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Oct 15 2021

October 15, 2021

**VIA Electronic Filing**

Ms. Antonia Dunston, Interim Chief Clerk  
North Carolina Utilities Commission  
Dobbs Building  
430 North Salisbury Street  
Raleigh, North Carolina 27603

Re: *Stipulation of Settlement*  
*Docket Nos. G-5, Sub 632 and G-5, Sub 634*

Dear Ms. Dunston:

Enclosed for filing is the Stipulation of Settlement in the above-referenced proceeding.

Thank you for your assistance with this matter. If you have any questions regarding this filing, you may reach me at the number shown above.

Sincerely,

/s/Mary Lynne Grigg

MLG:sjg

Enclosure

## BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. G-5, SUB 632

DOCKET NO. G-5, SUB 634

DOCKET NO. G-5, SUB 632	)	
	)	
In the Matter of	)	
	)	
Application of Public Service Company	)	
of North Carolina, Inc., for General Rate	)	
Increase	)	
	)	<b>STIPULATION OF</b>
	)	<b>SETTLEMENT</b>
DOCKET NO. G-5, SUB 634	)	
	)	
In the Matter of	)	
	)	
Application for Approval to Modify Existing	)	
Conservation Programs and Implement	)	
New Conservation Programs	)	

Public Service Company of North Carolina, Inc. ("PSNC" or the "Company"), the Public Staff – North Carolina Utilities Commission (the "Public Staff"), Carolina Utility Customers Association, Inc. ("CUCA"), and Evergreen Packaging, LLC ("Evergreen") (collectively the "Stipulating Parties"), through counsel and pursuant to N.C. Gen. Stat. § 62-69 and Rule R1-24(c) of the Rules and Regulations of the North Carolina Utilities Commission (the "Commission" or "NCUC"), respectfully submit the following Stipulation of Settlement ("Stipulation") for consideration by the Commission. The Stipulating Parties hereby stipulate and agree as follows:

**1. Background**

A. On March 1, 2021, PSNC gave notice of its intent to file a general rate case.

B. On April 1, 2021, PSNC filed an application in Docket No. G-5, Sub 632, seeking approval of: (1) a general increase in its rates and charges; (2) an extension of PSNC's Integrity Management Tracker ("IMT") mechanism contained in Rider E to its approved tariff; (3) continued deferral of Operations and Maintenance ("O&M") expenses associated with its Transmission Integrity Management Program ("TIMP") and Distribution Integrity Management Program ("DIMP") and amortization of certain TIMP and DIMP O&M expenses that had been deferred; (4) implementation of new depreciation rates recommended in a depreciation study conducted by Gannett Fleming Valuation and Rate Consultants, LLC; (5) authority to implement three riders to address certain liabilities arising from excess deferred income taxes ("EDIT") associated with federal and state income tax reductions; (6) adoption of a rider mechanism to allow PSNC to recover the costs of its approved conservation programs; (7) authority to implement a voluntary renewable energy ("GreenTherm™") program and deferred accounting treatment and a rider mechanism to ensure that program costs are properly assigned to participating customers; and (8) approval to fund a research and development initiative to promote environmental sustainability through an adjustment to O&M expenses and rate base treatment for this initiative; (9) and approval to update and revise certain tariff provisions. Included with this filing were information and data required by NCUC Form G-1, and the testimony and exhibits of Company witnesses D. Russell Harris, M. Shaun Randall, Michael B. Phibbs, Jennifer E. Nelson, John D. Taylor, John J. Spanos, James Herndon, Byron W. Hinson, and James A. Spaulding.

D. On April 1, 2021, PSNC filed an application in Docket No. G-5, Sub 634, seeking the Commission's approval to expand two existing conservation programs, the Energy Efficiency Rebate Program and the High Efficiency Discount Rate Program, and to implement three new conservation programs, the Residential New Construction Program, the Residential Home Energy Report Program, and the Residential Low Income Program.

E. On April 5, 2021, CUCA filed a petition to intervene, which the Commission granted on April 15, 2021.

F. On April 27, 2021, the Commission issued its Order Establishing General Rate Case and Suspending Rates.

G. On May 4, 2021, the Public Staff filed a motion to consolidate Docket No. G-5, Sub 634, with Docket No. G-5, Sub 632, which the Commission granted on May 18, 2021.

H. On June 11, 2021, the Commission issued its Order Scheduling Investigation and Hearings, Establishing Intervention and Testimony Due Dates and Discovery Guidelines, and Requiring Public Notice.

I. On July 8, 2021, Evergreen filed a petition to intervene, which the Commission granted on July 14, 2021.

J. On August 10, 2021, PSNC filed revised versions of its schedules reflecting updates to its rates, revenues, rate base, cost of capital, and expenses as of June 30, 2021. PSNC also filed supporting supplemental testimony and exhibits of its witnesses Spaulding, Hinson, and Taylor.

K. On September 17, 2021, the North Carolina Attorney General's Office filed a notice of intervention in this proceeding.

L. On September 23, 2021, the Public Staff filed the testimony and exhibits of its witnesses Mary A. Coleman, Lynn Feasel, Roxie McCullar, Jack L. Floyd, John R. Hinton, Neha Patel, Julie G. Perry, Sonja R. Johnson, James M. Singer, and David M. Williamson. Also on September 23, 2021, CUCA filed the testimony and exhibits of its witness, Kevin W. O'Donnell, and Evergreen filed the testimony of its witness, Brian C. Collins.

M. On October 5, 2021, the Public Staff filed a corrected Public Staff Revised Johnson Exhibit I.

N. On October 7, 2021, PSNC filed the rebuttal testimony and exhibits of its witnesses Phibbs, Nelson, Spanos, Taylor, Hinson, Spaulding, and Regina J. Elbert.

O. The Public Staff engaged in substantial discovery of PSNC regarding the matters addressed by the Company's applications in these dockets and further examined the relevant books and records of PSNC with respect to the Company's rate case application. The Public Staff's discovery efforts spanned a period of 28 weeks, entailed 124 sets of data requests directed to the Company containing approximately 840 discrete questions (not including parts and subparts), included numerous informal follow-up questions and conference calls, and involved site visits to the Company's facilities.

P. PSNC also responded to discovery served by CUCA and Evergreen. CUCA's discovery efforts spanned a period of 16 weeks and entailed three sets of

data requests directed to the Company containing 27 discrete questions (not including parts and subparts); Evergreen's discovery efforts spanned a period of two weeks and entailed two sets of data requests directed to the Company containing 40 discrete questions (not including parts and subparts).

Q. Following completion of the Public Staff's investigation of the Company's applications and accompanying documents, review of the results of its examination of the Company's books and records, and review of the Company's responses to the Public Staff's data requests, as well as those served by other parties, the Public Staff and PSNC participated in conference calls and video conferences over the course of several weeks to discuss possible settlement.

R. Similar conferences and discussions were held between PSNC and CUCA and PSNC and Evergreen in an effort to determine if the matters in dispute between these parties and PSNC could be resolved through settlement.

S. After significant and complex negotiations, in which substantial concessions from their litigation positions were made by the Stipulating Parties, the Stipulating Parties were ultimately able to arrive at a settlement, the terms of which are reflected in this Stipulation and the schedules and exhibits attached hereto.

**2. Test Period.** The test period for this rate case is the twelve months ending December 31, 2020, adjusted for certain changes in plant, throughput, and costs that were not known at the time the case was filed but are based upon circumstances occurring or becoming known through June 30, 2021.

**3. Throughput.**

A. The appropriate level of adjusted gas sales and transportation quantities of 905,384,906 therms for use herein, as reflected on Exhibit C attached hereto, is comprised of 559,414,506 therms of sales quantities and 345,970,400 therms of transportation quantities. The total gas throughput, which reflects the total gas sales and transportation quantities including other special contract quantities of 413,480,000 therms, is 1,318,864,906 therms.

B. The appropriate level for company use and lost and unaccounted for gas herein is 8,836,557 therms.

**4. Cost of Gas.**

A. The appropriate benchmark commodity cost of gas for use in the financial exhibits in this proceeding and in paragraph B of this section is \$2.50 per dekatherm.

B. The stipulating parties agree that it is appropriate to continue to adjust fixed gas costs as outlined in Public Staff witness Patel's testimony.

C. The appropriate end of period level of total cost of gas for use in this proceeding is \$218,682,115, as determined and reflected on Exhibit H attached hereto, encompassing an updated Company Use and Lost and Unaccounted For ("CU&LAUF") gas factor of 0.976% with commodity gas costs and fixed gas costs as follows:

Commodity Cost of Gas:	\$142,062,766 <sup>1</sup>
Fixed Cost of Gas:	\$76,619,349
Total Cost of Gas:	\$218,682,115

5. **Rate Base.** The original cost rate base used and useful in providing service to the Company's customers is \$1,702,058,612, consisting of gas plant in service of \$2,978,034,116, and cash working capital (Lead Lag) of \$13,657,011, reduced by accumulated depreciation of \$912,701,283, working capital - other of \$19,941,231 and accumulated deferred income taxes of \$356,990,001 as shown on Exhibit A attached hereto and incorporated herein by reference. The Stipulating Parties agree that for purposes of this proceeding, it is reasonable for the Company's original cost rate base to include the approximately \$13.3 million equity allowance for funds used during construction ("AFUDC") regulatory asset balance recorded on PSNC's books as of December 31, 2020, along with the equal and offsetting accumulated deferred income tax ("ADIT") liability .

6. **Revenue Requirement.**

A. The appropriate level of operating revenues under present rates for use in this proceeding, as shown on Exhibit A attached hereto, is \$575,094,444. This amount is comprised of \$539,392,662 of gas sales and transportation revenues, \$34,239,341 other special contract revenues, and \$1,462,442 of other operating revenues.

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<sup>1</sup> Of this total amount of commodity cost of gas, \$2,209,139 is the commodity cost of gas associated with CU&LAUF for gas quantities.



B. The appropriate level of margin revenues under present rates for use in this proceeding is \$356,412,329 as shown on Exhibit A. This amount is computed as total operating revenues under present rates less the total cost of gas.

C. The overall level of operating expenses under present rates appropriate for use in this proceeding is \$258,788,436 as shown on Exhibit A.

D. The capital structure appropriate for use in this proceeding consists of 51.60% common equity, 47.06% long-term debt at a cost of 4.48%, and 1.34% short-term debt at a cost of .25%, as shown on Exhibit B. The Stipulating Parties acknowledge that Regulatory Condition 8.2 adopted in Docket No. G-5, Sub 585, relating to the cost of debt remains in effect until it expires on January 2, 2024.

E. The rate of return on common equity ("ROE") that the Company should be allowed an opportunity to earn is 9.60%, as shown on Exhibit B. This agreed level of ROE represents a significant compromise by each of the Stipulating Parties from their respective litigation positions. This agreed-upon ROE is deemed by each Stipulating Party to be a reasonable ROE for use in this proceeding that will provide the Company with a reasonable opportunity, by sound management, to produce a fair return for its shareholders, and a just and reasonable result for its customers considering changing economic conditions and other factors; to maintain the Company's facilities and services in accordance with the reasonable requirements of its customers in the territory covered by its franchise; and to compete in the market for capital funds on terms that are fair to its customers and to its existing investors. Each of the Stipulating Parties further agrees that such

agreed-upon ROE, together with the agreed-upon capital structure and adjustments to the Company's rate base and operating expenses, results in a revenue requirement that is just and reasonable to the Company's customers in light of changing economic conditions.

F. The weighted overall rate of return that the Company should be allowed an opportunity to earn on its rate base is 7.07%, as shown on Exhibit A. Furthermore, this rate should be used by the Company as its AFUDC rate effective November 1, 2021. The calculation of revenue requirements related to AFUDC shall take into account both the tax deductibility of the weighted debt component of the overall rate of return and the tax non-deductibility of the weighted equity component of the overall rate of return. AFUDC accrued shall be adjusted as appropriate for income taxes.

G. Effective beginning with calendar year 2021, the amount of equity AFUDC added to construction work in progress (and ultimately transferred to plant in service) shall be calculated using the weighted equity component of the overall rate of return, not grossed up for income taxes. The difference between that amount and the equity AFUDC amount grossed up for income taxes (in effect, that non-grossed-up amount divided by  $(1 - \text{the combined income tax rate})$ ) shall be recorded as an equity AFUDC regulatory asset. The equity AFUDC regulatory asset and its equal and offsetting ADIT liability shall both be included in rate base.

H. Through the rates and charges approved in this case, the Company should be authorized to increase its annual level of operating revenues by \$29,464,353 per year, as shown on Exhibit A.

7. **Rate Design.** The rate schedules reflecting new volumetric rates, monthly charges, and demand charges are shown on Exhibit C attached hereto and incorporated herein by reference. The Stipulating Parties agree that the Commission should determine in this case that these rates, as adjusted to reflect any Commission-approved: (a) changes in the Company's benchmark commodity gas cost on or before the date that the rates approved in this docket become effective; and (b) changes in the gas demand and storage charges (components of the fixed cost of gas shown in Exhibit H that occur between the date of this Stipulation and the date that the rates approved in this docket become effective. The relative impacts of the stipulated rates on each PSNC's customer class are reflected on Exhibit I hereto.

The settlement represents a good faith effort to attempt to implement each of the principles discussed by Public Staff witness Floyd. The parties agree that the proposed revenue apportionment and rate designs make reasonable strides to respond to witness Floyd's testimony.

8. **Fixed Gas Cost Apportionment Percentages.** The fixed gas cost apportionment percentages embedded in the proposed rates and to be used in future true-ups of fixed gas costs in proceedings under Commission Rule R1-17(k) are set forth in Exhibit D attached hereto and incorporated herein by reference. These rates shall be used until the resolution of PSNC's next general rate proceeding.

9. **Continuation of Integrity Management Tracker.** As authorized by N.C. Gen. Stat. § 62-133.7A, the Stipulating Parties agree that it is appropriate to

continue the Company's IMT mechanism in the current form attached as Rider E to PSNC's current tariff, subject to possible future modification to address the Public Staff's concerns. Prior to January 31, 2022, the Public Staff will provide the Company with proposed modifications to the mechanism and will work with the Company to implement any changes. The Public Staff will also work with the Company to update the Rider E inputs for the margin percentages by month and by rate class, as well as the special contract credits.

**10. Customer Usage Tracker ("CUT") Factors.** The "R" values, heat load factors, and base load factors to be used in the Company's approved CUT mechanism on and after the effective date of rates hereunder are set forth in Exhibit E attached hereto and incorporated by reference herein.

**11. Amortization of Deferred Assets**

A. Deferred TIMP O&M Costs. The Commission has previously approved regulatory asset treatment for PSNC's TIMP O&M costs incurred as a result of the implementation of the federal Pipeline Safety Improvement Act of 2002. The Stipulating Parties agree that it is appropriate to amortize and allow recovery of \$67,903,061 which reflects actual deferred expenses through June 30, 2021, net of regulatory amortizations through October 31, 2021, over a four-year period beginning with the effective date of rates in this proceeding. The Stipulating Parties further agree that it is appropriate to continue regulatory asset treatment for these costs and to defer and treat such costs as a regulatory asset until the resolution of the Company's next general rate proceeding. The Company agrees

to work with the Public Staff to address concerns related to tracking and reporting TIMP costs for review by the Public Staff.

B. Deferred Distribution Integrity Management (DIMP) Operating and Maintenance O&M Costs. The Commission has previously approved regulatory asset treatment for PSNC's DIMP O&M costs in Docket No. G-5, Sub 565. The Stipulating Parties agree that it is appropriate to amortize and allow recovery of \$38,116,252, which reflects actual deferred expenses through June 30, 2021, net of regulatory amortizations through October 31, 2021, over a four-year period beginning with the effective date of rates in this proceeding. The Stipulating Parties further agree that it is appropriate to continue regulatory asset treatment for these costs and to defer and treat such costs as a regulatory asset until the resolution of the Company's next general rate case proceeding. The Company agrees to work with the Public Staff to address concerns related to tracking and reporting DIMP costs for review by the Public Staff.

C. Deferred Durham Incident Costs. The Stipulating Parties agree that reasonable and prudently incurred legal fees incurred on or after January 1, 2020 due to the 2019 Durham incident may be deferred for recovery in the Company's next general rate case proceeding, offset by any insurance proceeds received related to the incident. The parties agree not to include the balance in rate base in this general rate case proceeding. The amounts for future recovery will be reflected in FERC Account 182.3.

**12. Non-Utility Adjustment.** The annual operating revenues stipulated herein include an agreed upon adjustment attributable to non-utility operations of (\$106,278).

**13. Board of Directors Expenses.** The annual operating revenues stipulated herein include an agreed upon reduction in Board of Directors expense of Dominion Energy, Inc. allocated to PSNC (\$94,671).

**14. Compensation Adjustments.** The annual operating revenues stipulated to herein include downward adjustments, in the amounts indicated, for each of the following categories of compensation related expenses: Payroll (\$491,312), Pension and Other Benefits (\$1,055,624), Employee Benefits (\$66,473), Executive Compensation (\$437,871) and Incentives (\$1,653,408).

**15. Miscellaneous Expense Adjustments.** In addition to the reductions to the Company's proposed annual revenue requirement reflected herein, the Stipulating Parties have also agreed that the annual revenue requirement for PSNC reflected on Exhibits A includes downward adjustments (in the amounts indicated) to the following areas of PSNC's filed, and later updated O&M expenses: Advertising Expense (\$385,799); Sponsorships & Dues (\$20,691); Customer Accounts Expense of (\$43,377); Transmission O&M expenses of (\$119,774); and Service Company Charges (\$1,116,309). These adjustments benefit ratepayers and reduce PSNC's projected O&M expense by the amounts indicated. Other adjustments include: Inflation Adjustment of \$147,390; and Interest on Customer Deposits \$30,657.

**16. Uncollectibles Adjustment.** The Stipulating Parties agree that the revenue requirement reflected herein reflects a downward adjustment in the amount of non-gas cost uncollectibles expense after applying the non-gas cost uncollectibles ratio to the pro forma revenues, which results in a (\$126,397) decrease to O&M expenses. The Stipulating Parties also agree to reflect the non-gas cost uncollectibles ratio of 0.1532% in the revenue requirement retention factor used to compute the amount of the rate increase.

**17. Regulatory Fee Adjustment.** The Stipulating Parties agree that the annual revenue requirement set forth herein reflects an adjustment to bring regulatory fee expense to a level based on the current effective rate of 0.13%.

**18. Rate Case Expense.** The Stipulating Parties agree that for purposes of this rate case it is appropriate to use an updated rate case expense amount of \$1,060,383 representing an increase of \$11,959 to the revenue requirement increase, which should be amortized and collected over a three-year period beginning with the effective date of rates in this proceeding.

**19. Amortization of Federal Protected EDIT.** The Stipulating Parties agree that federal protected EDIT should be amortized and returned to customers through base rates over the remaining lives of the property giving rise to the EDIT obligation utilizing the Internal Revenue Service's Average Rate Assumption Method beginning on the effective date of rates in this proceeding.

