer. The Customer(s) to be affected shall, if practical, be notified in advance of such interruptions.

11. Characteristics of Supply

11.1 Heating Value

The heating value of the gas supplied will vary from time to time due to changes in the composition of the Company's sendout. The composition of the gas sendout may consist of natural gas, liquefied natural gas, propane-air gas and synthetic gas in varying proportions depending on the gas supply situation at any given time. The normal range of heating value will be from 1000 to 1200 Btu per cubic foot of gas.

11.2 Delivery Pressure

Standard delivery pressure to the Customer is at low pressure. Where gas is supplied, measurement is by a meter which may be equipped with a base pressure corrector and/or a base temperature corrector. The metering may be continuously, automatically and uniformly corrected from an atmospheric pressure of 14.7 pounds per square inch absolute, and the temperature may be corrected to a base temperature of 60° F.

12. Refusal or Discontinuance of Supply

Upon the Customer's failure to comply with any of the provisions of the Tariff, or of the Commission's rules governing Reasons for Denying Service, or if the Customer has not paid or made reasonable arrangements to pay any outstanding bill or undisputed portion of a bill, the Company may refuse or discontinue service and remove its property without being held liable to the Customer, or to tenants or occupants of the premises served for any loss, cost damage or expense, caused by such refusal, discontinuance or removal.

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PART II – TERMS AND CONDITIONS

SECTION I - APPLICATION AND CONTRACT FOR SERVICE

1.1 Application for Service

A written application for service is required from each Customer. This application, when executed by the Company, constitutes the contract between the Company and the Customer, subject to the terms of the applicable Service Classification, and these Terms and Conditions. Charges for service shall begin at the time service is made available to the Customer.

1.2 Right to Reject Application

The Company may reject any application for service if the Applicant does not meet all the requirements of the Terms and Conditions of this Tariff. The Applicant shall be given the reason or reasons for rejection of the application for service in writing if requested.

1.3 Single Point of Delivery

The Service Classifications of this Tariff, unless otherwise stated, are based upon the service to a single metering point. The Company shall provide only one metering installation for each class of service. The point of delivery of gas to a Customer shall be the inlet side of the gas meter connection at which point the title to the gas shall pass to the Customer. The use of service at two or more separate properties shall not be combined for billing purposes.

The Company reserves the right to deliver service to more than one point where the Customer's load or service requirements necessitate such delivery. This procedure is applicable to non-residential Customers having extensive operations in a contiguous area. Where the Customer desires an extra delivery point, the Customer shall pay the estimated costs of the additional facilities, including any applicable taxes associated with Contribution in Aid of Construction or otherwise.

1.4 Service at New Locations

Service at new locations shall be rendered only when all bills for service to the Customer at any other locations have been paid, or credit arrangements satisfactory to the Company have been made.

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PART II – TERMS AND CONDITIONS  
SECTION 1- APPLICATION AND CONTRACT FOR SERVICE (continued)

1.5 Distribution of Customer's Metered and Billing Data

Upon the Customer's request, the Company will provide one year of Customer's historical gas metered and billing data to the Customer or its designee at no charge. Requests for broader information may be provided at actual cost.

1.6 Service Contracts

Standard contracts shall be for terms as specified in the applicable Service Classification. Where large or special investment is necessary or where Service is to be used for temporary, or unusual purposes, contracts for terms other than specified in the Service Classification, or with special guarantees of revenue, or both, may be required. The size of any required Contribution in Aid of Construction shall include all applicable taxes.

1.7 Rights-of-Way/Permits

1.7.1 General

The Applicant requesting natural gas service shall furnish, without expense to the Company, suitable rights-of-way or permits in a form approved by the Company for the installation of facilities on, over, under and across the premises of the Applicant for the purpose of providing gas service to the Applicant and to the premises and other users in the vicinity.

If it is necessary to acquire such rights or permits from others, such as abutting property owners, lessors, railroads, etc., in order for the Company to serve the Applicant, then the Applicant shall be responsible for obtaining such rights or permits as the Company deems necessary.

Where, due to the nature of the property to be served, the Company finds that the exact boundaries are of critical importance, the Applicant shall locate and mark such boundaries by an approved method and to the reasonable satisfaction of the Company.

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PART II – TERMS AND CONDITIONS

SECTION 1- APPLICATION AND CONTRACT FOR SERVICE (continued)

The Applicant shall be responsible for clearing all trees, tree stumps and other obstructions from the construction area as designated by the Company, said clearing to be completed in reasonable time to meet service requirements. The Company shall be responsible for any additional tree trimming that may be required for the clearance and safety of its facilities.

The construction area as designated by the Company shall be graded to within six (6) inches of final grade before the Company will commence construction. Grade stakes shall be provided within ten (10) feet of any planned on-grade gas facility equipment.

If subsequent to construction start-up, the Company is required to relocate or adjust any of its installed facilities due to change in grade, adjustments of property lines or change in plans, the cost of such relocation, including any applicable taxes associated with Contributions in Aid of Construction or otherwise, shall be borne by the Applicant, its successors or assigns.

The Company shall construct, own, operate, and maintain underground distribution lines only along public streets, roads, and highways which the Company has the legal right to occupy, and on public lands and private property across which rights-of-way and easements satisfactory to the Company may be obtained within a reasonable time and without cost or condemnation by the Company.

The Company is not responsible for damages to Customer owned facilities located in any rights-of-way.

The Company is not responsible for any underground facilities not located under the Miss Utility Law.

