

**SERVICE CLASSIFICATION NO. 8**

**APPLICABLE TO USE OF SERVICE FOR:**

Interruptible transportation service for customer-owned gas from a receipt point to the customer's facilities. Customers commencing service hereunder on or after November 1, 2006 are subject to the gas usage eligibility requirement set forth in Special Provision I of this Service Classification. A receipt point is an agreed upon pipeline delivery point that interconnects with the Company's distribution system. The customer or a customer's gas Seller is responsible for transporting the gas to the receipt point including an amount to compensate the Company for losses incurred in transporting customer's gas. Customers electing interruptible transportation service under this Service Classification must be located adjacent to the Company's existing gas distribution mains having adequate capacity to supply customer's prospective requirements, in addition to the requirements of other present or prospective customers taking firm or interruptible service from such distribution mains or who agree to pay to the Company, prior to construction, the estimated cost of expanding its distribution system to make it adequate for service hereunder and who agree to:

- (a) interruption of service at any time at the Company's option on not less than four hours notice;
- (b) install and maintain facilities for using alternate fuels during interruptions to the extent applicable; and
- (c) not use service supplied hereunder in any equipment which is supplied with gas service under any other Service Classification except as specified herein.

**CHARACTER OF SERVICE:**

- (A) Interruptible transportation of natural gas owned by a customer which the customer has arranged to have transported to a receipt point which interconnects with the Company's gas distribution system. Such gas will be transported from that receipt point to the customer's facilities. The Company shall control the dispatch of such gas, and dispatch will be provided as requested by the customer, except that the volume of gas delivered shall be conditioned upon the availability of distribution system capacity not then being used by Orange and Rockland's customers being served under Service Classification Nos. 1, 2, 5, 6, 7 and 9.
- (B) Customers have the option, in lieu of the interruptible transportation service provided in (A) above, to purchase Supplemental Sales Service on a monthly basis. Supplemental Sales Service is the sale of interruptible natural gas owned by the Company having a heating value of not less than 1,000 Btu per cubic foot delivered at a pressure agreed upon by the customer and the Company, but not in excess of the available pressure at the point of delivery, as determined by the Company. To purchase Supplemental Sales Service, a customer must notify the Company by the twenty-fifth day of any month to commence Supplemental Sales

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SERVICE CLASSIFICATION NO. 8 (Cont'd.)

CHARACTER OF SERVICE: (Cont'd.)

(B) (Cont'd.)

Service on the first calendar day of the following month. Customers electing Supplemental Sales Service will be precluded from transporting gas under this Service Classification commencing with the first day of the calendar month following such notification requesting Supplemental Sales Service until the customer submits a subsequent notification by the twenty-fifth day of any calendar month to resume transportation service under this Service Classification commencing on the first day of the calendar month following such notification.

- (C) A customer transporting under this Service Classification is required to (a) balance the volumes delivered to the Company with actual usage each day and monthly within the tolerances specified in section "Rate-Monthly", Item 2, "Over- and Under-Delivery Charges", or (b) elect to have a gas seller or broker approved by the Company, hereinafter defined as a Qualified Seller, perform the balancing service pursuant to Service Classification No. 13. For customers electing (b) above, the over-delivery and under-delivery charges specified in "Rate-Monthly", Item 2, will be billed to their Qualified Sellers and the Qualified Sellers will be primarily responsible for such charges. If for any reason a Qualified Seller does not pay the under-delivery or over-delivery charges, however, the Company retains the right to bill the customer for such charges.
- (D) A customer transporting gas under this Service Classification is required to (a) nominate and schedule the volumes to be delivered to the Company's citygate each day or (b) elect to have a gas seller or broker approved by the Company, hereinafter defined as a Qualified Seller, perform the nominating and scheduling service pursuant to Service Classification No. 13.
- (E) If during periods of interruption by the Company, the Company continues to accept a customer's gas at the receipt points, the Company will waive any over-delivery charges and will coordinate with the customer to adjust future deliveries at the receipt point to eliminate the over-delivered volumes.

