CHATTANOOGA GAS COMPANY

2207 OLAN MILLS DRIVE

CHATTANOOGA, TENNESSEE 37421

TENNESSEE PUBLIC UTILITY COMMISSION NO. 1

GAS TARIFF

Chattanooga Gas

CHATTANOOGA GAS COMPANY
GAS TARIFF
TPUC NO. 1
TENNESSEE PUBLIC UTILITY COMMISSION
TABLE OF CONTENTS

Rate Schedules		Sheet No.
R-1	Residential General Service Original Sheets Nos. 2 through 4 are reserved for future use.	1
R-4	Residential Multi-Family Housing Service Original Sheets Nos. 6 through 9 are reserved for future use.	5
C-1	Small Commercial and Industrial General Service Original Sheets Nos. 11 through 19 are reserved for future use.	10
C-2	Medium Commercial and Industrial General Service Original Sheets Nos. 12 through 19 are reserved for future use.	11
F-1	Commercial and Industrial Large Volume Firm Service Original Sheets Nos. 21 through 24 are reserved for future use.	20
I-1	Commercial and Industrial Interruptible Service Original Sheets Nos. 26 through 29 are reserved for future use.	25
T-1	Interruptible Transportation Service	30
T-2	Interruptible Transportation Service with Firm Gas Supply Backup Sheet 32 reserved for future use .	31
T-3	Low Volume Transport	33
V-1	Commercial and Industrial Natural Gas Vehicle Service	34
V-2	Residential Natural Gas Vehicle Service Original Sheets Nos. 36 reserved for future use.	35
SS-1	Special Service Rate Schedule	37
TPS	Third Party Supplier	38
EDGS-1	Economic Development Gas Service Original Sheets Nos. 40 through 44 are reserved for future use.	39
Residential and Commercial		
BBS-1	Budget Billing Service Original Sheets Nos. 46 through 47 are reserved for future use	45
General		
	Interruptible Margin Credit Rider	48

TABLE OF CONTENTS (Continued)

Weather Normalization Adjustment (WNA) Rider 49

Purchased Gas Adjustment (PGA) Provision 50

Current Level of Applicable Taxes 51

Schedule for Limiting and Curtailing Gas Service 52

Current Level of Purchased Gas Adjustment 53
Original Sheets No. 54 reserved for future use

Current Level of Surcharges and Refund Credits 55

Performance-Based Ratemaking 56

RATE SCHEDULE R-1
Residential General Service

AVAILABILITY

Available for all gas service furnished to single private residences, including the separate private units of apartment houses and other multiple dwellings, actually used for residential purposes, which are separately metered or measured, irrespective of the fact that a person other than the resident: (1) is contractually bound to the Chattanooga Gas Company (Company) for the charges, or (2) actually pays the charges, or (3) is billed for the charges. Use of gas service in hotel or motel units by transient occupants shall not constitute residential use. Gas service under this schedule shall be through a single point of delivery and such gas shall not be resold, directly or indirectly.

MONTHLY BASE RATE

	Winter Net Rate November-April	Summer Net Rate May-October
Customer Base Use Charge	$36.01	$29.71
Commodity Charge	24.950¢ Per Therm	24.950¢ Per Therm

Monthly billing in units of Dth or Therms may be based upon monthly or bi-monthly meter reading.

Purchased gas costs, other adjustments, charges and/or credits as determined in accordance with the Tennessee Public Utility Commission's Rules and Regulations and applicable taxes and fees shall be added to the above rates.

MINIMUM BILL

The minimum monthly bill shall be the Customer Base Use Charge, as shown in the Monthly Base Rate stated above and shall be due and payable in addition to any and all other applicable charges due under this Rate Schedule.

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be for an amount which shall be greater by five percent (5%) than the net billing.

RATE SCHEDULE R-1 (Continued)
Residential General Service

GAS LIGHT SERVICE

Where Customer has no other use of gas, a gas light may be installed solely at the option of the Company with such service to be provided on a non-metered basis. The monthly billing for such use shall be at the rate of 18 Therms for each port.

MULTIPLE BILLING

Where the Company serves a number of separate dwelling units under common ownership on the same premises with service through a single meter, the minimum charge shall be multiplied by the number of individual units in which gas is consumed.

BILLING ADJUSTMENTS

Bills for gas service hereunder shall be subject to adjustment for changes in the cost of purchased gas in accordance with the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission.

Bills for gas service hereunder shall be subject to the provisions of the Weather Normalization Adjustment (WNA) as approved by the Tennessee Public Utility Commission.

Bills for gas service hereunder shall be subject to the provisions of the Interruptible Margin Credit Rider as approved by the Tennessee Public Utility Commission.

LIMITING AND CURTAILING GAS SERVICE

Gas service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission.

GENERAL TERMS AND CONDITIONS

Gas service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE R-4
Multi-Family Housing Service

AVAILABILITY

Service under this Rate Schedule is available to customers using gas for Multi-family residential housing who contract for gas service for a period of not less than one year. The provision of service under this Rate Schedule is subject to the Chattanooga Gas Company (Company)'s determination of available gas supply. Gas service under this schedule shall be through a single point of delivery and such gas shall not be resold, directly or indirectly without the approval of the Company. For the purposes of this Rate Schedule, Multi-family residential housing shall mean five or more permanent residential dwelling units located on the same Premises which are leased, rented, or managed by the same person and served through a central gas meter. Residential and non-residential service shall not be combined in a single meter installation.

MONTHLY BASE RATE

	Winter Net Rate November-April	Summer Net Rate May-October
Customer Base Use Charge (Per Dwelling Unit Connected)	$13.23/ Unit	$13.23/ Unit
Commodity Charge	46.460¢ Per Therm	41.251¢ Per Therm
Air -Conditioning Commodity Charge		8.373¢ Per Therm

Monthly billing in units of Dth or Therms may be based upon monthly or bi-monthly meter readings.

Purchased gas costs, other adjustments, charges and/or credits as determined in accordance with the Tennessee Public Utility Commission Rules and Regulations and applicable taxes and fees shall be added to the above rates.

SUMMER AIR-CONDITIONING RATE

Available to any multi-family housing Customer who has installed and regularly operates a separately metered gas-fired central air-conditioning system which meets Company's specifications. All provisions of the above rate schedule will apply except as specifically modified herein. The volume of gas used for air-conditioning purposes will be determined by metering equipment installed by the Company. In the event a single unit provides both heating and cooling, usage during Summer (billing months of May through October) shall be deemed to be air- conditioning use for purposes hereof.

MINIMUM BILL

The minimum monthly bill shall be the Customer Base Use Charge per dwelling unit as shown in the Monthly Base Rate stated above and shall be due and payable in addition to any and all other applicable charges due under this Rate Schedule.

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be for an amount which shall be greater by five percent (5%) than the net billing.

RATE SCHEDULE R-4 (Continued)
Multi-Family Housing Service

BILLING ADJUSTMENTS

Bills for gas service hereunder shall be subject to adjustment for changes in the cost of purchased gas in accordance with the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission.

Bills for gas service hereunder shall be subject to the provisions of the Weather Normalization Adjustment (WNA) Rider (Docket No. 91-01712) as approved by the Tennessee Public Utility Commission

Bills for gas service hereunder shall be subject to the provisions of the Interruptible Margin Credit Rider as approved by the Tennessee Public Utility Commission.

LIMITING AND CURTAILING GAS SERVICE

Gas service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission.

GENERAL TERMS AND CONDITIONS

Gas service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE C-1
Small Commercial and Industrial General Service

AVAILABILITY

Available to any commercial or industrial Customer for all purposes that consumes less than or up to 4,000 Therms annually. Gas service under this rate schedule in excess of 1,000 Therm per day shall be, at the option of Chattanooga Gas Company (Company), by written contract for a term of one year or less providing for monthly payment of gas Service and is subject to the Company's determination of available gas supply. Gas service under this schedule shall be through a single point of delivery and such gas shall not be resold, directly or indirectly.

MONTHLY BASE RATE	Winter Net Rate	Summer Net Rate
	November-April	May-October
Customer Base Use Charge	$66.45	$57.31
Commodity Charge	39.637¢ Per Therm	31.114¢ Per Therm
Air -Conditioning Charge Rate Per Month		8.373¢ Per Therm

Monthly billing in units of Dth or Therms may be based upon monthly or bi-monthly meter readings.

Purchased gas costs, other adjustments, charges and/or credits as determined in accordance with the Tennessee Public Utility Commission’s Rules and Regulations and applicable taxes and fees shall be added to the above rates.

SUMMER AIR-CONDITIONING RATE

Available to any commercial or industrial Customer who has installed and regularly operates a separately metered gas-fired central air-conditioning system which meets Company's specifications. All provisions of the above rate schedule will apply except as specifically modified herein. The volume of gas used for summer air-conditioning purposes will be determined by metering equipment installed by the Company. In the event a single unit provides both heating and cooling, usage during the Summer (billing months of May through October) shall be deemed to be air-conditioning use for purposes hereof.

MINIMUMBILL

The minimum monthly bill shall be the Customer Base Use Charge as shown in the Monthly Base Rate stated above and shall be due and payable in addition to any and all other applicable charges due under this Rate Schedule.

PAYMENTTERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be for an amount which shall be greater by five percent (5%) than the net billing.

RATE SCHEDULE C-1(Continued)
Small Commercial and Industrial General Service

GAS LIGHT SERVICE

Where Customer has no other use of gas, a gas light may be installed solely at the option of the Company with such service to be provided on a non-metered basis. The monthly billing for such use shall be at the rate of 18 Therms for each port.

SPECIAL TERMS & CONDITIONS

In the event Customer takes daily gas deliveries in excess of Customer's daily contract entitlement where such consumption is measured and recorded on a daily basis, or in the event Customer does not comply with a curtailment order as directed by the Company and takes gas in excess of the daily volume allowed by the Company in the curtailment order, such gas taken in excess of Customer's daily contract entitlement or such daily volumes taken in excess of curtailment volumes shall be paid for by the Customer at the greater of (1.) $15.00 per Dth or (2.) the average index price on curtailment days plus $5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer’s failure to comply with a curtailment order as directed by the Company.

These additional charges shall be in addition to all other charges payable under this Rate Schedule.

The payment of a charge for unauthorized or excess use shall not under any circumstances be considered as giving any such Customer the right to take unauthorized or excess volumes, or to purchase such unauthorized or excess volumes of gas on any of the Company's other rate schedules, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect Customer's obligations to adhere to the provisions of Customer's contract with the Company. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

BILLING ADJUSTMENTS

Bills for gas service hereunder shall be subject to adjustment for changes in the cost of purchased gas in accordance with the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission.

Bills for gas service hereunder shall be subject to the provisions of the Weather Normalization Adjustment (WNA) as approved by the Tennessee Public Utility Commission

Bills for gas service hereunder shall be subject to the provisions of the Interruptible Margin Credit Rider as approved by the Tennessee Public Utility Commission.

RATE SCHEDULE C-1(Continued)
Small Commercial and Industrial General Service

LIMITING AND CURTAILING GAS SERVICE

Gas service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission.

GENERAL TERMS AND CONDITIONS

Service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission

RATE SCHEDULE C-2
Medium Commercial and Industrial General Service

AVAILABILITY

Available to any commercial or industrial Customer for all purposes that consumes greater than 4,000 Therms annually. Gas service under this rate schedule in excess of 1,000 Therms per day shall be, at the option of Chattanooga Gas Company (Company), by written contract providing for monthly payment of gas Service and is subject to the Company's determination of available gas supply. Gas service under this schedule shall be through a single point of delivery and such gas shall not be resold, directly or indirectly.

MONTHLY BASE RATE	Winter Net Rate November-April	Summer Net Rate May-October
Customer Base Use Charge	$160.21	$160.21
Commodity Charge		
First 3,000 Therms Per Month	40.246¢ Per Therm	31.629¢ Per Therm
Next 2,000 Therms Per Month	36.750¢ Per Therm	25.138¢ Per Therm
Next 10,000 Therms Per Month	35.800¢ Per Therm	23.442¢ Per Therm
Over 15,000 Therms Per Month	18.586¢ Per Therm	18.582¢ Per Therm
Demand Charge		
Rate Unit of Billing Demand	$13.33 Per Dth	$13.33 Per Dth
Air -Conditioning Charge Rate Per Month		8.373¢ Per Therm

Monthly billing in units of Dth or Therms may be based upon monthly or bi-monthly meter readings.

Purchased gas costs, other adjustments, charges and/or credits as determined in accordance with the Tennessee Public Utility Commission's Rules and Regulations and applicable taxes and fees shall be added to the above rates.

SUMMER AIR-CONDITIONING RATE

Available to any commercial or industrial Customer who has installed and regularly operates a separately metered gas-fired central air-conditioning system which meets Company's specifications. All provisions of the above rate schedule will apply except as specifically modified herein. The volume of gas used for summer air-conditioning purposes will be determined by metering equipment installed by the Company. In the event a single unit provides both heating and cooling, usage during the Summer (billing months of May through October) shall be deemed to be air-conditioning use for purposes hereof.

MINIMUM BILL

The minimum monthly bill shall be the Customer Base Use Charge plus the Demand Charge, as shown in the Monthly Base Rate stated above and shall be due and payable in addition to any and all other applicable charges due under this Rate Schedule.

RATE SCHEDULE C-2 (Continued)
Medium Commercial and Industrial General Service

BILLING DEMAND

Existing Premises

For existing Premises, the billing demand is calculated based on historical consumption from the prior year using the following methodology:

(a) The appropriate winter and summer periods are determined based on the Company's billing cycles. Such periods are unique for each Premises, based on its consumption pattern and available data.

(b) The winter period is based on the billing cycle with the highest average number of heating degree days per day.

(c) Generally, the summer period includes billing cycles for July and August. If valid data is not available for both months, one month is used. Other non-heat sensitive months may be used if July and August consumption is not representative of baseload (e.g., for gas air conditioning customers

(d) The consumption for the summer period is divided by the days in the period to calculate the summer daily baseload

(e) The summer daily baseload is multiplied by the days in the winter period to produce a winter baseload.

(f) The winter baseload is subtracted from the total load in the winter period to isolate the heat sensitive load.

(g) The heat sensitive load is divided by the heating degree days in the winter period to produce a heat sensitive factor.

(h) The heat sensitive factor is multiplied by the peak day heating degree days to produce the peak heat sensitive load.

(i) The peak heat sensitive load is added to the winter baseload to produce the initial billing demand

(j) The initial billing demand is verified, and estimation techniques are employed as necessary where actual data produces unacceptable results.

New Premises

For new Premises, the billing demand is estimated based upon the construction matrix prepared by the Company. The BTU rating of the gas fired equipment and the expected hours of operation on the peak day are used to calculate the Demand Unit. After each new Premises has been receiving service for one year, the Premises is no longer considered a new Premises and the billing demand will be recalculated based upon actual consumption using the billing demand calculation method for existing Premises.

RATE SCHEDULE C-2 (Continued)
Medium Commercial and Industrial General Service

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be for an amount which shall be greater by five percent (5%) than the net billing.

SPECIAL TERMS & CONDITIONS

In the event Customer takes daily gas deliveries in excess of Customer's daily contract entitlement where such consumption is measured and recorded on a daily basis, or in the event Customer does not comply with a curtailment order as directed by the Company and takes gas in excess of the daily volume allowed by the Company in the curtailment order, such gas taken in excess of Customer's daily contract entitlement or such daily volumes taken in excess of curtailment volumes shall be paid for by the Customer at the greater of (1.) $15.00 per Dth or (2.) the average index price on curtailment days plus $5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment order as directed by the Company.

These additional charges shall be in addition to all other charges payable under this Rate Schedule.

The payment of a charge for unauthorized or excess use shall not under any circumstances be considered as giving any such Customer the right to take unauthorized or excess volumes, or to purchase such unauthorized or excess volumes of gas on any of the Company's other rate schedules, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect Customer's obligations to adhere to the provisions of Customer's contract with the Company. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

LIMITING AND CURTAILING GAS SERVICE

Gas service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission

BILLING ADJUSTMENTS

Bills for gas service hereunder shall be subject to adjustment for changes in the cost of purchased gas in accordance with the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission.

Bills for gas service hereunder shall be subject to the provisions of the Weather Normalization Adjustment (WNA) Rider (Docket No. 91-01712) as approved by the Tennessee Public Utility Commission

Bills for gas service hereunder shall be subject to the provisions of the Interruptible Margin Credit Rider as approved by the Tennessee Public Utility Commission.

RATE SCHEDULE C-2 (Continued)
Medium Commercial and Industrial General Service

GENERAL TERMS AND CONDITIONS

Gas service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE F-1
Commercial and Industrial Large Volume Firm Sales Service

RESTRICTED AVAILABILITY

This rate is available to those Customers actually taking service under Rate Schedule F-1 as of February 1, 1994. This rate will be available to additional Customers subsequent to February 1, 1994 only upon Chattanooga Gas Company (Company)'s ability to provide adequate gas supply to support the sale on terms and conditions which are satisfactory in the sole judgment of the Company subject to review by the Tennessee Public Utility Commission when such review is requested by a Customer. Once a qualified Customer elects service under this Rate Schedule, service will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. A new Customer beginning service after May 31 shall contract for a term extending through the following May 31. A Customer may elect to discontinue service under this Rate Schedule and receive service under Rate Schedule T-2 by giving written notice to the Company prior to March 1 of any year. Proper notice having been provided; the Customer shall discontinue service under this Rate Schedule effective the first June 1 following the notice.

AVAILABILITY

Available to any commercial or industrial Customer for all purposes under the following conditions:

1. Service shall be limited to Customers consistently using a minimum of 36,500 Dths annually at a daily rate of 100,000 cubic feet or 1,000 Therms or more.

2. The Company must have available to it a supply of natural gas adequate in the opinion of the Company to meet the Customer's requirements.

3. Customer must be on or adjacent to the Company's existing mains and the mains shall, in the Company's judgment, be adequate to serve the Customer's requirements without impairing service to other Customers.

4. The gas shall be sold through a single point of delivery and shall not be resold directly or indirectly, without the approval of the Company. The Company is not authorized to give its approval if the purpose is to have two plants under common ownership, or separate ownership purchase gas through one meter.

5. Service taken under this rate shall be by contract for a term of not less than 12 months.

MONTHLY BASE RATE	Net Rate
Customer Base Use Charge	$640.57
Demand Charge	
Per Unit of Billing Demand	$13.33 Per Dth
Commodity Charge	
First 1,500 Dths Per Month	$1.7258 Per Dth
Next 2,500 Dths Per Month	$1.4736 Per Dth
Next 11,000 Dths Per Month	$0.8373 Per Dth
Over 15,000 Dths Per Month	$0.5169 Per Dth

Purchased gas costs, other adjustments, charges and/or credits as determined in accordance with the Tennessee Public Utility Commission's Rules and Regulations and applicable taxes and fees shall be added to the above rates.

RATE SCHEDULE F-1 (Continued)
Commercial and Industrial Large Volume Firm Sales Service

MINIMUM BILL

The minimum monthly bill shall be the Customer's Base Use Charge as shown in the Monthly Base Rate stated above plus the amount of the individual Customer's Monthly Demand Charge and shall be due and payable in addition to any and all other applicable charges due under this Rate Schedule.

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be for an amount which shall be greater by five percent (5%) than the net billing.

BILLING DEMAND

The billing demand shall be the greater of (a) or (b) below or as established in the gas sale agreement when service is provided in conjunction with service provided under another Rate Schedule.

(a) The demand for the current month is always the highest demand day in any of the previous 11 billing months plus the current billing month - - bearing in mind that demand days are established only during the billing months of November, December, January, February and March.

(b) The demand will be 65% of the average daily consumption for the preceding months of April through October.

Whenever a Customer commences taking service under this rate between April 1, and October 31 of any year, the billing demand for each billing month prior to the November billing shall be 6% of the monthly consumption in each such. Commencing with the billing month of November, the billing demand shall be determined under (a) or (b), above.

DETERMINATION OF DEMAND DAY

The demand day shall be determined at the option of the Company by one of the following methods:

1. By measuring the maximum volume of gas taken by the Customer in any one day through the use of volume and pressure recording and measuring equipment installed by the Company.
2. When gas is delivered to a Customer through a positive displacement meter without the use of daily recording and measuring equipment, the maximum volume of gas taken in any one day during the billing month shall be 6% of the total volume of gas used by the Customer during such billing month.

DATA COLLECTION EQUIPMENT

Customers provided service under this Rate Schedule shall be required to pay for the cost and installation of the Data Collection equipment to measure and record the daily consumption of gas. The cost shall be adjusted by the applicable income tax gross-up factor. The Customer may elect to have the Data Collection equipment, other than the meter, installed by a qualified third party in accordance with the Company’s specification. The meter installation and the connection of the data collections equipment to the meter shall be performed by the Company. All Customers shall also be required to pay the cost of any power, telephone lines, or wireless facilities necessary for the operation of such equipment.