1.7.2 Required Property Information

The Applicant shall furnish in a format acceptable to and required by the Company, at no charge to the Company, property plats, utility plans, grading plans, roadway profiles, property line stakes, grade stakes and other items showing details of proposed construction. This information is required in reasonable time to allow the Company to design and construct its facilities in a safe and efficient manner to meet service

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PART II – TERMS AND CONDITIONS

SECTION 1- APPLICATION AND CONTRACT FOR SERVICE (continued)

requirements and to comply with applicable laws, company standards, codes, and rules and regulations. The Customer shall physically mark or have marked the horizontal location of any non-utility or private lines (i.e. lawn sprinklers, private water or sewer services, dog fences, etc) within 18 inches of the non-utility line on the ground by means of stakes, paint or other suitable means prior to any notice of construction or maintenance activities on the Customer's property. The cost of repair or replacement of any non-utility of private lines not marked will be the Customer's responsibility.

1.8 Hazardous Conditions

The Applicant shall notify the Company of any hazardous conditions which employees may encounter on the Customer's property while installing or maintaining service. Where hazardous conditions exist which may impact the welfare of Company employees, the Company reserves the right to withhold service or require the Applicant to provide a non-hazardous route for necessary service facilities. The Applicant shall be responsible for all estimated costs required of the Company to meet applicable environmental or other hazardous condition laws required of our employees specifically for installation of the Applicant's service.

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PART II - TERMS AND CONDITIONS

SECTION 2 – CUSTOMER’S DEPOSIT

2.1 Customer’s Deposit to Guarantee Payment of Final Bills

The Company may require a cash deposit from an Applicant or an existing Customer for each account until satisfactory credit is established in accordance with the Code of Maryland Regulations to guarantee payment of final bills for service rendered. The Company reserves the right to hold either an aggregate deposit for all deposits for all accounts for a single Customer or multiple deposits for separate accounts for a single Customer. Where the Company holds more than one deposit for separate accounts for the same Customer, the Company shall administer each deposit individually. Such deposit shall not be more in amount than two-twelfths (2/12) of the estimated annual applicable revenue or as may be reasonably required by the Company in cases involving a service for short periods. Service may be denied or terminated for failure to pay a deposit when requested. Deposits shall not be applied against current delinquent bills.

Required deposits may be deferred at the Customer’s request to the first month’s bill or may be paid in installments over three (3) consecutive monthly billing periods. Customers with a prior unpaid balance may be required to pay the full deposit prior to establishing new service.

Simple interest on deposits at a rate established annually by the Public Service Commission of Maryland shall be applied annually as a credit to the Customer’s account. The deposit shall cease to draw interest on the date it is returned, on the date service is terminated or on the date notice is sent to the Customer’s last known address that the deposit is no longer required.

Deposits may be refunded after one (1) year for Residential deposits and after four (4) years for Non-Residential deposits and after satisfactory credit has been established. Satisfactory credit for Residential deposits is defined as payment of the last twelve (12) consecutive monthly bills without more than two past due bills and without an outstanding unpaid previous balance. Satisfactory credit for Non-Residential deposits is defined as payment of the twenty-four (24) consecutive monthly bills.

All deposits shall be collected and administered pursuant to the requirements set forth in COMAR.

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PART II - TERMS AND CONDITIONS

SECTION 3 - PAYMENT TERMS

3.1 Billing Period

The rates are stated on a monthly basis and bills are rendered monthly following the supply of service based on gas meter readings to the nearest 100 or 1,000 cubic feet, scheduled at approximate monthly intervals of 28 to 34 days.

3.2 When Bills are Payable

All bills are due and payable upon presentation.

3.3 Estimated Bills

When the Company's meter reader is unable at any regular reading date to read the Customer's meter, the Company may estimate the Customer's gas usage and render an estimated bill.

3.4 Returned Checks

Checks received in payment of any bills or charges rendered which are returned to the Company unpaid by the Customer's bank, shall result in an additional charge of twenty-five (\$25) per check per occurrence, which charge shall be levied against the Customer's account. Proper notice of the returned check and the charge shall be mailed to the Customer by first-class mail.

3.5 Late Payment Charge

Bills are due and payable upon presentation. If payment is not received by the Company prior to the next scheduled meter reading date, a late payment charge of one and one-half percent (1-1/2%) of the unpaid balance, less applicable taxes and environmental surcharge shall be added to the next billing unless prohibited by law. The total late payment charge for any original balance shall not exceed five percent (5%).

3.6 Installment Payments

Any Customer may request an installment payment agreement as an optional means for payment of service delinquent charges and to avoid service termination resulting from those delinquent charges. An installment payment agreement constitutes a contract between the Customer and the Company, which guarantees payment by the Customer for the amount of the agreement over the specified period. Installment payment agreements shall be made through an authorized Company representative. All requests for installment payment agreements are subject to Company approval and the Company may require these agreements to be signed by the Customer and by a Company-authorized employee. A service charge of one and one half percent (1-1/2%) per month shall be applied on the unpaid balance due under this agreement. The balance amount of the agreement is

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not subject to the provisions of the late payment charge. Failure of the Customer to meet the conditions of this installment payment agreement including prompt payment of the current bill shall constitute a breach of this agreement and entitle the Company to pursue collection and termination procedures pursuant to the applicable rules and regulations of the Public Service Commission of Maryland.

3.7 Budget Billing

Budget billing provides a payment plan which allows Customers to levelize their monthly bills. The Budget Billing Plan is available to all Residential "R" and Commercial "C" Service. Commercial Customers may be initially placed on the plan only in the billing months of April, May, October and November. Any such qualifying Customer who does not have a delinquent service balance outstanding may elect to be placed on budget billing. Under this plan, the Customer shall be billed for eleven (11) months on an estimated budget amount basis with the twelfth month as the settlement month. The billing for the settlement month shall consist of the difference between the actual amount due to date and the budget amount paid to date.