**RATE - MONTHLY:**

Customers shall be subject to the monthly rates and charges set forth below and shall also be subject to the charges set forth in Special Provision G of this Service Classification.

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(Name of Officer, Title, Address)

PSC NO. 4 GAS LEAF: 137.2  
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Issued in compliance with Commission order in Case 14-G-0494, dated 10/16/15

SERVICE CLASSIFICATION NO. 8 (Cont'd.)

RATE - MONTHLY: (Cont'd)

(1) Transportation Charge

First 100 Ccf or less per monthly billing period:  
\$107.00 effective November 1, 2015,  
\$117.00 effective November 1, 2016, and  
\$118.00 effective November 1, 2017.

Next 49,900 Ccf at the Base Charge plus 5.0 cents per Ccf  
Next 50,000 Ccf at the Base Charge plus 2.5 cents per Ccf  
Over 100,000 Ccf at the Base Charge

The Base Charge per 100 cubic feet (Ccf) shall be established each month at the Company's discretion, not less than three working days prior to the first day of the billing period for which such Base Charge is to be effective.

The Base Charge shall not be less than \$0.010 per Ccf.

The Base Charge shall not exceed \$0.16791 per Ccf for the 12 months ending October 31, 2016, \$0.27014 per Ccf for the 12 months ending October 31, 2017, and \$0.27864 per Ccf thereafter until the Company's base rates are next reset.

(2) Over and Under-delivery Charges

If the amount of gas delivered to the Company by a customer electing interruptible transportation service varies from the amount of gas used by the customer on a daily basis, (adjusted for losses as defined in Special Provision D "Loss Adjusted Usage"), the customer will have an over-delivery or an under-delivery. If on any day the over-delivery or under-delivery is less than 5% of a customer's actual daily Loss Adjusted Usage, the customer may adjust subsequent daily deliveries to the Company by an amount not to exceed 5% of any day's Loss Adjusted Usage to eliminate any over- or under-deliveries by the end of the month. Any over- or under-delivery remaining at the end of each month will be cashed out. To cash out over- or under-deliveries, the customer must sell the over-delivered volumes to the Company or purchase the under-delivered volumes from the Company as specified below.

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**SERVICE CLASSIFICATION NO. 8 (Cont'd.)**

**RATE - MONTHLY:** (Cont'd.)

(2) Over and Under-delivery Charges (Cont'd.)

(a) Over-deliveries - Daily

If on any day a customer's over-delivery is greater than 5.0% of a customer's actual Loss Adjusted Usage, the over delivered volumes in excess of 5.0% will be purchased by the Company at the rates set forth below:

For Over-deliveries	Rate
>5% up to and including 10%	90% of Index Price
>10% up to and including 20%	80% of Index Price
>20% - Winter	60% of Index Price
>20% - Summer	70% of Index Price

The Index Price used to determine the applicable rate shall be equal to the simple average of the daily Algonquin, City-gates, and Millennium-East midpoint price index on the day on which the over-delivery occurs.

(b) Over-deliveries - Monthly

If there is an over-delivery at the end of the month, the over-delivered volumes will be purchased by the Company at a rate equal to the lower of the monthly average of the daily Algonquin, City-gates, and Millennium-East midpoint prices or the average of the Algonquin City-gates and Millennium-East First-of-Month Low Range Price as published in Platt's Gas Daily.

(c) Under-deliveries - Daily

If on any day the customer's under-delivery is greater than 5.0% of a customer's actual Loss Adjusted Usage, the under-delivered volumes in excess of the 5.0% will be sold to the customer by the Company as follows:

For Under-deliveries	Rate
>5% up to and including 10%	110% of Index Price
>10% up to and including 20%	120% of Index Price
>20% - Winter	140% of Index Price
>20% - Summer	130% of Index Price

SERVICE CLASSIFICATION NO. 8 (Cont'd.)

RATE - MONTHLY: (Cont'd.)

(2) Over and Under-delivery Charges (Cont'd.)

(c) Under-deliveries - Daily (Cont'd)

The Index Price for daily under-deliveries shall be equal to the simple average of the daily Algonquin, City-gates, and Millennium-East midpoint price index on the day on which the under-delivery occurs.