RATE SCHEDULE F-1 (Continued)
Commercial and Industrial Large Volume Firm Sales Service

SPECIAL TERMS AND CONDITIONS

In the event a Customer does not comply with a curtailment order issued by the Company as provided in the "Schedule for Limiting and Curtailing Gas Service," such daily volumes taken in excess of the allowed curtailment volumes shall be paid for by the Customer at the greater of the rate of (1.) $15.00 per Dth or (2.) the average daily index on curtailment days plus $5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Schedule.

The payment of a charge for unauthorized or excess use shall not under any circumstances be considered as giving any such Customer the right to take unauthorized or excess volumes, or to purchase such unauthorized or excess volumes of gas on any of the Company's other rate schedules, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect Customer's obligations to adhere to the provisions of Customer's contract with the Company.

Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

BILLING ADJUSTMENTS

Bills for gas service hereunder shall be subject to adjustment for changes in the cost of purchased gas in accordance with the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission.

Bills for gas service hereunder shall be subject to the provisions of the Interruptible Margin Credit Rider as approved by the Tennessee Public Utility Commission.

LIMITING AND CURTAILING GAS SERVICE

Gas service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission.

GENERAL TERMS AND CONDITIONS

Gas service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE I-1
Commercial and Industrial Interruptible Sales Service

AVAILABILITY

Gas sales service available on an interruptible basis to large volume Customers provided Chattanooga Gas Company (Company) has interruptible gas delivery capacity in excess of the then existing requirements of other Customers, and further subject to the following conditions:

1. Service shall be limited to Customers consistently using a minimum of 36,500 Dths annually at a daily rate of 100,000 cubic feet or 1,000 Therms or more. A Customer may also qualify for this rate schedule on a summer seasonal basis (May-October) provided the daily usage during this period consistently meets or exceeds 100 Dths.

2. The Company must have available to it a supply of natural gas adequate in the opinion of the Company to meet the Customer's requirements, and further provided the Customer's use under this rate shall not work a hardship on any other rate payers of the Company, nor adversely affect any other class of the Company's Customers. Further provided the Customer's use under this rate shall not adversely affect the Company's gas purchase plans and/or effective utilization of the daily demands under the Company's gas purchase contracts with its suppliers subject to review by the Tennessee Public Utility Commission when such review is requested by a Customer.

3. Customer must be on or adjacent to the Company's existing mains and the mains shall, in the Company's judgment, be adequate to serve the Customer's requirements without impairing service to other Customers unless the Customer pays all cost to provide required facilities. The cost of such facilities shall be adjusted by the applicable income tax gross-up factor.

4. The gas shall be sold through a single point of delivery and shall not be resold directly or indirectly without the approval of the Company. The Company is not authorized to give its approval if the purpose is to have two plants under common ownership, or separate ownership purchase gas through one meter.

5. Service taken under this rate shall be by contract for a term of one year. Once a qualified Customer elects service under this Rate Schedule, all service will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. A new Customer beginning service after May 31 shall contract for a term extending through the following May 31. Upon meeting the qualifications contained therein, a Customer may receive service under Rate Schedule SS-1 concurrent with this Rate Schedule. A Customer may elect to discontinue service under this Rate Schedule and receive service under Rate Schedule T-1 by giving written notice to the Company prior to March 1 of any year. Proper notice having been provided; the Customer shall discontinue service under this Rate Schedule effective the first June 1 following the notice.

6. Customer agrees to install and maintain in usable condition standby fuel burning facilities to enable Customer, in the event of a curtailment of gas, to continue operations on standby fuel, or to give satisfactory evidence of their ability and willingness to have the delivery of gas hereunder interrupted or curtailed by the Company in accordance with the special terms and conditions as hereinafter set forth.

MONTHLY BASE RATE	Net Rate
Customer Base Use Charge	$640.57
Commodity Charge	
First 1,500 Dths Per Month	$1.7258 Per Dth
Next 2,500 Dths Per Month	$1.4736 Per Dth
Next 11,000 Dths Per Month	$0.8373 Per Dth
Over 15,000 Dths Per Month	$0.5169 Per Dth

RATE SCHEDULE I-1 (Continued)
Commercial and Industrial Interruptible Sales Service

Purchased gas costs, other adjustments, charges and/or credits as determined in accordance with the Tennessee Public Utility Commission's Rules and Regulations and applicable taxes and fees shall be added to the above rates.

AUTHORIZED INCREMENTAL RATE

When the Company determines that volumes of gas are available to be purchased and transported to Customers under this Rate Schedule, then the Company shall, at its option, be authorized to charge the incremental rate in lieu of the published PGA rate for Customers for such volumes distributed to those Customers who have been offered and who have agreed to pay such incremental rate.. On days when gas is not being withdrawn from the Company's Liquid Natural Gas (LNG) facility for system supply, the incremental rate shall be the applicable index rate plus the variable pipeline charges. On those days when gas is being withdrawn from the LNG facility, the incremental rate will be increased to reflect the cost of gas used in the liquefaction and vaporization process.

MINIMUM BILL

The minimum bill shall be the Customer Base Use Charge as shown in the Monthly Base Rate stated above and shall be due and payable in addition to any and all other applicable charges due under this Rate Schedule.

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be for an amount which shall be greater by five percent (5%) than the net billing.

BILLING ADJUSTMENTS

Bills for gas service hereunder shall be subject to adjustment for changes in the cost of purchased gas in accordance with the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission.

INTERRUPTIBLE AND FIRM SERVICE

Should any Customer qualified to purchase interruptible gas under all the availability provisions quoted above desire to purchase firm gas under Rate Schedule "C-1", "C-2" or "F-1" plus interruptible gas under this Rate Schedule "I-1", said Customer may do so through a single meter installation under the following conditions:

1. The Company and the Customer must agree as to the maximum volume of firm gas to be delivered in any one day under Rate Schedule "C-1", "C-2" or F-1".

2. The volume of gas to be billed at the interruptible rate will be the total of the deliveries on each day of the billing month in excess of the agreed volumes for Rate Schedule "C-1", "C-2" or F-1".

3. The Customer's requirement for interruptible gas must not be consistently less than a minimum daily volume of 100 Dths on an annual or summer seasonal basis (May-October) above and beyond the purchase of firm gas.

RATE SCHEDULE I-1 (Continued)
Commercial and Industrial Interruptible Sales Service

DATA COLLECTION EQUIPMENT

Customers provided service under this Rate Schedule shall be required to pay for the cost and installation of the Data Collection equipment to measure and record the daily consumption of gas. The cost shall be adjusted by the applicable income tax gross-up factor, The Customer may elect to have the Data Collection equipment, other than the meter, installed by a qualified third party in accordance with the Company's specification. The meter installation and the connection of the data collections equipment to the meter shall be performed by the Company. All Customers shall also be required to pay the installation and monthly cost of any power, telephone lines or wireless facilities necessary for the operation of such equipment.

SPECIAL TERMS AND CONDITIONS

The Company will allocate gas available for delivery under this Tariff as equitably as possible among affected Customers giving effect to those similarly situated and in so doing may always give recognition to both its own curtailment plan and those curtailment plans and requirement indexes of its pipeline suppliers to the end that available gas may reach the highest priority of service as determined from time to time by appropriate State and Federal regulatory authorities.

This schedule is subject to interruption on one-half-hour's notice given by the Company by telephone or otherwise. The Company will curtail interruptible gas service to the Customers under this schedule in order to prevent a shortage of gas for the use of Customers under the Company's other rate schedules and to prevent Customers being served under other rate schedules being adversely affected as the result of gas being delivered under this rate schedule at a price that is below current costs.

Customer shall immediately discontinue the use of interruptible gas service, to the extent of curtailment ordered, when and as directed by the Company; and authorized representatives of the Company shall have at all times the right of ingress and egress to the Customer's premises. Upon determination by the Company that the necessity for curtailment has ceased the Company shall so notify the Customer by telephone or otherwise and the Customer shall not resume service until so notified.

In the event Customer takes daily gas deliveries in excess of Customer's daily contract entitlement or in the event Customer does not comply with a curtailment order as directed by the Company and takes gas in excess of the daily volume allowed by the Company in the curtailment order, such gas taken in excess of Customer's daily contract entitlement or such daily volumes taken in excess of curtailment volumes shall be paid for by the Customer at the greater of the rate of (1.)$15.00 per Dth or (2.)the average daily index on curtailment days plus $5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment order as directed by the Company.

These additional charges shall be in addition to all other charges payable under this Rate Schedule. The payment of a charge for unauthorized over-run shall not under any circumstances be considered as giving any such Customer the right to take unauthorized over-run volumes, nor shall such payment to considered as a substitute for any other remedies available to Company against Customer for failure to respect its obligations to adhere to the provisions of its contract with the Company.

The curtailment of interruptible gas deliveries in whole or in part under this schedule shall not be the basis for claims against the Company for any damages sustained by the Customers. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

RATE SCHEDULE I-1 (Continued)
Commercial and Industrial Interruptible Sales Service

LIMITING AND CURTAILING GAS SERVICE

Gas service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission.

GENERAL TERMS AND CONDITIONS

Gas service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE T-1
Interruptible Transportation Service

TRANSPORTATION SERVICE AGREEMENT

Interruptible Transportation Service provided hereunder shall be an annual service under a Transportation Service Agreement on an individual Customer basis.

AVAILABILITY

Available on an interruptible basis under a Transportation Service Agreement to large volume Customers provided Chattanooga Gas Company (Company) has interruptible gas delivery capacity in excess of the then existing requirements of other Customers, and further subject to the following conditions:

1. Service shall be limited to Customers consistently using a minimum of 36,500 Dths annually at a daily rate of 100,000 cubic feet or 1,000 Therms or more. A Customer may also qualify for this rate schedule on a summer seasonal basis (May-October) provided the daily usage during this period consistently meets or exceeds 100 Dths.

2. The Customer's use under this rate shall not work a hardship on any other rate payers of the Company, nor adversely affect any other class of the Company's Customers and further provided the Customer's use under this rate shall not adversely affect the Company's gas purchase plans and/or effective utilization of the daily demands under the Company's gas purchase contracts with its suppliers subject to review by the Tennessee Public Utility Commission when such review is requested by Customer.

3. Customer must be on or adjacent to the Company's existing mains and the mains shall, in the Company's judgment, be adequate to serve the Customer's requirements without impairing service to other Customers unless the Customer pays all cost (including applicable Income Tax) to provide required facilities

4. The gas shall be delivered through a single point of delivery and shall not be resold directly or indirectly, without the approval of the Company. The Company is not authorized to give its approval if the purpose is to have two plants under common ownership, or separate ownership purchase gas through one meter.

5. Service taken under this rate shall be by contract for a term of one year. Once a qualified Customer elects service under this Rate Schedule, all service will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. A new Customer beginning service after May 31 shall contract for a term extending through the following May 31. Upon meeting the qualifications contained therein, a Customer may receive service under Rate Schedule SS-1 concurrent with this Rate Schedule. A Customer may elect to discontinue service under this Rate Schedule and receive service under Rate Schedule I-1 by giving written notice to the Company prior to March 1 of any year. Proper notice having been provided, the Customer shall discontinue service under this Rate Schedule effective the first June 1 following the notice.

RATE SCHEDULE T-1 (Continued)
Interruptible Transportation Service

6. Customer agrees to install and maintain standby fuel burning facilities to enable Customer, in the event of curtailment of service, to continue operations on standby fuel, or to give satisfactory evidence of the ability and willingness to have the service hereunder interrupted or curtailed by the Company in accordance with the terms and conditions set forth herein.

MONTHLY BASE RATE	*Net Rate
Customer Base Use Charge	$640.57
System Capacity Charge Per Unit of Billing Capacity	$2.99 Per Dth
Commodity Charge	
First 1,500 Dths Per Month	$1.7258 Per Dth
Next 2,500 Dths Per Month	$1.4736 Per Dth
Next 11,000 Dths Per Month	$0.8373 Per Dth
Over 15,000 Dths Per Month	$0.5169 Per Dth

Other adjustments, charges and/or credits as determined in accordance with the Tennessee Public Utility Commission's Rules and Regulations and applicable taxes and fees shall be added to the above rates.

*Company's Transportation Service Rate is in addition to all other applicable Pipeline Transportation Rates and Charges.

BILLING CAPACITY

The billing capacity shall be the greater of (a) or (b) below:

a) The capacity for the current month is always the highest use per day in any of the previous11 billing months plus the current billing month - - bearing in mind that demand days are established only during the billing months of November, December, January, February and March
b) The capacity will be 65% of the average daily consumption for the preceding months of April through October.

Whenever a Customer commences taking service under this rate between April 1, and October 31 of any year, the billing capacity for each billing month prior to the November billing shall be 6% of the monthly consumption in each such month. Commencing with the billing month of November, the billing capacity shall be determined either under (a) or (b) above.

DETERMINATION OF CAPACITY DAY

The capacity day shall be determined at the option of the Company by one of the following methods:

1. By measuring the maximum volume of gas taken by the Customer in any one day through the use of volume and pressure recording and measuring equipment installed by the Company.

2. When gas is delivered to a Customer through a positive displacement meter without the use of daily recording and measuring equipment, the maximum volume of gas taken in any one day during the billing month shall be 6% of the total volume of gas used by the Customer during such billing month.

RATE SCHEDULE T-1 (Continued)
Interruptible Transportation Service

AUTHORIZED INCREMENTAL RATE

When the Company determines that volumes of gas are available to be purchased and transported to Customers under this Rate Schedule, then the Company shall, at its option, be authorized to charge the incremental rate Customers for such gas supply distributed to those Customers who have been offered and who have agreed to pay such incremental rate. On days when gas is not being withdrawn from the Company's Liquid Natural Gas (LNG) facility for system supply, the incremental rate shall be the applicable index rate plus the variable pipeline charges. On those days when gas is being withdrawn from the LNG facility, the incremental rate will be increased to reflect the cost of gas used in the liquefaction and vaporization process.

MINIMUM BILL

The minimum bill shall be the Customer Base Use Charge as shown in the Monthly Base Rate stated above and shall be due and payable in addition to any and all other applicable charges due under this Rate Schedule.

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be for an amount which shall be greater by five percent (5%) than the net billing .

DATA COLLECTION EQUIPMENT

Customers provided service under this Rate Schedule shall be required to pay for the cost and installation of the Data Collection to measure and record the daily consumption of gas. The cost shall be adjusted by the applicable income tax gross-up factor, The Customer may elect to have the Data Collection equipment, other than the meter, installed by a qualified third party in accordance with the Company's specification. The meter installation and the connection of the data collections equipment to the meter shall be performed by the Company. All Customers shall also be required to pay the cost of any power, telephone lines, or wireless facilities necessary for the operation of such equipment.

BALANCING

The Company reserves the right to require daily balancing on any day in which the Company, in the exercise of its reasonable judgment, determines that such balancing is necessary for operational reasons.

It shall be the Customer's responsibility to maintain a daily and monthly balance with the Company to ensure system integrity and avoid any assessment of penalties against the Company by the Interstate Pipelines. To ensure such, Customers are required to nominate on a daily basis. If the Company is assessed a penalty by a Customer's transporting pipeline, the Company shall have the right to pass-through all such penalties to the Customer to the extent the Customer or Customer's agent is responsible for causing the Company to be assessed such penalties.

RATE SCHEDULE T-1 (Continued)
Interruptible Transportation Service

CASH OUT OF MONTHLY IMBALANCES

Any difference between the quantities delivered to the Company's city gate facilities for the account of the Customer for the month, and the quantities consumed by the Customer as metered for the month, shall be the monthly imbalance. This imbalance shall be resolved monthly by "cashing out" the imbalance as it is known at that time. If the Customer consumes more gas than it has delivered to the Company, the Customer will be deemed to be "short" by the amount of the deficiency and will buy an amount of gas equal to the deficiency from the Company. The Customer shall pay a price equal to the highest Daily Index Cost of Gas, as determined from S&P Global Platts *Gas Daily* in the table titled "Final Daily Price Survey-Platts Locations' denoted in the column labeled "Midpoint" in the first issue of such publication following the date of the transaction plus the 100% load factor FT transportation rate, applicable surcharges and fuel on the relevant pipeline times the premium percentage corresponding to the percentage of the deficiency listed in the table below. If the Customer consumes less gas than it has delivered to the Company, the Customer will be deemed to be "long" by the amount of the surplus, and the Company will buy the amount of the surplus by paying the Customer a price equal to the lowest Daily Index Cost of Gas, as determined from S&P Global Platts *Gas Daily* in the table titled "Final Daily Price Survey-Platts Locations' denoted in the column labeled "Midpoint" in the first issue of such publication following the date of the transaction, applicable surcharges and fuel on the relevant pipeline times the discount percentage corresponding to the percentage of the deficiency listed in the table below plus the 100% load factor FT transportation rate:

Percentage of the Imbalance	Short Premium	Long Discount
Equal to or less than 10%	100%	100%
Over 10% & equal to or less than 15%	120%	80%
Over 15% & equal to or less than 20%	140%	60%
Over 20%	150%	50%

The Daily Index Cost of Gas shall be derived from the prices published in *Gas Daily* in the Daily Price Survey.

Southern Natural, La	X	43%
	+	
Tennessee, zone 0	X	17%
	+	
Tennessee, La, 500 Leg	X	20%
	+	
Tennessee, La, 800 Leg	X	20%

The Company will collect gross receipt tax on the incremental gross gas related charges. Any difference between the actual cost of gas incurred by the Company and the Index prices defined above will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7. Increments or decrements which may result for the PGA will not apply to the cash-out mechanism.

RATE SCHEDULE T-1 (Continued)
Interruptible Transportation Service

LIMITING AND CURTAILING GAS SERVICE

Transportation Service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission.

SPECIAL TERMS AND CONDITIONS

This schedule is subject to interruption on one-half-hour's notice given by the Company by telephone or otherwise. The Company will curtail transportation gas service to the Customers under this schedule in order to prevent a shortage of gas for the use of Customers under the Company's other rate schedules.

Customer shall immediately discontinue the use of transported gas service, to the extent of curtailment ordered, when and as directed by the Company; and authorized representatives of the Company shall have at all times the right of ingress and egress to the Customer's premises. Upon determination by the Company that the necessity for curtailment has ceased the Company shall so notify the Customer by telephone or otherwise and the Customer shall not resume service until so notified.

The Company may issue a daily balancing order when an OFO order has been issued, when in the judgment of the Company it is required to maintain the operational integrity of the distribution system, or during periods of significant price volatility. Significant price volatility is defined as daily pricing that exceeds the most recent first of month as identified *Gas Daily* at the Henry Hub by a minimum of 20%.

In the event Customer does not comply with a:

a. daily balancing order issued by the Company that directs the Customer to not take gas in excess of the Customer's gas nominations for the balancing day, daily volumes taken in excess of Customer's nomination shall be paid for by the Customer at the average daily index on the daily balancing days plus $5.00 per Dth. and all applicable pipeline and/or gas supplier penalties and/or charges that are the result of the Customer's failure to comply with a daily balancing order as directed by the Company. These charges shall be in addition to all other charges payable under this Rate Schedule. Under-deliveries (consumption in excess of gas nominations for that day) on days that such a balancing order is in effect may not be offset by over-deliveries on days that a balancing order is not in effect and are not subject to end of month imbalance trading;

b. daily balancing order issued by the Company that directs the Customer to not nominate gas in excess of the customer's actual daily consumption and has gas delivered in excess of its actual daily consumption, a penalty of $15.00 for each Dth of excess gas delivered that exceeds 5% of the daily consumption will be billed to the Customer in addition to all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company. If the Customer's gas delivered does not exceed the Customer's actual daily consumption by more than 5% and such excess gas does not result in pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company, the $15.00 charge will be waived. These charges shall be in addition to all other charges payable under this Rate Schedule. Over-deliveries (gas nominations in excess of consumption for that day) that exceed 5% of daily consumption, as described above, on days that such a balancing order is in effect may not be offset by under-deliveries on days when a balancing order is not in effect and are not subject to end of month imbalance trading;

RATE SCHEDULE T-1 (Continued)
Interruptible Transportation Service

c. curtailment order issued by the Company as provided in the "Schedule for Limiting and Curtailing Gas Service," such daily volumes taken in excess of the allowed curtailment volumes shall be paid for by the Customer at the greater of the rate of (1.) $15.00 per Dth or (2.) the average daily index on curtailment days plus $5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with a curtailment order as directed by the Company. These charges shall be in addition to all other charges payable under this Rate Schedule. Imbalances for days that a curtailment order is in effect may not be offset on days that a curtailment or balancing order is not in effect and are not subject to end of month imbalance trading.