3.8 Dispute Procedures

In the case of a dispute, the Customer shall inform the Company, either orally or in writing, of the grounds for dispute and the portion of the bill reasonably disputed. The Company will promptly investigate the circumstances of the dispute. Late charges will not be assessed on the disputed portion of the Customer's bill. Service will not be terminated for non-payment if the non-disputed portion is paid pending investigation. Customer complaints and billing issues that are not satisfactorily resolved may be presented by the Customer to:

Maryland Public Service Commission  
Consumer Assistance  
Office of External Relations  
Wm. Donald Schaefer Tower  
6 St. Paul Street  
Baltimore, MD 21206-6806

410-767-8028 (Office of External Relations)  
1-800-492-0474 (toll-free within Maryland)  
410-767-8000 (main PSC number)

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PART II - TERMS AND CONDITIONS

SECTION 4 – CUSTOMER’S INSTALLATION

4.1 Description of Installation

The Customer shall, before installing any gas burning equipment, notify the Company as to the devices which are going to be attached to the Company’s lines, giving the location of the proposed installation so the Company may advise the Customer of the character of service the Company shall furnish and the point at which the service shall be connected and metered.

In those cases where the Company deems it necessary, the Customer shall present in writing complete specifications of equipment, loads, location plans, piping, regulators and other data required.

4.2 Customer’s Equipment

Gas piping, fixtures and appliances on the Customer’s premises must be installed at the expense of the Customer or owner of the property.

The Company may delay the construction of an extension and/or service until the Applicant has completed the piping and installation necessary to receive and use service.

4.3 Inspection

All gas piping and equipment, or changes in piping and equipment, shall conform to the standards of the National Fuel Gas Code and those of local public authorities in force at the time.

The Company shall render service only after receipt by the Company of approval and or inspection and pressure test data issued by the licensed contractor or local jurisdictional entity.

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PART II - TERMS AND CONDITIONS

SECTION 5 - SERVICE INSTALLATIONS

5.1 General

Service, as used in this section, refers to the service piping and associated materials between the Company's gas main system and the point of connection with the Applicant's gas line. The Company's system facility from which the service is installed may be on public or private right-of-way. Service shall be designed and constructed with good engineering practices.

The Company shall install, own and maintain services under the terms and conditions herein enumerated, to the point of connection with the Applicant's gas line. Such point shall generally be near the corner of the building nearest the point at which the gas service exits the gas meter. Any modifications requested by the Applicant must be approved by the Company and any additional costs resulting there from shall be borne by the Applicant. Service shall not be installed or connected unless specifically requested by the Applicant and until satisfactory or credit arrangements are made if required by the Company.

5.2 Service Installations

Where the Applicant's request for Service does not warrant the expenditure required to serve it, the Company will determine from the circumstances in each case what guarantees of revenue or what financing shall be required of the Applicant.

5.3 Relocation of Service

Company owned residential Service facilities shall be relocated to a point of Company convenience at Company expense in order to correct or prevent a violation of applicable codes where such action requires no increase in the overall length of Service piping.

In the Company's opinion, when such relocation or portion of such relocation is deemed to benefit the Customer, the resulting cost will be prorated between the Company and the Customer accordingly.

In all other cases where the Customer requests relocation, or takes action which requires relocation of gas Service piping and/or meters and pressure regulators, the entire cost of such relocation shall be paid by the Customer.

In the event the Company shall be required by any public authority to relocate any portion of the Company's gas system, the Customer, at the Customer's expense, shall make the necessary changes in the location of the Customer's facilities to accommodate such changes.

Issued: December 1, 2009	Signed: Hugh E. Grunden
Effective: December 1, 2009	Title: President & CEO

PART II - TERMS AND CONDITIONS

SECTION 6 - METER INSTALLATIONS

6.1 Meters Supplied by the Company

The Company shall normally furnish, install, maintain and own one (1) set of gas metering equipment for measurement of the service for each contract.

6.2 Meter Location

The Customer shall provide, without charge, a suitable place for the meters, pressure regulators or other equipment of the Company. Such place shall be of convenient access to the Company's personnel and in accordance with the latest edition of National Fuel Gas Code 54. The location of the meter shall be as near as possible to the point where the supply piping enters the Customer's building and is acceptable to the Company. Meter connections shall not be concealed by plaster, sheaving or any other means. All meter locations are subject to inspection and require periodic access to satisfy meter reading and equipment maintenance requirements.

Where multiple meters are required, each meter position shall be clearly and visibly marked so that each position is identified as to the location to which service is being supplied. Meters shall not be installed by the Company until this has been accomplished.

6.3 Right to Remove Company's Property

All meters, pressure regulators and other equipment supplied by the Company shall remain its property. The Company shall have the right to remove all its property from the premises of the Customer at any time after the termination of service, whatever may have been the reason for such termination.

6.4 Periodic Test Schedule

The Company shall test its gas meters in accordance with a periodic test schedule acceptable to the Commission and COMAR. Meter tests performed at the request of a Customer shall be made in accordance with COMAR.

6.5 Metering

The quantity of gas billed shall be volume measured by the Company's meter, calibrated at or compensated to standard temperature (60°F) and barometric pressure (14.73 psia) conditions.

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PART II - TERMS AND CONDITIONS

SECTION 6 - METER INSTALLATIONS

6.6 Special Service Conditions

Where the Applicant requests the Company, and the Company agrees, to install facilities which are more costly than those normally furnished, the Applicant will be charged the difference in cost.

The Applicant shall be responsible to provide a service path, clear of all obstacles for the installation and maintenance of facilities. The path shall be identified by a method approved by the Company. Where the Applicant, by virtue of site conditions, causes a more costly than normal installation or maintenance, the Applicant will be charged the difference in cost.