(d) Under-deliveries - Monthly

If there is an under-delivery at the end of the month, the under-delivered volumes will be sold to the customer by the Company at a rate equal to the higher of the monthly average of the daily Algonquin, City-gates and Millennium-East midpoint prices, or the average of the Algonquin, City-gates, and Millennium-East First-of-Month High Range Price as published in Platt's Gas Daily.

(3) Supplemental Sales Service Charge

All Mcf delivered to a customer as Supplemental Sales Service shall be subject to Parts (1), (4), and (5) of RATE - MONTHLY plus the Supplemental Sales Supply Charge set forth on the "Statement of Interruptible Transportation and Supplemental Sales Charges" filed with the Commission each month.

(4) Temporary State Assessment Surcharge

The Temporary State Assessment Surcharge as described in General Information Section 24 shall apply to all gas delivered under this Service Classification.

(5) Increase in Rates and Charges

The rates and charges under this Service Classification will be increased pursuant to General Information Section 15.

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ORANGE AND ROCKLAND UTILITIES, INC. REVISION: 3  
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**SERVICE CLASSIFICATION NO. 8 (Cont'd.)**

**STATEMENT OF INTERRUPTIBLE TRANSPORTATION AND SUPPLEMENTAL SALES CHARGES**

Not less than three working days prior to the first day of each billing period, the Company shall file with the Commission a statement showing the Maximum Allowable Base Charge, the Minimum Allowable Base Charge, the Base Charge and the Transportation Charges effective for service rendered during the billing period. Such statements will be made available for public inspection at Company offices where applications for service may be made.

**TERMS OF PAYMENT:**

Bills are due when rendered, subject to a late payment charge in accordance with the provisions of General Information Section 6.6.

**TERM:**

One year and successive annual periods thereafter until terminated by the customer at the end of any annual period upon not less than ninety days prior notice in writing to the Company, or until terminated by the Company upon ninety days prior notice in writing, due to inadequate distribution facility capacity.

In addition to all other remedies available to the Company, the Company reserves the right to discontinue service immediately, temporarily or permanently, to the customer or to the premises where there is a violation or any failure to comply with any of the provisions of this Service Classification, the Company's Sales and Transportation Operating Procedures, or this Rate Schedule.

**SPECIAL PROVISIONS:**

(A) Metering

The unit of measurement shall be a cubic foot of gas at an absolute pressure of fourteen and seventy-three one-hundredths pounds (14.73#) per square inch, a temperature of sixty degrees Fahrenheit and without adjustment for water vapor content. In determining the volume of gas delivered, the Average Absolute Atmospheric (Barometric) Pressure shall be assumed to be fourteen and four-tenths pounds (14.4#) to the square inch, irrespective of actual elevation or location of the delivery point above sea level or variations in actual barometric pressure from time to time.

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**SERVICE CLASSIFICATION NO. 8 (Cont'd.)**

**SPECIAL PROVISIONS:** (Cont'd.)

(B) Scheduled Volumes

Prior to the twenty-fifth day of each month for service to commence on the first calendar day of the following month, the customer shall provide to the Company information necessary to ensure the Company will be able to provide the service requested. Such information shall include:

- (1) The service requested for the month, i.e. Supplemental Sales Service or Interruptible Transportation Service; and if Interruptible Transportation Service is requested, the following:
- (2) The name of the pipeline company that will deliver the customer's gas to the Company;
- (3) The customer's maximum hourly usage;
- (4) The maximum daily volumes to be transported;
- (5) A schedule of anticipated monthly volumes to be transported;
- (6) Any additional information, as requested by the Company, that the Company is required to furnish to pipeline companies that are transporting or will transport gas to the Company for the customer's account.

The Company shall not be required to accept delivery of or to transport any volumes in excess of the maximum daily volumes the customer has requested be transported. Customer may request an increase in maximum daily volumes during the term of service. The Company shall, if it is operationally able, accept and transport the higher volume.