Imbalances not defined above, and not in conflict with any other tariff provision, may be offset on days when a balancing or curtailment order is not in effect and may be included in end of month imbalance trading.

The payment of a charge for unauthorized over-run shall not under any circumstances be considered as giving any such Customer the right to take unauthorized over-run volumes, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect its obligations to adhere to the provisions of its contract with the Company.

The curtailment of interruptible transportation service deliveries in whole or in part under this schedule shall not be the basis for claims against the Company for any damages sustained by the Customers. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

GENERAL TERMS AND CONDITIONS

Transportation Service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

Rate Schedule T-2
Interruptible Transport Service with Firm Gas Supply Backup

TRANSPORTATION SERVICE AGREEMENT

Interruptible Transportation Service provided hereunder shall be an annual service under a Transportation Service Agreement on an individual Customer basis.

AVAILABILITY

Available on an Interruptible basis to eligible large volume Customers. Transportation Service shall be by Transportation Service Agreement in conjunction solely with service under Rate Schedule F-1.

1. Service shall be limited to Customers consistently using a minimum of 36,500 Dths annually at a daily rate of 100,000 cubic feet or 1,000 Therms or more.

2. The Customer's use under this rate shall not work a hardship on any other rate payers of Chattanooga Gas Company (Company), nor adversely affect any other class of the Company's Customers and further provided the Customer's use under this rate shall not adversely affect the Company's gas purchase plans and/or effective utilization of the daily demands under the Company's gas purchase contracts with its suppliers subject to review by the Tennessee Public Utility Commission when such review is requested by Customer.

3. Customer must be on or adjacent to the Company's existing mains and the mains shall, in the Company's judgment, be adequate to serve the Customer's requirements without impairing service to other Customers.

4. The gas shall be delivered through a single point of delivery and shall not be resold directly or indirectly, without the approval of the Company. The Company is not authorized to give its approval if the purpose is to have two plants under common ownership, or separate ownership purchase gas through one meter.

5. Service taken under this rate shall be by contract for a term of one year. Once a qualified Customer elects service under this Rate Schedule, all service will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. A new Customer beginning service after May 31 shall contract for a term extending through the following May 31. Upon meeting the qualifications contained therein, a Customer may receive service under Rate Schedule SS-1 concurrent with this Rate Schedule. A Customer may elect to discontinue service under this Rate Schedule and receive service under Rate Schedule F-1 by giving written notice to the Company prior to March 1 of any year. Proper notice having been provided, the Customer shall discontinue service under this Rate Schedule effective the first June 1 following the notice.

MONTHLY BASE RATE	*Net Rate
Customer Base Use Charge	$640.57
Demand Charge	
Per Unit of Billing Demand	$13.33 Per Dth
Commodity Charge	
First 1,500 Dths Per Month	$1.7258 Per Dth
Next 2,500 Dths Per Month	$1.4736 Per Dth
Next 11,000 Dths Per Month	$0.8373 Per Dth
Over 15,000 Dths Per Month	$0.5169 Per Dth

* Company’s Transportation Service Rate is in addition to all other applicable Pipeline Transportation Rates and Charges.

RATE SCHEDULE T-2 (Continued)
Interruptible Transportation Service with
Firm Gas Supply Backup

Firm Purchased gas costs, other adjustments, charges and/or credits as determined in accordance with the Tennessee Public Utility Commission's Rules and Regulations and applicable taxes and fees shall be added to the above rates.

AUTHORIZED INCREMENTAL RATE

hen the Company determines that volumes of gas are available to be purchased and transported to Customers under this Rate Schedule, then the Company shall, at its option, be authorized to charge the incremental rate Customers for such gas supply distributed to those Customers who have been offered and who have agreed to pay such incremental rate. On days when gas is not being withdrawn from the Company's Liquid Natural Gas (LNG) facility for system supply, the incremental rate shall be the applicable index rate plus the variable pipeline charges. On those days when gas is being withdrawn from the LNG facility, the incremental rate will be increased to reflect the cost of gas used in the liquefaction and vaporization process.

MINIMUM BILL

The Minimum Monthly Bill shall be the Customer Base Use Charge as shown in the Monthly Base Rate as stated above plus the amount of the individual Customers' Monthly Demand Charge and shall be due and payable in addition to any and all other applicable charges due under this Rate Schedule.

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be for an amount which shall be greater by five percent (5%) than the net billing.

BILLING ADJUSTMENTS

Bills for Transportation Service hereunder shall be subject to adjustment for changes in the cost of Firm purchased gas demand charges in accordance with the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission.

Bills for gas service hereunder shall be subject to the provisions of the Interruptible Margin Credit Rider as approved by the Tennessee Public Utility Commission.

SPECIAL TERMS AND CONDITIONS

In the event of curtailment of interruptible transportation service by the Company, the pipeline transporter, or Seller, the Company agrees to supply the contracted quantity of natural gas to the Customer stated in Dths/day pursuant to the terms and conditions of Rate Schedule F-1 and the related gas sales agreement thereto or any amendments thereto. It is the intent that the Customer at all times receives the contracted stated quantity of firm gas supply from interruptible transportation service or from firm natural gas sales purchased from the Company. Service hereunder, however, shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE T-2 (Continued)
Transportation Service with Firm Gas Supply Backup

DATA COLLECTION EQUIPMENT

Customers provided service under this Rate Schedule shall be required to pay for the cost and installation of the Data Collection equipment to measure and record the daily consumption of gas. The cost shall be adjusted by the applicable income tax gross-up factor. The Customer may elect to have the Data Collection equipment, other than the meter, installed by a qualified third party in accordance with the Company's specification. The meter and the connection of the data collections equipment to the meter shall be performed by the Company. All Customers shall also be required to pay the cost of any power, telephone lines, or wireless facilities necessary for the operation of such equipment.

BALANCING

It shall be the Customer's responsibility to maintain a daily and monthly balance with the Company to ensure system integrity and avoid any assessment of penalties against the Company by the Interstate Pipelines. To insure such, Customers are required to nominate on a daily basis. If the Company is assessed a penalty by a Customer's transporting pipeline, the Company shall have the right to pass-through all such penalties to the Customer to the extent the Customer or Customer's agent is responsible for causing the Company to be assessed such penalties.

CASH OUT OF MONTHLY IMBALANCES

Any difference between the quantities delivered to the Company's city gate facilities for the account of the Customer for the month, and the quantities consumed by the Customer as metered for the month, shall be the monthly imbalance. This imbalance shall be resolved monthly by "cashing out" the imbalance as it is known at that time. If the Customer consumes more gas than the Customer has delivered to the Company, the Customer will be deemed to be "short" by the amount of the deficiency and will buy an amount of gas equal to the deficiency from the Company in under the applicable F-1 Rate. If the Customer consumes less gas than it has delivered to the Company, the Customer will be deemed to be "long" by the amount of the surplus, and the Company will buy the amount of the surplus by paying the Customer a price equal to the lowest Daily Index Cost of Gas, as determined from the "S&P Global Platts *Gas Daily* in the table titled "Final Daily Price Survey-Platts Locations' denoted in the column labeled "Midpoint", in the first issue of such publication following the date of the transaction, applicable surcharges and fuel on the relevant pipeline times the discount percentage corresponding to the percentage of the deficiency listed in the table below plus the 100% load factor FT transportation rate:

Percentage of the Imbalance	Long Discount
Equal to or less than 10%	100%
Over 10% & equal to or less than 15%	80%
Over 15% & equal to or less than 20%	60%
Over 20 %	50%

The Weighted Index Price" shall be derived from the prices published in *Gas Daily* from the Daily Price Survey.

Southern Natural, La	X	43%
	+	
Tennessee, zone 0	X	17%
	+	
Tennessee, La, 500 Leg	X	20%
	+	
Tennessee, La, 800 Leg	X	20%

The Company will collect gross receipt tax on the incremental gross gas related charges.

RATE SCHEDULE T-2 (Continued)
Interruptible Transportation Service With Firm Gas Supply Backup

SPECIAL TERMS AND CONDITIONS

This schedule is subject to interruption on one-half-hour's notice given by the Company by telephone or otherwise. The Company will curtail transportation gas service to the Customers under this schedule in order to prevent a shortage of gas for the use of Customers under the Company's other rate schedules.

Customer shall immediately discontinue the use of transportation gas service, to the extent of curtailment ordered, when and as directed by the Company; and authorized representatives of the Company shall have at all times the right of ingress and egress to the Customer's premises. Upon determination by the Company that the necessity for curtailment has ceased the Company shall so notify the Customer by telephone or otherwise and the Customer shall not resume service until so notified.

The Company may issue a daily balancing order when an OFO order has been issued, when in the judgment of the Company it is required to maintain the operational integrity of the distribution system, or during periods of significant price volatility. Significant price volatility is defined as daily pricing that exceeds the most recent first of month as identified *Gas Daily* at the Henry Hub by a minimum of 20%.

In the event a Customer does not comply with a:

a. daily balancing order issued by the Company that directs the Customer to not take gas in excess of the Customer's gas nominations for the balancing day, daily volumes taken in excess of the Customer's nomination shall be paid for by the Customer at the Rate Schedule F-1 rate. If a Customer has the billing demand volume established in the gas sale agreement, as provided in Rate Schedule F-1, gas taken in excess of the Customer's gas volume nominated plus the Customer's billing demand volume on a day a balancing order is in effect shall be paid for by the Customer at the average daily index on the daily balancing days plus $5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges that are the result of the Customer's failure to comply with a daily balancing order as directed by the Company. These charges shall be in addition to all other charges payable under this Rate Schedule. Under-deliveries (consumption in excess of gas nominations for that day) on days that such a balancing order is in effect may not be offset by over-deliveries on days that a balancing order is not in effect and are not subject to end of month imbalance trading;

b. daily balancing order issued by the Company that directs the Customer to not nominate gas in excess of the Customer's actual daily consumption and has gas delivered in excess of its actual daily consumption, a penalty of $15.00 for each Dth of excess gas delivered that exceeds 5% of the daily consumption will be billed to the Customer in addition to all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company. If the Customer's gas delivered does not exceed the Customer's actual daily consumption by more than 5% and such excess gas does not result in pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company, the $15.00 charge will be waived. These charges will be in addition to all other charges payable under this Rate Schedule. Over-deliveries (gas nominations in excess of consumption for that day) that exceed 5% of daily consumption, as described above, on days that such a balancing order is in effect may not be offset by under-deliveries on days when a balancing order is not in effect and are not subject to end of month imbalance trading;

RATE SCHEDULE T-2 (Continued)
Interruptible Transportation Service With Firm Gas Supply Backup

c. curtailment order issued by the Company as provided in the "Schedule for Limiting and Curtailing Gas Service," such daily volumes taken in excess of the allowed curtailment volumes shall be paid for by the Customer at the greater of the rate of (1.) $15.00 per Dth or (2.) the average daily index on curtailment days plus $5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with a curtailment order as directed by the Company. These charges shall be in addition to all other charges payable under this Rate Schedule. Imbalances for days that a curtailment order is in effect may not be offset on days that a curtailment or balancing order is not in effect and are not subject to end of month imbalance trading.

Imbalances not defined above, and not in conflict with any other tariff provision, may be offset on days when a balancing or curtailment order is not in effect and may be included in end of month imbalance trading.

The payment of a charge for unauthorized over-run shall not under any circumstances be considered as giving any such Customer the right to take unauthorized over-run volumes, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect its obligations to adhere to the provisions of its contract with the Company.

The curtailment of interruptible gas deliveries in whole or in part under this schedule shall not be the basis for claims against the Company for any damages sustained by the Customers. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

GENERAL TERMS AND CONDITIONS

Transportation service hereunder shall be subject to the company's rules and regulations as filed with the Tennessee Public Utility Commission. The effectiveness of this tariff sheet will terminate should it be determined by the Tennessee Public Utility Commission that the limiting provisions contained in paragraph 2 of the availability section of this rate schedule are required to be implemented.

RATE SCHEDULE T-3
Low Volume Transport

TRANSPORTATION SERVICE AGREEMENT

Transportation Service provided hereunder shall be an annual service under a Transportation Service Agreement on an individual Customer basis.

AVAILABILITY

Available to commercial or industrial Customer consistently using 400 Dths on an annual basis. Service taken under this rate shall be by contract for a term of one year. Once a qualified Customer elects service under this Rate Schedule, all service will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. A new Customer beginning service after May 31 shall contract for a term extending through the following May 31. A Customer may elect to discontinue service under this Rate Schedule and receive service under Rate Schedule C-1 by giving written notice to the Company prior to March 1 of any year. Proper notice having been provided, the Customer shall discontinue service under this Rate Schedule effective the first June 1 following the notice.

MONTHLY BASE RATES

	Winter Net Rate* November-April	Summer Net Rate* May-October
Customer Base Use Charge	$160.21	$160.21
Commodity Charge		
First 3,000 Therms Per Month	40.246¢ Per Therm	31.629¢ Per Therm
Next 2,000 Therms Per Month	36.750¢ Per Therm	25.138¢ Per Therm
Next 10,000 Therms Per Month	35.800¢ Per Therm	23.442¢ Per Therm
Over 15,000 Therms Per Month	18.586¢ Per Therm	18.582¢ Per Therm
Demand Charge	$13.33 Per Dth	$13.33 Per Dth

The Purchased Gas Adjustment Demand Component applicable to service under the Rate Schedule C-2, computed in accordance with TPUC Administrative Rule 1220-4-7, shall apply to the Rate Schedule T-3 Demand Charge as set out above. Other adjustments, charges and/or credits as determined in accordance with the Tennessee Public Utility Commission's Rules and Regulations and applicable taxes and fees shall be added to the above rates.

* Company's Transportation Service Rate is in addition to all other applicable Pipeline Transportation Rates and Charges.

AUTHORIZED INCREMENTAL RATE

When the Company determines that volumes of gas are available to be purchased and transported to Customers under this Rate Schedule, then the Company shall, at its option, be authorized to charge the incremental rate Customers for such gas supply distributed to those Customers who have been offered and who have agreed to pay such incremental rate. On days when gas is not being withdrawn from the Company's Liquid Natural Gas (LNG) facility for system supply, the incremental rate shall be the applicable index rate plus the variable pipeline charges. On those days when gas is being withdrawn from the LNG facility, the incremental rate will be increased to reflect the cost of gas used in the liquefaction and vaporization process.

RATE SCHEDULE T-3 (Continued)
Low Volume Transport

MINIMUM BILL

The minimum monthly bill shall be the Customer Base Use as shown in the Monthly Base Rate stated above and shall be due and payable in addition to any and all other applicable charges due under this Rate Schedule.

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be for an amount which shall be greater by five percent (5%) than the net billing.

DATA COLLECTION EQUIPMENT

Customers provided service under this Rate Schedule shall be required to pay for the cost and installation of the Data Collection equipment to measure and record the daily consumption of gas. The cost shall be adjusted by the applicable income tax gross-up factor. The Customer may elect to have the Data Collection equipment, other than the meter, installed by a qualified third party in accordance with the Company's specification. The meter installation and the connection of the data collections equipment to the meter shall be performed by the Company. The Customer shall also be required to pay the cost of any power, telephone lines, or wireless facilities necessary for the operation of such equipment.

BILLING DEMAND

Existing Premises:

a) For Existing Premises with daily meter reading – The demand for the current month is always the highest demand day in any of the previous 11 billing months plus the current billing month – bearing in mind that demand days are established only during the billing months of November, December, January, February, and March. A demand day is determined by measuring the maximum volume of gas taken by the Customer in any one day through the use of volume and pressure recording and measuring equipment installed by the Company.

b) For Existing Premises newly switching to service under this tariff without prior daily meter reading history, the initial billing demand is calculated based on historical consumption from the prior year using the following methodology:

   i) The appropriate winter and summer periods are determined based on the Company's billing cycles. Such periods are unique for each Premise, based on its consumption pattern and available data.

   ii) The winter period is based on the billing cycle with the highest average number of heating degree days per day.

   iii) Generally, the summer period includes billing cycles for July and August. If valid data is not available for both months, one month is used. Other non-heat sensitive months may be used if July and August consumption is not representative of baseload (e.g., for gas air conditioning customers).

   iv) The consumption for the summer period is divided by the days in the period to calculate the summer daily baseload.

RATE SCHEDULE T-3 (Continued)
Low Volume Transport

v) The summer daily baseload is multiplied by the days in the winter period to produce a winter baseload.

vi) The winter baseload is subtracted from the total load in the winter period to isolate the heat sensitive load.

vii) The heat sensitive load is divided by the heating degree days in the winter period to produce a heat sensitive factor.

viii) The heat sensitive factor is multiplied by the peak day heating degree days to produce the peak heat sensitive load.

ix) The peak heat sensitive load is added to the winter baseload to produce the initial billing demand

x) The initial billing demand is verified and estimation techniques are employed as necessary where actual data produces unacceptable results.

New Premises:
For new Premises, the billing demand is estimated based upon the construction matrix prepared by the Company. The BTU rating of the gas fired equipment and the expected hours of operation on the peak day are used to calculate the Demand Unit. After each new Premises has been receiving service for one year, the Premises is no longer considered a new Premises and the billing demand will be recalculated based upon actual consumption using the billing demand calculation method for existing Premises.

SPECIAL TERMS & CONDITIONS

The Company may issue a daily balancing order when an OFO order has been issued, when in the judgment of the Company it is required to maintain the operational integrity of the distribution system, or during periods of significant price volatility. Significant price volatility is defined as daily pricing that exceeds the most recent first of month as identified *Gas Daily* at the Henry Hub by a minimum of 20%.

In the event a Customer does not comply with a:

a. daily balancing order issued by the Company that directs the Customer to not take gas in excess of Customer's gas nominations for the balancing day, daily volumes taken in excess of the Customer's nomination shall be paid for by the Customer at the Rate Schedule C-2 rate including all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with a daily balancing order as directed by the Company. These charges shall be in addition to all other charges payable under this Rate Schedule. Under-deliveries (consumption in excess of gas nominations for that day) on days that such a balancing order is in effect shall not be offset by over-deliveries on days that a balancing order is not in effect and are not subject to end of month imbalance trading;
b. daily balancing order issued by the Company that directs the Customer to not nominate gas in excess of the Customer's actual daily consumption and has gas delivered in excess of actual daily consumption, a penalty of $15.00 for each Dth of excess gas delivered that exceeds 5% of the daily consumption will be billed to the Customer in addition to all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company. If the Customer's gas delivered does not exceed the Customer's actual daily consumption by more than 5% and such excess gas does not result in pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company, the $15.00 charge will be waived. These charges shall be in addition to all other charges payable under this Rate Schedule. Over-deliveries (gas nominations in excess of consumption for that day) that exceed 5% of daily consumption, as described above, on days that such a balancing order is in effect shall not be offset by under-

RATE SCHEDULE T-3 (Continued)
Low Volume Transport

deliveries on days a balancing order is not in effect and are not subject to end of month imbalance trading;

c. curtailment order issued by the Company as provided in the "Schedule for Limiting and Curtailing Gas Service" such daily volumes taken in excess of the allowed curtailment volumes shall be paid for by the Customer at the greater of (1.) the rate of $15.00 per Dth or (2.) the average daily index on curtailment days plus $5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges that result from of the Customer's failure to comply with a curtailment order as directed by the Company. These charges shall be in addition to all other charges payable under this Rate Schedule. Imbalances for days that a curtailment order is in effect shall not be offset on days that a curtailment order is not in effect and are not subject to end of month imbalance trading.

Imbalances not defined above, and not in conflict with any other tariff provision, may be offset on days when a balancing or curtailment order is not in effect and may be included in end of month imbalance trading.

The payment of a charge for unauthorized or excess use shall not under any circumstances be considered as giving any such Customer the right to take unauthorized or excess volumes, or to purchase such unauthorized or excess volumes of gas on any of the Company's other rate schedules, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect Customer's obligations to adhere to the provisions of Customer's contract with the Company. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with Tennessee Public Utility Commission Administrative Rule 1220-4-7.

CASH OUT OF MONTHLY IMBALANCES

Any difference between the quantities delivered to the Company's city gate facilities for the account of the Customer for the month, and the quantities consumed by the Customer as metered for the month, shall be the monthly imbalance. This imbalance shall be resolved monthly by "cashing out" the imbalance as it is known at that time. If the Customer consumes more gas than the Customer has delivered to the Company, the Customer will be deemed to be "short" by the amount of the deficiency and will buy an amount of gas equal to the deficiency from the Company in under Rate Schedule C-2. If the Customer consumes less gas than it has delivered to the Company, the Customer will be deemed to be "long" by the amount of the surplus, and the Company will buy the amount of the surplus by paying the Customer a price equal to the lowest Daily Index Cost of Gas, as determined from S&P Global Platts Gas Daily in the table titled "Final Daily Price Survey-Platts Locations' denoted in the column labeled "Midpoint", in the first issue of such publication following the date of the transaction, applicable surcharges and fuel on the relevant pipeline times the discount percentage corresponding to the percentage of the deficiency listed in the table below plus the 100% load factor FT transportation rate:

Percentage of the Imbalance	Long Discount
Equal to or less than 10%	100%
Over 10% & equal to or less than 15%	80%
Over 15% & equal to or less than 20%	60%

RATE SCHEDULE T-3 (Continued)
Low Volume Transport

Over 20%	50%

The Weighted Index Price" shall be derived from the prices published in Gas Daily from the Daily Price Survey.