**20. EDIT Riders.** The Stipulating Parties agree that federal unprotected EDIT should be amortized and returned to customers on a levelized basis through a rider mechanism over a five-year period beginning with the effective date of rates in this

proceeding. The Stipulating Parties agree that the state EDIT, including the correction of a previous state income tax refund calculation, should be amortized and returned to customers on a levelized basis through a rider mechanism over a two-year period beginning with the effective date of rates in this proceeding. The Stipulating Parties agree that overcollection of federal taxes from January 1, 2018, through January 31, 2019, should be amortized and returned to customers on a levelized basis through a rider mechanism over a one-year period beginning with the effective date of rates in this proceeding. The federal unprotected EDIT, state EDIT, and overcollection of federal taxes rider rates are reflected in Exhibit K attached hereto.

**21. Depreciation Study.** The Stipulating Parties agree that effective November 1, 2021, PSNC will adopt the revised depreciation rates reflected in the depreciation study filed with and supported by the testimony of Company witness John J. Spanos.

**22. Tariffs and Service Regulations.** The Stipulating Parties agree that the tariff and service regulations attached hereto as Exhibits F and G should be approved. Exhibit F reflects the tariff changes proposed by the Company in its application, except for new Riders F and G, which are addressed in sections 27 and 29 below.

**23. Rate Elements.** The Stipulating Parties agree that the rates reflected on Exhibit C are comprised of the billing rates reflected on Exhibit J attached hereto.

**24. Interest Rate for Deferred Accounts.** The Stipulating Parties agree that, beginning in the month in which a final order is issued in this proceeding, PSNC



will use a net of tax rate of 6.57% for all deferred accounts, and should be adjusted as appropriate for income taxes.

**25. Gas Extension Feasibility Model.** The Stipulating Parties agree to the following revisions to PSNC's model used to calculate the feasibility of extending natural gas service to its residential and commercial customers: (i) use of an investment horizon of 40 years or an appropriate length of time that matches the book lives of the gas plants; (ii) use of the Company's approved net of tax overall rate of return as the discount rate employed for the net present value analysis approved in the Company's most recent rate case; and (iii) adjustment of all future cash inflows by a long-term inflation rate of 2%. The Company will work with the Public Staff to consider possible modifications to the model and its service regulations regarding the 200-foot allowance for line extensions to new subdivisions to be sure that new and existing customers receive an appropriate allowance in the feasibility model.

**26. Affordability.** The Stipulating Parties agree that the Commission should allow PSNC to join and participate in the affordability stakeholder collaborative currently being conducted pursuant to the Commission's Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice issued March 31, 2021, in Docket No. E-7, Subs 1213, 1214, and 1187, and Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice issued April 16, 2021, in Docket No. E-2, Subs 1219, and 1193.

**27. Energy Efficiency ("EE") Programs and Rider F.** The Stipulating Parties agree to the following regarding the Company's EE programs:

A. PSNC's entire EE portfolio, whether existing, modified, or new as proposed in the application in Docket No. G-5, Sub 634, and consisting of the Energy Efficiency Rebate Program (to be separated into Residential and Commercial programs for cost allocation purposes), Conservation Education Program, Residential New Construction Program, Residential Home Energy Report Program, and Residential Low Income Program, will be authorized for a three-year pilot program in order to collect operational data, perform evaluation, measurement, and verification ("EM&V"), and assess cost-effectiveness. The three-year pilot program will commence within six (6) months of the Commission's final order in this docket.

1. During the pilot program, PSNC will structure and perform EM&V to ensure accuracy of the net-to-gross ratio, avoided costs, measure life, and measure savings used in the cost-effectiveness calculations.

2. The criterion for a successful EE measure is a Utility Cost Test ("UCT") result greater than 1.0. Any measure that results in a UCT less than 0.9 should be removed from the portfolio, excluding the Residential Low-Income Program.

3. PSNC will work with the Public Staff and other interested parties to cost effectively increase participation, particularly for low-income customers, and those customers who rent their homes or businesses.

4. PSNC should terminate any measures or programs in the pilot program before the three-year period if substantial evidence suggests that the UCT will result in a value less than 0.9. Conversely, if substantial

evidence suggests that the UCT of a program will result in a value greater than 1.0, PSNC may propose that the program be removed from pilot status and granted full approval.

B. PSNC should be allowed to recover costs of EE programs through a Rider F recovery mechanism.

1. Within 15 business days of the filing of this Stipulation, PSNC and the Public Staff will file with the Commission a mechanism to (1) allow PSNC to recover all reasonable and prudent costs incurred for adopting, implementing, and operating cost-effective EE measures and programs and (2) establish certain requirements for requests by PSNC for approval and continued operation of EE programs consistent with the provisions for the piloting of PSNC's EE programs described above.

2. PSNC shall be allowed to recover, through the EE rider, all reasonable and prudently incurred costs appropriately estimated to be incurred in expenses during an upcoming 12-month rate period each year, except possibly for the first such rider, which may have a somewhat longer or shorter rate period, during the term of the pilot for EE programs that have been approved by the Commission, plus a true-up of the under- or over-recovery of actual costs by actual rider revenues incurred during a recent period.

3. PSNC may implement deferral accounting for over- and under-recoveries of costs that are eligible for recovery through the annual EE rider. The balance in the deferral account, gross of deferred income

taxes, may accrue interest, net-of-tax as reflected in section 24, using a mid-month convention. Such return will not be eligible for further gross-up for income taxes. Interest shall be eligible for compounding only at the end of the measurement period for the deferred account balance adopted for each annual rider (to avoid an annual accrual of return at greater than the annual rate).

4. For purposes of cost recovery through the EE rider, system-level costs shall be allocated to customer classes by use of appropriate apportionment/allocation factors as approved in each case by the Commission. All sales and transportation classes (excluding electric generation and other special contracts) shall be apportioned or allocated a proportionate share of rider costs. The individual rates for each customer class shall be calculated by dividing the apportioned or allocated costs by volumes applicable to the class, as approved by the Commission.

5. The structure and schedule for reviewing program performance, rider revenues, and rider costs will be determined as set forth in the mechanism.

C. The Stipulating Parties agree that CUCA and Evergreen reserve the right to review and object to the reasonableness of the allocation proposed for costs to be recovered through the EE rider.

**28. High Efficiency Discount Rate Program.** The Stipulating Parties agree to the approval of the modifications to the High Efficiency Discount Rate Program

as proposed in the Company's application in Docket No. G-5, Sub 634. The costs of this program are to be recovered through base rates.

**29. GreenTherm™ Program and Rider G.** The Stipulating Parties agree to provisional approval of PSNC's proposed GreenTherm™ program, subject to review and approval of the estimated program costs and revenues, sources of green attributes and carbon offsets, certification of the program, cost of a block of green attributes, and other specifications of the program prior to final approval of the program by the Commission. The Stipulating Parties further agree that PSNC shall be allowed to recover reasonable and prudently incurred costs of the GreenTherm™ program from participating customers through a Rider G recovery mechanism once the program has received final Commission approval. The Company will work with the Public Staff to finalize the Rider G recovery mechanism and file such mechanism with the Commission for approval.

A. Within sixty (60) days of the filing of this Stipulation, PSNC will issue a request for proposals to determine pricing for blocks of renewable natural gas attributes and carbon offsets. PSNC will provide the information to be reviewed as set out in the prior paragraph to the Public Staff, work with the Public Staff on the specifications of the program, and file with the Commission for approval.

B. During the time of provisional approval, PSNC may defer eligible GreenTherm™ Program costs for later recovery with interest as set forth in section 24, subject to such costs being found to be reasonable and prudently incurred.

**30. Hydrogen Research.** The Company will engage a consultant to advise the Company in the further development of hydrogen research, the costs of which will

be reevaluated in the next general rate case. The Company will provide a detailed annual report to the Public Staff on May 31<sup>st</sup> of each year.

**31. Annual TIMP, DIMP, and Durham Incident Deferred O&M Reporting.**

PSNC agrees to provide an annual report to the Public Staff providing transactional details showing allocated or directly assigned amounts, a description of the nature of the expense, and supporting documentation (i.e., invoices) for the O&M expenses incurred and deferred in relation to TIMP and DIMP requirements and certain Durham incident costs, net of insurance proceeds, and treated by PSNC as regulatory assets. This report will be filed annually, beginning on April 30, 2022, for the 12-month period ending on December 31st of each year.

**32. Agreement to Support Settlement; Non-Waiver.** The Stipulating Parties, and their agents, witnesses, and representatives, will act in good faith to support the reasonableness of this Stipulation in any hearing before the Commission and any proposed order or brief in this docket; provided, however, that the settlement of any issue pursuant to this Stipulation shall not be cited as precedent by any of the Stipulating Parties in any other proceeding or docket before this Commission or on appeal before the North Carolina Court of Appeals or North Carolina Supreme Court. The provisions of this Stipulation do not necessarily reflect any position asserted by any of the Stipulating Parties. Rather, they reflect a settlement among the Stipulating Parties as to all issues, and no Stipulating Party waives the right to assert any position in any future docket before the Commission.

**33. Introduction/Withdrawal of Testimony and Waiver of Cross-Examination.** The Stipulating Parties agree that all pre-filed testimony and

exhibits of the Stipulating Parties, including any supplemental testimony filed in support of this Stipulation, may be introduced into evidence without objection, and the parties hereto waive their respective right to cross-examine all of the Stipulating Parties' witnesses with respect to pre-filed testimony and exhibits addressing issues resolved by this Stipulation. If questions should be asked by any non-Stipulating Party or a Commissioner, the Stipulating Parties may present testimony and/or exhibits to respond to such questions and may cross-examine any witnesses with respect to such testimony and/or exhibits; provided, however, that such testimony, exhibits, and/or cross-examination shall not be inconsistent with this Stipulation. The Stipulating Parties further agree that the Company and the Public Staff will file supplemental testimony in support of the Stipulation provided that such testimony shall not be inconsistent with this Stipulation.

**34. Binding Only if Entire Stipulation Accepted.** This Stipulation is the product of give-and-take negotiations and reflects various concessions made by each Stipulating Party as to the items herein. On balance, the Stipulating Parties believe the Stipulation provides a reasonable resolution of the contested issues when considered in its entirety. No portion of this Stipulation shall be binding on the Stipulating Parties unless the entire Stipulation is accepted by the Commission. The terms and conditions set forth above represent, in full, the agreement of the Stipulating Parties. If the Commission rejects any part of this Stipulation or approves this Stipulation subject to any change or condition or if the Commission's approval of this Stipulation is rejected or conditioned by a reviewing court, the Stipulating Parties agree to meet and discuss the applicable Commission or court

order within five (5) business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Stipulating Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any Stipulating Party withdraws from the Stipulation, each Stipulating Party retains the right to seek additional procedures before the Commission, including cross-examination of witnesses, with respect to issues addressed by the Stipulation and shall not be bound or prejudiced by the terms and conditions of the Stipulation.

The foregoing is agreed and stipulated to this the 15<sup>th</sup> day of October, 2021.

Public Service Company of North Carolina, Inc.

/s/ Mary Lynne Grigg

Mary Lynne Grigg  
McGuire Woods LLP  
501 Fayetteville Street, Suite 500  
Raleigh, North Carolina 27601  
Telephone: (919) 755-6573  
Email: mgrigg@mcguirewoods.com



Public Staff – North Carolina Utilities Commission

/s/ Chris J. Ayers

Chris J. Ayers  
Executive Director  
Public Staff – North Carolina Utilities Commission  
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Carolina Utility Customers Association, Inc.

/s/ Craig D. Schauer

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/s/ Christina D. Cress

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## SCHEDULE OF EXHIBITS

Exhibit A	Statement of Net Operating Income for Return, Rate Base, and Overall Return
Exhibit B	Calculation of Gross Revenue Effect Factors
Exhibit C	Stipulated Proposed Revenue by Rate Class
Exhibit D	Allocation of Fixed Gas Costs to Rate Schedules
Exhibit E	Factors for Customer Usage Tracker
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Exhibit J	Stipulated Proposed Revenue by Rate Element
Exhibit K	Stipulated Proposed Tax Rider Elements

# EXHIBIT A

Statement of Net Operating Income for Return,  
Rate Base, and Overall Return

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 632  
**STATEMENT OF NET OPERATING INCOME FOR RETURN, RATE BASE AND OVERALL RETURN**  
For The Test Year Ended December 31, 2020

Line No.	Item	Per Company (a)	Settlement Adjustments (b)	After Settlement Adjustments (c)	Rate Increase (Decrease) (e)	After Rate Increase (Decrease) (f)
<b>NET OPERATING INCOME FOR RETURN</b>						
<b><u>Operating Revenues:</u></b>						
1	Sales and transportation of gas	\$573,392,181	\$239,821	\$573,632,002	\$29,464,353	\$603,096,355
2	Other operating revenues	720,644	741,798	1,462,442		1,462,442
3	Operating revenues, excl special contracts	574,112,825	981,619	575,094,444	29,464,353	604,558,797
4	Special Contract Revenues	0	0	0		0
5	Total operating revenues	574,112,825	981,619	575,094,444	29,464,353	604,558,797
6	Cost of gas	218,682,115	0	218,682,115		218,682,115
7	<b>Margin</b>	355,430,710	981,619	356,412,329	29,464,353	385,876,682
<b><u>Operating Expenses:</u></b>						
8	Operating and maintenance	147,542,523	(5,860,430)	141,682,093	97,156	\$141,779,249
9	Depreciation	80,002,675	(283,455)	79,719,220		79,719,220
10	General taxes	19,178,161	(203,355)	18,974,806		18,974,806
11	State income tax (4%)	1,878,775	124,744	2,003,519	733,032	2,736,551
12	Federal income tax (35%)	15,387,164	1,021,634	16,408,798	6,003,530	22,412,328
13	Amortization of investment tax credits	0	0	0		0
14	Amortization of EDIT	0	0	0		0
15	Total operating expenses	263,989,299	(5,200,863)	258,788,436	6,833,718	265,622,154
16	Interest on customer deposits	0	0	0		0
17	Net operating income for return	\$91,441,411	\$6,182,482	\$97,623,893	\$22,630,635	\$120,254,528
<b>18 RATE BASE</b>						
19	Plant in service	\$2,985,748,940	(\$7,714,824)	\$2,978,034,116	\$0	\$2,978,034,116
20	Accumulated depreciation	(917,074,360)	4,373,077	(912,701,283)	0	(912,701,283)
21	Net plant in service	2,068,674,580	(3,341,747)	2,065,332,833	0	2,065,332,833
22	Working Capital - Other	(18,904,483)	(1,036,748)	(19,941,231)	0	(19,941,231)
23	Working Capital - Lead Lag	11,961,442	(472,128)	11,489,314	2,167,697	13,657,011
24	Deferred Income Taxes	(358,194,714)	1,204,713	(356,990,001)	0	(356,990,001)
25	Original cost rate base	\$1,703,536,825	(\$3,645,910)	\$1,699,890,915	\$2,167,697	\$1,702,058,612
26	Overall Rate of Return on Rate Base	5.37%		5.74%		7.07%

## EXHIBIT B

### Calculation of Gross Revenue Effect Factors

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 632  
**CALCULATION OF GROSS REVENUE EFFECT FACTORS**  
For The Test Year Ended December 31, 2020

Line No.	Item	Capital Structure (a)	Cost Rates (b)	Retention Factors (c)	Gross Revenue Effect (d)	Composite Tax Rate (e)	Net of Tax Overall Rate of Return (f)
<b>Rate Base Factor:</b>							
1	Long-term debt	47.06%	4.48%	0.9967026	0.02115263	0.77025	1.62%
2	Short-term debt	1.34%	0.25%	0.9967026	0.00003361	0.77025	0.00%
3	Common equity	51.60%	9.60%	0.7677101	0.06452436	1.00000	4.95%
4	Total (Sum of L1 thru L3)	<u>100.00%</u>			<u>0.0857106</u>		<u>6.57%</u>
<b>Net Income Factor:</b>							
5	Total revenue				1.0000000		
6	Uncollectibles				<u>0.0020000</u>		
7	Balance (L5 - L6)				0.9980000		
8	Regulatory fee (L7 x current regulatory fee rate)				<u>0.0012974</u>		
9	Balance (L7 - L8)				0.9967026		
10	Less: State income tax (L9 x 2.5%)				<u>0.0249176</u>		
11	Balance (L9 - L10)				0.9717850		
12	Less: Federal income tax (L11 x 21%)				<u>0.2040749</u>		
13	Gross up factor (L11 - L12)				<u>0.7677101</u>		

# EXHIBIT C

Stipulated Proposed Revenue by Rate Class

**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**  
Docket No. G-5, Sub 632  
**COMPARISON OF PRESENT RATES AND STIPULATED RATES**  
For The Test Year Ended December 31, 2020

Rate No.	Description	Facilities Charge	Present Revenue Rate	Stipulated Revenue Rate
		(a)	(b)	(c)
<b>101</b>	<b>Residential Service</b>			
	Facilities Charge - Per Month	\$10.00		
	Energy Charge - Per Therm			
	Winter - November through April		\$0.87217	\$0.95125
	Summer- May through October		\$0.80617	\$0.88525
<b>102</b>	<b>Residential Service</b>			
	Facilities Charge - Per Month	\$10.00		
	Energy Charge - Per Therm			
	Winter - November through April		\$0.82217	\$0.88164
	Summer- May through October		\$0.75617	\$0.81564
<b>115</b>	<b>Open Flame Gas Lanterns</b>			
	Facilities Charge - Per Month	\$10.00		
	Energy Charge - Per Therm			
	Winter - November through April		\$0.87216	\$0.95125
	Summer- May through October		\$0.80616	\$0.88525
<b>125</b>	<b>Small General Service</b>			
	Facilities Charge - Per Month	\$17.50		
	Energy Charge - Per Therm			
	First 500		\$0.71883	\$0.73744
	Next 4,500		\$0.66883	\$0.68744
	All Over 5,000		\$0.61883	\$0.63744
<b>126</b>	<b>Small General Service - Cooling</b>			
	Facilities Charge - Per Month	\$30.00		
	Energy Charge - Per Therm		\$0.61883	\$0.63744
<b>127</b>	<b>Small General Service</b>			
	Facilities Charge - Per Month	\$17.50		
	Energy Charge - Per Therm			
	First 500		\$0.66883	\$0.68744
	Next 4,500		\$0.61883	\$0.63744
	All Over 5,000		\$0.56883	\$0.58744
<b>135</b>	<b>Natural Gas Vehicle Fuel</b>			
	Energy Charge - Per Therm		\$0.73780	\$0.73137
	Energy Charge - Per GGE (b)		\$0.92963	\$0.92153
<b>140</b>	<b>Medium General Service</b>			
	Facilities Charge - Per Month	\$100.00		
	Energy Charge - Per Therm			
	First 1,000		\$0.62080	\$0.63650



**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**  
Docket No. G-5, Sub 632  
**COMPARISON OF PRESENT RATES AND STIPULATED RATES**  
For The Test Year Ended December 31, 2020