(C) Reimbursement for Other Charges

Customer shall reimburse Company for any fees, taxes or other charges that may be assessed or billed to the Company by any governmental agency or pipeline company for services rendered on behalf of customer regarding transportation of gas from supplier to the receipt point. Reimbursement will be made within ten days of receipt of a statement.

(D) Loss Adjusted Usage

The customer or its Seller shall deliver additional gas to compensate the Company for losses incurred in transporting customer's gas. The total quantity of gas to be delivered shall be equal to the customer's metered usage multiplied by the factor of adjustment as defined in General Section 12.

**PSC NO. 4 GAS** LEAF: 139.1  
**ORANGE AND ROCKLAND UTILITIES, INC.** REVISION: 8  
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**SERVICE CLASSIFICATION NO. 8** (Cont'd.)

**SPECIAL PROVISIONS:** (Cont'd.)

(E) Firm Base Load

A customer, at its option, may declare, prior to November 1 of each year, a fixed volume of its daily usage as Firm Base Load. A Customer electing this option may use its Firm Base Load volume during periods of interruption without incurring the Charge for Unauthorized Use of Gas set forth in Special Provision G (2) of this Service Classification for usage up to the Firm Base Load declared. Such use of Firm Base Load volume shall not be considered a violation under Special Provision G (1) of this Service Classification. All Firm Base Load usage will be considered first through the meter and be billed at the rates and charges contained in Service Classification No. 2. Declared Firm Base Load volumes will remain fixed for a period of one year.

(F) Customer Responsibilities

All customers taking service under this Service Classification, other than those electing to take service under Special Provision F (3), must maintain operable alternate fuel equipment, adequate fuel storage capacity at the customer's location for use in conjunction with such alternate fuel equipment and fuel supply that is adequate and replenished as necessary to enable the customer to operate satisfactorily such equipment without gas whenever and so long as service under this Service Classification is interrupted.

All customers taking service under this Service Classification must maintain a dedicated customer-installed telephone line to enable the Company to obtain remote readings of the customer's meter.

(1) Alternate Fuel/Energy Facilities

The customer shall immediately: (i) notify the Company of any condition that would prevent the required interruption of gas service or prevent the Company from determining whether the customer is using gas during an interruption, (ii) take immediate action to correct such condition, and (iii) notify the Company when such condition has been corrected.

Issued By: William Longhi, President, Pearl River, New York  
(Name of Officer, Title, Address)



**PSC NO. 4 GAS**

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**SERVICE CLASSIFICATION NO. 8 (Cont'd.)**

**SPECIAL PROVISIONS:** (Cont'd.)

(F) Customer Responsibilities (Cont'd.)

(1) Alternate Fuel/Energy Facilities (Cont'd.)

Customers with inoperable alternate fuel or alternate energy facilities, including associated customer-installed telephone lines, will be entitled to a forty-eight hour grace period to correct the condition from the time when the condition is first reported by the customer or from when the condition is first discovered by the Company with notice to the customer, whichever is earlier. Any such grace period permitted under this Special Provision shall not exempt the customer from the "two violation rule" set forth in Special Provision G (1). Customers that fail to correct the condition within the forty-eight hours shall be subject to the Charge for Inoperable Alternate Fuel/Energy Facilities or Inadequate Fuel Reserves set forth in Special Provision G (3) of this Service Classification.

The customer must comply with an annual inspection of its alternate fuel or alternate energy facilities, at a date and time determined by the Company, to determine whether such facilities are operable. In addition, the Company shall have the right to require compliance with a planned interruption to test customers' alternate fuel or alternate energy facilities. The customer must comply with any such planned interruption.

(2) Reserve Requirements

Prior to October 1 of each year, customers are required to demonstrate to the Company that they will have in place by November 1 adequate reserves of their alternate fuel based on their peak winter period requirements and in accordance with the provisions below.

- (a) All Distillate Users and Human Needs Customers shall have a ten days supply of alternate fuel. If the customer does not have ten days storage capability on site, the customer must fill available on-site storage and prove, to the Company's satisfaction, that a relationship exists with an alternate fuel provider to supply the customer for the difference between its on-site supply and the ten days of required alternate fuel supply.