Southern Natural, La	X 43%
	+
Tennessee, zone 0	X 17%
	+
Tennessee, La, 500 Leg	X 20%
	+
Tennessee, La, 800 Leg	X 20%

The Company will collect gross receipt tax on the incremental gross gas related charges.

Any difference between the actual cost of gas incurred by the Company and the Index prices defined above will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7. Increments or decrements which may result for the PGA will not apply to the cash-out mechanism.

LIMITING AND CURTAILING GAS SERVICE

Gas service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission

GENERAL TERMS AND CONDITIONS

Gas service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE V-1
Commercial and Industrial Natural Gas Vehicle Service

AVAILABILITY

Available for all gas service furnished to any non-Residential Customer who uses Natural Gas as an energy source for the propulsion of motor vehicles when the natural gas is delivered by Chattanooga Gas Company (Company) into facilities which compress the natural gas for such use, who contract in writing for service under this Rate Schedule.

MONTHLY DISTRIBUTION RATE

The Customer may elect to receive service under any non-Residential Rate Schedule, provided that the Customer would otherwise meet the requirements to be served under the provisions of the Rate Schedule elected. The rates and charges applicable to service provided under the Rate Schedule elected by the Customer shall apply to gas delivered to the facilities. Unless otherwise noted, the terms and conditions of the Rate Schedule elected shall apply. The prohibition for resale included in the Rate Schedule elected by the Customer does not apply to gas delivered into such compression facilities.

COMPANY PROVIDED FACILITIES LOCATED ON CUSTOMER'S PREMISES

If Chattanooga Gas Company provides and maintains, on the Customer's premises, the necessary facilities for compression and dispensing of such natural gas into motor vehicles, the following additional Facilities Charge shall apply. The provision and maintenance of the facilities does not include the dispensing of compressed natural gas into vehicles, or the provision of electricity required to operate the facility. The dispensing of compressed natural gas into vehicles, and the payment for electricity used to operate the facility, shall be the responsibility of the Customer.

MONTHLY FACILITY CHARGE

The Monthly Facilities Charge shall equal 1.6% multiplied by Chattanooga Gas Company's Gross Investment in facilities required to serve Customer. As used here, Company provided facilities may include dryer(s), compressor(s), storage vessels, controls, cascades, piping, metering, dispensers, and other related facilities and components including the necessary redundancy to provide for reliable service. Gross Investment means the total installed cost of the facilities before any adjustment for accumulated depreciation, a Contribution in Aid of Construction (CIAC), etc. The 1.6% factor is subject to adjustment if the Customer makes a Contribution in Aid of Construction. The adjusted factor will be as stated in the Company's contract for service provided under this Rate Schedule.

RATE SCHEDULE V-1
Commercial and Industrial Natural Gas Vehicle Service (Continued)

LIMITED ACCESS FACILITIES LOCATED ON THE COMPANY'S PREMISES

Chattanooga Gas Company may, under contract with one of more Customer(s), provide and maintain, on the Company's premises, the necessary facilities for compression and dispensing of such natural gas into motor vehicles. The Customer(s) may elect to purchase gas from the Company under any of the applicable non-Residential Rate Schedules, provided that the Customer would otherwise meet the requirements to be served under the provisions of the Rate Schedule elected. The Company, at its discretion, may allow a Customer to elect to receive service under a Transportation Rate Schedule provided that the Customer would otherwise meet the requirement to be served under the Transportation Rate Schedule elected. In addition to the distribution and gas charges as provided under the Rate Schedule elected by the Customer, the following charges shall apply:

MONTHLY FACILITY CHARGE

The Monthly Facilities Charge shall be 1.6% multiplied by the Company's Gross Investment in facilities required to serve the customer. As used here, Company provided facilities may include dryer(s), compressor(s), storage vessels, controls, cascades, piping, metering, dispensers, other related facilities and related components including the necessary redundancy to provide for reliable service, and land and land rights. Gross Investment means the total installed cost of the facilities before any adjustment for accumulated depreciation, a Contribution in Aid of Construction (CIAC), etc. The 1.6% factor is subject to adjustment if the Customer(s) makes a Contribution in Aid of Construction. If service is provided under contract to more than one Customer, the Monthly Facilities charge for each Customer shall be as stated in the contract with the individual Customers.

ELECTRICTIY

Monthly the actual cost of the electricity used to operate the facility shall be billed to the Customer(s) in accordance with the contract with the Customer(s).

COMPRESSED GAS DISPENSING FEE

The Company may, under contract, operate the facility and dispense fuel on behalf of the Customer(s). If such operation and dispensing service is provided, the Customer(s) will be billed for such service in accordance with the contract(s) with the Customer(s).

RATE SCHEDULE V-1 (Continued)
Commercial and Industrial Natural Gas Vehicle Service

TAX

If the Company operates the facility and dispenses fuel under contract on behalf of the Customer(s), the Company shall collect from the Customer and remit to the applicable authority any tax or fee on compressed natural gas disbursed as motor fuel.

Any service provided from a facility located on the Company's premises shall be provided at the time and under the terms and conditions as determined by the Company and specified in the contract(s) with the Customer(s).

PUBLICLY ACCESSIBLE FACILITES LOCATED ON COMPANY'S PREMISES

If Chattanooga Gas Company provides and maintains facilities on its own premises to provide Compressed Natural Gas as motor fuel for its own use and/or provides natural gas and provide compression service to a Customer who operates the facility and uses the Compressed Natural Gas as motor fuel and/or provides Compressed Natural Gas to the general public, the following charges shall apply:

Compression Service:

$0.50 /Therm for natural gas delivered into the facility.

Distribution and Gas Cost:

The rates and charges applicable to service provided under Small Commercial and Industrial General Service Rate Schedule (C-1) Rate Schedule shall apply to volumes delivered to the facility.

The collection and remittance of any federal or state tax imposed on compressed natural gas dispensed for use as motor fuel from facilities shall be the responsibility of the Customer who operates the facility.

If the Customer who operates the facility provides service to the general public, the price of Compressed Natural Gas provided to the general public shall be at a non-regulated price as determined by the Customer.

MINIMUM BILL

If the Customer provides and maintains the necessary facilities, the minimum monthly bill shall be the minimum bill as provided for the Rate Schedule elected by the Customer.

If the Company provides and maintains facilities on the Customer's premises or provides a Limited Access Facility on the Company's premises, the minimum monthly charge for service shall be as provided in the Company's contract for service provided under this Rate Schedule. The contract may require any of the following or a combination of the following: a commitment to purchase service for a minimum period of time; a commitment to take-or-pay for a minimum amount of service; a contribution in aid of construction; a surety bond in a form acceptable to the Company issued by a surety company acceptable to the Company or Letter of Credit in a form acceptable to the Company issued by a financial institution acceptable to the Company, or other provisions as determined appropriate by the Company.

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be for an amount which shall be greater by five percent (5%) than the net billing.

RATE SCHEDULE V-1 (Continued) Commercial and Industrial Natural Gas Vehicle Service

BILLING ADJUSTMENTS

Bills for service under this Rate Schedule shall be adjusted for changes in the cost of purchased gas in accordance with the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission..

SPECIAL TERMS AND CONDITIONS

The collection and remittance of any federal or state tax imposed on compressed natural gas dispensed for use as motor fuel from facilities owned by the Customer or from Company provided facilities located on the Customer's premise shall be the responsibility of the Customer.

If a Customer is phasing in the use of compressed natural gas as motor fuel and is acquiring and placing into service vehicles fueled by compressed natural gas over a period of years, the Monthly Facilities Charge may be phased-in over the term of the contract. However, the net present value of the revenue from the phased-in Facilities Charges, discounted at the Company's authorized rate of return, shall be equal to the net present value of the revenue that would be generated over the term of the contract if the Monthly Facilities Charge was not phased-in. Any such phase-in shall be provided in the contract for service.

The gas supplied under any agreement is supplied by the Company and purchased by the Customer upon the express condition that the gas so supplied, after it passes the Point of Delivery, becomes the property of the Customer to be used only as herein provided; and the Company shall not, in any event, be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse or presence of the said gas on the Customer's premises, or elsewhere, after it passes the Company's Point of Delivery; or for any loss or damage resulting from the presence, character or condition of the piping or appliances of the Customer; or for any loss or damage by reason of the construction, maintenance or use of the service pipe from the entrance upon the Customer's property to the Point of Delivery, nor for the inspection of repairs thereof. The Company expressly reserves the right to include, in the contract with the Customer, provisions regarding the Company's or the Customer's liability and insurance requirements as determined appropriate by the Company.

LIMITING AND CURTAILING GAS SERVICE

Gas service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission.

GENERAL TERMS AND CONDITIONS

Gas service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission as well as the contractual provisions contained in the contract for service hereunder.

RATE SCHEDULE V-2
Residential Natural Gas Vehicle Service

AVAILABILITY

Available for all gas service furnished to any Residential Customer who uses Natural Gas as an energy source for the propulsion of motor vehicles when the natural gas is delivered by Chattanooga Gas Company (Company) into facilities which compress the natural gas for such use, who contract in writing for service under this Rate Schedule.

MONTHLY DISTRIBUTION RATE

The rates and charges applicable to service provided under the Residential General Service, Rate Schedule R-1 shall apply to gas delivered to the facilities. Unless otherwise noted, the terms and conditions of the Rate Schedule R-1 shall apply. For the purpose of this Rate Schedule, home fueling of a motor vehicle is classified as residential use.

COMPANY PROVIDED FACILITIES LOCATED ON CUSTOMER'S PREMISES

If Chattanooga Gas Company provides and maintains the necessary facilities for compression and dispensing of such natural gas into vehicles on the Customer's premises, the following additional charge shall apply. The provision and maintenance of the facilities does not include the dispensing of compressed natural gas into vehicles, or the provision of electricity required to operate the facility. The dispensing of compressed natural gas into vehicles, and the payment for electricity used to operate the facility, shall be the responsibility of the Customer.

MONTHLY FACILITY CHARGE

1.4% multiplied by Chattanooga Gas Company's Gross Investment in facilities required to serve the Customer. As used here, Gross Investment means the total installed cost of the facilities before any adjustment for accumulated depreciation, a Contribution in Aid of Construction (CIAC), etc. The 1.4% factor is subject to adjustment if the Customer makes a Contribution in Aid of Construction. The adjusted factor will be as stated in the Company's contract for service provided under this Rate Schedule.

MINIMUM BILL

If the Customer provides and maintains the necessary facilities, the minimum monthly bill shall be the minimum bill as provided in the Residential R-1 Rate Schedule. If the Company provides and maintains the facilities on the Customer's premises, the minimum monthly charge for service shall be as provided in the Company's contract for service provided under this Rate Schedule. The contract may require any of the following or a combination of any of the following: a commitment to purchase service for a minimum period of time; a commitment to take-or-pay for a minimum amount of service; a contribution in aid of construction; or other provisions as determined appropriate by the Company

RATE SCHEDULE V-2

Residential Natural Gas Vehicle Service (Continued)

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be for an amount which shall be greater by five percent (5%) than the net billing.

BILLING ADJUSTMENTS

Bills for service under this Rate Schedule shall be adjusted for changes in the cost of purchased gas in accordance with the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable and approved by the Tennessee Public Utility Commission.

SPECIAL TERMS AND CONDITIONS

The collection and remittance of any federal or state tax or fee imposed on compressed natural gas dispensed for use as motor fuel from facilities located on the Customer's premise shall be the responsibility of the Customer.

The gas supplied under any agreement is supplied by the Company and purchased by the Customer upon the express condition that the gas so supplied, after it passes the Point of Delivery, becomes the property of the Customer to be used only as herein provided; and the Company shall not, in any event, be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse or presence of the said gas on the Customer's premises, or elsewhere, after it passes the Company's Point of Delivery; or for any loss or damage resulting from the presence, character or condition of the piping or appliances of the Customer; or for any loss or damage by reason of the construction, maintenance or use of the service pipe from the entrance upon the Customer's property to the Point of Delivery, nor for the inspection of repairs thereof. The Company expressly reserves the right to include, in the contract with the Customer, provisions regarding the Company's or the Customer's liability as determined appropriate by the Company.

LIMITING AND CURTAILING GAS SERVICE

Gas service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission.

GENERAL TERMS AND CONDITIONS

Gas service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission as well as the contractual provisions contained in the contract for service hereunder.

RATE SCHEDULE SS-1
Special Service

AVAILABILITY

This Rate Schedule is available to any commercial, industrial or transportation service Customer on those occasions when Chattanooga Gas Company (Company) has gas or transportation service that it cannot sell pursuant to its Interruptible Rate Schedule I-1 or Interruptible Transportation Rate Schedule T-1. On such occasions, the gas or transportation sales would be lost to the Company and to its Customers. This Rate Schedule is designed to permit the Company to sell such gas, or transportation service at negotiated rates and for the purpose of enabling the Company to compete with alternate fuels available for use by its Customers.

Service under this Rate Schedule is available to Customers on a temporary basis within the franchised territory of the Company and who are connected to the Company's distribution system and to transportation service Customers who can be served by pipeline supplier transportation arrangements. Service may be provided under this Rate Schedule only in the event that the Company has volumes of gas or transportation service that cannot be sold under other applicable Rate Schedules of the Company because of alternate fuel competition.

MONTHLY RATE

The Customer shall pay the Company for all gas or transportation service provided under this Rate Schedule at a predetermined net rate negotiated prior to providing service. MINIMUM BILL The minimum bill shall be the applicable Customer Base Use Charge due under Rate Schedule I-1 or T-1 and shall be due and payable in addition to any and all other applicable charges due under this Rate Schedule.

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be for an amount which shall be greater by five percent (5%) than the net billing. ALTERNATE FUEL PRICE In order to qualify for negotiated rates available under this Rate Schedule, the Customer shall furnish the Company with an affidavit setting forth the equivalent alternate fuel price, the quality of the alternate fuel, the quantity of the alternate fuel available at the current alternate fuel price and the period of time for which the current alternate fuel price will be effective.

SPECIAL TERMS AND CONDITIONS

When gas or transportation service is available for delivery under this Rate Schedule, the Company will always give recognition to both its own curtailment plan and those curtailment plans and requirement indexes of its pipeline suppliers to the end that available gas may reach the highest priority of service as determined from time to time by appropriate State and Federal regulatory authorities. This Rate Schedule is subject to interruption on one-half-hours' notice given by the Company by telephone or otherwise. The Company will curtail gas or transportation service to the Customers under this Rate Schedule prior to curtailment of service under any other Rate Schedule in order to prevent a shortage of gas for the use of Customers under the Company's other rate schedules.

RATE SCHEDULE SS-1 (Continued)
Special Service

SPECIAL TERMS AND CONDITIONS (Continued)

Customer shall immediately discontinue the use of gas or transportation service, to the extent of curtailment ordered, when and as directed by the Company; and authorized representatives of the Company shall have at all times the right of ingress and egress to the Customer's premises. Upon determination by the Company that the necessity for curtailment has ceased the Company shall so notify the Customer by telephone or otherwise and the Customer shall not resume service until so notified.

In the event the Customer does not comply with a daily balancing order or curtailment as directed by the Company, additional charges and penalties will be determined as defined in the rate schedule applicable to the Customer.

The payment of a charge for unauthorized over-run shall not under any circumstances be considered as giving any such right to take unauthorized over-run volumes, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect its obligations to adhere to the provisions of its contract with the Company.

The curtailment of gas deliveries in whole or in part under this Rate Schedule shall not be the basis for claims against the Company for any damages sustained by the Customers. Unauthorized over- run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

GENERAL TERMS AND CONDITIONS

Service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE TPS

APPLICABILITY

The provisions of this Rate Schedule shall apply to brokers, marketers, and Customers intending to act as their own gas supplier, and other third-party suppliers (collectively "Third Party Suppliers" or "TPS") of natural gas that wish to either act as agents for Transportation Customers or deliver natural gas supplies to Company's City Gate for Transportation Customers. Each Customer that elects a third-party supplier must provide the Company a shipper letter designating the TPS that is to deliver gas to the Company's system on behalf of the Customer. A Customer may designate no more than one TPS each month.

NOMINATIONS FOR SERVICE

Daily, a TPS shall provide the Company the day prior to delivery by at least 12:30 PM Eastern Standard Time an estimate of its deliveries ("nomination") via the Company's Electronic Bulletin Board (EBB) to meet each of their Customers' daily requirements. The TPS shall use its best efforts to match their daily nominations to requirements for the Customers it serves. Failure to provide nominations may result in suspension of service to Customers of the offending TPS. Failure to comply with the Company's nominating procedures may result in curtailment of third party gas deliveries or additional monthly cash-outs to their Customers. The Company reserves the right to determine eligible receipt point(s) for an individual transportation customer based on the relationship between a given receipt point and the customer's meter location, require daily balancing, and shall have the right to curtail service to ensure deliveries on a uniform basis and to correct any imbalances. The Company shall show the reason for any such requirement for daily balancing or curtailments of service upon request of any affected Customer or any regulatory agency. The Company will provide the TPS in all instances with notice that daily balancing will be imposed by posting such daily balancing alerts to its EBB. The Company shall provide such notice as soon as reasonably practicable. It shall be the responsibility of the TPS to notify its Customers of the alert and the supply available to each facility served by the TPS. In the event a Customer delivers to an ineligible receipt point(s) or a receipt point(s) not identified as eligible by the Company, the Customer will be charged the rate of $50.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with deliveries to the receipt point(s) as directed by the Company.

In making nominations the TPS shall provide the following:

(1) The Customer for whom the nomination is being made.
(2) The pipeline company and the pipeline transportation contract identifiers under which gas deliveries will be made to the Company's distribution system.
(3) The daily quantity of gas, expressed in MMBTU (Dekatherms), to be tendered at each receipt point.
(4) Maintain connectivity to the Company's EBB at all times in order to receive communication from Company at any and all times.
(5) The name, address, and telephone number of a contact person that is available to receive communication from Company at any and all times and upon whose written and oral communications Company may exclusively rely.
(6) Any additional information as may be required by the Company in order to perform its functions on the pipeline transportation system.

RATE SCHEDULE TPS (continued)

If Customer's TPS fails to comply with provisions 1 through 6 above, the Company may elect not to schedule the commencement of service or allow the TPS's Customers to participate in Monthly Imbalance Trading. The Company shall, as soon as reasonably practicable, provide notice to the Customers of such a TPS of the TPS' failure to comply with these provisions that result in the Company not scheduling service or the prohibition of the Customers' participation in Monthly Imbalance Trading. Customers whose designated TPS is prohibited from scheduling service may receive service and purchase gas from the Company under the applicable corresponding Rate Schedule for the remainder of the month. Beginning with the next month the Customer must notify the Company that the Customer will act as its own gas supplier, or designate another TPS.

INDEMNIFICATION

As between the Company and TPS, TPS warrants that it has clear title to any gas delivered into the Company's system, and TPS shall be deemed to be in exclusive control and possession of gas prior to its delivery into the Company's system for redelivery to Customer. TPS agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries to the City Gate on behalf of a transporting Customer.

DAILY AND MONTHLY CONTRACT BALANCING

All TPS Customers will automatically be placed in a non-discriminatory monthly balancing pool. The Company will aggregate the deliveries and receipts of gas of all TPS Customers participating in the pool for the purpose of determining whether imbalance premiums as set forth in the applicable Rate Schedule will apply. In the event that charges are nonetheless assessed to certain TPSs, such charges will be no greater than the charges that otherwise would have been assessed if the Company did not have a monthly balancing pool.

a) Daily Balancing

The Company may issue a daily balancing order when an OFO order has been issued, when in the judgment of the Company it is required to maintain the operational integrity of the distribution system, or during periods of significant price volatility. Significant price volatility is defined as daily pricing that exceeds the most recent first of month as identified by *Gas Daily* at the Henry Hub by a minimum of 20%.

The Company will provide the TPS in all instances notice that daily balancing will be imposed. It is the responsibility of the TPS to notify its Customers that daily balancing is in effect or that the Customer must comply with a curtailment order as directed by the Company.