Where environmental or other hazardous conditions require special work practices to comply with applicable rules or laws, the Company reserves the right to withhold service until a clear non-hazardous access can be provided or to charge the Applicant the additional costs.

Service lines shall not be installed inside or under Applicant's residence or building. Where residential or building extensions have inadvertently covered existing services, Applicant will be charged for immediate relocation as maintenance is required.

When replacement or repair of privately owned services is necessary, the Company may, if agreed to by the Customer, make the necessary repairs or replacements. The Customer shall be charged for all costs by the Company.

6.7 Remote Reading Devices

The Company, at its discretion or upon request from a Customer may install remote reading devices, subject to availability. Remote reading devices shall be owned, installed and maintained by the Company. When requested by the Customer and approved by the Company, such installation may be made at cost payable by the Customer. The location of the remote reading device shall be subject to Company approval.

A periodic verification reading must be taken on the meter and the remote reading device. The company shall notify the Customer when the periodic verification is required. The Company shall determine the frequency of verification required based on the technical characteristics of the installed equipment and its in service performance. Service shall be subject to disconnection if the Customer fails to make arrangements with the Company for a verification reading within 60 days after written notice is provided. In cases of dispute, the Company's meter shall be used as the final determinant in measuring consumption and in all cases shall take precedence over any reading or remote reading device.

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6.8 **Unscheduled Meter Reading**

Notwithstanding billing disputes, when a Customer requests an unscheduled meter reading date, the Customer shall be charged twenty-five dollars (\$25) per meter for that special meter reading service per occurrence. This special meter reading service shall be for data collection or informational purposes only. This service shall not be used to change the Customer's regular scheduled billing, unless it is agreed to by the Company, at the Company's sole discretion, and at the Customer's additional expense.

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PART II - TERMS AND CONDITIONS

SECTION 7 – ADJUSTMENT OF CHARGES

7.1 Fast Meters

Whenever a gas meter is tested and found to have over registered more than 2%, the Company shall recalculate the bills for service in accordance with COMAR.

7.2 Slow Meters

Whenever a gas meter is found to be more than 2% slow, the Company may bill the Customer in accordance with COMAR.

7.3 Non-Registering Meters

Whenever a gas meter is found not to have registered, the Company may render an estimated bill in accordance with COMAR.

7.4 Request Tests

Upon request by a Customer and at no charge, the Company shall make a test of accuracy of registration of the meter serving the Customer, provided that these tests need not be made more frequently than once in eighteen (18) months. If tests of meters at the Customer's request are performed more frequently than once in eighteen (18) months, the Company shall charge the Customer thirty dollars (\$30) for testing. No charge shall be made for testing meters which upon test are found to exceed the allowable accuracy limits as defined in this section. The Customer, or its representative, may be present when the Customer's meter is tested. A written report of the test shall be mailed to the Customer within ten (10) business days after the completion of the test.

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PART II - TERMS AND CONDITIONS

SECTION 8 – CUSTOMER’S USE OF SERVICE

8.1 Precautions to be Taken by the Customer

The responsibility of detection of defects and leaks on the Customer’s premises and in the Customer-owned service line, is upon the Customer; defects among other things shall mean failure or deficiency of gas, irregular supply, leakage and excessive pressure. In cases of detection of a leak within a Customer’s premises, the Customer shall immediately notify the Company and follow the directions of the Company, so that the existing conditions can be responded to in a prompt and proper manner. When gas has been shut off because of a leak in the Customer’s house lines or fixtures or other hazardous conditions of service, it shall not be unlocked and turned on until such leak or hazardous conditions have been repaired and made safe by either a licensed and competent plumber, heating contractor or pipe fitter.

8.2 Wastage of Gas

A Customer shall take due care to prevent the waste of gas. If wastage of gas is caused by the Company’s negligence, the Company will issue a credit for all gas wasted. If the wastage occurred through no fault of the Company, no credit will be issued.

8.3 Resale Forbidden

The Customer shall not directly or indirectly sell, sublet, assign or otherwise dispose of natural gas provided by the Company or any part thereof except as authorized by COMAR.

8.4 Use Other Than Stated in Contract

The Company’s service shall not be used for any purpose or in any place other than that stipulated in the Company’s contract for Service except by written consent of the Company.

8.5 Change of Installation

The Customer shall give immediate written notice to the Company of any proposed substantial increase or decrease in, or change of purpose, design characteristics (including but not limited to pressure, flow rate and gas quality) or location of the Customer’s installation. The service connection, meters and equipment supplied by the Company for each Customer have a definite design characteristics and no modifications or additions to the equipment or load connected thereto shall be permitted except by written consent of the Company. Failure to give notice of such modifications shall render the Customer liable for any damage to the meters or their auxiliary apparatus caused by the additional or changed installation. Regardless of whether the Customer’s

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PART II - TERMS AND CONDITIONS

SECTION 8 – CUSTOMER’S USE OF SERVICE (continued)

modifications are consistent or inconsistent with the service provided, the Company shall be under no obligation to modify its equipment.

8.6 Fluctuations

Gas service must not be used in such a manner as to cause unusual fluctuations or disturbances in the Company’s supply system, and in the case of such a condition caused by the Customer, the Company may discontinue service or require the Customer to modify his installation and/or equipment to prevent such a condition.

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PART II - TERMS AND CONDITIONS

SECTION 9 – DEFECTS IN CUSTOMER’S INSTALLATION

9.1 Company’s Right to Inspect

The Company shall have the right, but shall not be obliged to inspect any installations before gas is introduced or at any later time, and reserves the right to reject any piping or appliances not in accordance with the Company’s requirements. Such inspections, or failure to inspect, or to reject, shall not render the Company liable or responsible for any loss or damage resulting from defects in the installation, piping or appliances, or from violation of the Company’s rules, or from accidents which may occur upon the premises of the Customer.