Rate No.	Description	Facilities Charge	Present Revenue Rate	Stipulated Revenue Rate
		(a)	(b)	(c)
	All Over 1,000		\$0.57060	\$0.58630
<b>145</b>	<b>Large-Quantity General Service</b>			
	Facilities Charge - Per Month	\$300.00		
	Energy Charge - Per Therm			
	First 15,000		\$0.45972	\$0.47946
	Next 15,000		\$0.43885	\$0.45336
	Next 15,000		\$0.42020	\$0.43004
	Next 15,000		\$0.39584	\$0.39957
	Next 1,000,000		\$0.37557	\$0.37423
	Over 1,060,000		\$0.35909	\$0.35597
<b>150</b>	<b>Large-Quantity Interruptible Commercial &amp; Industrial Service</b>			
	Facilities Charge - Per Month	\$600.00		
	Energy Charge - Per Therm			
	First 15,000		\$0.38911	\$0.40861
	Next 15,000		\$0.36912	\$0.38242
	Next 70,000		\$0.34915	\$0.35627
	Next 500,000		\$0.32948	\$0.33050
	All Over 600,000		\$0.30952	\$0.30436
<b>160</b>	<b>Special Sales Rate</b>			
	Facilities Charge - Per Month	\$600.00		
	Energy Charge - Per Therm		See Rate Schedule No. 160	
<b>165</b>	<b>Special Transportation Rate</b>			
	Facilities Charge - Per Month	\$600.00		
	Energy Charge - Per Therm		See Rate Schedule No. 165	
<b>175</b>	<b>Firm Transportation Service For Customers Qualifying For Service On Rate Schedule No. 145</b>			
	Facilities Charge - Per Month	\$300.00		
	Energy Charge - Per Therm			
	First 15,000		\$0.15065	\$0.17039
	Next 15,000		\$0.13000	\$0.14451
	Next 15,000		\$0.11154	\$0.12138
	Next 15,000		\$0.08744	\$0.09117
	Next 1,000,000		\$0.06738	\$0.06604
	Over 1,060,000		\$0.06037	\$0.05725

**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**  
Docket No. G-5, Sub 632  
**COMPARISON OF PRESENT RATES AND STIPULATED RATES**  
For The Test Year Ended December 31, 2020

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Oct 15 2021

Rate No.	Description	Facilities Charge (a)	Present Revenue Rate (b)	Stipulated Revenue Rate (c)
<b>180</b>	<b>Interruptible Transportation Service For Customers Qualifying For Service on Rate Schedule No. 150</b>			
	Facilities Charge - Per Month	\$600.00		
	Energy Charge - Per Therm			
	First 15,000		\$0.10399	\$0.12349
	Next 15,000		\$0.08421	\$0.09751
	Next 70,000		\$0.06445	\$0.07157
	Next 500,000		\$0.04498	\$0.04600
	All Over 600,000		\$0.02523	\$0.02007
	<b>Rider A - Emergency Services</b>			
	Energy Charge - Per Dekatherm			
	Emergency Service		\$20.00	\$20.00
	Unauthorized Gas		\$50.00	\$50.00
	<b>Miscellaneous Fees</b>			
	Late Payments	1% of balance in arrears per month		
	Returned Checks and Bank Drafts	\$25.00		
	Reconnection (c)			
	Residential – Regular Hours	\$80.00		
	After 5 p.m., weekends, holidays	\$120.00		
	Non-Residential – Regular Hours	\$120.00		
	After 5 p.m., weekends, holidays	\$150.00		

- (a) Rates do not include applicable sales tax.  
(b) The rate converts 1.26 Therms to 1 Gasoline Gallon Equivalent (GGE).  
(c) All reconnections that exceed one hour shall be billed the indicated rates per hour.

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 632  
**SUMMARY OF VOLUMETRIC THROUGHPUT**  
For The Test Year Ended December 31, 2020

<u>Line No.</u>	<u>Description</u>	<u>Volumes (Therms)</u> (a)
1	Sales	559,414,506
2	Transportation	345,970,400
3	Total Sales and Transportation (Line 1 + 2)	905,384,906
4	Special Contracts	413,480,000
5	Total Throughput (Line 3 + Line 4)	1,318,864,906

**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**

Docket No. G-5, Sub 632

**SUMMARY OF ADJUSTED TEST YEAR REVENUE**

For the Test Year Ended December 31, 2020

Proforma Customer Bills and Usage				
RATE SCHEDULE	BILLS (a)	THERMS (b)	AMOUNT (c)	% (d)
101 - Summer	3,333,356	39,732,410	\$ 62,379,938	11.66%
101 - Winter	3,330,565	285,348,425	\$ 260,742,612	48.74%
102 - Summer	84,568	1,008,278	\$ 1,532,368	0.29%
102 - Winter	83,742	6,284,799	\$ 5,532,479	1.03%
115 - Summer	277	33,556	\$ 27,301	0.01%
115 - Winter	281	33,714	\$ 29,681	0.01%
125	533,875	135,821,778	\$ 98,864,470	18.48%
126	48	42,260	\$ 25,822	0.00%
127	1,254	1,213,042	\$ 737,651	0.14%
135	20	157,891	\$ 115,477	0.02%
140	11,876	35,828,560	\$ 20,719,988	3.87%
145	3,133	46,070,233	\$ 20,527,048	3.84%
150	103	7,839,560	\$ 2,760,637	0.52%
175	3,663	210,651,300	\$ 18,790,798	3.51%
180	1,293	135,319,100	\$ 7,993,380	1.49%
Special Contracts	60	413,480,000	\$ 34,239,341	6.40%
Total	7,388,114	1,318,864,906	\$ 535,018,991	100.00%

# EXHIBIT D

Allocation of Fixed Gas Costs to Rate Schedules

**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**  
Docket No. G-5, SUB 632  
**ALLOCATION OF FIXED GAS COSTS TO RATE SCHEDULES**  
For the Test Year Ended December 31, 2020

RATE SCHEDULE	FIXED GAS COST APPORTIONMENT	PROFORMA FIXED GAS COST
Total	100.0000%	\$76,619,349
101 & 102 & 115 -Summer	4.549%	\$3,485,791
101 & 102 & 115 -Winter	57.668%	\$44,184,624
125 & 127 - Step 1	17.209%	\$13,185,689
125 & 127 - Step 2	6.295%	\$4,823,180
125 & 127 - Step 3 & 126	0.034%	\$25,932
140	3.829%	\$2,933,733
145	4.294%	\$3,289,889
150 & 135	0.491%	\$376,093
175	3.459%	\$2,649,993
180	2.172%	\$1,664,425

# EXHIBIT E

Factors for Customer Usage Tracker

**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**  
Docket No. G-5, SUB 632  
**CUSTOMER USAGE TRACKER ADJUSTMENT MECHANISM, BASE LOAD, HSF AND R FACTORS**  
For the Test Year Ended December 31, 2020

	RATE SCHEDULE NO. 101	RATE SCHEDULE NO. 102	RATE SCHEDULE NO. 125	RATE SCHEDULE NO. 127	RATE SCHEDULE NO. 140
DESCRIPTION	Residential	Residential	SGS	SGS	MGS
R <sub>i</sub> Value (\$/Therm)	\$0.54732	\$0.47771	\$0.33539	\$0.28539	\$0.26841
Heat Sensitive Factor (Therms/HDD)	0.15570	0.13341	0.55480	2.71695	5.13196
Base Load Factor (Therms/Mo.)	7.25506	7.93615	105.58026	241.51778	1,640.33698

Month	NDD
January	687.0080
February	685.6080
March	526.0260
April	255.8970
May	99.3570
June	13.7620
July	0.0730
August	0.0490
September	3.3030
October	65.6120
November	304.3480
December	567.4910
Total	<u>3,208.5340</u>



# EXHIBIT F

Tariffs

Summary of Rates and Charges			
RATE SCHEDULE NO. AND DESCRIPTION		CHARGES (a)	
101 -	<b>RESIDENTIAL SERVICE</b>		
	Facilities Charge	\$10.00	per month
	Winter Energy Charge – November through April	<del>\$0.94629</del>	per Therm
	Summer Energy Charge – May through October	<del>\$0.88029</del>	per Therm
102 -	<b>HIGH-EFFICIENCY RESIDENTIAL SERVICE</b>		
	Facilities Charge	\$10.00	per month
	Winter Energy Charge – November through April	<del>\$0.87721</del>	per Therm
	Summer Energy Charge – May through October	<del>\$0.81121</del>	per Therm
115 -	<b>UNMETERED LIGHTING SERVICE</b>		
	Facilities Charge	\$10.00	per month
	Winter Energy Charge – November through April	<del>\$0.87216</del>	per Therm
	Summer Energy Charge – May through October	<del>\$0.80616</del>	per Therm
125 -	<b>SMALL GENERAL SERVICE</b>		
	Facilities Charge	\$17.50	per month
	Energy Charge First 500	<del>\$0.76253</del>	per Therm
	Next 4,500	<del>\$0.71253</del>	per Therm
	All Over 5,000	<del>\$0.66253</del>	per Therm
126 -	<b>SMALL GENERAL SERVICE - COOLING</b>		
	Facilities Charge	\$30.00	per month
	Energy Charge	<del>\$0.61883</del>	per Therm
127 -	<b>HIGH-EFFICIENCY SMALL GENERAL SERVICE</b>		
	Facilities Charge	\$17.50	per month
	Energy Charge First 500	<del>\$0.65989</del>	per Therm
	Next 4,500	<del>\$0.60989</del>	per Therm
	All Over 5,000	<del>\$0.55989</del>	per Therm
135 -	<b>NATURAL GAS VEHICLE FUEL</b>		
	Energy Charge	<del>\$0.73780</del>	per Therm
	Energy Charge	<del>\$0.930</del>	per GGE (b)
140 -	<b>MEDIUM GENERAL SERVICE</b>		
	Facilities Charge	\$100.00	per month
	Energy Charge First 1,000	<del>\$0.64773</del>	per Therm
	All Over 1,000	<del>\$0.59753</del>	per Therm
145 -	<b>LARGE-QUANTITY GENERAL SERVICE</b>		
	Facilities Charge	\$300.00	per month
	Energy Charge First 15,000	<del>\$0.45972</del>	per Therm
	Next 15,000	<del>\$0.43885</del>	per Therm
	Next 15,000	<del>\$0.42020</del>	per Therm
	Next 15,000	<del>\$0.39584</del>	per Therm
	Next 1,000,000	<del>\$0.37557</del>	per Therm
	All Over 1,060,000	<del>\$0.35909</del>	per Therm

Summary of Rates and Charges			
RATE SCHEDULE NO. AND DESCRIPTION		CHARGES (a)	
150 -	<b>LARGE-QUANTITY INTERRUPTIBLE COMMERCIAL AND INDUSTRIAL SERVICE</b>		
	Facilities Charge	\$600.00	per month
	Energy Charge First 15,000	<del>\$0.38911</del>	per Therm
	Next 15,000	<del>\$0.36912</del>	per Therm
	Next 70,000	<del>\$0.34915</del>	per Therm
	Next 500,000	<del>\$0.32948</del>	per Therm
	All Over 600,000	<del>\$0.30952</del>	per Therm
160 -	<b>SPECIAL SALES RATE</b>		
	Facilities Charge	\$600.00	per month
	Energy Charge	See Rate Schedule No. 160	
165 -	<b>SPECIAL TRANSPORTATION RATE</b>		
	Facilities Charge	\$600.00	per month
	Energy Charge	See Rate Schedule No. 165	
175 -	<b>FIRM TRANSPORTATION SERVICE CUSTOMERS QUALIFYING FOR SERVICE ON RATE SCHEDULE NO. 145</b>		
	Facilities Charge	\$300.00	per month
	Transportation Charge First 15,000	<del>\$0.15065</del>	per Therm
	Next 15,000	<del>\$0.13000</del>	per Therm
	Next 15,000	<del>\$0.11154</del>	per Therm
	Next 15,000	<del>\$0.08744</del>	per Therm
	Next 1,000,000	<del>\$0.06738</del>	per Therm
	All Over 1,060,000	<del>\$0.06037</del>	per Therm
180 -	<b>INTERRUPTIBLE TRANSPORTATION SERVICE FOR CUSTOMERS QUALIFYING FOR SERVICE ON RATE SCHEDULE NO. 150</b>		
	Facilities Charge	\$600.00	per month
	Energy Charge First 15,000	<del>\$0.10399</del>	per Therm
	Next 15,000	<del>\$0.08421</del>	per Therm
	Next 70,000	<del>\$0.06445</del>	per Therm
	Next 500,000	<del>\$0.04498</del>	per Therm
	All Over 600,000	<del>\$0.02523</del>	per Therm

Summary of Rates and Charges

RATE SCHEDULE NO-RIDER AND DESCRIPTION

CHARGES (a)

Rider A - **EMERGENCY SERVICES**

Emergency Service

\$20.00 plus cost  
of gas

per Dekatherm

Unauthorized Gas

\$50.00 plus cost  
of gas

per Dekatherm

Rider G - **GREENTHERM™ PROGRAM SURCHARGE**

\$\_\_\_\_\_

per Block

MISCELLANEOUS FEE SCHEDULE

**LATE PAYMENTS**

1% of balance in arrears per month

**RETURNED CHECKS AND BANK DRAFTS**

\$25.00

**RECONNECTION (c)**

Residential – Regular Hours

\$80.00

--After 5 p.m., weekends, holidays

\$120.00

Non-Residential – Regular Hours

\$120.00

--After 5 p.m., weekends, holidays

\$150.00

- (a) Rates shown do not include applicable sales taxes.
- (b) The rate converts 1.26 Therms to 1 Gasoline Gallon Equivalent (GGE).
- (c) All reconNECTIONS that exceed one hour shall be billed the indicated rates per hour.

RATE SCHEDULE NO. 101

RESIDENTIAL SERVICE

This Rate Schedule is available to residential Customers. Family care homes as defined in G.S. 168-21 may elect Service under this Rate Schedule. Separate Meters, separate Accounts, and separate locations may not be combined for billing under this Rate Schedule.

Rate

The applicable monthly Facilities Charge and the applicable Energy Charge are set forth in the currently effective Summary of Rates and Charges of this Tariff and are incorporated herein by reference. Bills under this Rate Schedule are subject to the Customer Usage Tracker set forth ~~under in~~ Rider C of this Tariff and the Integrity Management Tracker set forth in Rider E of this Tariff.

The minimum monthly bill is the Facilities Charge.

Payment of Bills

Bills are due and payable upon receipt and become past due 25 days after the billing date. Late payment charges will be added to the total balance in arrears on the next billing date. A charge will be imposed for checks and drafts returned to ~~PSNC Company~~. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of Customer at the same Premises within ~~the past~~ 12 months after discontinuance.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and the~~ Service Regulations.

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules, and regulations of duly constituted governmental authorities having jurisdiction over either ~~Company~~ PSNC or Customer, or both, including any orders of the Commission requiring ~~Company~~ PSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. ~~Company~~ PSNC shall not be liable for any damages that may result to Customer or any other person, firm, or corporation by reason of ~~Company~~ PSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by ~~Company~~ PSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the~~ Service Regulations as approved by the Commission, which are incorporated herein by reference.

RATE SCHEDULE NO. 102

HIGH-EFFICIENCY RESIDENTIAL SERVICE

This Rate Schedule is available to a residential Customer who qualifies for Service on Rate Schedule No. 101 and whose Residence is certified to meet the standards of the Energy Star program of the U.S. Department of Energy and U.S. Environmental Protection Agency or the standards of the North Carolina Energy Conservation Code - High Efficiency Residential Option (HERO). Separate Meters, separate Accounts, and separate locations may not be combined for billing under this Rate Schedule.

Service under this Rate Schedule will begin after Customer has provided CompanyPSNC with certification that Customer's Residence meets the Energy Star or HERO standards and will continue to be available at such Residence provided the Residence and any modifications thereto continue to meet the applicable standards. CompanyPSNC shall have the right to inspect Customer's Premises for compliance with these requirements.

Rate

The applicable monthly Facilities Charge and the applicable Energy Charge are set forth in the currently effective Summary of Rates and Charges of this Tariff and are incorporated herein by reference. Bills under this Rate Schedule are subject to the Customer Usage Tracker set forth ~~under in~~ Rider C of this Tariff and the Integrity Management Tracker set forth in Rider E of this Tariff.

The minimum monthly bill is the Facilities Charge.

Payment of Bills

Bills are due and payable upon receipt and become past due 25 days after the billing date. Late payment charges will be added to the total balance in arrears on the next billing date. A charge will be imposed for checks and drafts returned to CompanyPSNC. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of Customer at the same Premises within ~~the past~~ 12 months after discontinuance.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and~~ the Service Regulations.

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules, and regulations of duly constituted governmental authorities having jurisdiction over either CompanyPSNC or Customer, or both, including any orders of the Commission requiring CompanyPSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. CompanyPSNC shall not be liable for any damages that may result to Customer or any other person, firm, or corporation by reason of CompanyPSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by CompanyPSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the Service Regulations as approved by the Commission~~, which are incorporated herein by reference.

RATE SCHEDULE NO. 115

UNMETERED LIGHTING SERVICE

This Rate Schedule is available for Customer owned unmetered gas lighting Service located wherever Gas is available within the certificated Service territory of CompanyPSNC. All Gas delivered is for use exclusively in permanently installed Gas lighting devices, including Gas lanterns, connected to CompanyPSNC's distribution system. Monthly consumption for billing under this Rate Schedule is determined based upon the manufacturer's BTU rating for each Gas lighting device according to the following formula:

$$\text{monthly consumption (Therms)} = \frac{\text{BTU rating (BTU/hour)} \times 24 \text{ hours/day} \times 365.25 \text{ days/year}}{12 \text{ months/year} \times 100,000 \text{ BTU/Therm}}$$

Rate

The applicable monthly Facilities Charge and the applicable Energy Charge are set forth in the currently effective Summary of Rates and Charges of this Tariff and are incorporated herein by reference. Bills under this Rate Schedule are subject to the Integrity Management Tracker set forth in Rider E of this Tariff.

One Facilities Charge will be billed per Account. However, if an existing Customer adds a Gas lighting device at Premises currently receiving Service, no additional Facilities Charge will be billed beyond that currently billed to Customer.

The minimum monthly bill is the Facilities Charge.

Payment of Bills

Bills are due and payable upon receipt and become past due 25 days after the billing date. Late payment charges will be added to the total balance in arrears on the next billing date. A charge will be imposed for checks and drafts returned to CompanyPSNC. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of the Customer at the same Premises within ~~the past 12 months~~ after discontinuance.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and the Service Regulations~~.

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules, and regulations of duly constituted governmental authorities having jurisdiction over either CompanyPSNC or Customer, or both, including any orders of the Commission requiring CompanyPSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. CompanyPSNC shall not be liable for any damages that may result to Customer or any other person, firm, or corporation by reason of CompanyPSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by CompanyPSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the Service Regulations as approved by the Commission~~, which are incorporated herein by reference.