In the event that daily balancing is imposed in accordance with this section, TPSs shall be required to notify their Customers that daily balancing is in effect, and that if a Customer takes daily gas deliveries in excess of the Customers' daily contract entitlement where such consumption is measured and recorded on a daily basis, or in the event any of TPS's Customers do not comply with a curtailment or daily balancing order as directed by the Company and takes gas in excess of the daily volume allowed by the Company in the curtailment or daily balancing order, in accordance with the provisions of the Rate Schedule under which the Customer is served, such daily volumes taken in excess of curtailment or daily balancing order volumes shall be paid for by the Customer

RATE SCHEDULE TPS (continued)

at the rate specified in the Special Terms and Conditions of the applicable Rate Schedule: T-1, T-2, or T-3 under which the Customer is served, and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment or daily balancing order as directed by the Company. These charges shall be in addition to all other charges payable by the Customer under the Rate Schedule under which service is provided. The payment of a charge for gas taken in excess of the daily volume allowed by the curtailment order shall not under any circumstances be considered as giving any such TPS Customer the right to take over-run gas, nor shall such payment be considered as a substitute for any other remedies available to Company against the TPS Customer for failure to respect its obligations to adhere to the provisions of its contract with the Company. If the Customer has gas delivered in excess of a daily balancing order volumes, the Customer shall be billed as specified in the Terms and Conditions of the applicable Rate Schedule: T-1, T-2, or T-3 under which the Customer is served.

The Company shall, within the existing limitations of its system, provide for balancing between gas requirements and actual gas deliveries received by the Company for the account of the Customers served by the TPS that day. The Company shall not be obligated to provide gas service during an hourly, daily or monthly period in excess of the levels specified in the Rate Schedules under which Customers are served.

The curtailment of interruptible gas deliveries in whole or in part in compliance with the interruption provisions of the Rate Schedule under which the Customer receives service shall not be the basis for claims against the Company for any damages sustained by the Customers. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

b) Monthly Imbalance Trading

Any difference between the quantities delivered to the Company's City Gate facilities for the account of a TPS Customer for the month, and the quantities consumed by the TPS Customer as metered for the month, shall be the monthly imbalance. This imbalance shall be resolved monthly by "cashing out" the imbalance as it is known at that time. If a TPS Customer consumes more gas than it has delivered to the Company, the TPS's Customer will be deemed to be "short" by the amount of the deficiency and will buy an amount of gas equal to the deficiency from the Company. If the TPS's Customer consumes less gas than it has delivered to the Company, the TPS's Customer will be deemed to be "long" by the amount of the surplus, and the Company will buy the amount of the surplus by paying the Customer a price in accordance with the provisions of this tariff under the Rate Schedule in the Customer receives service. Within two business days after the end of the month the Company shall inform participating TPSs of their Customers' respective monthly cash out position. From three to five business days after the end of the month the Customer imbalances may be traded. At the end of the fifth business day the TPSs who have agreed to trades on behalf of Customers shall notify the Company of their trades through the Company's EBB. Nonetheless, TPSs trading imbalances will, have to set their own prices or methods by which over or under balances will be traded among individual Customers.

STANDARDS OF CONDUCT

In addition to the above terms and conditions, TPS and TPS Customers must agree to comply with any standards of conduct or other requirements set forth by the TPUC.

EDGS-1 Economic Development Gas Service

AVAILABILITY

Service under this Schedule is available, in conjunction with other applicable Commercial or Industrial rate schedule, to any qualifying person that meets the eligibility requirements.

SPECIAL TERMS AND CONDITIONS

To receive service under this Rate Schedule, the customer's written application to the Company shall include sufficient information to permit the Company to determine the customer's eligibility

Eligibility Requirements: A qualifying person must intend to become a new customer with the intent to utilize natural gas to provide significant economic development or environmental benefits within the State of Tennessee or in a manner that increases system utilization; be an existing customer that materially expands its use of natural gas, that provides significant environmental or economic development benefits within the State, or that increases system utilization; or be a new or existing customer that meets other criteria as determined appropriate by the Tennessee Public Utility Commission.

Significant Economic Benefit: Customers must intend to: create new jobs or avoid potential job reductions in the State; be identified as a prospect by the Tennessee Department of Economic and Community Development or applicable county or municipal economic development entity; or otherwise provide material benefits in the areas' economic development.

Significant Environmental Benefit: Customers must intend to: install or modernize equipment that uses energy more efficiently; reduce carbon emissions; achieve goals under a State or Federal Energy Plan or Policy as may be established from time to time; or otherwise intend to provide measurable benefits to improve Tennessee's environment.

Qualifying Volumes: To be eligible for service under this rate schedule a new customer must contract to purchase and/or transport at least 1,000 Dth annually. An existing customer must contract to purchase and/or transport of at least 1,000 Dth of additional gas annually. The increase in the volume of gas purchased or transported shall result from an in increase in business activity and not merely from the resumption of normal operations following a period of abnormal operating conditions. If in the Company's opinion an abnormal period has occurred as a result of a strike, equipment failure, or any other abnormal condition during the twelve (12) month period prior to the date of the application by the customer for service under this rate schedule, the Company shall adjust the customer's consumption to eliminate any abnormal condition. The Company, through use of historical data shall determine the base annual consumption for existing customers. Volumes in excess of the base annual consumption shall be used to evaluate the eligibility of the customer to receive service under this rate schedule. Loads which are or have been served by the Company during all or part of the twelve (12) month period prior to service under this Rate Schedule, and which are relocated to another metering point within the Company's service area, shall not qualify for this Rate Schedule

The existing facilities of the Company must be adequate in the judgment of the Company to supply the new or expanded natural gas requirements. If construction of new or expanded local facilities by the Company is required, the customer may be required to make a Contribution in Aid of Construction for the installed cost of such facilities. The Company will evaluate the customer's request for service and determine the necessity of a Contribution in Aid of Construction for facilities based on the Non-Residential Main and Service Extension provision of the Company's filed tariff.

The customer must execute a contract for service under this tariff for a minimum of 5 years.

All other terms and conditions of the companion rate schedule under which service would otherwise be provided shall apply to service provided under this rate schedule.

EDGS-1
Economic Development Gas Service
(Continued)

The Company shall review the Customer's consumption each year to determine whether the Customer has fulfilled the usage requirement to be eligible for service under this rate schedule. If, on an annual basis, the customer fails to fulfill the usage requirement for service under this tariff future service may be provided under the companion rate schedule that would otherwise apply.

CUSTOMER CHARGE

A full monthly customer charge per meter as provided under applicable companion tariff is payable regardless of the usage of gas.

MONTHLY RATE

The non-gas charges that would be billed in accordance with the companion rate schedule that would otherwise apply to the qualifying volumes if service was not providing under this rate schedule shall be multiplied by the following Adjustment Factors to determine the monthly bill related to the qualifying volumes. For a new customer the factor will be applied to the charges for the total volume delivered. For an existing customer, the factor will be applied to the charges applicable to the volume in excess of the base annual volumes. For monthly billing purposes, 1/12th of the base annual volume shall be deducted from actual measured consumption to determine the volume eligible for the discounted factor. The factor will not be applied to the monthly customer charge.

Contract Year	Billing Month	Adjustment Factor	Discount from Companion Rate Schedule
1	1 st through 12th	60%	40%
2	13 th through 24 th	70%	30%
3	12 th through 36 th	80%	20%
4	37 th through 48 th	90%	10%
	Beyond the 48 th Month	100%	

A new customer may elect to begin service under this rate schedule on the first month service is provided or may elect to delay service under this rate schedule for up to twelve months and purchase service under the companion rate schedule that would otherwise apply until the election is effective.

If the volume of gas purchased or transported in a contract year is less than the volume specified in the contract, the difference in the actual volume and the volume specified in the contract shall be deemed a volume deficiency. For any volume deficiency, the customer shall be billed an amount equal to the non-gas volumetric charge that would have been billed for the delivery of the volume equal to the deficiency. The bill shall be computed in accordance with the companion rate schedule that would otherwise apply subject to the discount provided under this rate schedule.

RATE SCHEDULE EDGS-1
Economic Development Gas Service
(Continued)

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be for an amount which shall be greater by five percent (5%) than the net billing.

BILLING ADJUSTMENTS

Bills for gas service hereunder shall be subject to adjustment for the applicable taxes, fees, and the cost of purchased gas in accordance with the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission. The adjustment factor provided under this rate schedule will not be applied to the PGA and other adjustments factors.

RATE SCHEDULE BBS – 1
Budget Billing Service

AVAILABILITY

Available to any Residential or Firm Commercial Customer. The Customer's gas account must be current when joining the Budget Billing plan.

GENERAL TERMS AND CONDITIONS

Customer Notification and Application Forms will be mailed in July of each year.

The used-to-date amount consists of the total to date of the Customer's gas bills that the Customer would have incurred from the beginning of the budget plan had the Customer not been on the Budget Billing plan.

The paid-to-date amount consists of all payments to date by the Customer toward the Budget Billing plan from the beginning of the budget plan.

The budget year begins with the September billing and continues throughout the following August. The monthly budget payment amount is determined from the premise's Annual Base. The Annual Base is an actual or calculated dollar amount of the yearly gas usage for the premise. For new Customers who begin the plan in September, the Annual Base is divided by 11.5 to determine the monthly budget installment amount.

Customers may join the plan at any time during the budget year. Budget installments will be determined from the number of months remaining until the end of the budget year.

The minimum monthly budget installment amount is $5.00. The plan is renewed automatically each year. The Customer may cancel the Budget Billing Agreement at any time upon making a request to return to Regular Billing status.

If the account is past-due and the used-to-date amount exceeds the paid-to-date amount, the account may be removed from the budget plan at the company's option.

BILLING ADJUSTMENTS

Budget Billing accounts are reviewed four times a year. These reviews occur in November, February, May, and August. The monthly installment amount may change with each review. An account will not be reviewed in November or May if the budget plan has been in effect less than two months.

In November, the monthly installment amount will be recalculated if the used-to-date and the billed-to-date amounts differ by more than one monthly budget bill installment. The recalculated amount will be determined as follows. The amounts from the previous year's December through August bills are added to the November difference between the used-to-date and billed-to-date amounts. The total amount is divided by 8.5. If the difference between the current budget installment and the recalculated amount is greater than 35% of the current budget installment, the recalculated amount becomes effective in December.

In February, all Budget Billing accounts will be recalculated. The recalculated amount will be determined as follows. The amounts from the previous year's March through August bills are added to the February difference between the used-to-date and billed-to-date amounts. The total amount is divided by 5.5. When the current budget amount is $50.00 or greater and the difference between the current and the recalculated amount is greater than $5.00, then the recalculated amount becomes effective in March. When the current budget amount is less than $50.00 and the difference in the current and recalculated amounts is greater than 10% of the current amount, then the recalculated amount becomes effective in March.

RATE SCHEDULE BBS-1 (Continued)
Budget Billing Service

In May, the monthly installment amount will be adjusted if the used-to-date and the billed-to-date amounts differ by more than two monthly budget bill installments. The recalculated amount will be determined as follows. The amounts from the previous year's June through August bills are added to the May difference between the used-to-date and billed-to-date amounts. The total amount is divided by three (3). If the difference between the current budget installment and the recalculated amount is greater than 35% of the current budget installment, the recalculated amount becomes effective in June.

When Customers sign up for the Budget Payment Plan, they may choose to have their excess credits (difference), if any, rolled into the budget amount for next year or they may choose to settle the account at the end of the budget year.

Each Customer who elects the refund option will receive a refund if the difference between the used-to-date and billed-to-date amounts at the end of the budget year is a credit of $25.00 or greater. A credit balance of less than $25.00 will be refunded at the request of the Customer. If the difference is a debit, the difference will be billed to the Customer in August.

If the Customer elects the rollover option, a difference of $12.00 or greater (debit or credit) will be rolled into the new budget year calculations. A difference of less than $12.00 (debit or credit) will be billed as an adjustment to the regular August installment

INTERRUPTIBLE MARGIN CREDIT RIDER

APPLICABILITY

This Rider shall apply to and become part of each of Chattanooga Gas Company's (Company's) Rate Schedules under which gas is sold on a firm basis (hereinafter referred to as "Firm Schedule").

INTENT AND APPLICATION

This Interruptible Margin Credit Rider is intended to authorize the Company to recover ninety percent (90%) of the gross profit margin losses that result from rates negotiated under the provisions of Special Service Rate Schedule SS-1 or from Customers who switch to alternate fuels where the Company is unable to meet alternate fuel competition.

This Interruptible Margin Credit Rider is also intended to authorize the Company to recover not more than twenty five percent (25%) of the gross profit margin that results from transactions with non-jurisdictional Customers that rely on the Company's gas supply assets (all such transactions including off-system sales) should such transactions be made by the Company. The Company shall also recover through this Rider other costs authorized by the Commission.

DETERMINATION OF GROSS PROFIT MARGIN LOSSES

The gross profit margin loss shall be calculated as ninety percent (90%) of the difference between the Test-Year Targeted Rate Margin as determined in the Company's most recent rate case order of the Commission and the Actual Negotiated Rate Margin.

Any amount of gross profit margin losses shall be recovered from the firm commodity component of gas costs as determined under the presently effective Purchased Gas Adjustment Provision.

FILING WITH THE COMMISSION

Annually the Company shall file a report of the negotiated rate gross profit margin loss and the gross profit margin from transactions with non-jurisdictional Customers for the accounting/recovery period which shall correspond with the Company's Fiscal Year, or if the Company has an asset management agreement, the accounting/recovery period may be modified to coincide with the contract year of the agreement or, for just cause, with another appropriate accounting/recovery period.

The Company shall charge all authorized negotiated rate gross profit margin losses to the "Deferred Gas Cost" account the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission.

Type equation here.

WEATHER NORMALIZATION ADJUSTMENT

(WNA)RIDER

PROVISIONFORADJUSTMENT

The base rate per therm (100,000 Btu) for gas service set forth in any rate schedules utilized by the Commission in determining normalized test period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment."

DEFINITIONS

For Purpose of this Rider:

" Commission" means the Tennessee Public Utility Commission.

"Relevant Rate Order" means the final order of the Commission in the most recent rate case of Chattanooga Gas Company (Company) fixing the rates of the Company or the most recent final order of the Commission Specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.

COMPUTATIONOFWEATHERNORMALIZATIONADJUSTMENT

The Weather Normalization Adjustment shall be computed to the nearest one-hundredth cent per therm by the following formula:

$$\boldsymbol{WNA_I = R_i \frac{HSF_i(NDD - ADD)}{(BL_i + (HSF_i\, X\, ADD)}}$$

Where

i	=	any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
WNA_i	=	Weather Normalization Adjustment Factor for the i th Rate Schedule or classification expressed in cents per /therm
R_i	=	weighted average base rate (base rate less any embedded gas cost) of temperature sensitive sales for the i th schedule or classification utilized by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues
HSF_i	=	heat sensitive factor for the i th schedule or classification utilized by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues
NDD	=	normal billing cycle heating degree days utilized by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues
ADD	=	actual billing cycle heating degree days
BL_i	=	base load sales for the i th schedule or classification utilized by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues.

WEATHER NORMALIZATION ADJUSTMENT
(WNA) RIDER

FILING WITH COMMISSION

The Company will file as directed by the Commission (a) a copy of each computation of the Weather Normalization Adjustment, (b) a schedule showing the effective date of each such Weather Normalization Adjustment, and (c) a schedule showing the factors or value derived from the Relevant Rate Order used in calculating such Weather Normalization Adjustment.

RATE SCHEDULE	WEIGHTED BASE RATE (THERM)	HEAT SENSETIVE FACTOR- HSF (THERM)	BASELOAD- BL (THERM)
(R-1) RESIDENTIAL Winter (November-April)	$0.24950	.15024734	13.32898975
(R-4) MULTI-FAMILY HOUSING SERVICE Winter (November – April)	$0.46406	.06855402	14.46080765
(C-1) COMMERCIAL AND INDUSTIRAL GENERAL SERVICE Winter (November – April)	$0.39637	.29116094	16.52451922
(C-2) MEDIUM COMMERCIAL AND INDUSTRIAL GENERAL SERVICE Winter (November – April)	$0.38597	2.11686991	700.30683132

PURCHASED GAS ADJUSTMENT PROVISION
PURSUANT TO RULE 1220-4-7 OF
THE TENNESSEE PUBLIC UTILITY COMMISSION RULES AND REGULATIONS

I. GENERAL PROVISIONS

A. This Purchased Gas Adjustment (PGA) Rider is intended to permit the Company to recover, in a timely fashion, the total cost of gas purchased for delivery to its Customers and to assure that the Company does not over-collect or under-collect Gas Costs from its Customers.

B. This Rider is intended to apply to all Gas Costs incurred in connection with the purchase, transportation and/or storage of gas purchased for general system supply, including, but not limited to, natural gas purchased from interstate pipeline transmission companies, producers, brokers, marketers, associations, intrastate pipeline transmission companies, joint ventures, providers of liquefied natural gas (LNG), liquefied petroleum gas (LPG), substitute, supplemental or synthetic natural gas (SNG), and other hydrocarbons used as feed-stock, other distribution companies and end-users, whether or not the Gas Costs are regulated by the Federal Energy Regulatory Commission and whether or not the provider of the gas, transportation or storage is affiliated with the Company.

C. To the extent practicable, any revision in the PGA shall be filed with the Commission no less than thirty (30) days in advance of the proposed effective date and shall be accompanied by the computations and information required by this Rider. It is recognized, however, that in many instances the Company receives less than 30 days' notice from its Suppliers and that other conditions may exist which may prevent the Company from providing 30 days advance notice. Therefore, should circumstances occur where information necessary for the determination of an adjustment under this Rider is not available to the Company so that the thirty (30) days requirement may be met, the Company may, upon good cause shown, be permitted to place such rates into effect with shorter advance notice.

D. The rates for gas service set forth in all of the Rate Schedules of the Company shall be adjusted pursuant to the terms of the PGA, or any specified portion of the PGA as determined by individual Rate Schedule(s).

E. No provision of this Rider shall supersede any provision of a Special Contract approved by the Commission.

II. DEFINITIONS

A. **" Gas Costs"** shall mean the total delivered cost of gas paid or to be paid to Suppliers, including, but not limited to, all commodity/gas charges, demand charges, peaking charges, surcharges, emergency gas purchases, over-run charges, capacity charges, standby charges, gas inventory charges, minimum bill charges, minimum take charges, take-or-pay charges and take-and-pay charges (except as provided below), storage charges, service fees and transportation charges and any other similar charges which are paid by the Company to its gas suppliers in connection with the purchase, storage or transportation of gas for the Company's system supply.

B. **" Fixed Gas Costs"** shall mean all Gas Costs based on the Company's right to demand gas or transportation on a daily or seasonal peak; but unless otherwise ordered by the Commission, shall not include other charges paid for gas reserve dedication (e.g., reservation fees and gas inventory charges), minimum bill charges, minimum take charges, over-run charges, emergency gas charges, take-or-pay charges or take-and-pay charges (all of which shall be considered commodity costs).

PURCHASED GAS ADJUSTMENT PROVISION
(Continued)

C. "Gas Charge Adjustment" shall mean the per unit amount billed by the Company to its Customers solely for Gas Costs. The Gas Charge Adjustment shall be separately stated for firm Customers and for non-firm Customers.

D. "Suppliers" shall mean any person or entity, including affiliates of the Company, who locates, purchases, sells, stores and/or transports natural gas or its equivalent for or on behalf of the Company. Suppliers may include, but not be limited to, interstate pipeline transmission companies, producers, brokers, marketers, associations, intrastate pipeline transmission companies, joint ventures, providers of LNG, LPG, SNG, and other hydrocarbons used as feed- stock, other distribution companies and end-users.

E. "Computation Period" shall mean the twelve (12) month period utilized to compute Gas Costs. Such period shall be the twelve (12) month period ending on the last day of a month which is no more than 62 days prior to the filing date of a PGA.

F. "Demand Billing Determinants" shall mean the annualized volumes for which the Company has contracted with Suppliers as of the first day of the Filing Month.

G. "Commodity Billing Determinants" shall mean the total metered throughput, regardless of source, during the Computation Period, adjusted for known and measurable changes. Should the Company expect to purchase commodity gas from several Suppliers, the Company shall allocate to each supplier a percentage of the total metered throughput, regardless of source, during the Computation Period, adjusted for known and measurable changes. The percentage used to allocate among Suppliers shall be based on historical takes during the Computation Period, if appropriate; otherwise it shall be based upon the best estimate of the Company.

H. "Filing Month" shall mean the month in which a proposed revision is to become effective.

III. COMPUTATION AND APPLICATION OF THE PGA

The PGA shall consist of three major components: (1) the Gas Charge Adjustment; (2) the Refund Adjustment; and (3) the Actual Cost Adjustment (ACA).