9.2 Defective Installations

If at any time the piping and appliances of the Customer are found to be defective or dangerous by the Company’s representative or by the local public authorities, service may be refused or discontinued until the Customer has the condition corrected.

9.3 Customer’s Responsibility

The Company assumes no responsibility for any damages done by or resulting from any defect in the piping or appliances of the Customer. In the event of any loss or damage to the property of the Company, or any accident or injury to persons or property is caused by or results from the negligence or wrongful act of the Customer, his agents, or employees, the cost of the necessary repairs or replacement shall be paid by the Customer to the Company and any liability otherwise resulting shall be assumed by the Customer.

9.4 Company Liability

The Company shall not be liable for damage resulting from the presence of gas or the Company’s equipment on the Customer’s premises, or from the use of the service of the Company by the Customer.

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PART II - TERMS AND CONDITIONS

SECTION 10 – ACCESS TO PREMISES

10.1 Access to Premises

The authorized agents or representatives of the Company having the proper Company identification shall have access at all reasonable times to the premises of the Customer for the purpose of reading the Company's meters, connecting and disconnecting service, operating, testing, inspecting, repairing, maintaining, removing or replacing any or all of the Company's apparatus used in connection with the delivery of gas. If the Company's meters or other equipment are located on the premises of someone other than the Customer, the Customer shall be responsible to arrange for access thereto by Company agents or representatives.

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PART II - TERMS AND CONDITIONS

SECTION 11 – TAMPERING WITH COMPANY’S PROPERTY

11.1 Tampering Expressly Forbidden

No person except a duly authorized representative of the Company shall make any connection or disconnection, either temporary or permanent at any point on the Company’s distribution system up to the outlet of the Company’s meter on the Customer’s premises, or set, change, remove or interfere with the Company’s meter, pressure regulator, tracer wire, cathodic protections system or other equipment.

11.2 Liability for Tampering

In the event of the Company’s meters or other property being tampered or interfered with, the Customer being supplied through such equipment or other responsible party shall pay the amount which the Company may estimate is due for service used but not registered on the Company’s meter and for the costs of any repairs, replacements required, investigations, inspections, costs of prosecution including legal fees, installation of any protective equipment and any other changes in the Customer’s installation as may be required by the Company. The other responsible party shall be the party who either tampered with or caused the tampering with a meter or other equipment. The Customer being supplied through such equipment or the other responsible party shall also be responsible for paying all costs associated with the tampering investigation, including, but not limited to field and office work.

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PART II - TERMS AND CONDITIONS

SECTION 12 – COMPANY’S RIGHT TO DISCONTINUE SERVICE

12.1 Right to Discontinue Service

The Company reserves the right to discontinue the service for any of the following reasons.

12.1.1 Without Prior Notice

- a. Unavoidable shortage or interruptions in Company’s source of supply or other cases of emergency.
- b. Whenever a hazardous condition is found to exist on the Customer’s premises.
- c. Interference or tampering with meters or Company equipment or diversion of service.
- d. Whenever environmental or other hazardous conditions would expose Company employees to undue risk.
- e. Exceeding the limits of gas supply specified on the Application for Service without the required notice.

12.1.2 With Prior Notice

- a. Failure to remedy conditions having detrimental effect on Company equipment or on the service of others.
- b. Non-payment of any bill for gas service which is greater than \$50 if the security deposit is less than the total owed.
- c. Non-payment of any bill for gas service which is less than \$50 and has been outstanding for 2 months or longer.
- d. Violation of or noncompliance with these Rules and Regulations or the effective Service Classification or Contract. The Company may refuse to provide any service until the Customer has corrected the conditions constituting such violation or noncompliance.
- e. Failure to pay a deposit as requested.

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PART II - TERMS AND CONDITIONS

SECTION 12 – COMPANY’S RIGHT TO DISCONTINUE SERVICE (continued)

- f. Misrepresentation of or failure to disclose any material fact in an apparent attempt to defraud the Company or to avoid payment of any outstanding bill for service rendered.
- g. Refusal to grant access, during reasonable working hours, for maintenance, meter reading or removal of equipment, inspection or replacement of equipment.
- h. Failure to pay Service installation charges.
- i. For providing a false name or social security number or for failing to disclose, upon request, that past services have been received and not paid for under a different name or social security number.
- j. Withdrawal or termination of the proper permits, certification or rights-of-way.

12.1.3 Notice

The notice provided for in Section 12.1.2 shall consist of not less than fourteen (14) days’ notice sent by first class prepaid mail deposited in a United States mailbox and addressed to the Customer at his last known mailing address appearing on the records of the Company. The notice shall conform with the requirements of the Code of Maryland Regulations.

12.2 Reconnection Charge

Service disconnected by the Company for any reason set forth in Section 12.1 shall be restored only on payment of the appropriate reconnection charge stated below in addition to the previous balance due under the Customer’s contract.

Any Customer whose service has been disconnected may be required to post a deposit in order to have service reconnected.

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PART II - TERMS AND CONDITIONS

SECTION 12 – COMPANY’S RIGHT TO DISCONTINUE SERVICE (continued)

Time of Reconnection

Reconnection Charge

8 a.m. to 4:00 p.m.	Mon – Fri., excluding Company Holidays	\$35
4:00 p.m. to 11:00 p.m.	Mon- Fri., Weekends & Company Holidays	\$45
11 p.m. to 8 a.m.	Any Day	No reconnections performed

Disconnection

At location other than meter	\$70
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12.3 Collection of Payments at the Premises

At the Company’s option, the Customer may avoid service termination for non-payment of bills by making payment of the past due balance due to a Company representative at the premises.