RATE SCHEDULE NO. 125

SMALL GENERAL SERVICE

This Rate Schedule is available to commercial and small industrial Customers that are primarily engaged in the sale of goods or services, manufacturing, schools, institutions, and governmental agencies, including single-metered health care facilities. This Rate Schedule is available to master metered apartment buildings, but is not available to any individual Customer who qualifies for Service under Rate Schedule No. 101. Family care homes as defined in G.S. 168-21 may elect Service under Rate Schedule No. 101. Separate Meters, separate Accounts, and separate locations may not be combined for billing under this Rate Schedule.

Service under this Rate Schedule is subject to review and possible reclassification to a different Rate Schedule pursuant to Rider B of this Tariff.

Rate

The applicable monthly Facilities Charge and the applicable Energy Charge are set forth in the currently effective Summary of Rates and Charges of this Tariff and are incorporated herein by reference. Rates expressed in Therms in the Summary of Rates and Charges may be converted to Dekatherms prior to billing. Bills under this Rate Schedule are subject to the Customer Usage Tracker set forth ~~under in~~ Rider C of this Tariff and the Integrity Management Tracker set forth in Rider E of this Tariff.

The rates shown on the Summary of Rates and Charges for this Rate Schedule do not include applicable federal, state, or local highway motor fuel use taxes. Where applicable, bills rendered under this Rate Schedule will include such taxes.

The minimum monthly bill is the Facilities Charge.

Payment of Bills

Bills are due and payable upon receipt and become past due 15 days after the billing date. Late payment charges will be added to the total balance in arrears on the next billing date. A charge will be imposed for checks and drafts returned to ~~Company~~PSNC. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of Customer at the same Premises within ~~the past~~ 12 months after discontinuance.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and~~ the Service Regulations.

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules and regulations of duly constituted governmental authorities having jurisdiction over either ~~Company~~PSNC or Customer, or both, including any orders of the Commission requiring ~~Company~~PSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. ~~Company~~PSNC shall not be liable for any damages that may result to Customer or any other person, firm, or corporation by reason of ~~Company~~PSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by ~~Company~~PSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the~~ Service Regulations ~~as approved by the Commission~~, which are incorporated herein by reference.



RATE SCHEDULE NO. 126

SMALL GENERAL SERVICE - COOLING

This Rate Schedule is available to commercial and small industrial Customers ~~that are primarily engaged in the sale of goods or services, manufacturing, schools, institutions, and governmental agencies, including single-metered health care facilities. This Rate Schedule is available to master-metered apartment buildings, but is not available to any individual Customer who qualifies for Service under Rate Schedule No. 101. Family care homes as defined in G.S. 168-21 may elect Service under Rate Schedule No. 101. This Rate Schedule is also available to Customers utilizing Gas-fired desiccant dehumidification systems or Gas-fired absorption or Gas engine-driven air conditioning units.~~ Separate Meters, separate Accounts, and separate locations may not be combined for billing under this Rate Schedule.

Service under this Rate Schedule is subject to review and possible reclassification to a different Rate Schedule pursuant to Rider B of this Tariff.

Rate

The applicable monthly Facilities Charge and the applicable Energy Charge are set forth in the currently effective Summary of Rates and Charges of this Tariff and are incorporated herein by reference. Bills under this Rate Schedule are subject to the Integrity Management Tracker set forth in Rider E of this Tariff.

The minimum monthly bill is the Facilities Charge.

Payment of Bills

Bills are due and payable upon receipt and become past due 15 days after the billing date. Late payment charges will be added to the total balances in arrears on the next billing date. A charge will be imposed for checks and drafts returned to CompanyPSNC. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of Customer at the same Premises within ~~the past 12 months~~ after discontinuance.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and~~ the Service Regulations.

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules, and regulations of duly constituted governmental authorities having jurisdiction over either CompanyPSNC or Customer, or both, including any orders of the Commission requiring CompanyPSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. CompanyPSNC shall not be liable for any damages that may result to Customers or any other person, firm, or corporation by reason of CompanyPSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by CompanyPSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the Service Regulations as approved by the Commission~~, which are incorporated herein by reference.

RATE SCHEDULE NO. 127

HIGH-EFFICIENCY SMALL GENERAL SERVICE

This Rate Schedule is available to a commercial or small industrial Customer that qualifies for Service on Rate Schedule No. 125 and that occupies a building that is LEED-certified by the U.S. Green Building Council. Separate Meters, separate Accounts, and separate locations may not be combined for billing under this Rate Schedule.

Service under this Rate Schedule will begin after Customer has provided CompanyPSNC with the LEED certification for the building that Customer occupies and will continue to be available at such location provided the building and any modifications thereto continue to have LEED certification. CompanyPSNC shall have the right to inspect Customer's Premises for compliance with these requirements.

Service under this Rate Schedule is subject to review and possible reclassification to a different Rate Schedule pursuant to Rider B of this Tariff.

Rate

The applicable monthly Facilities Charge and the applicable Energy Charge are set forth in the currently effective Summary of Rates and Charges of this Tariff and are incorporated herein by reference. Rates expressed in Therms in the Summary of Rates and Charges may be converted to Dekatherms prior to billing. Bills under this Rate Schedule are subject to the Customer Usage Tracker set forth ~~under in~~ Rider C of this Tariff and the Integrity Management Tracker set forth in Rider E of this Tariff.

The minimum monthly bill is the Facilities Charge.

Payment of Bills

Bills are due and payable upon receipt and become past due 15 days after the billing date. Late payment charges will be added to the total balance in arrears on the next billing date. A charge will be imposed for checks and drafts returned to CompanyPSNC. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of Customer at the same Premises within ~~the past~~ 12 months after discontinuance.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and the Service Regulations~~.

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules, and regulations of duly constituted governmental authorities having jurisdiction over either CompanyPSNC or Customer, or both, including any orders of the Commission requiring CompanyPSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. CompanyPSNC shall not be liable for any damages that may result to Customer or any other person, firm, or corporation by reason of CompanyPSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by CompanyPSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the Service Regulations as approved by the Commission~~, which are incorporated herein by reference.

RATE SCHEDULE NO. 135

NATURAL GAS VEHICLE FUEL

This Rate Schedule is available to Customers for the consumption of Gas as a motor fuel. Service under this Rate Schedule shall be metered by CompanyPSNC for purposes of providing public access to compressed natural gas fueling facilities. The nature of Service provided under this Rate Schedule is interruptible sales Service.

Rate

The applicable Energy Charge is set forth in the currently effective Summary of Rates and Charges of this Tariff and is incorporated herein by reference. Bills under this Rate Schedule are subject to the Integrity Management Tracker set forth in Rider E of this Tariff.

The rates shown on the Summary of Rates and Charges for this Rate Schedule do not include applicable federal, state, or local highway motor fuel use taxes. Charges at the filling stations will include such taxes.

Payment of Charges

Charges shall be paid at the time of Service with a valid credit or debit card accepted by CompanyPSNC, except that Customers who have been issued an access key by CompanyPSNC will be billed ~~on a monthly basis~~. Such bills are due and payable upon receipt and become past due 15 days after the billing date. Late payment charges will be added to the total balance in arrears on the next billing date. A charge will be imposed for checks and drafts returned to CompanyPSNC. Reconnection charges will be made to restore Service for Customers whose Service was discontinued for nonpayment of bill.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and the Service~~ Regulations.

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules, and regulations of duly constituted governmental authorities having jurisdiction over either CompanyPSNC or Customer, or both, including any orders of the Commission requiring CompanyPSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. CompanyPSNC shall not be liable for any damages that may result to Customer or any other person, firm, or corporation by reason of CompanyPSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by CompanyPSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the Service Regulations as approved by the Commission~~, which are incorporated herein by reference.

### MEDIUM GENERAL SERVICE

This Rate Schedule is available to commercial and industrial Customers using in excess of 25,000 Therms per year. Separate Meters, separate Accounts, and separate locations may not be combined for billing under this Rate Schedule.

Service under this Rate Schedule is subject to review and possible reclassification to a different Rate Schedule pursuant to Rider B of this Tariff.

#### Rate

The applicable monthly Facilities Charge and the applicable Energy Charge are set forth in the currently effective Summary of Rates and Charges of this Tariff and are incorporated herein by reference. Rates expressed in Therms in the Summary of Rates and Charges may be converted to Dekatherms prior to billing. Bills under this Rate Schedule are subject to the Customer Usage Tracker set forth ~~under in~~ Rider C of this Tariff and the Integrity Management Tracker set forth in Rider E of this Tariff.

The minimum monthly bill is the Facilities Charge.

#### Payment of Bills

Bills are due and payable upon receipt and become past due 15 days after the billing date. Late payment charges will be added to the total balance in arrears on the next billing date. A charge will be imposed for checks and drafts returned to ~~Company~~PSNC. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of Customer at the same Premises within ~~the past~~ 12 months of discontinuance.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and the Service~~ Regulations.

#### Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules and regulations of duly constituted governmental authorities having jurisdiction over either ~~Company~~PSNC or Customer, or both, including any orders of the Commission requiring ~~Company~~PSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. ~~Company~~PSNC shall not be liable for any damages that may result to Customer or any other person, firm, or corporation by reason of ~~Company~~PSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by ~~Company~~PSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the Service~~ Regulations ~~as approved by the Commission~~, which are incorporated herein by reference.

RATE SCHEDULE NO. 145

LARGE-QUANTITY GENERAL SERVICE

This Rate Schedule is available to any large commercial or industrial Customer using in excess of 6,000 Dekatherms per year, subject to an adequate supply of Gas and delivery capability at the location of the Customer's Premises.

Once a qualified Customer elects Service under this Rate Schedule, Service will be provided for a term extending through the following August 31; provided, however, that a new, qualifying Customer may change its election from this Rate Schedule to Rate Schedule No. 175 one time during the initial twelve-month period of Service. Customer may elect to discontinue Service under this Rate Schedule and receive Service from Rate Schedule No. 175 by giving written notice to CompanyPSNC prior to June 1 of any year. Proper notice having been provided, Customer shall discontinue Service under this Rate Schedule effective the following September 1.

Customer may switch between this Rate Schedule and Rate Schedule No. 150 one time during any twelve-month period, provided that Customer qualifies for Service under Rate Schedule No. 150 before switching to Service under that Rate Schedule.

All Gas purchased under this Rate Schedule shall be separately measured from any Gas purchased or transported under any other Rate Schedule. Separate Meters, separate Accounts, and separate locations may not be combined in determining quantities for billing purposes.

Service under this Rate Schedule is subject to review and possible reclassification to a different Rate Schedule pursuant to Rider B of this Tariff.

Rate

The applicable monthly Facilities Charge and the applicable Energy Charge are set forth in the currently effective Summary of Rates and Charges of this Tariff and are incorporated herein by reference. Rates expressed in Therms in the Summary of Rates and Charges may be converted to Dekatherms prior to billing. Bills under this Rate Schedule are subject to the Integrity Management Tracker set forth in Rider E of this Tariff.

The minimum monthly bill is the Facilities Charge.

Payment of Bills

Bills are due and payable upon receipt and become past due 15 days after the billing date. Late payment charges will be added to the total balance in arrears on the next billing date. A charge will be imposed for checks and drafts returned to CompanyPSNC. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of Customer at the same Premises within ~~the past~~ 12 months after discontinuance.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and the Service Regulations~~.

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules, and regulations of duly constituted governmental authorities having jurisdiction over either CompanyPSNC or Customer, or both, including any orders of the Commission requiring CompanyPSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. CompanyPSNC shall not be liable for any damages that may result to Customers or any other person, firm, or corporation by reason of CompanyPSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by CompanyPSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the Service Regulations as approved by the Commission~~, which are incorporated herein by reference.

RATE SCHEDULE NO. 150

LARGE-QUANTITY INTERRUPTIBLE COMMERCIAL AND INDUSTRIAL SERVICE

This Rate Schedule is available to any large commercial or industrial Customer using in excess of 50 Dekatherms per day on an annual basis, adjusted for curtailment.

Once a qualified Customer elects Service under this Rate Schedule, Service will be provided for a term extending through the following August 31; provided, however, that a new, qualifying Customer may change its election from this Rate Schedule to Rate Schedule No. 180 one time during the initial twelve-month period of Service. Customer may elect to discontinue Service under this Rate Schedule and receive Service from Rate Schedule No. 180 by giving written notice to ~~PSNC Company~~ prior to June 1 of any year. Proper notice having been provided, Customer shall discontinue Service under this Rate Schedule effective the following September 1.

Customer may switch between this Rate Schedule and Rate Schedule No. 145 one time during any twelve-month period, provided that ~~Company~~PSNC's consent is obtained before Customer may switch to Service under Rate Schedule No. 145. ~~Company~~PSNC will grant such consent if it has, or is able to acquire under commercially reasonable terms and conditions, the necessary Gas supplies and capacity to provide Service to Customer under Rate Schedule No. 145.

All Gas purchased under this Rate Schedule shall be separately measured from any Gas purchased or transported under any other Rate Schedule. Separate Meters, separate Accounts, and separate locations may not be combined in determining quantities for billing.

Service under this Rate Schedule is subject to review and possible reclassification to a different Rate Schedule pursuant to Rider B of this Tariff.

Rate

The applicable monthly Facilities Charge and the applicable Energy Charge are set forth in the currently effective Summary of Rates and Charges of this Tariff and are incorporated herein by reference. Rates expressed in Therms in the Summary of Rates and Charges may be converted to Dekatherms prior to billing. Bills under this Rate Schedule are subject to the Integrity Management Tracker set forth in Rider E of this Tariff.

When Customer has the installed and operable capability to burn an alternate fuel and the equivalent alternate fuel cost is less than the Energy Charge under this Rate Schedule, Customer may be served under Rate Schedule No. 160. In order to receive Service under Rate Schedule No. 160, Customer must maintain separately metered Accounts for each type of alternate fuel.

The minimum monthly bill is the Facilities Charge. The Facilities Charge will be waived in any month when ~~Company~~PSNC is unable to deliver any Gas during that billing month. Service under this Rate Schedule is subject to Rider A of this Tariff.

Curtailment

Although not required to maintain alternate fuel capability in order to receive Service under this Rate Schedule, Customer exclusively bears all business, operational, mechanical, or other risks associated with the interruption or curtailment of Service. ~~Company~~PSNC may require curtailment of Service for any reason it deems necessary or appropriate. Customer must be capable of being 100% curtailed on two hours' notice. In case of non-compliance with a curtailment order, ~~Company~~PSNC shall have the right to valve off Service when necessary, in ~~Company~~PSNC's sole opinion, to protect Service to higher margin Customers.

Notice of a curtailment is effective when issued and posted on ~~Company~~PSNC's electronic bulletin board. Customer shall provide ~~Company~~PSNC with the names, titles, telephone numbers, and email addresses of at least two representatives authorized by Customer to receive curtailment notices and shall promptly notify ~~Company~~PSNC of any changes to such information.

RATE SCHEDULE NO. 150 (Continued)

Unauthorized Gas

Emergency Service ~~as defined in~~ under Rider A of this Tariff shall be available to Customers served during any curtailment period, up to a maximum of 10 Dekatherms per day, at the rate for Emergency Service set forth in the currently effective Summary of Rates and Charges of this Tariff plus the cost of Gas used, as calculated under Rider A of this Tariff. Emergency Service above 10 Dekatherms per day may be available to Customers at CompanyPSNC's sole discretion, and upon prior written notification and approval. If CompanyPSNC does not authorize Emergency Service above 10 Dekatherms per day and a Customer fails to discontinue the use of Gas after two hours' notice that Gas under this Rate Schedule is not available, all Gas so used shall be paid for by Customer at the rate for Unauthorized Gas set forth in the currently effective Summary of Rates and Charges of this Tariff plus the cost of Gas used, as calculated under Rider A of this Tariff. In addition, Customer shall reimburse CompanyPSNC for any expenses caused by Customer's failure to discontinue use of Gas, including but not limited to any incremental charges, assessments, or penalties imposed by an upstream interstate pipeline and the cost of any Gas used or purchased by CompanyPSNC during the day of Customer's failure to the extent that the cost of such Gas per Dekatherm exceeds the cost of Gas calculated under Rider A.

Payment of Bills

Bills are due and payable upon receipt and become past due 15 days after the billing date. Late payment charges will be added to the total balance in arrears on the next billing date. A charge will be imposed for checks and drafts returned to CompanyPSNC. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of Customer at the same Premises within ~~the past~~ 12 months after discontinuance.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and the Service~~ Regulations.

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules, and regulations of duly constituted governmental authorities having jurisdiction over either CompanyPSNC or Customer, or both, including any orders of the Commission requiring CompanyPSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. CompanyPSNC shall not be liable for any damages that may result to Customers or any other person, firm, or corporation by reason of CompanyPSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by CompanyPSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the Service~~ Regulations ~~as approved by the Commission~~, which are incorporated herein by reference.



RATE SCHEDULE NO. 160

SPECIAL SALES RATE

This Rate Schedule is available to any Rate Schedule No. 150 Customer that has installed and operable alternate fuel capability on those occasions when Company determines that available PSNC Gas is available that is not needed to provide Service under its other Rate Schedules containing fixed rates and that Customer's equivalent alternate fuel cost is less than the Energy Charge under Rate Schedule No. 150. Customer must maintain separately metered Accounts for each type of alternate fuel. Company PSNC may require Customer to demonstrate that its alternate fuel capability is able to operate prior to providing Service under this Rate Schedule. All sales under this Rate Schedule are provided only in accordance with Company PSNC's guidelines as may be revised from time to time.

All Gas purchased under this Rate Schedule shall be measured separately from Gas purchased or transported under any other Rate Schedule. Service under this Rate Schedule is temporary and Company PSNC has the right to discontinue such Service on two hours' notice. Service under this Rate Schedule will be provided at Company PSNC's sole discretion.

In order to receive Service under this Rate Schedule, Customer must maintain separately metered Accounts for each type of alternate fuel. On any given Account, all equipment must be able to accept 100% curtailment on two hours' notice and be capable of burning the same type of alternate fuel. Customer must be capable of being 100% curtailed on two hours' notice. In case of non-compliance with a curtailment order, Company PSNC shall have the right to valve off Service when it is necessary in Company PSNC's sole opinion to protect Service to higher margin Customers.

Service under this Rate Schedule is subject to review and possible reclassification to a different Rate Schedule pursuant to Rider B of this Tariff.

Rate

Customer shall pay Company PSNC for all Service provided under this Rate Schedule at a rate ~~determined~~ agreed to by Customer and Company prior to delivery, plus the Facilities Charge ~~which is set forth on the currently effective Summary of Rates and Charges of this Tariff and incorporated herein by reference.~~ Bills under this Rate Schedule are subject to the Integrity Management Tracker set forth in Rider E of this Tariff.

Payment of Bills

Bills are due and payable upon receipt and become past due 15 days after the billing date. Late payment charges will be added to the total balance in arrears on the next billing date. A charge will be imposed for checks and drafts returned to Company PSNC. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of Customer at the same Premises ~~within the past 12 months after discontinuance.~~

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and the Service~~ Regulations.

Curtailment

Customer exclusively bears all business, operational, mechanical, or other risks associated with the interruption or curtailment of Service. Company PSNC may require curtailment of Service for any reason it deems necessary or appropriate.