A. Computation of Gas Charge Adjustment.

The Company shall compute the jurisdictional Gas Charge Adjustment at such time that the Company determines that there is a significant change in its Gas Costs.

1. Formulas. The following formulas shall be used to compute the Gas Charge

$$\boldsymbol{FIRM\ GCA} = \left[\left(\frac{\boldsymbol{D \pm DAC}}{\boldsymbol{ST}}\right) - \boldsymbol{DB}\right] + \left[\left(\frac{\boldsymbol{P + T + SR \pm CACA}}{\boldsymbol{ST}}\right) - \boldsymbol{CB}\right]$$

$$\boldsymbol{Non\text{-}FIRM\ GCA} = \left(\frac{\boldsymbol{P + T + SR \pm CACA}}{\boldsymbol{ST}}\right) - \boldsymbol{CB}$$

PURCHASED GAS ADJUSTMENT PROVISION
(Continued)

2. Definitions of Formula Components.

GCA	=	The Gas Charge Adjustment in dollars per Therm, rounded to no more than five decimal places.
D	=	The sum of all fixed Gas Costs.
DACA	=	The demand portion of the ACA.
P	=	The sum of all commodity/gas charges.
T	=	The sum of all transportation charges.
SR	=	The sum of all FERC approved surcharges.
CACA	=	The commodity portion of the ACA.
DB	=	The per unit rate of demand costs or other fixed charges included in base rates in the most recently completed general rate case (which may be zero if the Company so elects and the Commission so approves).
CB	=	The per unit rate of variable Gas Costs included in base rates in the most recently completed general rate case (which may be zero if the Company so elects and the Commission so approves).
SF	=	Firm sales.
ST	=	Total sales.

3. Determination of Factors for Gas Charge Adjustment.

a. Demand Charges (Factor D)

All fixed Gas Costs that do not vary with the amount of gas purchased or transported, including, but not limited to, the product resulting from the multiplication of (1) the respective Demand Billing Determinants by (2) the demand rates effective the first day of the Filing Month and (3) any fixed storage charges.

b. Demand Actual Cost Adjustment (Factor DACA)

See Subsection C of Section III.

PURCHASED GAS ADJUSTMENT PROVISION
(Continued)

c. Purchased Commodity Charges (Factor P)
All commodity or other variable gas costs associated with the amount of gas purchased or transported including, but not limited to, the product resulting from the multiplication of (1) the respective Commodity Billing Determinants by (2) the respective supplier's commodity/gas rate which are known, or if not known which are reasonably anticipated, to be in effect on the first day of the Filing Month.

d. Transportation Charge (Factor T)
The transportation charges actually invoiced to the Company during the Computation Period or expected to be invoiced to the Company during the current period.

e. FERC Approved Surcharges (Factor SR)
The sum of all FERC approved surcharges, including gas inventory charges or its equivalent, actually invoiced or expected to be invoiced to the Company during the Computation Period or to be effective the first day of the Filing Month by respective Suppliers.

f. Annual Cost Adjustment (Factor ACA)
See Subsection C of Section III.

g. Firm Sales (Factor SF)
Total volumes billed to the Company's firm Customers during the Computation Period, regardless of source, adjusted for known and measurable changes.

h. Total Sales (Factor ST)
Total volumes billed to all the Company's Customers during the Computation Period, regardless of source, adjusted for known measurable changes.

4. Modification of Formulas.

The formulas set forth above are not designed for use with two-part demand/commodity rate schedules; therefore, the formulas may be modified for use with such rate schedules. In addition, the formulas may be modified from time to time to carry out the intent of this PGA Rider. Any amendment to the formulas shall be effective on the proposed effective date of the amendment unless the Commission shall act to suspend the proposed amendment within thirty days after the filing of the proposed amendment, in which case the proposed amendment shall be subject to notice and hearing.

PURCHASED GASADJUSTMENTPROVISION
(Continued)

5. Filing with the Commission.

The computation of the Gas Charge Adjustment shall be filed in accordance with the notice requirements specified in Subsection C of Section I of this Rider and shall remain in effect until a revised Gas Charge Adjustment is computed and filed pursuant to this Rider.

The Company shall file with the Commission a transmittal letter, an exhibit showing the computation of the Gas Charge Adjustment, a PGA tariff sheet, and any applicable revised tariff sheets issued by Suppliers.

The transmittal letter shall state the PGA tariff sheet number, the service area(s), the primary reasons for revision, and the effective date.

If the Company proposes to recover any Gas Costs relating to (1) any payments to an affiliate or (2) any payments to a non-affiliate for emergency gas, over-run charges, take-or-pay charges, and take-and-pay charges (except as provided below) or (3) the payment of any demand or fixed charges in connection with an increase in contract demand, the Company must file with the Commission a statement setting forth the reasons why such charges were incurred and sufficient information to permit the Commission to determine if such payments were prudently made under the conditions which existed at the time the purchase decisions were made.

Any filing of a rate change under this Rider shall be effective on the proposed effective date unless the Commission shall act to suspend the proposed change within thirty days after the filing, in which case the filing shall be subject to notice and hearing.

B. Refund Adjustment.

The Refund Adjustment shall be separately stated for firm and non-firm Customers and may be either positive or negative.

1. Computation of Refund Adjustment
The Company shall compute a Refund Adjustment on the last day of each calendar quarter using the following formulas:

$$\boldsymbol{Firm\ RA} = \left[\left(\frac{\boldsymbol{DR1 - DR2}}{\boldsymbol{SFR}}\right) + \left(\frac{\boldsymbol{CR1 - CR2} \pm \mathrm{i} \pm \mathrm{u}}{\boldsymbol{STR}}\right) - \boldsymbol{CB}\right]$$

$$\boldsymbol{Non\text{-}Firm\ RA} = \left(\frac{\boldsymbol{CR1 - CR2 \pm CR3 \pm i \pm u}}{\boldsymbol{STR}}\right)$$

PURCHASED GAS ADJUSTMENT PROVISION
(Continued)

2. Definitions of Formula Components.

RA	=	The Refund Adjustment in dollars per therm, rounded to no more than five decimal places
DRI	=	Demand refund not included in a currently effective Refund Adjustment, and received from Suppliers by check, wire transfer, or credit memo.
DR2	=	A demand surcharge from a Supplier not includable in the Gas Charge Adjustment, and not included in a currently effective Refund Adjustment.
CR1	=	Commodity refund not included in a currently effective Refund Adjustment, and received from Suppliers by check, wire transfer, or credit memo.
CR2	=	A commodity surcharge from a supplier not includable in the Gas Charge Adjustment, and not included in a currently effective Refund Adjustment.
CR3	=	The residual balance of an expired Refund Adjustment.
i	=	Interest on the "Refund Due Customers' Account," using the average monthly balance based on the beginning and ending monthly balances. The interest rates for each calendar quarter used to compute such interest shall be a rate equal to the arithmetic mean (to the nearest one-hundredth of one percent) of the prime rate value published in the "Federal Reserve Bulletin" or in the Federal Reserve's "Selected Interest Rates" for the 4th, 3rd, and 2nd months preceding the 1st month of the calendar quarter.
SFR	=	Firm sales as defined in the Gas Charge Adjustment computation, less sales under a transportation or negotiated rate schedule.
STR	=	Total sales as defined in the Gas Charge Adjustment computation, less sales under a transportation or negotiated rate schedule.
u	=	The actual gas cost portion of uncollectible accounts.

3. Modification of Formula.

The formulas set forth above are not designed for use with two-part demand/commodity rate schedules; therefore, the formulas may be modified for use with such rate schedules. In addition, the formulas may be modified from time to time to carry out the intent of this PGA Rider. Any amendment to the formulas shall be effective on the proposed effective date of the amendment unless the Commission shall act to suspend the proposed amendment within thirty days after the filing of the proposed amendment, in which case the proposed amendment shall be subject to notice and hearing.

PURCHASED GAS ADJUSTMENT PROVISION
(Continued)

4. Filing with the Commission

The computation of the Refund Adjustment shall be filed in accordance with the notice requirements specified in Subsection C of Section I this Rider and shall remain in effect for a period of twelve (12) months or for such longer or shorter period of time as required to appropriately refund the applicable refund amount.

The Company shall file with the Commission a transmittal letter, exhibits showing the computation of the Refund Adjustment and interest calculations, and a PGA tariff sheet. The transmittal letter shall state the PGA tariff sheet number, the service area(s), the reason for adjustment, and the effective date. Should the Company have a Gas Charge Adjustment filing to become effective the same date as a Refund Adjustment, a separate transmittal letter and PGA tariff sheet shall not be necessary.

C. Actual Cost Adjustment

Commencing with the initial effective date of this Rider, the Company shall calculate the ACA monthly. The Company may, at its option, file monthly to include the ACA in its calculation of the Gas Charge Adjustment but shall be required to do so at least annually. The ACA shall be the difference between (1) revenues billed Customers by means of the Gas Charge Adjustment and (2) the cost of gas invoiced the Company by Suppliers plus margin loss (if allowed by order of the Commission in another docket) as reflected in the Deferred Gas Cost account. The balance of said account shall be adjusted for interest at the rate provided for the calculation of interest with respect to the Refund Adjustment. The ACA shall be segregated into demand and commodity, and shall be added to or deducted from, as appropriate, the respective demand and commodity costs included in the Gas Charge Adjustment. Supplemental sheets showing the calculations of margin losses and cost savings shall also be provided.

D. Adjustments to Prior Period ACAs.

In the event that circumstances warrant a correction to or restatement of a prior period ACA, such correction or restatement shall be made in accordance with the ACA calculation in effect for the time period(s) to which the correction or restatement relates. The resulting adjustment shall then be added to or deducted from the appropriate ACA in the next ensuing ACA filing with the Commission.

E. Annual Filing with the Commission

Each year, the Company shall file with the Commission an annual report reflecting the transactions in the Deferred Gas Cost Account. Unless the Commission provides written notification to the Company within 180 days, the Deferred Gas Cost Adjustment Account shall be deemed in compliance with the provisions of this Rider.

IV. GAS COST ACCOUNTING

To appropriately match revenues with cost of purchased gas as contemplated under this rule, the Company shall originally record the cost of purchased gas in a "Deferred Gas Cost" account. Monthly the Company shall debit "Natural Gas Purchases" with an amount equal to the PGA rate, as calculated hereunder, multiplied by the appropriate sales volumes billed to Customers. The corresponding monthly credit entry shall be made to the "Deferred Gas Cost" account.

CURRENT LEVEL OF APPLICABLE TAXES AND GOVERNMENT FEES

APPLICABILITY

This Schedule shall be applicable to all Rate Schedules and to each Customer rendered gas service hereunder except for those Customers qualifying for specific exemption. A copy of the appropriate State approved exemption certificate form shall be filed with the Company in order to qualify for a State of Tennessee Sale Tax exemption.

BILLING

The taxes due under this Schedule shall be included in the monthly bill for service rendered and shall be considered as an integral part of the total monthly bill due.

APPLICABLE TAXES

STATE OF TENNESSEE SALES TAX

This Tax shall be billed as follows:

Residential - Tax Exempt Effective July 1, 1985

Multi-Family Housing Service - Billed at rate of 7%.

Commercial and Industrial - Billed at rate of 7% unless Customer qualifies for special 1 1/2% rate or total exemption.

APPLICABLE CITY FEES

CITY OF CLEVELAND FRANCHISE FEE

This Fee shall be billed at the rate of 5% on customer located within the City limits of Cleveland ennessee

CITY OF CHATTANOOGA FRANCHISE FEE

This Fee shall be billed to customers within the City Limits of Chattanooga Tennessee at the rate of 5.15%

INCOME TAX GROSS-UP FACTOR APPLICABLE TO CONTRIBUTIONS IN AID OF CONSTRUCTION

16.30%

SCHEDULE FOR LIMITING AND CURTAILING GAS SERVICE

SUPPLY, CAPACITY, AND PRESSURE CURTAILMENTS

Extreme weather conditions, operating conditions, limitations on available supply and capacity, or the demands of the Company's Firm Customers may result in pressure deficiencies or otherwise affect the Company's ability to provide Interruptible service. During such times and within the areas affected, the Company will curtail service to Interruptible Customers, in a manner that minimizes the number of Interruptible Customers affected as much as practicable while maintaining reliable service to Customers served under the Company's other Rate Schedules until the situation can be alleviated. In the unlikely event that further interruption is required, the Company will proceed with curtailment in a manner that minimizes the number of Customers affected as much as practicable considering margin contribution, end use, impact on the local economy, and The Rules, Regulations, and Orders of the TPUC and Laws of the State of Tennessee. The highest priority of end use shall be use by public housing authorities and Residential Customers followed by public schools and hospitals receiving Firm Service.

SERVICE.EMERGENCY SERVICE

The Company will make every reasonable effort to deliver plant protection volumes to industrial and commercial Customers that do not have standby fuel systems sufficient to prevent damage to facilities or danger to personnel, or to Customers that find it impossible to continue operations on the Customer’s standby or alternate energy source as a result of a bona fide existing or threatened emergency. This includes the protection of such existing material in process that would otherwise be destroyed, or deliveries required to maintain plant production. All emergency gas service is of a discretionary nature and implies no present or future obligation of the Company to any Customer to provide such service on either a temporary or continuing basis. Deliveries of gas hereunder shall be made pursuant only to advance operating arrangements between the Company’s authorized personnel and the Customer and shall be subject to curtailment and interruption at any time should the Company deem it necessary.

ECONOMIC CURTAILMENT

Service to interruptible sales service Customers may be curtailed in the event that continuing such service could adversely affect the Customers being served under the Firm Sales Service Rate Schedules as the result of the interruptible PGA being below current costs.

LIMITING FIRM GAS SERVICE

Large commercial and industrial firm gas service entitlements shall at all times be limited by contract as to annual, monthly, and daily volumes. Contract amounts as to annual, monthly, and daily volumes are subject to change by Company as supply conditions or Customer consumption patterns warrant. Any quantity of gas exceeding specified contract amounts taken by Customer without Company's advance written approval will be subject to unauthorized over-run penalty as prescribed below.

SCHEDULE FOR LIMITING AND CURTAILING GAS SERVICE
(Continued)

UNAUTHORIZED OVER-RUN PENALTY

If at any time a Customer exceeds specified contract entitlements or if, during any curtailment or Daily Balancing Period, any Affected Customer takes, without Company's advance written approval, a volume of natural gas in excess of the Curtailment Period or Daily Balancing Order Quantity Entitlement applicable to such Customer, said volume shall constitute unauthorized over-run volume. Such unauthorized over-run volume taken by such Customer, shall be paid for by the Customer at the greater of the rate of (1.) $15.00 per Dth or (2.) the average daily index on curtailment or daily balancing days plus $5.00 per Dth. and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Scheduler. The payment of a penalty for unauthorized over-run shall not under any circumstances be considered as giving any such Customer the right to take unauthorized over-run; nor shall such payment be considered as a substitute for any other remedies available to Company or any other Customer against the offending Customer for failure to adhere to its obligations under the provisions of this Schedule. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

CURRENT LEVEL OF PURCHASED GAS ADJUSTMENT (IN DOLLARS PER DT)

RATE TARIFF

Effective Date	F-1/C-2/T-3 Demand	F-1/C-2 Commodity	* I-1 Commodity	T-2 Demand	All Other Commodity
BASE PGA a/:	9.0604	4.5498	4.2148	9.0604	6.648
2/1/2020	(0.0449)	(0.2479)	(0.2301)	(0.0449)	(0.3025)
3/1/2020	(0.5052)	(0.2583)	(0.1841)	(0.5052)	(0.4339)
6/1/2020	0.0000	0.3272	0.2697	0.0000	0.6475
8/1/2020	0.0000	(0.2762)	(0.2531)	0.0000	(0.2879)
9/1/2020	0.0000	0.1883	0.2917	0.0000	0.1638
10/1/2020	0.0000	0.2342	0.4167	0.0000	0.2271
2/1/2021	(0.0453)	(0.3609)	(0.2721)	(0.0453)	(0.3727)
3/1/2021	0.0000	0.3349	0.3499	0.0000	0.3197
4/1/2021	1.8746	0.1761	0.1503	1.8746	0.5383
5/1/2021	0.1526	(0.1568)	(0.2521)	0.1526	(0.2872)
6/1/2021	0.0000	0.2915	0.1871	0.0000	0.3084
8/1/2021	0.0000	0.4525	0.4703	0.0000	0.4336
9/1/2021	(0.1553)	0.2600	0.3132	(0.1553)	0.2818
10/1/2021	0.0000	0.1258	0.1492	0.0000	0.1253
11/1/2021	(1.1666)	0.8765	1.0148	(1.1666)	0.5761
2/1/2022	1.3781	(0.7228)	(1.0460)	1.3781	(0.4205)
4/1/2022	0.0000	1.0618	0.9769	0.0000	1.2329
5/1/2022	0.0000	0.7967	0.8645	0.0000	0.7738
6/1/2022	0.0000	1.1470	1.4065	0.0000	1.1531
7/1/2022	0.0000	0.9933	1.0076	0.0000	0.9906
8/1/2022	0.0000	(1.7706)	(1.9504)	0.0000	(1.7600)
9/1/2022	0.0000	1.4603	1.2558	0.0000	1.4649
10/1/2022	0.0000	0.6829	0.5860	0.0000	0.7051
11/1/2022	0.0000	(1.5153)	(1.9078)	0.0000	(2.2602)
12/1/2022	0.0000	(0.5986)	(0.9187)	0.0000	0.1598
1/1/2023	(0.0048)	0.6222	0.6726	(0.0048)	0.6007
2/1/2023	(0.0419)	(1.2546)	(1.4458)	(0.0419)	(1.2371)
3/1/2023	0.0000	(0.6347)	(0.8977)	0.0000	(0.6457)
4/1/2023	0.0114	(0.8796)	(0.2271)	0.0114	(0.9974)
5/1/2023	0.0000	(0.4919)	(0.3288)	0.0000	(0.3388)
8/1/2023	0.0000	0.1051	0.1667	0.0000	0.1931
10/1/2023	0.0859	(0.2812)	0.1517	0.0859	(0.3044)
1/1/2024	0.0000	(0.4013)	(0.3280)	0.0000	(0.3826)
5/1/2024	(0.0446)	(0.1496)	(0.2414)	(0.0446)	(0.2858)
7/1/2024	0.0001	0.2672	0.4307	0.0001	0.2660
9/1/2024	0.0000	(0.3636)	(0.2872)	0.0000	(0.3442)
1/1/2025	(0.0193)	0.1346	0.4934	(0.0193)	0.2807
2/1/2025	(0.0483)	0.1322	0.1249	(0.0483)	0.1829
3/1/2025	0.0000	0.4169	0.4998	0.0000	0.3413
4/1/2025	(0.4334)	0.8915	0.6554	(0.4334)	0.8031
5/1/2025	0.0000	0.2909	0.0421	0.0000	0.2545
6/1/2025	0.0000	(0.5994)	(0.6929)	0.0000	(0.7264)
9/1/2025	(0.2651)	(0.4179)	(0.2517)	(0.2651)	(0.3581)
1/1/2026	5.8005	0.2047	0.2881	5.8005	1.8486
3/1/2026	(0.1264)	0.4877	0.6746	(0.1264)	0.2934
4/1/2026	(0.0088)	(0.6870)	(0.7954)	(0.0088)	(0.5599)
5/1/2026	0.0088	0.1906	0.2340	0.0088	0.1958
6/1/2026	0.0000	(0.4726)	(0.4772)	0.0000	(0.3822)
7/1/2026	(2.6734)	(0.0567)	(0.1830)	(2.6734)	(0.8271)
Current Cost	11.9098	3.5170	3.9857	11.9098	6.9611

*NOTE
The I-1 commodity rate shall also be applicable to the air conditioning rate for rate schedules R-4, C-1 and C-2.

a/ PGA rate effectve December 1, 2014.

CURRENT LEVEL OF SURCHARGES AND REFUND CREDITS

AMOUNTS INDICATED BELOW APPLY TO THE BILLING DETERMINANTS
OF EACH INDIVIDUAL RATE SCHEDULE

RATES	F-1 Commercial and Industrial Large Volume Firm Sales Service Demand	F-1 Commercial and Industrial Large Volume Firm Sales Service Commodity	I-1 Commercial and Industrial Interruptible Sales Service Commodity	T-2 Interruptible Transportation Service With Firm Gas Supply Backup Demand	T-3 Low Volume Transport Demand	R-1 Residential	R-4 Multi-Family	C-1 Small Commercial and Industrial	C-2 Medium Commercial and Industrial Demand	C-2 Medium Commercial and Industrial Commodity	A/C Commercial Air Conditioning
Billing Unit:	DT	DT	DT	DT	DT	Therm	Therm	Therm	DT	Therm	Therm
IMCR Surcharge(Refund) 07-26*	(0.4680)			(0.4680)	(0.4680)	(0.01353)	(0.01353)	(0.01353)	(0.4680)		
ACA Surcharge(Refund) 10-26**	(1.5916)	0.9759	0.9759	(1.5916)	(1.5916)	0.05435	0.05435	0.05435	(1.5916)	0.09759	0.09759
TOTAL	(2.0596)	0.9759	0.9759	(2.0596)	(2.0596)	0.04083	0.04083	0.04083	(2.0596)	0.09759	0.09759

*IMCR refund made effective July 1, 2026 and IMCR refund credit effective July 1, 2025 terminated Effective June 30, 2026
** Effective October 1, 2026. ACA 10-25 Effective October 1, 2025 terminated September 30, 2026.