In addition to payment of the past due balance, there shall be a fee of \$35 per trip to the premises for collection of payments.

Installment payments or any other agreements shall be made through an authorized Company representative.

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PART II - TERMS AND CONDITIONS

SECTION 13 – DISCONTINUANCE OF SERVICE BY CUSTOMER

13.1 Notice to Discontinue

The Customer must give the Company at least five (5) days written notice to discontinue service unless otherwise agreed upon and shall be liable for service taken until the meter has been disconnected or read. Such notice prior to the expiration of a contract term shall not relieve the Customer from any minimum or guaranteed payment under any contract or Service Classification.

13.2 Completion of Term

If, by reason of any act, neglect or default of a Customer or its agent, the Company's service is suspended, or the Company is prevented from providing service in accordance with the terms of any contract it may have entered into, the minimum charge for the unexpired portion of the contract term shall become due and payable immediately as liquidated damages in lieu of the anticipated returns from the said contract.

13.3 Final Bill

The final bill for service shall be based on an actual meter reading, unless the Company cannot gain access to the premises, and is due and payable when rendered.

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Effective: December 1, 2009	Title: President & CEO

PART II - TERMS AND CONDITIONS

SECTION 14 – EXTENSIONS

14.1 General

Extensions to the Company's natural gas system shall be provided, owned and maintained under the terms and conditions herein enumerated.

Extensions, as used in this section, refer to gas mains and associated materials that must be constructed along public streets, roads and highways, or on private property from the Company's existing gas system to the service.

Extensions shall be designed according to accepted industry practices to provide adequate service and shall be installed in accordance with the rules and regulations of the Public Service Commission of Maryland, and shall be designed with sufficient capacity and suitable materials which, in the Company's judgment, shall assure that the Applicant, or Customer, shall receive safe, adequate and reasonable gas service for the foreseeable future. Modifications to the Company's design, requested by the Applicant, shall be made when such modifications are acceptable to the Company in its sole judgment.

Where the Applicant requests the Company to install facilities which are more costly than those proposed to be furnished by the Company, the Applicant shall pay the Company the difference in cost between the requested installation and that deemed necessary by the Company.

14.1.1 Company Ownership

The Company shall provide, own and maintain gas main extensions. The estimated cost of an extension shall include all direct and related work performed by the Company or its subcontractors to make service available in accordance with good engineering practices. The estimated installed cost shall be derived from the Company's recent costs for extensions of various lengths and pipe sizes under substantially similar conditions. The estimated cost of an approach main or main for the supply of service includes the cost of additions to existing mains necessary to provide adequate supply of gas from the nearest point or points.

14.1.2 Customers Initially Served

For the purpose of definition, those Customers to be initially served shall be considered as buildings under construction at the time the contract for the extension is signed. As additional facilities are needed to serve additional Customers, the Applicant may be required to make an additional deposit or may receive a refund accordingly.

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PART II - TERMS AND CONDITIONS

SECTION 14 – EXTENSIONS (continued)

14.1.3 Main and Service Extension

When a gas main extension and service are both required to provide service to a non-residential Customer, the Estimated Revenue shall be compared to the total estimated investment of the line extension and service.

14.1.4 Company Maintenance of Private Facilities

Where Customers are served from private facilities, the Company may, upon request, provide maintenance to such facilities with all costs borne by the Customer.

14.2 System Extension Procedure

14.2.1 Application for Extension

Extensions are made when a Customer has made application by completing the appropriate forms and has agreed and signed for service from a proposed extension for which right-of-way, permits and conditions required by the Company's rules and practices have been obtained, and upon full payment of charges for the extension by the Customer.

14.2.2 Extension Contract

Application for service constitutes a contract and permission to install main and service line extensions, or portions thereof, on the owner's property where such extension is solely for his or his tenant's use. Suitable rights-of-way are required for all other extensions, including the right to extend main or service line along and adjacent to thoroughfares and lot lines to adjacent properties. Any subsequent relocation of all or part of such extensions made at the request of any owner or tenant, or required in the opinion of the Company, by any change in structure or other activity of such owner or tenant, shall require payment by him of the Company's charges for such relocation.

14.2.3 Customer Responsibility

The Customer shall be responsible for the preliminary grading of his property to within 6 inches of final grade before the Company commences construction of its extension to meet the Customer's service requirements.

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#### 14.2.4 Extension to Multiple Customers

Where two or more Customers are to be served from a main extension, each Customer shall contract individually with the Company for the appropriate charges, if any, applicable to each.

#### 14.2.5 Company Design of Extensions

The Company provides the design and layout for all extensions. The Applicant shall furnish in a format acceptable to and as required by the Company, at no charge to the Company, property plats, utility plans, grading plans, roadway profiles, property line stakes, grade stakes and other items showing details of proposed construction. This information is required in reasonable time to allow the Company to design and construct its facilities in a safe and efficient manner to meet service requirements and to comply with applicable laws, company standards, codes, and rules and regulations.

#### 14.2.6 Applicant's Responsibility

Each Applicant will cooperate with the Company, in an effort to keep the cost of construction and installation of the underground gas distribution system as low as possible. Additional costs arising from failure of the Applicant to cooperate with the Company, such as his making changes in grade or failing to maintain grade, shall be borne by the Applicant.

### 14.3 Charges for Extensions

#### 14.3.1 Evaluation of Extensions

The extension of the approach main and service line to the meter for residential and commercial Customers is evaluated on the merits of each project's economics. Subject to an economic test, a Contribution in Aid of Construction may be required from the Customer.

#### 14.3.2 Cost of Paving

For existing developed areas the cost of breaking and replacing paving, including sidewalks and lawn repairs, if any, is not included in any economic test and is chargeable to the Customer.