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**SERVICE CLASSIFICATION NO. 8 (Cont'd.)**

**SPECIAL PROVISIONS:** (Cont'd.)

(F) Customer Responsibilities (Cont'd.)

(2) Reserve Requirements (Cont'd.)

(a) (Cont'd.)

For the purposes of this provision, Distillate Users are those customers using No. 2 fuel oil, diesel fuel or kerosene as their alternate fuel source and Human Needs Customers are those who receive service for their own or another's residential uses and purposes whether involving temporary or permanent occupancy, which includes residential hotels, single room occupancies, prisons, dormitories, living facilities of clergy and acute care or nursing home providers housing patients or residents on an overnight basis including, nursing homes, hospitals, community residences, and shelters.

(b) New customers commencing service under this Service Classification on and after December 1, 2001, must, in addition to meeting the other requirements above, have three days or more of on-site inventory of alternate fuel, based on the customer's peak winter requirements as determined in accordance with the Company's Gas Transportation Operating Procedures.

(c) Other interruptible customers must maintain reserve levels acceptable to the Company.

A customer with an inadequate alternate fuel reserve that fails to interrupt gas service at any time during the first 10 days of interruption in any Winter Period or who has an inadequate alternate fuel reserve as of November 1 of each year shall be subject to the Charge for Inoperable Alternate Fuel/Energy Facilities or Inadequate Fuel Reserves as set forth in Special Provision G (3) of this Service Classification.

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PSC NO. 4 GAS

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**SERVICE CLASSIFICATION NO. 8** (Cont'd.)

**SPECIAL PROVISIONS:** (Cont'd.)

(F) Customer Responsibilities (Cont'd.)

(3) Shut-Down Option

Eligibility for this option is limited to process load customers. For purposes of this provision, process load customers are customers that: a) use gas predominantly for manufacturing or other industrial purposes; b) can withstand a suspension of such manufacturing or industrial operations for the duration of an interruption; and c) can shut down such operations in the time frame required under this Service Classification upon notice by the Company of a period of interruption. Customers ineligible for this option include, but are not limited to: a) customers who receive service for their own or another's residential uses and purposes whether involving temporary or permanent occupancy, including residential hotels, single room occupancies, prisons, dormitories, living facilities of clergy and acute care or nursing home providers housing patients or residents on an overnight basis including, hospitals, community residences, and shelters; b) schools; c) non-residential customers using gas primarily for space heating purposes; and d) electric generators.

Process load customers who elect the Shut-Down Option must comply with Company-initiated interruptions of service by shutting down their operations in lieu of meeting the requirements of Special Provisions F (1) and F (2).

A customer electing this option must submit to the Company, by October 1 of each year, a signed affidavit, in the form included in the Company's Gas Transportation Operating Procedures, attesting to the customer's commitment to shut down operations during periods of interruption.

If a customer taking service under this option fails to interrupt its use of gas and shut down its operations during a period of interruption, the Company may, at its sole discretion, physically shut down the customer's gas service. In addition to any other applicable charges under this Service Classification associated with such failure to interrupt, the customer must reimburse the Company for any costs incurred to perform the physical shutdown.

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**SERVICE CLASSIFICATION NO. 8 (Cont'd.)**

**SPECIAL PROVISIONS:** (Cont'd.)

(G) Provisions Relating Interruptions

(1) Failure to Interrupt

Customers that fail to fully interrupt their use of gas for any two interruption periods (including any Company announced planned interruptions)("two-violation rule") during each Winter Period will thereafter be ineligible for service hereunder and will be transferred to Service Classification No. 1, 2, or 6, whichever is applicable, commencing with the first billing month following the month in which the second violation occurs, unless the Company has received written notification requesting that the service be disconnected and the Company has verified that that it has been disconnected and locked. A customer's failure to fully interrupt its gas use during an interruption will not count towards the two-violation rule if it qualifies for the one-time exception rule described below. Customers removed from this Service Classification because of the two-violation rule will be ineligible for service under this Service Classification for the remainder of the current Winter Period plus the next twelve succeeding months. For periods thereafter, the customer may reapply for service under this Service Classification not less than ninety days prior to the proposed commencement date, except that the customer may not request a commencement date that falls within the Winter Period.