Notice of a curtailment is effective when issued and posted on Company PSNC's electronic bulletin board. Customer shall provide Company PSNC with the names, titles, telephone numbers, and email addresses of at least two representatives authorized by Customer to receive curtailment notices and shall promptly notify Company PSNC of any changes to such information.



RATE SCHEDULE NO. 160 (Continued)

Unauthorized Gas

At ~~Company~~PSNC's sole discretion, and upon prior written notification and approval, ~~emergency~~ Emergency Service ~~as defined in~~ Rider A of this Tariff ~~shall~~ may be available to Customers served during any billing period when Customer is served under this Rate Schedule. If ~~Company~~PSNC does not authorize ~~emergency~~ Emergency Service, and in the event a Customer fails to discontinue the use of Gas after two hours' notice that Service under this Rate Schedule is not available, all Gas so used shall be paid for by Customer at the rate for Unauthorized Gas set forth in the currently effective Summary of Rates and Charges of this Tariff plus the cost of Gas used, as calculated under Rider A of this Tariff. In addition, Customer shall reimburse ~~Company~~PSNC for any expenses and liabilities imposed on ~~Company~~PSNC caused by Customer's failure to discontinue use of Gas, including but not limited to any incremental charges, assessments, or penalties imposed by an upstream interstate pipeline and the cost of any Gas used or purchased by ~~Company~~PSNC during the day of Customer's failure to the extent that the cost of such Gas per Dekatherm exceeds the cost of Gas calculated under Rider A.

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules, and regulations of duly constituted governmental authorities having jurisdiction over either ~~Company~~PSNC or Customer, or both, including any orders of the Commission requiring ~~Company~~PSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. ~~Company~~PSNC shall not be liable for any damages that may result to Customer or any other person, firm, or corporation by reason of ~~Company~~PSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by ~~Company~~PSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the Service Regulations as approved by the Commission~~, which are incorporated herein by reference.

RATE SCHEDULE NO.165

SPECIAL TRANSPORTATION RATE

This Rate Schedule is available to any Rate Schedule No. 180 Customer that has installed and operable alternate fuel capability on those occasions when Company determines that available~~PSNC has~~ transportation Service ~~available that~~ is not needed to provide Service under its other Rate Schedules containing fixed rates and that Customer's equivalent alternate fuel cost is less than the combined cost of Gas received from Customer's independent supply and the Transportation Charge under Rate Schedule No. 165. Customer must maintain separately metered Accounts for each type of alternate fuel. Company~~PSNC~~ may require Customer to demonstrate that its alternate fuel capability is able to operate prior to providing Service under this Rate Schedule. All sales under this Rate Schedule are provided only in accordance with Company~~PSNC~~'s guidelines as may be revised from time to time.

All transportation Service purchased under this Rate Schedule shall be measured separately from Gas purchased or transported under any other Rate Schedule. Service under this Rate Schedule is temporary and Company~~PSNC~~ has the right to discontinue such Service on two hours' notice. Service under this Rate Schedule will be provided at Company~~PSNC~~'s sole discretion.

In order to receive Service under this Rate Schedule, Customer must maintain separately metered Accounts for each type of alternate fuel. On any given Account, all equipment must be able to accept 100% curtailment on two hours' notice and be capable of burning the same type of alternate fuel. Customer must be capable of being 100% curtailed on two hours' notice. In case of non-compliance with a curtailment order, Company~~PSNC~~ shall have the right to valve off Service when it is necessary in Company~~PSNC~~'s sole opinion to protect Service to higher margin Customers.

Service under this Rate Schedule is subject to review and possible reclassification to a different Rate Schedule pursuant to Rider B of this Tariff.

Rate

Customer shall pay Company~~PSNC~~ for all Service provided under this Rate Schedule at a rate agreed to by Customer and Company~~determined~~ prior to delivery, plus the Facilities Charge ~~which is set forth on the currently effective Summary of Rates and Charges of this Tariff and incorporated herein by reference.~~ Bills under this Rate Schedule are subject to the Integrity Management Tracker set forth in Rider E of this Tariff.

Payment of Bills

Bills are due and payable upon receipt and become past due 15 days after the billing date. Late payment charges will be added to the total balance in arrears on the next billing date. A charge will be imposed for checks and drafts returned to Company~~PSNC~~. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of Customer at the same Premises within ~~the past~~ 12 months after discontinuance.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and the Service Regulations.~~

Curtailment

Customer exclusively bears all business, operational, mechanical, or other risks associated with the interruption or curtailment of Service. Company~~PSNC~~ may require curtailment of Service for any reason it deems necessary or appropriate.

Notice of a curtailment is effective when issued and posted on Company~~PSNC~~'s electronic bulletin board. Customer shall provide Company~~PSNC~~ with the names, titles, telephone numbers, and email addresses of at least two representatives authorized by Customer to receive curtailment notices and shall promptly notify Company~~PSNC~~ of any changes to such information.

RATE SCHEDULE NO. 165 (Continued)

Unauthorized Gas

At ~~Company~~PSNC's sole discretion, and upon prior written notification and approval, ~~emergency~~ Emergency Service ~~as defined in~~ under Rider A of this Tariff ~~shall~~ may be available to Customers served during any billing period when Customer is served under this Rate Schedule. If ~~Company~~PSNC does not authorize ~~emergency~~ Emergency Service, and in the event a Customer fails to discontinue the use of Gas after two hours' notice that Service under this Rate Schedule is not available, all Gas so used shall be paid for by Customer at the rate for Unauthorized Gas set forth in the currently effective Summary of Rates and Charges of this Tariff plus the cost of Gas used, as calculated under Rider A of this Tariff. In addition, Customer shall reimburse ~~Company~~PSNC for any expenses and liabilities imposed on ~~Company~~PSNC caused by Customer's failure to discontinue use of Gas, including but not limited to any incremental charges, assessments, or penalties imposed by an upstream interstate pipeline and the cost of any Gas used or purchased by ~~Company~~PSNC during the day of Customer's failure to the extent that the cost of such Gas per Dekatherm exceeds the cost of Gas calculated under Rider A.

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules, and regulations of duly constituted governmental authorities having jurisdiction over either ~~Company~~PSNC or Customer, or both, including any orders of the Commission requiring ~~Company~~PSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. ~~Company~~PSNC shall not be liable for any damages that may result to Customer or any other person, firm, or corporation by reason of ~~Company~~PSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by ~~Company~~PSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the Service Regulations as approved by the Commission~~, which are incorporated herein by reference.

RATE SCHEDULE NO. 175

FIRM TRANSPORTATION SERVICE  
FOR CUSTOMERS QUALIFYING FOR SERVICE ON RATE SCHEDULE NO. 145

Firm transportation Service under this Rate Schedule may be offered to a large commercial or industrial Customer that is presently connected to CompanyPSNC's system, has qualified for Service on Rate Schedule No. 145, has obtained an independent supply of Gas, has made arrangements to have Gas delivered to the City Gate through an authorized pooler designated by Customer, and has made accommodation for the installation of telemetry for the purpose of daily measurement readings. All transportation under this Rate Schedule is provided in accordance with CompanyPSNC's Transportation Pooling Agreement, as it may be revised from time to time.

Once a qualified Customer elects Service under this Rate Schedule, Service will be provided for a term extending through the following August 31. Subject to the consent of CompanyPSNC, Customer may elect to discontinue Service under this Rate Schedule and receive Service from Rate Schedule No. 145 by giving written notice to CompanyPSNC prior to June 1 of any year. CompanyPSNC will grant such consent if it has, or is able to acquire under commercially reasonable terms and conditions, the necessary Gas supplies and capacity to provide Service to Customer under Rate Schedule No. 145. Proper notice having been provided and consent obtained, Customer shall discontinue Service under this Rate Schedule effective the following September 1.

Customer may switch between this Rate Schedule and Rate Schedule No. 180 one time during any twelve-month period, provided that Customer qualifies for Service under Rate Schedule No. 180 before switching to Service under that Rate Schedule.

Gas transported under this Rate Schedule shall be separately measured from Gas purchased or transported under any other Rate Schedule. Neither separate Accounts nor separate locations may be combined to qualify for the minimum quantity provision of this Rate Schedule.

CompanyPSNC may refuse Service under this Rate Schedule if CompanyPSNC determines that:

- 1) it does not have Gas delivery capacity in excess of the requirements of its other existing Customers; or
- 2) the requested Service would require an uneconomic enlargement or extension of CompanyPSNC's facilities.

Service under this Rate Schedule is subject to review and possible reclassification to a different Rate Schedule pursuant to Rider B of this Tariff.

Rate

The applicable monthly Facilities Charge and the applicable Transportation Charge are set forth in the currently effective Summary of Rates and Charges of this Tariff and are incorporated herein by reference. Rates expressed in Therms in the Summary of Rates and Charges may be converted to Dekatherms prior to billing. Bills under this Rate Schedule are subject to the Integrity Management Tracker set forth in Rider E of this Tariff.

The minimum monthly bill is the Facilities Charge.

Payment of Bills

Bills are due and payable upon receipt and become past due 15 days after the billing date. Late payment charges will be added to the total balance in arrears on the next billing date. A charge will be imposed for checks and drafts returned to CompanyPSNC. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of Customer at the same Premises within ~~the past~~ 12 months after discontinuance.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and~~ the Service Regulations.

RATE SCHEDULE NO. 175 (Continued)

Balancing of Transportation Quantities

At any time when Customer is consistently using more or less Gas than is being delivered to CompanyPSNC for Customer's Account, it shall be Customer's or its agent's responsibility to bring its supply and requirements into balance in accordance with CompanyPSNC's Transportation Pooling Agreement, as it may be revised from time to time. Customer, Customer's agent, and CompanyPSNC shall strive to keep the transportation quantities within a reasonable operating balance at all times. Customer or its agent shall notify CompanyPSNC immediately in the event of increases or reductions in the quantity of Gas being transported.

Inability to Obtain Independent Supply of Gas

In the event Customer is unable to obtain its independent supply of Gas, CompanyPSNC may, at its sole discretion, supply Gas to Customer. The Energy Charge for such Gas will be the Rate Schedule No. 145 Energy Charge set forth in the currently effective Summary of Rates and Charges of this Tariff; provided that, when CompanyPSNC is required to purchase incremental quantities of Gas to accommodate Customer's supply requirements, the Energy Charge shall be calculated on a daily basis as the higher of: (a) the Rate Schedule No. 145 Energy Charge or (b) the sum of the daily commodity cost of Gas supplied and the Rate Schedule No. 175 Transportation Charge. The daily commodity cost of Gas shall be the absolute high price for the day of consumption as published in Gas Daily in the "Daily price survey," "Citygates," "Transco, zone 5 delivered," "Absolute," high end of the range. For days of consumption when Gas Daily is not published, the daily price published by Gas Daily on the nearest subsequent day shall be used.

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules, and regulations of duly constituted governmental authorities having jurisdiction over either CompanyPSNC or Customer, or both, including any orders of the Commission requiring CompanyPSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. CompanyPSNC shall not be liable for any damages that may result to Customer or any other person, firm, or corporation by reason of CompanyPSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by CompanyPSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the Service Regulations as approved by the Commission~~, which are incorporated herein by reference.

RATE SCHEDULE NO. 180

INTERRUPTIBLE TRANSPORTATION SERVICE  
FOR CUSTOMERS QUALIFYING FOR SERVICE ON RATE SCHEDULE NO. 150

Interruptible transportation Service under this Rate Schedule may be offered to a large commercial or industrial Customer that is presently connected to CompanyPSNC's system, has qualified for Service on Rate Schedule No. 150, has obtained an independent supply of Gas, has made arrangements to have Gas delivered to the City Gate through an authorized pooler designated by Customer, and has made accommodation for the installation of telemetry for the purpose of daily measurement readings. All transportation under this Rate Schedule is provided in accordance with CompanyPSNC's Transportation Pooling Agreement, as may be revised from time to time.

Once a qualified Customer elects Service under this Rate Schedule, Service will be provided for a term extending through the following August 31. Subject to the consent of CompanyPSNC, Customer may elect to discontinue Service under this Rate Schedule and receive Service from Rate Schedule No. 150 by giving written notice to CompanyPSNC prior to June 1 of any year. CompanyPSNC will grant such consent if it has, or is able to acquire under commercially reasonable terms and conditions, the necessary Gas supplies and capacity to provide Service to Customer under Rate Schedule No. 150. Proper notice having been provided and consent obtained, Customer shall discontinue Service under this Rate Schedule effective the following September 1.

Customer may switch between this Rate Schedule and Rate Schedule No. 175 one time during any twelve-month period provided that CompanyPSNC's consent is obtained before Customer may switch to Service under Rate Schedule No. 175. CompanyPSNC will grant such consent if it has, or is able to acquire under commercially reasonable terms and conditions, the necessary Gas delivery capacity to provide Service to Customer under Rate Schedule No. 175.

Gas transported under this Rate Schedule shall be separately measured from Gas purchased or transported under any other Rate Schedule. Neither separate Accounts nor separate locations may be combined to qualify for the minimum quantity provision of this Rate Schedule.

Service under this Rate Schedule is subject to review and possible reclassification to a different Rate Schedule pursuant to Rider B of this Tariff.

Rate

The applicable monthly Facilities Charge and the applicable Transportation Charge are set forth in the currently effective Summary of Rates and Charges of this Tariff and are incorporated herein by reference. Rates expressed in Therms in the Summary of Rates and Charges may be converted to Dekatherms prior to billing. Bills under this Rate Schedule are subject to the Integrity Management Tracker set forth in Rider E of this Tariff.

When Customer has the installed and operable capability to burn an alternate fuel and the equivalent alternate fuel cost is less than the combined cost of Gas received from Customer's independent supply and the Transportation Charge applicable under this Rate Schedule, Customer may be served under Rate Schedule No. 165. In order to receive Service under Rate Schedule No. 165, Customer must maintain separately metered Accounts for each type of alternate fuel.

The minimum monthly bill is the Facilities Charge. The Facilities Charge will be waived in any month when CompanyPSNC is unable to deliver any Gas during that billing month. Service under this Rate Schedule is subject to Rider A of this Tariff.

Payment of Bills

Bills are due and payable upon receipt and become past due 15 days after the billing date. Late payment charges will be added to the total balance in arrears on the next billing date. A charge will be imposed for checks and drafts returned to CompanyPSNC. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of Customer at the same Premises within ~~the past~~ 12 months after discontinuance.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in ~~PSNC's approved Rules and the Service~~ Regulations.



RATE SCHEDULE NO. 180 (Continued)

Balancing of Transportation Quantities

At any time when Customer is consistently using more or less Gas than is being delivered to CompanyPSNC for Customer's Account, it shall be Customer's or its agent's responsibility to bring its supply and requirements into balance in accordance with CompanyPSNC's Transportation Pooling Agreement, as it may be revised from time to time. Customer, Customer's agent, and CompanyPSNC shall strive to keep the transportation quantities within a reasonable operating balance at all times. Customer or its agent shall notify CompanyPSNC immediately in the event of increases or reductions in the quantity of Gas being transported.

Inability to Obtain Independent Supply of Gas

In the event Customer is unable to obtain its independent supply of Gas, CompanyPSNC may, at its sole discretion, supply Gas to Customer. The Energy Charge for such Gas will be the Rate Schedule No. 150 Energy Charge set forth in the currently effective Summary of Rates and Charges of this Tariff; provided that, when CompanyPSNC is required to purchase incremental quantities of Gas to accommodate Customer's supply requirements, the Energy Charge shall be calculated on a daily basis as the higher of: (a) the Rate Schedule No. 150 Energy Charge or (b) the sum of the daily commodity cost of Gas supplied and the Rate Schedule No. 180 Transportation Charge. The daily commodity cost of Gas shall be the absolute high price for the day of consumption as published in Gas Daily in the "Daily price survey," "Citygates," "Transco, zone 5 delivered," "Absolute," high end of the range. For days of consumption when Gas Daily is not published, the daily price published by Gas Daily on the nearest subsequent day shall be used.

Curtailment

Although not required to maintain alternate fuel capability in order to receive Service under this Rate Schedule, Customer exclusively bears all business, operational, mechanical, or other risks associated with the interruption or curtailment of Service. CompanyPSNC may require curtailment of Service for any reason it deems necessary or appropriate. Customer must be capable of being 100% curtailed on two hours' notice. In case of non-compliance with a curtailment order, CompanyPSNC shall have the right to valve off Service when necessary, in CompanyPSNC's sole opinion, to protect Service to higher margin Customers.

Notice of a curtailment is effective when issued and posted on CompanyPSNC's electronic bulletin board. Customer shall provide CompanyPSNC with the names, titles, telephone numbers, and email addresses of at least two representatives authorized by Customer to receive curtailment notices and shall promptly notify CompanyPSNC of any changes to such information.

Unauthorized Gas

Emergency Service ~~as defined in~~ under Rider A of this Tariff shall be available to Customers served during any curtailment period, up to a maximum of 10 Dekatherms per day, at the rate for Emergency Service set forth in the currently effective Summary of Rates and Charges of this Tariff plus the cost of Gas used, as calculated under Rider A of this Tariff. Emergency Service above 10 Dekatherms per day may be available to Customers at CompanyPSNC's sole discretion, and upon prior written notification and approval. If CompanyPSNC does not authorize Emergency Service above 10 Dekatherms per day, and a Customer fails to discontinue the use of Gas after two hours' notice that Gas under this Rate Schedule is not available, all Gas so used shall be paid for by Customer at the rate for Unauthorized Gas set forth in the currently effective Summary of Rates and Charges of this Tariff plus the cost of Gas used, as calculated under Rider A of this Tariff. In addition, Customer shall reimburse CompanyPSNC for any expenses or liabilities imposed on CompanyPSNC that are caused by Customer's failure to discontinue use of Gas, including but not limited to any incremental charges, assessments, or penalties imposed by an upstream interstate pipeline and the cost of any Gas used or purchased by CompanyPSNC during the day of Customer's failure to the extent that the cost of such Gas per Dekatherm exceeds the cost of Gas calculated under Rider A.

RATE SCHEDULE NO. 180 (Continued)

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules, and regulations of duly constituted governmental authorities having jurisdiction over either CompanyPSNC or Customer, or both, including any orders of the Commission requiring CompanyPSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. CompanyPSNC shall not be liable for any damages that may result to Customer or any other person, firm, or corporation by reason of CompanyPSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by CompanyPSNC. Service under this Rate Schedule is subject to ~~PSNC's Rules and the Service Regulations as approved by the Commission~~, which are incorporated herein by reference.