PERFORMANCE-BASED RATEMAKING

APPLICABILITY

This Performance-Based Ratemaking Mechanism (PBRM) is designed to encourage the utility to maximize its gas purchasing activities at minimum cost consistent with efficient operations and service reliability. Each plan year will begin July 1. The annual provision and filings herein will apply to this annual period. The PBRM will continue until it is either (a) terminated at the end of a plan year or by not less than 90 days' notice by the Company to the Commission or (b) modified, amended or terminated by the Commission.

OVERVIEW OF STRUCTURE

The Performance-Based Ratemaking Mechanism establishes predefined monthly benchmark indexes to which the Company's commodity cost is compared.

BENCHMARK INDEX

Each month, Chattanooga Gas Company (Company / Chattanooga) will compare its actual commodity cost of gas to the appropriate benchmark gas cost amount. The benchmark gas cost amount will be computed by multiplying actual quantities purchased during the month, by the applicable benchmark price. All purchases shall be included in the actual commodity cost and benchmark gas cost calculations, including quantities purchased for injection into storage; however, supply purchased at the NORA receipt point with a term of one month or greater and supply purchased at the citygate, shall be excluded from these calculations and reported separately from, but in conjunction with the Company's annual PBRM filing.

First-of-the-Month (FOM) Purchases:

The benchmark price shall be the FOM index price as published in S&P Global *Gas Daily Price Guide* in the table titled "Monthly Bidweek Spot Gas Prices," denoted in the column labeled "Index" and the row for the applicable "purchase locations."

Daily Priced Purchases

The benchmark price shall be the daily index price as published in the issue of S&P Global *Gas Daily* for the applicable gas day in the table title "Final Daily Price Survey-Platts Locations" denoted in the column labeled "Midpoint" and the row for the applicable purchase location. In the event a pricing point location's daily benchmark price is not published for a gas day, the benchmark price shall be the daily index price published for that purchase location for the nearest subsequent gas day.

PERFORMANCE-BASED RATEMAKING
(Continued)

PRUDENCE DETERMINATION

If Chattanooga's total commodity gas cost for the plan year does not exceed the total benchmark amount by one percentage point (1%) for a plan year ending after June 30, 2000, Chattanooga's gas cost will be deemed prudent and the audit required by Tennessee Public Utility Commission's Administrative Rule 1220-4-7-. 05 is waived. If during any month of the plan year, the Company's commodity gas cost exceeds the benchmark amount by greater than two percentage points (2%), the Company shall file a report with the Commission fully explaining why the cost exceeded the benchmark.

FILING WITH THE COMMISSION

The Company will file an annual report not later than 60 days following the end of each plan year identifying the actual cost of gas purchased and the applicable index for each month of the plan year. Unless the Commission provides written notification to the Company within 180 days of such reports, the annual filing shall be deemed in compliance with the provisions of this Service Schedule.

PERIODIC INDEX REVISIONS

Because of changes in the natural gas marketplace, the price indices used by Chattanooga and the composition of Chattanooga's purchased gas portfolio may change. The Company shall, within 30 days of identifying a change to a significant component of the mechanism, provide notice of such change to the Commission. Unless the Commission provides written notice to Chattanooga within 30 days of the Company's notice to the Commission, the price indices shall be deemed approved as proposed by the Company.

AFFILIATE TRANSACTION GUIDELINES

Terms used in these affiliate transaction guidelines have the following meanings:

1. Affiliate, when used in reference to any person in this standard, means another entity who controls, is controlled by, or is under common control with, the first entity.

2. Control (including the terms "controlling", "controlled by", and "under common control with") as used in the affiliate transaction guidelines, includes, but is not limited to, the possession, directly or indirectly and whether acting alone or in conjunction with others, of the authority to direct or cause the direction of the management or policies of an entity. Under all circumstances, beneficial ownership of more than ten percent (10%) of voting securities or partnership interest of an entity shall be deemed to confer control for purposes of these affiliate transaction guidelines.

3. Gas supplier is any person who sells or otherwise provides gas to the Company. It does not include customers who transport their gas and as a result of an imbalance in the amount consumed and the amount delivered to the city gate sell gas to the Company in compliance with the Company's approved tariff provisions.

PERFORMANCE-BASED RATEMAKING
(Continued)

Standards of Conduct

The Company must conduct its business to conform to the following standards:

1. All purchases from an affiliated gas supplier of gas for system supply or storage shall be at the price and in accordance with the terms provided in a fully executed contract between the Company and the affiliated gas supplier.

2. The Company and the affiliated gas supplier shall maintain records to show that such purchases are not at a price greater than the market price at the time of the transaction.

3. All sales of gas by the Company to an affiliated gas supplier shall be in accordance with the provisions of the Company's approved tariff or at the price and in accordance with the terms provided in a fully executed contract between the Company and the affiliated gas supplier. Any sale of gas to an affiliate not in accordance with an approved tariff provision shall be at a price that is not less than the greater of the cost as recorded on the Company's books or the market price at the time of the transaction.

4. The Company shall maintain records to show that sales to an affiliated supplier are in accordance with the applicable tariff provision or, if not provided under an approved tariff provision, the price is not less than the greater of the cost as recorded on the Company's books or market price at the time of the transaction.

5. An affiliated gas supplier shall not make sales to any customer's premise that is connected to the Company's distribution facilities.

6. The Company shall not disclose to any affiliated gas supplier any information that the Company receives from a non-affiliated gas supplier that the non-affiliated gas supplier has identified as confidential unless the prior consent of the parties to which the information relates has been voluntarily given.

7. To the maximum extent practicable, the Company's operating employees and the operating employees of an affiliated gas supplier must function independently of each other.

8. The Company must maintain its books of accounts and records separately from those of an affiliated gas supplier.

9. The Company shall maintain sufficiently detailed records of all transactions with any affiliated gas supplier.

This Sheet Intentionally Left Blank

CHATTANOOGA GAS COMPANY

2207 OLAN MILLS DRIVE

CHATTANOOGA, TENNESSEE 37421

TPUC NO. 2

RULES AND REGULATIONS FOR THE COMPANY'S GAS SERVICE

IN
HAMILTON AND BRADLEY COUNTIES, TENNESSEE

EFFECTIVE DATE: SEPTEMBER 1, 2026

APPLICABILITY

These rules and regulations apply to the supplying of gas service, including the sale, transportation, delivery, or distribution of natural gas or its equivalent by Chattanooga Gas Company (Company) within the Certificated areas in Bradley and Hamilton Counties.

DEFINITIONS

As herein used:

"Applicant"	means any person who has made application to Company for gas service.
BTU	means British Thermal Unit measured at a pressure of 14.73 PSIA at 60 degrees Fahrenheit on a dry basis.
Business Day	means any day from Monday through Friday inclusive, excluding any holiday observed by the Company.
Citygate	means a point at which the facilities of an interstate pipeline company interconnect with the facilities of the Company.
Commercial Service	applies to Customers engaged in selling, warehousing, or distributing a commodity, in some business activity or in a profession, or in some other form of economic or social activity (office, stores, clubs, hotels, etc.), and to service which does not directly come in one of the other classifications of service
Commission	means the Tennessee Public Utility Commission.
Company	means Chattanooga Gas Company.
Compressed Natural Gas (CNG)	Natural gas stored inside containers at a pressure greater than atmospheric air pressure. CNG is normally placed in pressure-containing vessels (bottles) where it can be used as portable fuel source (i.e. in CNG vehicles and other applications not attached to a pipeline.)
Customer	Means any individual, firm, or organization utilizing gas service supplied by the Company. The word "utilizing" means to use or make use of, benefit from, or take advantage of, in any way whatsoever.
Customer Piping	means all piping and fittings beyond the outlet side of the last meter or regulator of the Company used in supplying gas to the Customer
Dekatherm (Dt or Dth)	means 10 Therms or one million Btus (1MMBtus).
Distribution Service	means the delivery of Natural Gas by and through the Intrastate facilities of the Company, regardless of the identity of the party who has title to the Natural Gas.
Distribution System	means the gas pipes, apparatus, instruments, and metering and regulating equipment owned and operated by the Company for the distribution of gas for delivery to Customers up to but not beyond the point of delivery.
Electronic Bulletin Board (EBB)	an interactive electronic communication system that, among other things, allows parties to view gas-related information, make nominations, offer bids, and receive confirmations.

DEFINITIONS(Continued)

Firm Customer	means a Customer who purchases a Gas Service on a Firm basis.
Firm Service	means a type of Gas Service that ordinarily is not subject to interruption or curtailment.
Gas or Natural Gas	means any mixture of hydrocarbons or of hydrocarbons and noncombustible gases in a gaseous state, consisting predominantly of methane
Gas Day	means the period of 24 consecutive hours beginning at 10:00 a.m., Standard time.
Gas Service	means any service offered in connection with the delivery or sale of Gas
Imbalance	mean the difference at any time, whether positive or negative, between the volumes of Gas received by the Company on behalf of a Customer and the volumes of Gas delivered by the Company to the Customer's premises.
Industrial Service	applies to Customers engaged in a process which creates or changes raw or unfinished materials into another form or product. (Factories, mills, machine shop, mines, oil wells, refineries, pumping plants, creameries, canning or packing plants, shipyards, etc., i.e., in extractive, fabricating or processing activities.)
Interruptible Customer	means a Customer who purchases a Gas Service on an Interruptible basis.
Interruptible Schedule	means each of the Company's Rate Schedules or contracts under which Gas Service is provided on an Interruptible basis.
Interruptible	means a type of Gas Service that is subject to interruption or curtailment
LNG	means Liquefied Natural Gas
Main	means the gas pipe other than Service Line
Month	means the period beginning on the first Day of a calendar month and ending on the beginning of the first Day of the next succeeding calendar month
Person	means any corporation, whether public or private; company; individual; firm; partnership; or association
PGA Rider	means the Company's Purchased Gas Adjustment Rider
PSIA	means pounds per square inch absolute
Receipt Point	means the point at which gas is received from a pipeline, such as the interconnection between an interstate pipeline and the local distribution system.

Residence	means a parcel or tract of land upon which a residence, building, structure, or other facility containing a particular set of gas-consuming appliances is located.
Residential Service	applies to Customers suppliedfor residential purposes on an individual basis in a single family dwelling or building, or in an individual flat or apartment in a multiple family dwelling or building or portion thereof occupied as the home, residence or sleeping place of one or more persons.
Service Line	All piping and appurtenances between the Company's main and the inlet side of the Metering Equipment, except where a Master Metering Arrangement is employed. Where a Master Metering Arrangement is employed, the Service Line consist of all piping and appurtenances between the Company's main and the inlet side of each regulator or meter of the Company but does not extend beyond the exterior wall of the structure receiving Gas.
SNG or Southern	means Southern Natural Gas Company.
Tariff	means all Rate Schedules, Terms of Service, and Rules and Regulations approved by the Commission relative to Gas Service provided by the Company.
Tennessee Pipeline	means Tennessee Gas Pipeline Company.
Therm	means 100,000 Btus
Point of Delivery	means the outlet side of the last meter(s) or regulator(s) of the Company used in supplying gas to the Customer.
Service	means gas service.
Special Contract	means a contract specifically approved by the Commission for Service provided under terms and/or conditions not otherwise provided in the Tariff.

APPLICATIONFORSERVICE

Service will be rendered by the Company upon application by the Customer for service and the acceptance thereof by the Company.

Company will make extensions of its distribution system pursuant to the provisions hereinafter set forth.

MAINANDSERVICEEXTENSIONS
(RESIDENTIALANDNON-RESIDENTIAL)

Service lines and distribution mains necessary to furnish permanent service to a premise, within established service areas of the Company will be constructed by the Company in accordance with the following provisions:

A. Definitions

1) Approach Main - main constructed outside the property boundaries of the development or premises of the Applicant for which gas service is requested.

2) Project Main - main constructed within the property boundaries of the development or premises of the Applicant for which gas service is requested.

3) Infill Potential - the estimated additional gas loads that will be served from the Approach Main at locations outside the development or premises for which gas service is requested.

4) Applicant-As used here in an Applicant is the party or parties requesting an extension of facilities to provide service to a premise or premises located within the Company's service area. Such parties may include the owner of a premise, a builder, and/or the developer of a residential, commercial, or industrial project.

B. General

The Company will construct a main extension, service lines, and/or other distribution facilities required to serve a premise or a group of premises if there is sufficient continuing revenue to justify such construction. To ensure sufficient continuing revenue, the Company may require definite and written guarantees of revenues from an applicant, or group of applicants, in addition to any minimum payments required by the rate schedules as may be necessary to justify such construction. The Company will require the applicant or group of applicants to pay a contribution in aid of construction when the continuing revenues from the main extension, service lines, and/or other distribution facilities are not sufficient to justify the costs of such facilities. To determine if a contribution is required, the Company will perform the following economic evaluation:

1. The cost of the main extension, service lines, and/or other distribution facilities installed will be calculated at the present value of the costs associated with installing, operating, and maintaining such facilities including: the total plant investment, annual operation and maintenance expenses, property taxes, income taxes, and an allowance for return on the total plant investment. The allowance for return shall be computed using the Company's overall rate of return, as determined in its most recent rate case. The cost to install the mains, service line, and other facilities will be determined, at the Company's discretion, from either the previous year's average cost for the applicable Customer class or from a detailed cost estimate based on current labor and material costs. The present value will be determined by discounting the costs using the Company's overall rate of return, as determined in its most recent rate case, over the projected economic live of the facilities to be installed. The Company reserves the right to adjust the economic life factors to recognize any conditions that would make the use of a typical economic life factor imprudent. The economic life of industrial service shall not be greater than the length of gas service contract.

MAIN AND SERVICE EXTENSIONS
(RESIDENTIAL AND NON-RESIDENTIAL)
(CONTINUED)

2. The Company will calculate the anticipated revenues stream based on estimated usage, as determined by the Company, of the appliance or equipment that the Applicant(s) or developer has/have committed contractually to install, the current authorized base rates for the applicable Rate Schedule(s), and contractually guaranteed revenues if applicable. To the extent that the extension requires investment in Approach Main, Estimated Annual Revenues may also include Revenues associated with Infill Potential. Revenues associated with Infill Potential means revenues, adjusted for any additional costs, which based upon analyses of the Company's extensions in comparable areas, can be expected from additional customers to be connected to the Approach Main within five years after construction.

3. The present value of the revenue stream will be determined by discounting the Estimated Annual Revenue stream determined in 2 above using the Company's overall rate of return, as determined in its most recent rate case, over the projected economic life of the facilities to be installed.

4. The Company will compute the "Net Present Value" or "NPV" of the extension by subtracting the discounted costs as calculated in (1) above from the discounted revenue stream as calculated in (3) above.

   a. If the NPV of the project is zero or positive, then no contribution will be required from the applicant or group of applicants prior to the installation of main extension, service lines, and/or other distribution facilities.

   b. If the NPV of the project is negative, then the applicant or group of applicants shall pay a contribution in aid of construction equal to the amount necessary to result in a zero ($0) NPV. The contribution shall be adjusted by the Income Tax Gross-Up Factor.

   c. Order of Application

      i. The allowable investment shall be applied in the following order to the equipment and facilities required in the extension: metering and regulating equipment; service line; and main.

5. For residential applicants establishing or upgrading gas service, the Company will provide up to 100 feet of service line from the main to the Customer's meter, the meter, and meter installation without a charge, provided the applicant installs and uses natural gas for central heat and water heating.

C. Limitations

1. No allowable investment will be provided for auxiliary or incidental uses of gas. The Company shall not be required to provide any connection to the Company's system where such connection may have an adverse impact on the Company or existing ratepayers unless the Commission has prescribed a tariff provision designed to eliminate such adverse impact.

2. If a proposed gas line extension is of such length or high cost, or if in the Company's opinion, the prospective revenue from such line extension is insufficient or temporary, or if the applicant or group of applicants to be supplied are unable to establish a credit standing satisfactory to the Company, the Company reserves the right to determine finally the advisability of making such line extension.

MAIN AND SERVICE EXTENSIONS
(RESIDENTIAL AND NON-RESIDENTIAL)
(Continued)

3. The Company shall not be required to make any gas line extension under these general rules and regulations until the applicant or group of applicants to be supplied from such line extension shall have signed a Natural Gas Line Extension Agreement and have made or procured satisfactory conveyance to the Company, without cost to Company of the right-of- way easement(s) for the Company's lines and apparatus across and upon the property owned and controlled by the Applicant and any intervening property without cost to the Company.

4. Except as provided above the, Company shall not be obligated to construct or own any main extension, gas service line, and/or other distribution facilities to provide any Customer with gas.

5. The Company may make gas line extensions other than those provided in the Line Extension Tariff Provision under conditions specified in the Company's Gas Line Extension Agreements.

D. Length and Location

1. The length of main required for a main extension or the length of service line will be considered as the distance along the shortest practical route, as determined by the Company, from the Company's nearest distribution main capable, in the opinion of the Company, of properly supplying the Applicant. Irrespective of the total allowable investment, the Company shall not be required to extend a main or service line a greater distance than necessary in the judgment of the Company to serve an Applicant.

2. The service line shall be of the size and type required to supply the principal requirements of the premises served and shall extend from the curb or customer property line to the first reasonably acceptable meter location as determined by the Company.

3. Company reserves the right to designate the locations and specifications for the main taps, service lines, curb cocks, meter

4. s and regulators and to determine the amount of space which must be left unobstructed for the installation and maintenance thereof. An applicant may request an alteration of such designation and, if consented to by the Company, the cost of such revised designation shall be borne by the Applicant regardless of whether the length of service line laid as requested by Applicant comes within the allowable investment provided in this rule. One Service Line for a Single Premise

5. The Applicant will be required to execute a contract covering the terms under which the Company will install mains, services, metering and regulating equipment in accordance with the provisions of these Rules and Regulations. The contract will provide that the Applicant will install, commence using in a bona fide manner within six months after the date of the completion of the extension and continue to so use for a period of five years, those appliances and items on which the Company's allowable investment is based. Such contract will also provide that if the Applicant fails to take service or fails to consume sufficient gas to produce the Estimated Annual Revenues, the Company may calculate and bill the Applicant and the Applicant shall pay an amount according to the Company's main and service extension rules in effect at the time the extension was made as if service had been requested on the basis of the actual equipment installed and utilized.

MAIN AND SERVICE EXTENSIONS
(RESIDENTIAL AND NON-RESIDENTIAL)
(CONTINUED)

E. Extensions Beyond the Free Length 1.

1. Payment Provisions

Extensions of mains or service lines requiring a contribution as determined in B4b above will be made by the Company provided that the Applicant(s) pays to the Company the required contribution as determined in accordance with B4b above.

2. Adjustment of Allowable Investment and Payments

a. A survey may be made by the Company within one year after service is commenced to a Customer at a premise and in any event within three years after the date of completion of the main extension to determine the appliances or equipment in use at the development or premises of the Applicant served by the extension.

b. If, based upon the appliances or equipment found to be in use, there is a lesser allowable investment than that originally computed the Applicant shall pay an additional amount to satisfy the requirement of B4b above in addition to any prior payment by the Applicant.

c. The Company may grant a reasonable extension of time for the Applicant to install the appliances or equipment originally agreed upon, provided that the failure to install such appliances or equipment was due to reasons beyond the control of the Applicant.

3. Refund of Payments

a. If within three years after the original installation, additional customer(s) are connected to the main, the Company shall refund or provide a credit to the customer(s) making the initial contribution, upon written request, an amount equal to the amount that the additional customers' allowable investment, computed in accordance with B above, exceeds the cost of the additional facilities required to serve the additional customers. Any such refund or credit shall be reduced by any allowance for Infill Potential used to determine the initial allowable investment as provided in B above. In no case shall the customer making the payment be refunded more than he/she paid.

b. If two or more customers make the initial contribution, any refund shall be prorated based on the amounts of the contributions provided by the initial customers.

MAIN AND SERVICE EXTENSIONS
(RESIDENTIAL AND NON-RESIDENTIAL)
(CONTINUED)

F. Periodic Review

The Company will periodically determine the system wide average costs of construction of mains, services and metering and regulating equipment.