A customer's failure to interrupt its use of gas due to inoperable alternate fuel or alternate energy facilities (excluding, for purposes of this paragraph, associated customer-installed phone lines) counts as a violation towards the above-described two-violation rule, except as follows.

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SERVICE CLASSIFICATION NO. 8 (Cont'd.)

SPECIAL PROVISIONS: (Cont'd.)

(G) Provisions Relating Interruptions (Cont'd.)

(1) Failure to Interrupt (Cont'd.)

On one occasion during each Winter Period, a customer's failure to interrupt the use of gas due to documented inoperable alternate fuel or alternate energy facilities will not be counted as a violation toward the two-violation rule, provided that the Customer (i) notifies the Company within one hour of the failure of its equipment; (ii) repairs and makes operable its equipment within forty-eight hours of the equipment's failure; and (iii) provides the Company with an affidavit or other sufficient documentation that it has repaired and made operable its alternate fuel or alternate energy equipment and immediately complies with the earlier of the ongoing interruption or a separate planned interruption. The Company will extend the one-time forty-eight hour repair deadline to a period not to exceed seven days provided the customer demonstrates, to the Company's satisfaction, that such extension was necessary due to the unavailability of a part and its installation during such forty-eight hour repair period. All three conditions set forth above must be satisfied for this exception to the two-violation rule to apply. During the forty-eight hour repair period, or, if applicable, the extended seven day repair period, the customer will be subject to all applicable charges of this Service Classification for all gas consumed, except for the charge for inoperable alternate fuel/energy facilities or inadequate fuel reserves set forth in Special Provision (G)(3), provided that the customer makes operable its alternate fuel/energy facilities within the forty-eight hour or seven day repair period, whichever is applicable. This exemption does not apply to customers taking service under Special Provision F (3) (Shut-Down Option).

(2) Charge for Unauthorized Use of Gas

All gas consumed by a customer during a period of interruption in excess of its Firm Base Load volume shall be subject to a charge equal to the greater of a) two times the sum of (i) the cost of gas delivered to the Company's citygate on the day of the violation, as defined below, plus (ii) the applicable interruptible transportation rate determined in accordance with this Service Classification and as set forth in the "Statement of Interruptible Transportation and Supplemental Sales Charges" for the month in which the violation occurred or b) nine times the Supplemental Sales Service Charge plus the customer's Transportation Charge

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SERVICE CLASSIFICATION NO. 8 (Cont'd.)

SPECIAL PROVISIONS: (Cont'd.)

(G) Provisions Relating Interruptions (Cont'd.)

(2) Charge for Unauthorized Use of Gas (Cont'd.)

for the month in which the violation occurred. For the purposes of this provision, the cost of gas shall be equal to the highest daily "Midpoint" rate of the "Louisiana-Onshore South", "Tennessee" receipt points for the appropriate day as published in Gas Daily in the table "Daily Price Survey" plus the Company's weighted average cost of transportation (WACOT) and fuel losses at 100% load factor.

(3) Charge for Inoperable Alternate Fuel/Energy Facilities or Inadequate Fuel Reserves

Customers, other than those taking service under Special Provision F (3), Shut-Down Option, that fail to comply with the requirements set forth in Special Provision F above shall be subject to a charge equal to the greater of a) 130% of the cost of its alternate fuel, as established with reference to appropriate fuel price indices as determined in accordance with the Company's Gas Transportation Operating Procedures or b) 130% of the Supplemental Sales Service Charge plus the customer's Transportation Charge, minus the rates paid by the customer under this Service Classification. This additional charge shall be applied to all gas consumed during the billing period, excluding any Firm Base Load volumes, in which there is non-compliance and for any subsequent billing periods during which the non-compliance continues. This charge shall be assessed in addition to the Charge for Unauthorized Use of Gas.