CURTAILMENT OF SERVICE UNDER NCUC RULE R6-19.2  
AND EMERGENCY SERVICES - RIDER A

1. ~~PSNC Company~~ shall curtail service to its Customers in accordance with Rule R6-19.2, as promulgated, and amended from time to time, by the Commission.
2. ~~Company~~~~PSNC~~ does not maintain metering by priority but shall do so if required by Rule R6-19.2.
3. Nothing shall be construed to require ~~Company~~~~PSNC~~ to curtail any Customer if such curtailment will not make additional Gas available for Service to higher margin Customers.
4. The definition of alternate fuel in Rule R6-19.2 applies only to the priority system. For purposes of ~~Company~~~~PSNC~~'s Rate Schedules, alternate fuel capability is defined as the actual installed capability to burn any fuel other than Gas. An alternate fuel is that fuel which is predominately burned when Service is curtailed and includes the type, grade, and sulfur content of the fuel.
5. The cost of Gas for Emergency Service under this Rider A and for Unauthorized Gas under ~~Company~~~~PSNC~~'s Rate Schedules is calculated by using the higher of: (a) the monthly contract index price for the applicable month as published in Inside F.E.R.C.'s Gas Market Report, "Prices of Spot Gas Delivered to Pipelines," "Transcontinental Gas Pipe Line Corp. - Zone 3 (pooling points)," "Index," plus the one hundred percent (100%) load factor rate under Transcontinental Gas Pipe Line Company LLC's currently effective Rate Schedule FT for deliveries from Zone 3 to Zone 5, including applicable fuel retention and surcharges, or (b) the absolute high price for the day of consumption as published in Gas Daily in the "Daily price survey," "Citygates," "Transco, zone 5 delivered," "Absolute," high end of the range. For days of consumption when Gas Daily is not published, the daily price published by Gas Daily on the nearest subsequent day shall be used.
6. Emergency Service shall be made available to any Customer during a curtailment under this Rider A up to a maximum of 10 Dekatherms per day at the rate for Emergency Service set forth in the currently effective Summary of Rates and Charges of ~~Company~~~~PSNC~~'s Tariff, plus the cost of the Gas supplied as calculated under paragraph 5 of this Rider A.
7. Additional Emergency Service may be made available to any Customer that would otherwise be curtailed under this Rider A if such Customer is unable to continue operations on its standby or alternate energy source because of some bona fide existing or threatened emergency when and if ~~Company~~~~PSNC~~ has Gas available from its regular allocated storage volumes or some outside source other than its regular services. ~~Company~~~~PSNC~~, in its sole discretion, may furnish such additional Emergency Service for such specific times and for such specific controlled quantities at the rate for Emergency Service set forth in the currently effective Summary of Rates and Charges of ~~Company~~~~PSNC~~'s Tariff, plus the cost of the Gas supplied as calculated under paragraph 5 of this Rider A. Such Emergency Service is of a discretionary nature and implies no present or future obligation of ~~Company~~~~PSNC~~ to any Customer to provide any such Service on either a temporary or continuing basis. Deliveries of Gas hereunder shall be made pursuant only to advance operating arrangements agreed to in writing by ~~Company~~~~PSNC~~'s Gas Control and the Customer and shall be subject to curtailment and interruption at any time that ~~Company~~~~PSNC~~ in its sole discretion deems such curtailment or interruption necessary.
8. ~~Company~~~~PSNC~~ shall not be liable for any damages that may result to Customer or any other person, firm, or corporation, by reason of ~~Company~~~~PSNC~~'s curtailing ~~regular Service or emergency~~ Emergency Service in accordance with any order of priorities which may be necessary under existing conditions.
9. All programs, agreements, contracts, Rate Schedules, and rules and regulations for Service by ~~Company~~~~PSNC~~ are subject to change and modification from time to time by ~~Company~~~~PSNC~~, as such are approved by the Commission or otherwise imposed by lawful authority.

METHODOLOGY FOR DETERMINING PROPER RATE SERVICE PRIORITY CLASSIFICATION  
PURSUANT TO COMMISSION RULES R6-12 & R6-19.2 – RIDER B

**I. Definitions**

- (a) "Actual Annual Usage" means the actual quantities of Gas sold to or transported for Customer by CompanyPSNC for a given Review Period as reflected on CompanyPSNC's invoices for that Customer.
- (b) "Classification Usage" means Gas quantities in an amount equal to Actual Annual Usage for a Customer for a Review Period divided by the Service Days for that same period.
- (c) "Involuntary Curtailment Days" means those days or portions of days in a given Review Period when curtailment of Customer's Service was imposed by CompanyPSNC's decision to curtail.
- (d) "Prospective Priority Classification" means the then current priority curtailment classification a Customer would otherwise qualify for based solely on the Classification Usage for a given Review Period.
- (e) "Prospective Rate Schedule" means CompanyPSNC's then current Rate Schedule that a Customer would otherwise qualify for based solely on the Classification Usage for a given Review Period.
- (f) "Review Period" means the twelve (12) months ended June 30.
- (g) "Service Days" means 365 less the number of Involuntary Curtailment Days.

**II. Procedure**

- (a) During July and August of each year, the Prospective Rate Schedule for each Customer for the Review Period just ended shall be determined.
- (b) If the Prospective Rate Schedule is the same ~~rate schedule~~ Rate Schedule on which Customer is currently billed, no further Rate Schedule review is necessary. Customer shall remain on that Rate Schedule.
- (c) If the Prospective Rate Schedule is different from the Rate Schedule on which Customer is currently billed, the Prospective Rate Schedule for Customer for the Review Period immediately preceding the one used in Section (b)(4a) shall also be determined.
- (d) If the Prospective Rate Schedule determined in (a) is the same as that determined in (c), Customer shall be reclassified to that Prospective Rate Schedule effective the following September 1.
- (e) The reclassified Customer will be given notice of such reclassification as required by Commission Rule R6-12(7). The notice shall be made by registered or certified mail to the mailing address furnished by Customer.
- (f) A similar procedure will be followed for determining the proper curtailment priority for each Customer by using Prospective Priority Classification.

**III. Exceptions**

If a Customer adds or retires a major piece of gas-burning equipment, changes the hours of operations, or otherwise materially alters the Customer's business that will clearly increase or decrease the Customer's consumption on an ongoing basis to a level that will change the Customer's ability to qualify for a particular Rate Schedule, the Customer shall report such changes to CompanyPSNC and afford CompanyPSNC an opportunity to inspect any change in equipment and to meet with the Customer to review and discuss the anticipated future level of consumption. If CompanyPSNC is satisfied that reclassification is appropriate, the reclassification will occur within two months after the new equipment is in place and operational, or the retirement is completed, and the first Meter reading reflects the higher anticipated usage resulting from the new equipment or the lower anticipated usage resulting from the retirement. Any reclassification pursuant to this exception is subject to correction if actual experience so warrants.

CUSTOMER USAGE TRACKER - RIDER C

**I. Definitions**

- (a) "Customer Usage Deferred Account" shall mean a deferred account established under this Rider C subject to the Customer Usage Deferred Account Adjustment for such account.
- (b) "Customer Usage Deferred Account Adjustment" shall mean a monthly adjustment to the applicable Customer Usage Deferred Account as calculated under this Rider C.
- (c) "Customer Usage Adjustment" shall mean a per-Therm amount calculated under this Rider C, as a decrement or increment, to refund or recover the balance in the applicable Customer Usage Deferred Account.
- (d) "Relevant Rate Order" shall mean the final Order of the Commission in CompanyPSNC's most recent rate case fixing CompanyPSNC's rates or the most recent final order of the Commission specifically prescribing the factors and procedures to be used in the application of this Rider C.

**II. Applicable Rate Schedules**

The base rates for Service under CompanyPSNC's Rate Schedule Nos. 101, 102, 125, 127, and 140 shall be subject to a Customer Usage Adjustment in accordance with this Rider C.

**III. Computation of Customer Usage Deferred Account Adjustment**

The Customer Usage Deferred Account Adjustment for each of the applicable rate classes shall be computed monthly to the nearest dollar using the following formulas:

$$\text{Base Load Therms}_i = \text{Actual Customers}_i \times \text{Base Load}_i$$

$$\text{Heat Sensitive Therms}_i = \text{Actual Customers}_i \times \text{Heat Sensitivity Factor}_i \times \text{Normal Degree Days}$$

$$\text{Normalized Therms}_i = \text{Base Load Therms}_i + \text{Heat Sensitive Therms}_i$$

$$\text{Normalized Margin}_i = \text{Normalized Therms}_i \times \text{R Factor}_i$$

$$\text{Actual Margin}_i = \text{Actual Therms}_i \times \text{R Factor}_i$$

$$\text{Customer Usage Deferred Account Adjustment}_i = \text{Normalized Margin}_i - \text{Actual Margin}_i$$

Where:

$i =$  any particular rate class

$\text{Actual Customers}_i =$  actual customers billed for the billing cycle month for the  $i^{\text{th}}$  rate class

$\text{Actual Therms}_i =$  actual Therms used for the billing cycle month for the  $i^{\text{th}}$  rate class

$\text{R Factor}_i =$  base rate (approved rate less fixed and commodity cost of Gas) for the  $i^{\text{th}}$  rate class used by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues

$\text{Heat Sensitivity Factor}_i =$  heat sensitivity factor for the  $i^{\text{th}}$  rate class used by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues

$\text{Normal Degree Days} =$  average normal heating degree days used by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues

$\text{Base Load}_i =$  base load sales for the  $i^{\text{th}}$  rate class used by the Commission in the Relevant Rate Order for the purpose of determining normalized test year revenues

#### IV. Monthly Reports

Company PSNC will file with the Commission monthly reports that include: (a) computation of each Customer Usage Deferred Account Adjustment; (b) a schedule showing the effective date of each Customer Usage Deferred Account Adjustment; and (c) a schedule showing the factors of values derived from the Relevant Rate Order used in calculating each Customer Usage Deferred Account Adjustment. Such reports will be filed within 45 days after the end of the applicable month.

#### V. Computation of Customer Usage Adjustment

Effective for the first day of the April billing cycle month and the first day of the October billing cycle month, the Customer Usage Adjustment for each of the applicable Rate Schedules shall be calculated to the nearest one-thousandth of a cent per Therm using the following formula:

$$\text{Customer Usage Adjustment}_i = \text{Customer Usage Deferred Account Balance}_i / \text{Annual Therms}_i$$

Where:

$i =$  any particular rate class

Customer Usage Deferred Account Balance<sub>i</sub> = balance of Customer Usage Deferred Account as of the end of January or July, as applicable

Annual Therms<sub>i</sub> = normalized volumes assigned by the Commission in the Relevant Order

#### VI. Interest

Interest will be applied to the Customer Usage Deferred Account at a rate of 7.186-96% per annum. This rate shall be reviewed annually.

#### VII. Filing with Commission

Company PSNC will file a revision to its Tariff for Commission approval upon 14 days' notice to implement a decrement or increment each April and October. The filing will include the computation of each Customer Usage Adjustment.

PURCHASED GAS ADJUSTMENT PROCEDURES - RIDER D

**I. 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, all direct transaction-related costs arising from CompanyPSNC's prudent efforts to stabilize or hedge commodity gas costs, demand charges, peaking charges, surcharges, emergency gas purchases, over-run charges, capacity charges, standby charges, reservation fees, gas inventory charges, minimum bill charges, minimum take charges, take-or-pay charges, take-and-pay charges, storage charges, service fees and transportation charges, and any other similar charges associated with the purchase, storage, or transportation of gas for CompanyPSNC's system supply.
- (b) "Suppliers" shall mean any person or entity, including an affiliate of CompanyPSNC, who locates, produces, purchases, sells, stores and/or transports gas or its equivalent for or on behalf of CompanyPSNC, or who provides hedging tools, including, but not limited to financial tools, designed to stabilize CompanyPSNC's commodity prices. Suppliers may include, but are not limited to, interstate pipeline transmission companies, producers, brokers, marketers, associations, intrastate pipeline transmission companies, joint ventures, providers of Liquefied Natural Gas, Liquefied Petroleum Gas, Synthetic Natural Gas and other hydrocarbons used as feed stock, other Local Distribution Companies, and end-users.
- (c) "Benchmark Commodity Gas Costs" shall mean CompanyPSNC's estimate of the City Gate Delivered Gas Costs for long-term gas supplies, excluding Demand Charges and Storage Charges as approved in CompanyPSNC's last general rate case or gas cost adjustment proceeding.
- (d) "City Gate Delivered Gas Costs" shall mean the total delivered Gas Costs to CompanyPSNC at its city gate.
- (e) "Commodity and Other Charges" shall mean all Gas Costs other than Demand Charges and Storage Charges and any other Gas Costs determined by the Commission to be properly recoverable from sales customers.
- (f) "Demand Charges and Storage Charges" shall mean all Gas Costs which are not based on the quantity of gas actually purchased or transported by CompanyPSNC and any other Gas Costs determined by the Commission to be properly recoverable from customers.
- (g) "Other Gas Supply Charges" shall mean the per therm supply reservation fees. These charges shall be determined on an annual basis by dividing the total estimated reservation fees to be paid under the firm supply contracts by the total estimated quantities to be purchased under these contracts.

**II. Rate Adjustments Under These Procedures**

- (a) If CompanyPSNC anticipates a change in its City Gate Delivered Gas Costs, it may apply and file revised tariffs effective on 14 days' notice in order to increase or decrease its rates to its customers as hereinafter provided. The Commission may issue an order allowing the rate change to become effective simultaneously with the effective date of the change or at any time ordered by the Commission. If the Commission has not issued an order within 120 days after the application, CompanyPSNC may place the requested rate adjustment into effect.
- (i) Demand Charges and Storage Charges. Whenever CompanyPSNC anticipates a change in the Demand Charges and Storage Charges, it may (as hereinabove provided) change its rates to customers under each applicable Rate Schedule by an amount computed as follows:

(Total Anticipated Demand Charges and Storage  
Charges - Prior Demand Charges and Storage  
Charges) x Rate Schedule Percentage\*

= Increase  
(Decrease) Per Unit

Sales & Transportation Quantities\* (by Rate  
Schedule)

\* Established by the Commission in the last general rate case.

- (ii) **Commodity and Other Charges.** Whenever Company~~PSNC~~'s estimate of its Benchmark Commodity Gas Costs changes, it may (as hereinabove provided) change the rates to its customers purchasing gas under sales rate schedules, incorporating the Benchmark Commodity Gas Costs, by an amount computed as follows:

Quantities of gas purchased\* (excluding Company Use and Unaccounted For) x (New Benchmark Commodity Gas Costs - Old Benchmark Commodity Gas Costs)

= Increase  
(Decrease) Per Unit

Quantities of gas purchased for System Supply\* (excluding Company Use and Unaccounted For)

\* Established by the Commission in the last general rate case.

- (iii) **Company Use and Unaccounted For.** Whenever Company~~PSNC~~'s estimate of its Benchmark Commodity Gas Costs changes, it may (as hereinabove provided) change the rates to its customers, by an amount computed as follows:

Quantities of Company Use and Unaccounted For Gas\* x (New Benchmark Commodity Gas Costs - Old Benchmark Commodity Gas Costs)

= Increase  
(Decrease) Per Unit

Sales & Transportation Quantities\*

\* Established by the Commission in the last general rate case.

- (b) **Other Changes in Purchased Gas Costs.** The intent of these procedures is to permit Company~~PSNC~~ to recover its actual prudently incurred Gas Costs. If any other Gas Costs are incurred, they will be handled as in Section 1 if they are similar to Demand Charges and Storage Charges, or as in Section 2 if they are similar to Commodity and Other Charges.

### III. True-up of Gas Costs

- (a) **Demand Charges and Storage Charges.** On a monthly basis, Company~~PSNC~~ shall determine the difference between (i) Demand Charges and Storage Charges billed to its customers in accordance with the Commission-approved allocation of such costs to Company~~PSNC~~'s various Rate Schedules and (ii) Company~~PSNC~~'s actual Demand Charges and Storage Charges. This difference shall be recorded in Company~~PSNC~~'s deferred account for demand and storage charges. Increments and decrements for this deferred account, including the portion of the Commodity and Other Charges true-up calculated under Section III(b) and apportioned to this deferred account, flow to applicable sales and transportation rate schedules.
- (b) **Commodity and Other Charges.** On a monthly basis, Company~~PSNC~~ shall determine with respect to gas sold (including company use and unaccounted for) during the month the difference between (i) the actual Commodity and Other Charges incurred and (ii) the actual Commodity and Other Charges billed to customers. This difference shall be apportioned each month to Company~~PSNC~~'s deferred account for commodity and other charges based on the ratio of volumes sold to the volumes purchased for that month. The residual portion of the difference not apportioned to Company~~PSNC~~'s deferred account for commodity and other charges shall be apportioned each month to Company~~PSNC~~'s deferred account for Demand Charges and Storage Charges. On a monthly basis, Company~~PSNC~~ shall determine with respect to gas sold in previous months under its residential and commercial rate schedules, the difference between amounts billed for Gas Costs and the amounts actually recovered from customers for such Gas Costs. Such uncollectible Gas Costs shall be recorded in Company~~PSNC~~'s deferred account for commodity and other charges. Any such deferred amounts that are subsequently paid by customers shall be credited to Company~~PSNC~~'s deferred account for commodity and other charges. Increments and decrements for Commodity and Other Charges shall flow to all sales rate schedules incorporating the Benchmark Commodity Gas Costs.
- (c) **Supplier Refunds and Direct Bills.** If Company~~PSNC~~ receives supplier refunds or direct bills with respect to gas previously purchased, the amount of such supplier refunds or direct bills will be recorded in the appropriate deferred Account~~Account~~, unless directed otherwise by the Commission.



**IV. Other**

- (a) Gas Costs changes not tracked concurrently shall be recorded in the appropriate deferred account.
- (b) The Commodity and Other Charges portion of gas inventories shall be recorded at actual cost and the difference in that cost and the Benchmark Commodity Gas Costs most recently approved shall be recorded in the deferred account when the gas is withdrawn from inventory.
- (c) CompanyPSNC shall file with the Commission (with a copy to the Public Staff) a complete monthly accounting of the computations under these procedures, including all supporting workpapers, journal entries, etc., within 45 days after the end of each monthly reporting period. All such computations shall be deemed to be in compliance with these procedures unless within 60 days of such filing the Commission or the Public Staff notifies CompanyPSNC that the computations may not be in compliance; provided, however, that if the Commission or the Public Staff requests additional information reasonably required to evaluate such filing, the running of the 60 day period will be suspended for the number of days taken by CompanyPSNC to provide the additional information.
- (d) Periodically, CompanyPSNC may file to adjust its rates to refund or collect balances in these deferred accounts through decrements or increments to current rates. In filing for an increment or decrement, CompanyPSNC shall state the amount in the deferred account, the time period during which the increment or decrement is expected to be in effect, the rate classes to which the increment or decrement is to apply, and the level of quantities estimated to be delivered to those classes. Any such increments or decrements shall be made on a percentage basis for all affected rate classes as determined in CompanyPSNC's most recent general rate case, unless otherwise ordered by the Commission.
- (e) CompanyPSNC may negotiate with commercial and industrial customers on its sales and transportation rates to avoid the loss of deliveries to these customers. All margin loss from those customers served under Rate Schedule No. 160 which would otherwise have purchased or transported gas under Rate Schedule Nos. 150 and 180 shall be recorded in the deferred account for Demand Charges and Storage Charges. Such margin loss shall be based on the currently effective rates. CompanyPSNC may offset negotiated losses in any manner authorized by the Commission.
- (f) Interest will be applied to the deferred accounts at a rate of 7.18% per annum. This rate shall be reviewed annually.