#### 14.3.3 Contribution in Aid of Construction

The Contribution in Aid of Construction for gas main and service line installations shall be paid prior to the commencement of the installation.

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14.3.4 Costs Subject to Repayment by Customer

Notwithstanding any other extension provision, extension of facilities requested by the Customer, and installed by the Company, that are not used as originally indicated by the Customer within 12 months of installation, shall be subject to the repayment by the Customer to the Company. Repayment shall include the Company's entire cost of installation and any applicable estimated costs of removal, less salvage costs, of all facilities initially installed for the supply of such service.

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Effective: December 1, 2009	Title: President & CEO

PART II - TERMS AND CONDITIONS

SECTION 15 – CURTAILMENT POLICY

15.1 Gas Supply Curtailment

In the event it is necessary for the Company to impose curtailment of natural gas supply to its Customers due to a shortage of gas supply deliveries, this plan shall be implemented. A shortage of gas supply shall include but is not limited to a reduction or interruption of natural gas supplies from transmission pipelines that would prevent the Company from providing gas service to all its Customers; the Company's peak day supply of natural gas proves to be insufficient; or the Company experiences a distribution system failure.

The Company may, at its sole discretion, curtail or temporarily discontinue or reduce, without incurring any liability for any subsequent loss or damage which the Customer may sustain by reason of such curtailment or discontinuance of gas supply, gas service to its Customers in the priorities set forth below in inverse order.

When immediate action is required to protect distribution system deliverability and integrity, gas supply to specific areas of the distribution system may be temporarily discontinued resulting in complete curtailment of all Customers within the area.

The Company will curtail Service in the following order, starting with Priority 4:

Priority 1 – Essential Human Needs Customers. This includes all rate schedule “R” Customers, as well as hotels, motels, dormitories, hospitals, nursing homes, plant protection, water and sewer treatment, police and other institutions essential for the public welfare.

Priority 2 – Firm Commercial Service. Rate Schedule “C”

Priority 3 – Firm Large Commercial and Industrial Service. Rate Schedule “LC”

Priority 4 – Interruptible Customers.

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PART II - TERMS AND CONDITIONS

SECTION 16 – PURCHASED GAS CHARGE

16.1 Provision for Charge

The rate for monthly consumption for firm sales of gas set forth in rate schedules “R”, “C”, and “LC” of the Company shall include an amount per CCF herein described which is called the Purchased Gas Charge (PGC).

16.1.1 The cost of purchased gas as used in determination of the PGC shall include, but not be limited to, costs of the following sources of gas including related transportation, storage and handling costs required for delivery to the Company:

- a) Natural gas from pipeline and other suppliers including storage, exchange, transportation service and take-or-pay costs. (FERC Acct. No. 7300000)
- b) Liquefied Natural Gas (LNG) (FERC Acct. No. 7310001)
- c) Liquefied Petroleum Gas (LPG) (FERC Acct. No. 7310002)
- d) Other hydrocarbons distributed to Customers or used as feedstock for production of Substitute Natural Gas (SNG) (FERC Acct. No. 7310003).

16.2 Calculation

The PGC, calculated to the nearest tenth of a cent per CCF, shall be computed monthly. The cost of gas per CCF is determined by dividing the demand costs (D) plus the estimated commodity costs (C) for the next billing month by the projected billable sales (S) for the period. The Actual Cost Adjustment (ACA) and any Supplier Refund Adjustments (SRA) are then applied to the PGC.

$$PGC = ((D+C)/S) + ACA - SRA$$

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Effective: December 1, 2009	Title: President & CEO

PART II - TERMS AND CONDITIONS

SECTION 16 – PURCHASED GAS CHARGE (continued)

16.3 Supplier Refund Adjustment

When a refund is made to the Gas Department by suppliers by reason of a retroactive decrease in rates applied to the gas purchased, appropriate credits, including interest at the rate prescribed by the Commission, will be made to Customers.

16.4 Actual Cost Adjustment

Any difference between the sum of Purchased Gas Charge revenues collected in a billing month and the actual cost of gas in the same month is accumulated for the twelve (12) months ending November 30. The balance so determined shall be applied as a constant credit or debit to the Purchased Gas Charge for a period of twelve (12) months beginning with the succeeding January. The Actual Cost Adjustment to the nearest tenth of a cent per CCF is determined by dividing the twelve (12) month balance by the estimated sales for the twelve (12) months over which the adjustment will apply.

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PART II - TERMS AND CONDITIONS

SECTION 17 – BILLING NORMALIZATION ADJUSTMENT

17.1 Billing Normalization Adjustment

Customers who are part of the Residential “R” and Commercial “C” Service Classifications of the Company shall be billed a rate per CCF herein described which is called the Billing Normalization Adjustment (BNA). This rate shall be calculated to the nearest tenth of a cent per CCF. The Company’s revenue requirement per average customer use per month (authorized base revenues) during the test year, as established in the latest base rate proceeding, shall serve as the basis for the BNA rate calculated each month. The BNA will be calculated separately for the Residential and Commercial rate classes.

The actual base rate revenue collected per average customer for the month is compared to the authorized base rate revenue per average customer per the same month during the test year and any difference is divided by estimated sales for the billing month to arrive at the BNA base rate per CCF to be billed. Any difference between actual and estimated sales is reconciled in the determination of the BNA in a subsequent month. The Actual Billing Adjustment, which is a fixed rate per calendar year as described in Section 17.2 below, shall be included in the BNA. Details of the calculation of the BNA shall be filed quarterly with the Commission.