(H) Imbalance Trading

Direct Customers shall be permitted to trade imbalances with other Direct Customers and Qualified Sellers taking service under Service Classification No. 13 on both a daily and monthly basis in accordance with the provisions below. For the purposes of this provision, the term "Seller" shall refer to both Qualified Sellers and Direct Customers.

(1) Daily Imbalance Trading

The Company shall post imbalance information on its Retail Access Internet site. The posting will include a list of Sellers with telephone and e-mail information, the pipeline on which the imbalance occurred, and a plus or minus sign to indicate the direction of each Seller's imbalance for that

SERVICE CLASSIFICATION NO. 8 (Cont'd.)

SPECIAL PROVISIONS: (Cont'd.)

(H) Imbalance Trading (Cont'd.)

(1) Daily Imbalance Trading (Cont'd.)

given day. The actual daily imbalance for each Seller listed will not be disclosed. It will be the responsibility of the Seller to review the imbalance site and to contact those Sellers with whom a daily imbalance trade appears feasible. Imbalance information will be posted by 4:00 p.m. Monday through Friday for gas days ending on a business day. Imbalance information for gas days ending on Saturday, Sunday or on a Company-observed holiday will be posted on the following business day. Sellers will have three business days from the time of the posting to contact the Company, via an Internet application, with their imbalance trading results. Imbalance trading results must be authorized by both trading partners in order to be considered valid by the Company. The Company will not process any trading results that are received after the three business day period.

Daily imbalance volumes traded must be from the same gas day and delivering pipeline to the Company's system.

Any volumes not traded on a daily basis shall be subject to Over- and Under-delivery Charges in accordance with Part (2) of RATE - MONTHLY.

A fee of \$5.00 shall be assessed per party, per trade. If two parties engage in, and provide the Company with a single notice of, up to three daily trades during a single 72 hour notification imbalance trading period, such trades shall be considered a single trade for the purpose of assessing the \$5.00 fee.

(2) Monthly Imbalance Trading

By 4:00 p.m. on the second business day of each month, the Company will post monthly imbalance information from the previous month on its Retail Access Internet site. The posting will include a list of Sellers with telephone and e-mail information, the pipeline on which the imbalance occurred, and a plus or minus sign to indicate the direction of each Seller's imbalance for the prior month. The actual monthly imbalances of Sellers will not be disclosed. It will be the responsibility of the Seller to review the imbalance site and

SERVICE CLASSIFICATION NO. 8 (Cont'd.)

SPECIAL PROVISIONS: (Cont'd.)

(H) Imbalance Trading (Cont'd.)

(2) Monthly Imbalance Trading (Cont'd.)

to contact Sellers with whom a monthly imbalance trade appears feasible. Sellers will have three business days from the time of the posting to contact the Company with their imbalance trading results. Imbalance trading results will be communicated back to the Company via an Internet application. Imbalance trading results must be authorized by both trading partners in order to be considered valid by the Company. Trading results not received within the three business day period will not be processed by the Company.

Any volumes not traded on a monthly basis shall be subject to Over- and Under-delivery Charges in accordance with Part (2) of RATE - MONTHLY.

(I) New Interruptible Customer Eligibility Requirement

Customers commencing service under this Service Classification on or after November 1, 2006, must, in addition to the other requirements of this Service Classification, demonstrate to the Company's satisfaction annual gas consumption of at least 100,000 Ccf at a single meter.

Unless the Company possesses sufficient usage history to determine eligibility for service under this Service Classification, the customer shall provide the Company with a reasonable estimate of the customer's annual gas usage. In the event a customer does not provide the Company with the required information to determine the customer's eligibility for service hereunder, the Company will attempt to estimate the customer's annual gas usage using the best available information. A customer may be denied service under this Service Classification if the customer fails to supply the information required to determine initial eligibility.

(J) Prepayment for Facilities

A customer taking firm service with the Company who switches to this Service Classification after taking firm service for less than five years, may, at the Company's sole discretion, be required to pay all or a portion of the facility costs previously incurred for the customer.