## INTEGRITY MANAGEMENT TRACKER - RIDER E

Under G.S. 62-133.7A the Commission may adopt a rate adjustment mechanism to allow a natural gas local distribution company to recover "the prudently incurred capital investment and associated costs of complying with federal gas pipeline safety requirements." These capital investment and associated costs are required in order to comply with federal laws and regulations, will generate no additional revenue for CompanyPSNC, and vary significantly in nature, scope, and scale from prior system reinforcement/maintenance projects and also from CompanyPSNC's more usual system expansion projects. The Integrity Management Tracker is authorized to allow CompanyPSNC to recover the integrity management plant investment net of excluded costs. At the time of CompanyPSNC's next general rate case proceeding, all prudently incurred Integrity Management Plant Investment associated with this Rider E shall be included in base rates and the Excluded Costs shall be eligible for inclusion in recoverable rate base.

### I. Definitions

- (a) "Excluded Costs" means the portion of capital expenditures related to system enhancement and system strengthening of a capital project that results in more volumes, higher pressure, or larger pipe sizes. These costs are not included in the Integrity Management Plant Investment recovered through this Rider E.
- (b) "Integrity Management Adjustment" means a per-Therm amount calculated under this Rider E as an increment and applied to the applicable ~~rate-Rate schedules-Schedules~~ to recover the IMRR biannually for the six-month periods ending June 30th and December 31st.
- (c) "Integrity Management Deferred Account" means a deferred account established under this Rider E subject to the Integrity Management Deferred Account Adjustment for such account.
- (d) "Integrity Management Deferred Account Adjustment" means a monthly adjustment to the Integrity Management Deferred Account as calculated under this Rider E.
- (e) "Integrity Management Deferred Account True-Up Adjustment" means an annual adjustment to recover the balance in the Integrity Management Deferred Account as of January 31st as calculated under this Rider E.
- (f) "Integrity Management Month Factor" means the percentage of annualized and normalized Therms as set forth in the Relevant Rate Order by month for the applicable ~~rate-Rate schedules-Schedules~~.
- (g) "Integrity Management Plant Investment" means the gross plant and associated costs incurred by CompanyPSNC resulting from prevailing federal standards for pipeline integrity and safety, net of Excluded Costs, and not otherwise included in current base rates.
- (h) "Integrity Management Revenue Requirement" or "IMRR" means the total annual revenue requirement for the Integrity Management Plant Investment as calculated under this Rider E.
- (i) "Relevant Rate Order" means the final order of the Commission in CompanyPSNC's most recent rate case fixing CompanyPSNC's rates or the most recent final order of the Commission specifically prescribing the factors and procedures to be used in the application of this Rider E.
- (j) "Special Contract" means any contract, including for electric generation, for Service entered into between CompanyPSNC and a Customer that provides for rates, terms, or conditions that vary from those set forth in CompanyPSNC's Tariff, ~~Rate Schedules, or Rules and Regulations~~.
- (k) "Vintage year" means the fiscal year during which the Integrity Management Plant Investment is made.

### II. Applicable Rate Schedules

The base rates for Service under CompanyPSNC's Rate Schedule Nos. 101, 102, 115, 125, 126, 127, 135, 140, 145, 150, 160, 165, 175, and 180 shall be subject to an Integrity Management Adjustment in accordance with this Rider E.

### III. Computation of Integrity Management Revenue Requirement

- (a) CompanyPSNC shall file by January 31st and July 31st of each year information showing the computation of the IMRR that forms the basis of the biannual Integrity Management Adjustment for the six-month period ending the prior December 31st and June 30th, respectively.



- (b) The total revenue requirement will be calculated for each Vintage Year of Integrity Management Plant Investment, as follows:

Integrity Management Plant Investment	\$X,XXX,XXX
Less: Accumulated Depreciation	XXX,XXX
Less: Accumulated Deferred Income Taxes	XXX,XXX
Net Plant Investment	\$X,XXX,XXX
Pre-Tax ROR set forth in the Relevant Rate Order	X.XX%
Allowed Pre-Tax Return	\$X,XXX,XXX
Plus: Depreciation Expense	XXX,XXX
Total	\$X,XXX,XXX

- (c) The IMRR for each Vintage Year of Integrity Management Plant Investment is reduced by a Special Contract Credit to compute the Net IMRR. The Net IMRR forms the basis for determining the Integrity Management Adjustment. The Special Contract Credit represents the amount provided by the Special Contracts towards the Integrity Management Plant Investment. Until CompanyPSNC's next general rate case, the Special Contract Credits applicable to each twelve-month period beginning January 1 are as follows:

January 1, 2019	\$
January 1, 2020	\$
January 1, 2021	\$
January 1, 2022	\$
January 1, 2023	\$

- (d) The amount of the Special Contract Credit shall be amended one year after the effective date of any new contract or amendment, approved by the Commission after the effective date of this Rider E, where CompanyPSNC provides natural gas redelivery service to an electric generation customer at a levelized rate.
- (e) For the purposes of determining the Net IMRR on a biannual basis, the Special Contract Credit shall be prorated by month using the Integrity Management Month Factors shown in subsection (f).
- (f) Each month CompanyPSNC will charge its Integrity Management Deferred Account for the portion of the Net IMRR (the IMRR as reduced by the Special Contract Credit), that corresponds to that month. The monthly IMRR is the product of the annual Net IMRR and the Integrity Management Month Factor. The Integrity Management Month Factor for each month is as follows:

January	15.33%
February	13.16%
March	10.74%
April	6.95%
May	5.09%
June	4.27%
July	4.31%
August	4.35%
September	4.52%
October	7.30%
November	10.53%
December	13.45%

#### IV. Computation of Biannual Integrity Management Adjustment

- (a) CompanyPSNC will file for Commission approval by February 15th and August 15th of each year a revision to its Tariff and information showing the computation of the Integrity Management Adjustment for each ~~rate~~ Rate schedule Schedule that it proposes to charge during the six-month period beginning the following March 1st and September 1st, respectively.
- (b) To compute the Integrity Management Adjustment, the Net IMRR shall first be apportioned to each customer class based on margin apportionment percentages established in the Relevant Rate Order. The customer class apportionment percentages are as follows:

Residential Rate Schedules 101, 102, 115	<del>69.9969.89%</del>
Commercial Rate Schedules 125, 126, 127, 140	<del>19.1049.92%</del>
Large General - Firm Rate Schedules 145, 175	<del>8.367.25%</del>
Large General - Interruptible Rate Schedules 135, 150, 160, 165, 180	<del>2.552.94%</del>

- (c) The amount of the Net IMRR apportioned to each ~~rate-Rate schedule-Schedule~~ will then be divided by the annual Therms as set forth in the Relevant Rate Order for each ~~rate-Rate schedule-Schedule~~ to determine the Integrity Management Adjustment to the nearest one-thousandth cent per Therm. The annual Therms of throughput used in the computation of the Integrity Management Adjustment for each ~~rate-Rate schedule-Schedule~~ is as follows:

Residential Rate Schedules 101, 102, 115	<del>332,441,182</del> 302,709,607
Commercial Rate Schedules 125, 126, 127, 140	<del>172,905,640</del> 154,775,495
Large General - Firm Rate Schedules 145, 175	<del>256,721,533</del> 202,384,732
Large General - Interruptible Rate Schedules 135, 150, 160, 165, 180	<del>143,316,551</del> 148,716,728

- (d) Each month ~~Company~~PSNC will credit the Integrity Management Deferred Account for the amount of the Integrity Management Adjustment collected from ~~customers~~Customers. The amount of the Integrity Management Adjustment collected from Customers will be computed by multiplying the Integrity Management Adjustment for each ~~rate-Rate schedule-Schedule~~ by the corresponding actual Therms of usage billed Customers for the month.

#### V. Computation of Integrity Management Deferred Account True-Up Adjustment

- (a) ~~Company~~PSNC will file with the Commission by February 15th to recover through an Integrity Management Deferred Account True-Up Adjustment the balance in the Integrity Management Deferred Account as of the prior January 31st.
- (b) The Integrity Management Deferred Account True-Up Adjustment will be computed by multiplying the balance of the Integrity Management Deferred Account, as of January 31st, by the customer class apportionment percentages determined in Section IV above. The Integrity Management Deferred Account balance apportioned to each customer class shall then be divided by the annual Therms of throughput for each of the applicable ~~rate-Rate schedules-Schedules~~ shown in Section IV above to determine the Integrity Management Deferred Account True-Up Adjustment applicable to each ~~rate-Rate schedule-Schedule~~ for the following twelve-month period beginning March 1st. The Integrity Management Deferred Account True-Up Adjustment will be computed to the nearest one-thousandth cent per Therm.
- (c) ~~Company~~PSNC may, at its discretion, file for further Integrity Management Deferred Account True-Up Adjustments throughout the year, upon 14 days' notice to the Commission.

#### VI. Interest

Interest will be applied to the Integrity Management Deferred Account at a rate of ~~7.186.96%~~ per annum. This rate shall be reviewed annually.

#### VII. Integrity Management Deferred Account

~~Company~~PSNC shall maintain an Integrity Management Deferred Account for the purpose of recording the monthly (a) Net IMRR, (b) Integrity Management Adjustment, (c) Integrity Management Deferred Account True-Up Adjustment, and (d) interest on the Integrity Management Deferred Account.

#### VIII. Monthly Filing with Commission

~~Company~~PSNC shall file monthly (a) a report providing in detail the current month's Integrity Management Plant Investment, including supporting documentation for the amount incurred by project, (b) the cumulative Integrity Management Plant Investment subject to this Rider E, and (c) a report of the activity recorded for the month in the Integrity Management Deferred Account. Such reports will be filed within 45 days after the end of the month for which the report is being filed.

#### IX. Annual Integrity Management Plant Investment Forecast

~~Company~~PSNC shall file by January 31st its projected three-year plan of Integrity Management Plant Investment,

which will encompass Integrity Management Plant Investment planned for its next three fiscal years.

**X. Review and Approval of Annual Report and Rates**

- (a) Company~~PSNC~~ shall file an annual report summarizing the Integrity Management Plant Investment for the prior 12-month period ending December 31st and the data substantiating and supporting its IMRR calculation for the next biannual Integrity Management Adjustment by January 31st.
- (b) Upon Company~~PSNC~~'s annual report filing, the Public Staff and any other intervenors of record shall have until the following May 15th to review such filing and to prepare and file with the Commission a report of such review to include supporting testimony if disallowances or adjustments are proposed in such report. Company~~PSNC~~ shall have until June 1st to respond to any report or testimony filed by the Public Staff or other intervenors and, to the extent necessary to resolve disputes regarding Company~~PSNC~~'s annual report, such disputes shall be promptly scheduled for hearing by the Commission with the goal of resolving such disputes by Commission order issued by August 15th with corresponding rate adjustments made on a prospective basis on September 1st.

**XI. Commission Review**

The terms and conditions of this Rider E shall be reviewed, and prospective modifications considered by the Commission: ~~(1) PSNC's next as part of a general rate case; or (2) at the end of four years from the effective date of this Rider E, whichever first occurs.~~ Furthermore, any interested party may petition the Commission to modify or terminate Rider E on the grounds that, as approved, it is no longer in the public interest.

# EXHIBIT G

## Service Regulations

## 1. APPLICABILITY

- (a) These ~~Rules and Service Regulations~~ apply to all services provided by ~~Public Service Company of North Carolina, Incorporated ("PSNC")~~ under its ~~Rate Schedules~~ ~~rate schedules on file with, and subject to the jurisdiction of, the North Carolina Utilities Commission, ("Commission")~~ and are adopted for the mutual protection of both the Customer and ~~Company~~ PSNC. They provide standards for ~~Company~~ PSNC's practices, promote safe and adequate service to the public, and establish a reasonable basis for meeting the public's demands for natural gas service.
- (b) The rates, terms and other conditions, and rules and regulations stated in this ~~tariff~~ Tariff are subject to change upon ~~Company~~ PSNC's application to the Commission and approval of such application by the Commission, or upon order of the Commission, in the manner prescribed by law at any time. In the event of such change, the new rates, terms and conditions, and rules and regulations prescribed by the Commission will apply to Service received hereunder from the date such change is made effective. Customer agrees to accept and be bound by all such rates, terms and conditions, and rules and regulations in connection with such Service, which are now or may hereafter be filed with, or issued or promulgated by, the Commission or other governmental bodies having jurisdiction thereof.
- (c) If a conflict exists between these ~~Rules and Service Regulations~~ and the provisions of the applicable currently effective Rate Schedule, the provisions of the Rate Schedule shall govern. The ~~Rules and Regulations~~ rules and regulations of the Commission shall govern in the event of a conflict with these ~~Rules and Service Regulations~~.

## 2. DEFINITIONS

For the purposes of this ~~PSNC's Tariff, Rate Schedules, and these Rules and Regulations~~, the following capitalized terms shall be defined as follows:

- (a) "Account" means Service provided to any Person at a single location on a single Rate Schedule.
- (b) "Applicant" means any Person applying for Service.
- (c) "British Thermal Unit" or "BTU" means the amount of heat required to raise the temperature of one pound of water from 58.5° to 59.5° Fahrenheit at a pressure of 14.73 pounds per square inch absolute.
- (d) "BTU Factor" means the factor used to convert a volume of Gas measured in Cubic Feet into Therms or Dekatherms, as applicable.
- (e) "CIAC" means a non-refundable cash contribution in aid of construction made by a Customer to ~~Company~~ PSNC to defray the cost of construction of Excess Facilities installed by ~~Company~~ PSNC to provide Service to that Customer.
- (f) "City Gate" means point(s) where Gas is delivered to ~~Company~~ PSNC's system.
- (g) "Commission" means the North Carolina Utilities Commission, which regulates gas utilities operating within the State of North Carolina, including ~~Company~~ PSNC.
- (h) "Company" means Public Service Company of North Carolina, Incorporated, doing business as Dominion Energy North Carolina, a natural gas utility operating under the jurisdiction of the Commission.
- (i) "Company Facilities" means any piping, Mains, Gas Service Lines, Meters, Meter Assemblies, regulating or other Facilities of whatever nature owned by PSNC.
- (j) "Cubic Foot" or "Cubic Feet" is the volume of Gas that occupies one cubic foot at a temperature of 60° Fahrenheit at a pressure of 14.73 pounds per square inch absolute.
- (k) "Customer" means any Account being supplied Service by ~~Company~~ PSNC.
- (l) "Customer Facilities" means any piping, appliances, ~~gas~~ Gas burning devices, regulating, or other ~~gas delivery~~ Facilities located downstream of the Delivery Point.

- (km) "Customer Usage Tracker" is the mechanism in Rider C that tracks and trues up variations in average per customer usage from levels approved in CompanyPSNC's last general rate case for residential and commercial Customers receiving service on Rate Schedule Nos. 101, 102, 125, 127, and 140.
- (ln) "Dekatherm" or "Dt" means the unit of energy equivalent to 10 Therms, or 1,000,000 British Thermal Units.
- (mo) "Delivery Point" means the physical point in the Gas delivery system where Customer Facilities meets the outlet of CompanyPSNC's Meter Assembly.
- (p) "Emergency Service" means Service made available to a Customer subject to curtailment as provided in Rider A of this Tariff.
- (ag) "Excess Facilities" means Gas Service Lines and Mains totaling in excess of 200 feet or any additional CompanyPSNC Facilities required to ~~supply service different from standard service from a high pressure (above 60 pounds per square inch gauge) Main~~provide Service at a pressure in excess of the applicable pressure set forth in Section 15 of these Service Regulations or to provide Service using a Farm Tap.
- (er) "Facilities" means all infrastructure to deliver natural gas.
- (ps) "Facilities Charge" means a fixed amount billed each month to cover the basic cost of providing Service regardless of the amount of Gas used.
- (et) "Farm Tap" means a connection to a high pressure (above 60 pounds per square inch gauge) Main including Facilities to reduce the delivery pressure to supply Service to one or more Customers.
- (ru) "Feasibility Test" means an economic test performed by CompanyPSNC which compares the net present value of the cost of certain CompanyPSNC Facilities to the anticipated net present value of the revenue to be received by CompanyPSNC from Service through those same CompanyPSNC Facilities.
- (sy) "Force Majeure" means any acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, acts of sabotage or terrorism, war, blockades, insurrections, riots, epidemics, landslides, unusual conditions of weather or temperature, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage of or accidents to CompanyPSNC Facilities, supplier's or transporter's Facilities, Customer Facilities, lines of pipe, or CompanyPSNC's peak shaving plants, freezing of wells or lines of pipe, partial or complete curtailment of deliveries from CompanyPSNC's supplier(s) or transporters as a result of force majeure under the supplier(s) Gas purchase contracts, inability to obtain rights of way, franchises, permits, materials, Facilities, supplies, or an inability to obtain an unlimited supply of gas from CompanyPSNC's supplier(s), inadequate delivery pressure from CompanyPSNC's transporters, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of CompanyPSNC and/or its supplier(s), transporters or the Customer and which by the exercise of due diligence either CompanyPSNC and/or its supplier(s), transporters or the Customer is unable to prevent or overcome.
- (tw) "Gas" means undiluted natural gas, or a substitute for natural gas, or any mixture of natural gas and a substitute for natural gas, as delivered by CompanyPSNC.
- (ux) "Gas Quality Standards" means the quality standards, specifications, and other requirements pertaining to Renewable Gas as set forth in Appendix B to these Rules and Service Regulations.
- (yy) "Gas Service Line" means the pipeline owned by CompanyPSNC that runs between a Main and a Meter.
- (wz) "Integrity Management Tracker" means the mechanism in Rider E that tracks capital costs of integrity management projects between rate cases and recovers such costs from residential and commercial Customers receiving service on Rate Schedule Nos. 101, 102, 115, 125, 126, 127, 135, 140, 145, 150, 160, 165, 175, and 180.
- (xaa) "Main" means a gas pipeline other than a Gas Service Line, owned, operated or maintained by CompanyPSNC, which is used for the purpose of transmission or distribution of Gas.