17.2. Actual Billing Adjustment (ABA)

Any difference between the sum of the BNA revenues collected and the allowed amounts is accumulated for the twelve (12) months ending November 30. This balance shall be included with any over or under-collected amounts from the prior year’s ABA calculation. The balance so determined shall be applied as a credit or debit to the BNA rate beginning with the succeeding January. The ABA to the nearest tenth of a cent per CCF to be billed is determined by dividing the twelve (12) month balance by the estimated sales for the twelve (12) months over which the adjustment will apply. Details of the calculation of the ABA shall be filed annually with the Commission.

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PART III - RATES

RESIDENTIAL SERVICE  
RATE SCHEDULE R

A. Availability

This schedule is available for firm gas service to Customers for domestic purposes by individual meter in a single family dwelling or in an individual apartment. Except as otherwise provided herein, the application of this schedule is subject to the Terms and Conditions of the Company as they may be in effect from time to time, as filed with the Public Service Commission.

B. Rate for Monthly Consumption:	For Bills Rendered on or After	
	<u>December 1, 2009</u>	<u>June 1, 2010</u>
Customer Charge per month, plus:	\$9.30	\$9.65
Distribution Charge cents per CCF:	\$0.3285	\$0.3430

C. Purchased Gas Charge:

The charges specified in this rate shall be subject to an adjustment per CCF for purchased gas costs in accordance with Section 16 of the Terms and Conditions of Service.

D. Billing Normalization:

The charges specified in this rate shall be subject to an adjustment per CCF for billing normalization in accordance with Section 17 of the Terms and Conditions of Service.

E. The Minimum Monthly Bill:

The minimum monthly bill shall be the Customer Charge.

F. Late Payment Charge:

See Section 3.5.

G. Charges for Temporary Discontinuance of Service

Whenever service under this rate schedule has been temporarily discontinued at the request of the Customer, a charge equal to the Customer Charge times the number of months of discontinued service will be made for reestablishing such service.

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COMMERCIAL SERVICE

RATE SCHEDULE C

A. Availability

This schedule is available for firm gas service to Customers for non-domestic purposes whose average monthly consumption is less than 2,000 CCF per month, and supplied through one meter or a battery of meters. Any Customer served under this Service Classification shall remain on this Classification for at least twelve (12) billing months, even though such Customer's average monthly consumption in succeeding months may be 2,000 CCF or more. After such twelve (12) billing months, at the Customer's option, the Customer may be transferred to Service Classification LC provided the Customer has had an average monthly consumption of at least 2,000 CCF per month for the preceding three calendar years. Except as otherwise provided herein, the application of this schedule is subject to the Terms and Conditions of the Company as they may be in effect from time to time, as filed with the Commission. The Company reserves the right to change Service Classification based on actual Customer usage.

B. Rate for Monthly Consumption:

For Bills Rendered on or After

December 1, 2009      June 1, 2010

Customer Charge per month, plus:

\$32.00

\$33.25

Distribution Charge cents per CCF:

\$0.1850

\$0.1958

C. Purchased Gas Charge:

The charges specified in this rate shall be subject to an adjustment per CCF for purchased gas costs in accordance with Section 16 of the Terms and Conditions of Service.

D. Billing Normalization:

The charges specified in this rate shall be subject to an adjustment per CCF for billing normalization in accordance with Section 17 of the Terms and Conditions of Service.

E. Minimum Monthly Bill:

The minimum monthly bill shall be the Customer Charge.

F. Late Payment Charge

See Section 3.5.

G. Charges for Temporary Discontinuance of Service

Whenever service under this rate schedule has been temporarily discontinued at the request of the Customer, a charge equal to the Customer Charge times the number of months of discontinued service will be made for reestablishing such service.

Issued: December 1, 2009	Signed: Hugh E. Grunden
Effective: December 1, 2009	Title: President & CEO

LARGE COMMERCIAL & INDUSTRIAL SERVICE

RATE SCHEDULE LC

A. Availability

This schedule is available for firm gas service to Customers for large commercial and/or industrial purposes whose average monthly consumption is 2,000 CCF or greater, and supplied through one meter or a battery of meters. Any Customer served under this Service Classification shall remain on this Classification for at least twelve (12) billing months, even though such Customer's average monthly consumption in succeeding months may be less than 2,000 CCF. After such twelve (12) billing months, any Customer taking Service under this Service Classification whose average monthly consumption is less than 2,000 CCF per month for the preceding three calendar years will be automatically transferred to Service Classification C effective with the next succeeding billing month. Except as otherwise provided herein, the application of this schedule is subject to the Terms and Conditions of the Company as they may be in effect from time to time, as filed with the Commission. The Company reserves the right to change Service Classification based on actual Customer usage.

B. Rate for Monthly Consumption:	For Bills Rendered on or After	
	<u>December 1, 2009</u>	<u>June 1, 2010</u>
Customer Charge per month, plus:	\$205.00	\$214.00
Distribution Charge:		
First 10,000 CCF cents per CCF:	\$0.1480	\$0.1500
Over 10,000 CCF cents per CCF:	\$0.1050	\$0.1113

C. Purchased Gas Charge:

The charges specified in this rate shall be subject to an adjustment per CCF for increases or decreases in the supplier rates for purchased gas, in accordance with Section 16 of the Terms and Conditions of Service.

D. Billing Normalization:

The charges specified in this rate shall be subject to an adjustment per CCF for billing normalization in accordance with Section 17 of the Terms and Conditions of Service.

E. Total Minimum Monthly Bill:

The minimum monthly bill shall be the Customer Charge.

F. Late Payment Charge

See Section 3.5.

G. Charges for Temporary Discontinuance of Service

Whenever service under this rate schedule has been temporarily discontinued at the request of the Customer, a charge equal to the Customer Charge times the number of months of discontinued service will be made for reestablishing such service.

Issued: December 1, 2009	Signed: Hugh E. Grunden
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