G. Temporary Service

Extension for temporary service or for operations which in the Company's opinion are of a questionable permanence will not be made under this rule but will be made in accordance with the rule pertaining to temporary service.

H. Service from High Pressure Mains

Service shall be provided from a normal distribution facility of the Company. Company reserves the right, at its sole option, to refuse to extend facilities from any of its lines operating at pressures in excess of 125 pounds.

I. Title to Facilities

Legal and equitable title to all mains installed by the Company upon which an advance, contribution, or other payment has been made, shall be and remain in the Company, and the Company shall have the right without the consent of, or any refund to, any party who made such advance, contribution, or other payment:

a. To extend the gas main or connect additional gas mains to any part of it.

c. To serve new additional Customers at any time through service connections attached to such main or to extended or connected gas mains.

J. Exceptional Cases

In unusual circumstances when the application of this rule appears impractical or unjust to either party as a result of circumstances that result in the actual cost of constructing the facilities being materially different than the average costs specified in (B) above, actual costs may the used to determine the required Customer contribution. If application of this rule appears impractical or unjust to either party for other reasons the Company or the Applicant may refer the matter to the Tennessee Public Utility Commission for special ruling thereon prior to commencing construction.

SERVICE LINE

Service lines from the main to the meter will be laid by the Company and will at all times remain subject to the control of the Company. It is not contemplated that in running service lines the Company will put risers in buildings when meters are set above the first floor, in cases of this kind the Company will run the service line to the ground floor or to the basement, but all expenses through and beyond the first-floor foundation wall shall be borne by the Customer. Service lines will be kept in repair by the Company at its own expense; but any alterations made necessary, such as changing of location, may be done at the Customer's expense. The Company does not in any case hold itself responsible for a stoppage, from frost or other cause, of the service lines or house lines. The Company will employ all reasonable means of clearing the lines to the meter, when stopped from any cause. All lines beyond or leading from the meter must be cleared at the Customer's expense.

MAIN AND SERVICE EXTENSIONS
(RESIDENTIAL AND NON-RESIDENTIAL)
(Continued)

The Company will not install more than one service line to supply the premises of an individual Customer unless for the convenience of the Company or an Applicant requests an additional service line and, in the judgment of the Company, an unreasonable burden would be placed on the Applicant if the additional service line were not installed. When an additional service line is installed under these conditions at the Applicant's request, the Applicant shall pay for the entire length of said additional service line, meter and regulating equipment at the costs provided in subparagraph B (1) above

RELOCATION OF SERVICE

If in the Company's judgement, relocation of its facilities becomes necessary because of an identified existing pipeline safety condition caused by construction at a residential premises, the Company will relocate its meter, regulator and service line facilities to the extent deemed feasible by the Company at its expense.

If in the Company's judgement, relocation of its facilities becomes necessary (i) due to an identified pipeline safety condition caused by the construction or change in operations of a commercial customer, or (ii) in light of proposed new construction at a residential or commercial premises, or (iii) when a residential or commercial customer requests relocation solely for their convenience, or (iv) where the Company's facilities at a residential or commercial customer's premises are located in an easement, lease, license, encroachment or equivalent property interest that was granted to the Company in writing, the Company will make such relocation, to the extent deemed feasible by the Company, at the Customer's expense.

EXCESS FLOW VALVE

In accordance with applicable law and rules, existing single family residential, multifamily residences, and commercial Customers may request the Company to install an excess flow valve (EFV) or equivalent equipment, as determined in the Company's sole discretion for interrupting the flow of gas. The Customer shall reimburse the Company for the cost of installing an EFV (or equivalent equipment) when such installation is performed at the request of the Customer. The Company shall be entitled to collect a deposit in the amount of the estimated cost of installation prior to initiating installation of the EFV.

APPARATUS-EASEMENTS

Customer Property: The Customer shall have the entire control and ownership of all Customer Piping, fixtures, fittings, detection systems, safety devices, and appliances on the Customer's side of the Point of Delivery ("Customer Property") and shall be responsible for all maintenance and use of Customer Property. The Company reserves the right to discontinue service if Customer Property is in an unsatisfactory condition. The Company also reserves the right, but has no obligation, to install, relocate, and perform work on Customer Property incidental to the delivery of natural gas to the premises, either by itself or through a third-party contractor, and either at the Company's expense or the Customer's expense, at the request of the Customer, by agreement with the Customer, or to remedy a safety condition. The Company is not responsible for damages resulting from its work on any Customer Property absent willful or gross negligence on the Company's part. Customer Property shall remain the property and responsibility of the Customer even in the event that the Company or any other entity performs work on Customer Property. Customer Property shall terminate at the Point of Delivery, in a manner satisfactory to the Company, for connection with the Company's lines or apparatus.

Company Property: All service lines, apparatus, instruments, meters and materials supplied at the expense of the Company shall remain its property, and any other property installed at the expense of the Company, shall belong to the Company. Measurements resulting from or generated by the Company's metering equipment do not provide notice to the Company, or otherwise constitute actual or constructive knowledge on the part of the Company, that a dangerous condition is present on a Customer's premises.

Inspection by Company: The Company is willing to assist the Customer by advice as to the installation of Customer Property and to examine the Customer's installation, and may refuse to make connection or to commence or continue service whenever such installation is not in proper condition; but no inspection by the Company, nor any failure by it to object to the Customers installation, shall render the Company in any way liable for any damage or injury resulting from any defective installation made by the Customer.

Right of Way: The Customer shall make or procure satisfactory conveyance to the Company, without cost to the Company right of way easement(s) across and upon the property owned and controlled by the Customer and any intervening property for the Company's lines and apparatus are, necessary or incidental to the furnishing of service to the Customer.

Installation: For the purpose of determining the amount of gas used, a meter or meters shall be installed and maintained by the Company upon the Customer's premises; and, except as to outside locations heretofore or hereafter approved by the Company, the Customer shall provide free of expense to the Company, near the service entrance, a clean, dry, safe place for the meter and any necessary appurtenant device, which may be furnished by the Company. Where several buildings are supplied on one property, a centralized meter location may be required. When, in the Company's judgement, it is determined that protective material or devices, including but not limited to the installation of bollards or guardrails, are necessary to prevent damage to a new or initial meter set installation, including because of a hazardous condition on the customer's premises, the Company shall install such protective material or device at the Customer's expense. When it is determined by the Company that protective material or devices are required to prevent damage to existing meters or other existing Company facilities from a hazardous condition, the Company will install such protective material or device or will relocate its meter, regulator and service line facilities at its expense.

Notice to Discontinue: Notice by Customer to discontinue the supply of gas must be given the Company at least 24 hours in advance. The Customer will be held responsible for all gas consumed until such notice is given, including a reasonable time for securing the final reading of the meter.

TESTS AND ADJUSTMENTS

The Company, at any time upon the request of the Customers, will test the meter of such Customer within five days after receipt of such request, provided the Customer will accept the result of such test as a basis for the settlement of the Customer's account. If any such test shall show the average error of the meter to be less than 2%, the Customer shall pay the expense of the test; except that where the meter has not been tested at the request of the Customer within five (5) year

TEST AND ADJUSTMENTS (Continued)

period immediately preceding such request, the test will be made without charge to the Customer. The Company may at any time at its own expense test any of its meters. If on test of a Customer's meter, either by the Company or by the Commission, such meter shall be found to have a percentage of error greater than 2%, the following provisions for the adjustment of bill shall be observed.

Fast Meters: When a meter is found to be fast in excess of 2%, the Company shall refund to the Customer an amount equal to the excess charged for the gas incorrectly metered. The period over which the correction is to be made shall be the time elapsed since the last previous test, provided, however, the period shall not exceed six (6) months. No part of the minimum service charge shall be refunded.

Slow Meters: When a meter is found to be slow in excess of 2%, the Company may make a charge to the Customer for the gas incorrectly metered. The period over which the correction is to be computed shall be the time elapsed since the last previous test, provided, however, the period shall not exceed six (6) months.

Failure to Register: If a meter is found not to register for any period, the Company will estimate and charge for the gas used by averaging the amounts registered over similar periods and under similar conditions preceding or subsequent thereto, or over corresponding periods in previous years.

Other Over Charges: If a customer has been overcharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter, or other similar reasons, the amount of the overcharge shall be adjusted, refunded, or credited to the customer.

Other Undercharges: When a customer has been undercharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter or other similar reasons, the amount of the undercharge may be billed to the customer

Company's Rights: The properly authorized employees of the Company shall at all times have the right of access to the premises into which gas has been introduced, for the purpose of examining the general service or to read, inspect, test, repair, replace or remove its meter or other equipment, or for such other purposes as may be necessary for the protection of the Company. In case of any willful, intentional, or unnecessary injury to or interference with the meter or other property of the Company or any connection made to Customer Property, house lines or services, a Customer's willful interference or refusal to cooperate with the Company's efforts to relocate its facilities or Customer Property due to an identified safety concern or to install protective material or devices, or in the case of any intentional damage by a customer to Company facilities or installed protective material, the Company shall have the right to discontinue gas service to the premises, including by shutting off the service valve to the meter, disconnecting the service line from the main, and/or removing the Company's facilities from the premises. If, for any reason, the Company has shut off the supply of gas to a premise, the gas supply shall remain shut off until activated by a person authorized by the Company.

CUSTOMER SECURITY DEPOSITS

Prior to rendering service, deposits will be required from those residential Customers whose credit history dictates that a deposit is needed. Additionally, as authorized by Rule 1220-04-05-.14, the Company may require a customer deposit when a customer is considered delinquent, as defined in this tariff, in payment of bills for service rendered on multiple occasions. All other residential Customers will not be required to provide a deposit.

Prior to rendering service, payment security will be required of all commercial and industrial Customers. Commercial and industrial Customers shall be given the option of either providing an adequate Cash Deposit, Letter of Credit in a form acceptable to the Company issued by a financial institution acceptable to the Company, surety bond in a form acceptable to the Company issued by a surety company acceptable to the Company or a Letter of Guarantee in a form acceptable to the Company issued by a corporation acceptable to the Company.

Any deposit which is required to be provided by a Customer shall only be refunded upon the Customer's discontinuation of service.

CUSTOMER SECURITY DEPOSITS (Continued)

The Company may require a deposit not more in amount than the estimated maximum charge for two (2) consecutive billing periods.

Interest on deposits shall accrue at a per annum rate equal to the prime bank lending rate as published in *The Wall Street Journal* for the last business day of the preceding calendar year, compounded annually. In no case will interest be accrued for a period extending beyond the date of refund or the date service is terminated, whichever date is earlier. No interest shall be paid on deposits held for a period of less than six (6) months.

BILLS, PAYMENTS, NON-PAYMENTS

Payment of bills for service rendered must be received by the due date as stated on the Customer's bill which shall be approximately twenty-one (21) days from the date billed for cycle billed Customers and sixteen (16) days from the date billed for end-of-month Multi-Family Housing Service and Large Volume Commercial and Industrial Customers. The current month's bill for gas service shall be subject to a 5% late payment charge if payment is not received timely.

Payment of bills for service rendered to commercial customers with five or more accounts and who voluntarily request to participate in the summary bill program must be received by the due date as stated on the Customer's bill which shall be approximately fifteen (15) days from the date billed. Participating customer accounts in bill cycles 1 through 11 will be summarized and billed with bill cycle 11 and the accounts in bill cycles 12 through 21 will be summarized and billed with bill cycle 21. The current month's bill for gas service shall be subject to a 5% late payment charge if payment is not received timely and the customer may be excluded from further participation in the summary bill program.

If the Customer shall fail to pay bill after it has become delinquent, the Company may, seven (7) days after notice to the Customer, discontinue service and apply any deposit made by the Customer in liquidation of such bill. Whenever the Company has issued a service suspension notice to a Customer for non-payment of a gas bill, the Company may make a charge of $65.00 for the re-connection of service of Residential Customer and $50.00 other customers and will require a deposit.

GAS SERVICE MAY BE TERMINATED:

(1) By the Customer:

Unless otherwise provided, gas service may be terminated at any time by giving notice to Company; provided, however, anything contained in the provisions of the Company's TPUC Gas Tariff No. 1, and/or any Agreement for Sale of Gas or Special Contract to the contrary notwithstanding, a non-residential Customer shall have the right and privilege which they may exercise any time by giving written notice to Company to terminate gas service if such Customer shall have discontinued their operations and plant dismantled, and such cancellation shall relieve Customer from the obligation to pay such minimum charge, if any, which might have become payable had such gas service not been terminated.

(2) By the Company:

Service may be refused or discontinued for any of the reasons listed below. Unless otherwise stated, the Company shall comply with the notice requirements before service is discontinued. However, no service shall be discontinued on the day or a date preceding a day or days on which the services of the Company are not available to the general public for the purpose of reconnecting the discontinued service or during any 24-hour period, as measured from 8:00 am on the planned date of termination, where the forecasted low temperature, as determined by the National Weather Service, is 32 degrees Fahrenheit or below, except as provided in (a), (b), (c) and (d) below:

a. Without notice in the event of a condition determined by the Company to be hazardous.

BILLS, PAYMENTS, NON-PAYMENTS
(Continued)

b. Without notice in the event of Customer use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others

c. Without notice if there is evidence of tampering with the equipment furnished and owned by the Company

d. Without notice if there is evidence of unauthorized use

e. Without notice if the Customer fails to comply with a curtailment order.

f. For violation of and/or non-compliance with the Company's rules on file with and approved by the Commission.

g. For failure of the Customer to fulfill contractual obligations for service and/or facilities subject to regulations by the Commission.

h. For failure of the Customer to permit the Company reasonable access to its equipment.

i. For non-payment of delinquent account.

j. For failure of the Customer to provide the Company with deposit as authorized by Rule 1220-4-5.14.

k. If the Company has reasonable evidence that there is or may be a danger from the Customer or any occupant and/or invitee on the Customer's premise to Company personnel or agents who might be called to said premises in the course of their duties with the Company, including but not limited to any direct or implied threats against the Company or its personnel or agents from said Customer or occupant and/or invitee.

Gas service to any gas Customer may not be terminated by the Company without reasonable prior notice where required and the Customer being given reasonable opportunity to dispute the reasons for such termination.

(3) It shall be unlawful for any person to obtain or attempt to obtain by use of any fraudulent scheme, device, means or method gas service, with intent to avoid payment of the lawful price, charge or toll therefor, or for any person to cause another to avoid such payment for such service, or for any person to assist another in avoiding payment for gas service, either through the making of multiple applications for service at one address, or otherwise.

(4) Termination of gas service by either Customer or Company shall not relieve Customer from the obligation to pay Company for services rendered prior to the effective date of such termination.

MISCELLANEOUS REGULATIONS

The Customer Agrees:

(1) To indemnify and save harmless the Company from any and all liability to anyone whomsoever for damages and expenses (including reasonable attorney's fees), or related to claims, actions, or lawsuits (including, but not limited to, those seeking recovery for death or injury, or damage to property) related in any way (whether directly or indirectly or to any degree) to, or on account of, any condition after the Point of Delivery or on the Customer's premises, including where injury or damage is shown to have been occasioned solely by the ordinary negligence of the Company. The Customer's duty to indemnify the Company does not apply where injury or damage is shown to have been occasioned solely by the gross negligence or willful conduct of the Company.

(2) To be responsible for all damages to, or loss of, the Company's property located upon Customer premises, unless occasioned by fire or by the Company's gross negligence or willful conduct.

(3) To use gas supplied through Company's meter only; and if such meter is found defective by the Company, the Company may repair or replace same.

(4) It is understood that the Company shall be under no duty to inspect, repair or maintain non- Company owned lines, connections, equipment or appliances located on the premises of the Customer. The Customer, having entire control of piping, fixtures, fittings, detection systems, safety devices, and appliances beyond the Point of Delivery, is solely responsible for any leakage, waste, or theft of gas which may occur after it leaves the outlet side of the last meter or regulator of the Company used in supplying gas to the Customer.

(5) It is understood that the Company shall not be liable to any Customer, occupant, or third party for any loss, injury or damages whatsoever resulting from use of the Customer's equipment or from the use of gas delivered by the Company or from the connection of the Company's facilities with Customer Piping, detection systems, safety devices, or appliances.

(6) Company shall have the right to terminate gas service after reasonable notice has been given for any Customer who may be in arrears for a period of seventeen (17) days or longer in paying for gas furnished and/or used by Customer at Customer's present or subsequent address, it being understood hereby that said seventeen (17) day period commences on date the bill as above defined was rendered.

(7) There is a charge for seasonal turn-ons and heating light-up service of $65.00 for customers served under Residential Rate Schedule (R-1) and $50.00 for customers served under all other Rate Schedules. For seasonal reconnections made between May 1 and September 30, Customers served under Residential Rate Schedule (R-1) will receive a one-time $35.00 credit on their bill. This credit will not be applicable for the reconnection of service due to shut-off for non-payment.

(8) There is a $65.00 charge for reconnection of service where service has been suspended for non-payment of a gas bill for customers served under Residential Rate Schedule (R-1) and $50.00 for customers served under all other Rate Schedules.

(9) Service Establishment Charges

A. For establishing an account for gas service to a Customer at a premise:

i. where there is an existing meter set at such premises installed to serve an occupant of the premises $20.00

MISCELLANEOUS REGULATIONS (Continued)

ii. when there is no existing meter set at such premises, or where an existing meter set at such premises has been used only for temporary service to a builder, contractor or developer prior to occupancy of the premises $30.00

B. The above charges do not apply to restorations of service subject to paragraph (5) or (7) above, nor to temporary service to a builder, contractor or developer prior to occupancy of the premises, nor to a rental unit subject to a contract with the landlord providing that gas service shall continue during periods when the unit is not occupied by a tenant and that the landlord shall be responsible for the payment of bills for gas service until an account is established in the name of a new tenant.

(10) As a convenience to the Customer, the Company may at the Customer's option, receive payment through a third-party service provider that processes payment by telephone. The third-party service provider may collect directly from the Customer a separate charge for processing the payment

(11) If the Customer requests service as stated in (5), (6), or (7) above at times other than the regular office hours of the Company the above stated service charges shall be at one and one- half (1 1/2) times the above stated regular rate.

(12) There is a $20.00 service charge for Customer checks returned to the Company by the banks because of "Insufficient Funds".

(13) Notwithstanding any other provisions of these rules, the Company shall postpone the physical termination of gas service to a residential Customer for a period of thirty (30) days in the event a physician, public health officer, or social service official certifies in writing that discontinuation of the service will aggravate an existing medical emergency of the Customer or other permanent resident of the premises where service is rendered. During the thirty (30) day extension the Customer or other permanent resident of the premises where service is rendered shall be referred to social service agencies for investigation, confirmation of need and guarantee of payment. The Company shall supply Customers with names of agencies providing assistance.

(14) All Customers shall be provided with the option of a Third-Party Notification Service and shall be notified annually by the Company of its availability. The Third-Party Notification Service will provide any Customer with the opportunity to designate a Third Party who will receive a duplicate of any termination notice.

(15) Company shall increase the present level of Contributions-In-Aid-of-Construction and Customer Advances-for-Construction by the Income Tax Gross-up Factor of 16.30%.

(16) If, for any reason, the Company has shut off the supply of gas to a premise, the gas supply shall remain shut off until activated by a person authorized by the Company.

(17) The Company can allow the transfer of active gas service from one party to another at a premise over a period of time with no actual disconnection or interruption of service, otherwise known as "Delayed Match."

Company shall have the right to make other or additional rules and regulations at any time, and the furnishing of gas hereunder shall not constitute a waiver of any prior or present claim or right held by Company against Customer

POLICY ON SERVICE CHARGES

The general types of service which the Company shall provide on a charge or no-charge basis are listed below but are not necessarily limited to the following:

I. CHARGE SERVICE

1. Cleaning of gas lights and gas grills
2. Replacement of air filters furnished by Customer
3. Disconnecting and reconnecting ranges
4. Pumping and pressurizing air conditioners
5. Cleaning pilots and/or burners
6. Seasonal turn-ons and heating light-up service
7. All service orders where parts are installed
8. Replacement of mantles and glass for gas lights
9. Sending collector to Customer's premises to collect past due gas bill to avoid turn-off of service for non-payment
10. Reconnection of service where service has been suspended for non-payment of a gas bill
11. 11. Service Establishment Charges

II. NO CHARGE SERVICE

1. Meter Orders
   a. Remove
   b. Change (does not include relocation of meters at Customer's request)
   c. Turn-off
2. Safety Inspections (new Customer and/or new equipment)
3. Leak Investigation
4. High-bill Investigations
5. Confirmation of meter reads
6. Gas-air adjustments (where no cleaning is required)
7. Any trouble call resulting from low pressure caused by Company's distribution system
8. Relighting appliances after interruption of gas due to Company convenience (construction, etc.)