- (ybb) "Meter" or "Meter Assembly" means any of CompanyPSNC's meter, regulator, piping, valves, vents, relief valves, gauges, and/or other apparatus, including automated or remote meter reading devices, used to measure, communicate, and control flow or pressure of Gas.
- (zcc) "Person" means an individual, partnership, corporation, trust, governmental agency, or other association.
- (aadd) "Premises" means the land or real estate, including buildings and other appurtenances thereon, where a Customer receives Service.
- ~~(bb) "PSNC" means Public Service Company of North Carolina, Incorporated, a natural gas utility operating under the jurisdiction of the Commission.~~
- ~~(cc) "PSNC Facilities" means any piping, Mains, Gas Service Lines, Meters, Meter Assemblies, regulating or other Facilities of whatever nature owned by PSNC.~~
- ~~(dee) "Rate Schedule" means the portion of the PSNC's approved Tariff on file with and approved by the Commission describing that sets forth the rates, and charges, and the terms, and conditions, for each category of Service offered by the Company under this Tariff.~~
- (eeff) "Renewable Gas" means gas that is capable of combustion in appliances or facilities, that is similar in heat content and chemical characteristics to natural gas produced from traditional underground well sources, and that is intended to act as a substitute for natural gas. Renewable Gas includes but is not limited to, biogas, biomethane, landfill gas, and any other type of natural gas equivalent produced or manufactured from sources other than traditional underground well sources.
- (ffgg) "Residence" means any single or multiple family residence, condominium, townhouse, mobile or modular home, or apartment that is individually metered and has Gas used for any domestic usage such as space heating, air conditioning, water heating, cooking, or any other residential usage.
- (gghh) "Service" means the delivery, and all other activities incidental to the delivery, of Gas by CompanyPSNC to a Customer at its Delivery Point.
- (ii) "Service Regulations" means the Company's service regulations, including appendices, on file with and approved by the Commission as they may be amended from time to time. Service Regulations were formerly called Rules and Regulations.
- (ji) "Tariff" means the Company's tariff, including the Summary of Rates and Charges, Rate Schedules, Riders, and Service Regulations, as revised from time to time.
- ~~(hkk) "Therm" means the unit of energy equivalent to 100,000 BTUs.~~
- (iil) "Transportation Pooling Agreement" means an agreement executed by CompanyPSNC and a Customer or a Customer's agent that details the procedures to be followed when a Customer obtains an independent supply of Gas and arranges to have the Gas delivered to the City Gate. The required form of the Transportation Pooling Agreement is Appendix A to these ~~Rules and Service~~ Regulations.
- (mm) "Unauthorized Gas" means the quantity of Gas received by a Customer subject to curtailment and not authorized for Emergency Service by Company, as provided in Rider A of this Tariff.

### 3. AGREEMENT

- (a) CompanyPSNC shall not be required to provide Service unless and until application for Service has been made and any charges for Excess Facilities have been paid by Customer to CompanyPSNC. When no charges or potential charges for Excess Facilities are involved, an Applicant's application for Service and CompanyPSNC's acceptance may be oral. In the absence of a written agreement, such agreement shall be conclusively presumed to exist if Gas is made available by CompanyPSNC for use by Customer or on the Customer's Premises. Service will be supplied pursuant to CompanyPSNC's standard service agreement, the applicable Rate Schedule(s), these ~~Rules and Service~~ Regulations, and the rules, regulations, and orders of the Commission.



- (b) CompanyPSNC's obligations to provide Service and the Customer's obligations upon receipt of Service are set forth in the applicable provisions of Chapter 62 of the North Carolina General Statutes; the applicable rules, regulations, and orders of the Commission~~Rules and Regulations~~; the applicable Rate Schedule(s); these Rules and Service Regulations; and any written application or other document ~~approved in form by the Commission and executed by CompanyPSNC and Customer~~ pertaining to such Service.
- (c) Copies of the Rate Schedules and these Rules and Service Regulations are available from CompanyPSNC. Upon Customer request, CompanyPSNC will provide Customer with a copy of the applicable Rate Schedule(s), these Rules and Service Regulations, any written application for Service, and all or other documents executed by CompanyPSNC and Customer pertaining to such Service. No promise, statement, or representation by any CompanyPSNC employee, agent, or representative, or by any other Person, shall bind CompanyPSNC to provide Service, or to change the terms and conditions upon which Service will be provided, unless the same is in writing and is executed by an authorized CompanyPSNC representative and Customer; no amendment, change, or modification to any such document shall be effective unless in writing and signed by an authorized CompanyPSNC representative and Customer.

#### 4. ESTABLISHMENT AND REESTABLISHMENT OF CREDIT; DEPOSITS

- (a) Establishment and Reestablishment of Credit:
  - (1) Before the commencement of Service, the Applicant (whether a former Customer or not) must satisfactorily establish credit in accordance with Commission Rule R12-2. An Applicant for residential Service shall not be denied Service for failure to pay bills for any non-residential Service.
  - (2) If the conditions of Service or the basis on which credit was originally established have materially changed, CompanyPSNC may require a Customer to reestablish credit in accordance with Commission Rule R12-2.
  - (3) If a disagreement arises with respect to the establishment or reestablishment of credit with CompanyPSNC it shall be the Applicant's or Customer's right to have this problem reviewed and acted upon by CompanyPSNC's supervisory personnel. If unresolved after that review, then the Applicant or Customer shall have the right to have the problem reviewed by the Commission pursuant to Commission Rule R12-7.
- (b) Deposits:
  - (1) CompanyPSNC may require payment of a cash deposit prior to establishing or reestablishing Service to an Applicant or a Customer in accordance with the provisions of Commission Rules R12-2 through R12-4.
  - (2) Interest on deposits will be paid in accordance with Commission Rule R12-4.
  - (3) Deposits will be refunded in accordance with Commission Rule R12-5.

#### 5. DENYING OR DISCONTINUING SERVICE

- (a) CompanyPSNC shall have the right to discontinue Service or to deny Service for any of the following reasons:
  - (1) CompanyPSNC determines that a hazardous condition exists;
  - (2) Service to Customer adversely affects CompanyPSNC Facilities or ~~PSNC's~~ Service to other Customers;
  - (3) CompanyPSNC Facilities have been tampered with;
  - (4) The unauthorized use of Gas by Customer;
  - (5) Any material misrepresentation made by Customer or refusal to provide identification in connection with the application for Service;
  - (6) Any material breach of these Rules and Service Regulations or any terms and conditions of the applicable Rate Schedule(s) or service agreement(s), or any violation of any statute, or any order, regulation, or rule of the Commission or any governmental agency;



- (7) Customer's failure to fulfill Customer's agreements and contractual obligations for Service subject to regulation by the Commission;
  - (8) Customer's failure either to establish or reestablish satisfactory credit pursuant to Commission Rule R12-2;
  - (9) Customer's failure to permit CompanyPSNC reasonable access to CompanyPSNC Facilities and/or Customer Facilities;
  - (10) Nonpayment of bill pursuant to Commission Rules R12-8 and R12-10;
  - (11) Customer's failure to furnish such Customer Facilities, permits, certificates, and/or rights-of-way as required by CompanyPSNC as a condition to obtaining or continuing Service; or
  - (12) Customer Facilities are installed or are in use on Customer's Premises which permits the Gas to be used without passing through the Meter(s), which prevents or interferes with the measuring of the Gas by the Meter(s), or which interconnects fuel systems supplied on separate Rate Schedules.
- (b) Prior Indebtedness: CompanyPSNC reserves the right to deny service to any Applicant who is found to be indebted to CompanyPSNC for Service previously furnished to that Applicant at any Premises served by CompanyPSNC until satisfactory arrangements have been made for the payment of all such indebtedness. Further, where the Service has been discontinued to a Premises for nonpayment, CompanyPSNC shall have the right to refuse Service at the same Premises where there is clear, documented evidence of action taken by the Applicant with the intent to evade payment for utility services. CompanyPSNC may require reasonable proof of identity of the Applicant as a condition to providing Service.
- (c) Discontinuing Service:
- (1) CompanyPSNC may discontinue or suspend Service without notice to Customer under the following circumstances:
    - i. In the event of a condition determined by CompanyPSNC to be hazardous;
    - ii. In the event of Customer use of equipment in such a manner as to adversely affect CompanyPSNC equipment or CompanyPSNC service to others;
    - iii. In the event of tampering with the equipment furnished and owned by CompanyPSNC; or
    - iv. In the event of unauthorized use.
  - (2) For any reason not listed in 5(c)(1) above and not otherwise addressed in Commission Rules R12-8 and R12-10, CompanyPSNC shall give Customer at least 10 days written notice that Service is subject to termination. This notice of proposed termination shall, at a minimum, contain the following:
    - i. A clear explanation of the reasons which underlie the proposed termination;
    - ii. The date of the proposed termination, which shall not be less than 10 days from the date of issuance of such notice;
    - iii. Statements advising how Customer can avoid termination; and
    - iv. Statements advising Customer that Customer should first contact CompanyPSNC with any questions, and that in cases of dispute, a proposed termination action may thereafter be appealed informally to the Commission either by calling the Public Staff-North Carolina Utilities Commission, Consumer Services Division at (919) 733-9277 or toll free at 1-866-380-9816 or by appearing in person or by writing the Public Staff-North Carolina Utilities Commission, Consumer Services Division, 4326 Mail Service Center, Raleigh, NC 27699-4326.
  - (3) Customer is entitled to personal contact prior to termination as detailed in Commission Rule R12-10(i), and Customer retains all rights as detailed in the Commission Rules, with special attention to Rules R6-16, R6-17, R12-8, and R12-10.
- (d) No Liability for Discontinuing or Denying Service: CompanyPSNC shall have no liability to Customer or to any other Person for any damages incurred as a result of the discontinuance or denial of Service to the Premises such as, but not limited to, frozen water pipes, damaged Facilities, damages to any building or structure, or any other damage or injury of any type.

## 6. RECONNECTION TERMS AND FEES

- (a) Where Service has been discontinued at Customer's request and reconnection of Service is requested by the same Customer at the same Premises within one (1) year after the date of discontinuance, a reconnection fee shown in the Summary of Rates and Charges of CompanyPSNC's Tariff shall be charged.
- (b) All reconnections that require more than one hour to complete will be billed the applicable reconnection rate per hour shown in the Summary of Rates and Charges of CompanyPSNC's Tariff.
- (c) In cases where Service is discontinued for nonpayment of bills, Customer shall do the following before CompanyPSNC is obligated to restore Service:
  - (1) pay the arrears portion of the bill in full;
  - (2) reestablish credit in accordance with Commission Rule R12-3;
  - (3) pay the applicable reconnection fee shown in the Summary of Rates and Charges of Company's Tariff.

## 7. ACCESS TO CUSTOMER PREMISES

Customer shall grant to CompanyPSNC the right of ingress and egress to, over, across, and through Customer Premises, for any and all purposes associated with the Service or the exercise of any and all rights under the Rate Schedule, service agreement, or these Rules and Service Regulations. Customer authorizes CompanyPSNC's representatives to enter Customer Premises to inspect Customer lines and appliances that use Gas, and to install, read, inspect, test, maintain, repair, or remove any or all of CompanyPSNC Facilities. Customer agrees that if a condition exists on Customer Premises, which, in CompanyPSNC's sole opinion, is dangerous to CompanyPSNC's representatives or CompanyPSNC Facilities, and/or prevents reasonable access to CompanyPSNC Facilities, CompanyPSNC may remove or relocate CompanyPSNC Facilities at Customer's sole expense.

## 8. RIGHT-OF-WAY

- (a) CompanyPSNC shall not be required to extend its Facilities for the purpose of rendering Service to the Customer until satisfactory rights-of-way, easements, or permits have been obtained from government agencies and property owners, at Customer expense, to permit the installation, operation, and maintenance of CompanyPSNC Facilities. Customer in requesting or accepting Service thereby grants CompanyPSNC, without charge, necessary rights-of-way and privileges for CompanyPSNC Facilities on, along, across, and under property controlled by Customer to the extent that such rights-of-way required or necessary to enable CompanyPSNC to supply Service to the Customer and Customer also grants CompanyPSNC the right to continue or extend CompanyPSNC Facilities on, along, across, or under property, with necessary rights to serve other Customers. Customer shall maintain such right-of-way so as to grant CompanyPSNC continued access to CompanyPSNC Facilities by CompanyPSNC personnel, vehicles, and other power-operated equipment. Customer's application for Service and acceptance of such Service from CompanyPSNC shall be deemed to grant to CompanyPSNC an implied right-of-way on, along, across, and under the Premises, if Customer has not executed a written right-of-way agreement as requested by CompanyPSNC. CompanyPSNC shall not be liable to Customer for any failure to provide Service because of CompanyPSNC's inability to secure or retain such rights-of-way.
- (b) Customer may make full use and enjoyment of the Premises included within the right-of-way granted by this Section 8 in any manner not inconsistent with the use and purposes of the Premises by CompanyPSNC; provided, however, that Customer, its heirs, successors, and assigns, shall not construct, nor permit to be constructed, any house, structure, or obstruction, nor impound any water, nor permit any water to be impounded, on or over the right-of-way, and Customer, its heirs, successors, and assigns, further agrees that Customer, and its heirs, successors, and assigns, will not change the grade over the pipeline(s) in any manner which will reduce or increase the depth of the pipeline(s). Customer shall also furnish suitable space and satisfactory protection for CompanyPSNC Facilities installed on the Premises.

## 9. VACATED PREMISES

Customer shall notify CompanyPSNC at least twenty-four (24) hours before vacating the Premises served and will pay upon presentation all bills due for Service provided to the Premises. CompanyPSNC shall have no liability to Customer

or to any other Person for any damages incurred as a result of Customer vacating the Premises such as, but not limited to, frozen water pipes, damaged Facilities, damages to any building or structure, or any other damage or injury of any type.

#### 10. NON-ASSIGNABILITY

Customer's rights to Service and rights provided under any service agreement are personal and shall not be transferred or assigned by Customer without the prior written consent of CompanyPSNC, which CompanyPSNC, in its sole discretion, may refuse to grant.

#### 11. INTERRUPTIONS

Except where interruptions of Service are permitted by CompanyPSNC's Tariff or in accordance with Commission Rule R6-19.2, CompanyPSNC shall make reasonable efforts to avoid interruptions of Service. If interruptions occur for any reason, CompanyPSNC shall restore Service within the shortest time practical under the conditions. CompanyPSNC shall not be liable, in any manner to Customer or any other Person, for any loss or damage resulting from such failure or interruptions of Service.

#### 12. ACTION TO MAINTAIN SYSTEM INTEGRITY

If CompanyPSNC, in its sole discretion, determines that it is necessary to curtail or interrupt Service to maintain the integrity of its system or to provide for its or the public's safety, CompanyPSNC shall have the right to curtail or interrupt delivery of Gas to any Customer. CompanyPSNC shall not be liable, in any manner to Customer or any other Person, for any loss or damage resulting from such curtailment or interruptions of Service.

#### 13. EMERGENCY USES

It is expressly understood and agreed that CompanyPSNC does not furnish uninterruptible Service for pumping water, emergency power generation, or any other emergency use. If Customer uses Gas for emergency uses, Customer, at all times, shall maintain a standby supply of energy so that it shall not be necessary to rely on Gas during a time of emergency. CompanyPSNC shall not be liable, in any event, to any Customer, any inhabitants of any municipal Customer, or any other Person, for any loss or injury of or to property or persons occasioned by, or resulting directly or indirectly from, the failure of any fire protection or other emergency apparatus to operate, whether said failure shall be due to any act or omission of CompanyPSNC or otherwise.

#### 14. INTERCONNECTIONS

If CompanyPSNC supplies Service to Customer under more than one of the Rate Schedules in this Tariff, Customer shall not use the higher priority Service as a standby for any lower priority Service, nor shall Customer install, or permit to be installed, any interconnection between the fuel lines supplying Gas delivered under separate Accounts.

#### 15. PRESSURE

CompanyPSNC will generally provide Gas at a pressure of approximately 0.25 pounds per square inch gauge ("psig"). CompanyPSNC and Customer, however, may mutually agree upon a higher pressure at which Gas may be provided. CompanyPSNC shall supply only one delivery pressure per Account. In no event shall CompanyPSNC be required to furnish Gas to Customer at a pressure exceeding two (2) psig for residential Service, or five (5) psig for all other classes of Service, except to the extent that CompanyPSNC has agreed to do so in writing.

#### 16. METERS AND OTHER ~~PSNC~~ COMPANY FACILITIES; RELOCATION OF ~~PSNC~~ COMPANY METERS AND FACILITIES; INTERFERENCE OR TAMPERING WITH ~~PSNC~~ COMPANY PROPERTY

- (a) Meters: CompanyPSNC shall furnish, install, and maintain on Customer's Premises a Meter or Meters of suitable capacity and design to measure the quantity of Gas used by Customer, and such Meter or Meters shall be and remain the property of CompanyPSNC. Customer shall (i) provide suitable space for Meters and other CompanyPSNC Facilities, (ii) protect all of CompanyPSNC Facilities from damage or injury, and (iii) permit no Person other than CompanyPSNC's representative or agent, or a person otherwise lawfully authorized, to disturb or remove the same; and CompanyPSNC's representatives are hereby expressly authorized to enter Customer Premises at all hours to inspect Customer lines and appliances that use Gas, and to read, inspect, maintain,

repair, or remove Meters and other Facilities. References to Meters do not apply to Rate Schedule No. 115, Unmetered Lighting Service.

- (b) Other Facilities: CompanyPSNC shall also furnish, install, and maintain all other CompanyPSNC Facilities required to provide Service. CompanyPSNC shall have the right, at its option and at its own expense, to place additional CompanyPSNC Facilities on the Premises for billing, testing, system monitoring, or other purposes related to the provision of Service. If CompanyPSNC elects to install remote or automated Meter reading devices, Customer shall cooperate with CompanyPSNC to effect installation of any power, phone, or other service to the Meter site. Customer shall also provide suitable site(s) for any required communication antennas, batteries, and/or solar panels. If CompanyPSNC installs an excess flow valve at the Customer's request, all costs of installation shall be borne by the Customer. All CompanyPSNC Facilities shall be and remain the sole property and sole responsibility of CompanyPSNC, regardless of whether the Customer was required to make a CIAC and regardless of whether the Customer is responsible for the cost of installing such facilities.
- (c) Meter Tests: CompanyPSNC shall have the right to test its Meters and CompanyPSNC Facilities periodically. Customer shall provide adequate access, including vehicle access, to allow for testing of Facilities.
- (d) Failure or Inaccuracy of Meter: In case of any failure, ~~or inaccuracy or nonregistering~~ of a Meter, Customer's bills for the period of such failure or inaccuracy shall be calculated ~~as in the manner~~ provided in Commission Rule R6-15.
- (e) Relocation of CompanyPSNC Facilities and Rights-of-Way: CompanyPSNC may change the location of CompanyPSNC Facilities and rights-of-way upon Customer's request, but Customer shall bear the expense of the change; provided, however, no change will be made where it will interfere with or jeopardize CompanyPSNC's Service, either to Customer requesting the change or to any other Customer(s). All privileges of CompanyPSNC incident to the original location shall apply to the new location. When a Meter is relocated at CompanyPSNC's option, all expense in connection with such change shall be borne by CompanyPSNC. If the relocation is made at Customer's request, all expense will be borne by Customer. If a change in the right-of-way is made, Customer shall be subject to the restrictions set forth in Section 8 of these ~~Rules and Service~~ Regulations with respect to the new right-of-way.
- (f) If Service is discontinued, CompanyPSNC shall have the right to remove all CompanyPSNC Facilities from Customer's Premises. Such removal shall be at CompanyPSNC's sole expense.

#### 17. INTERFERENCE WITH PSNC-COMPANY PROPERTY

Customer shall not interfere with, alter, or remove CompanyPSNC Facilities, or permit the same to be done by others unless authorized in writing by CompanyPSNC. Damage or loss to CompanyPSNC Facilities caused or permitted by Customer shall be paid by Customer. When unauthorized use of Service is discovered, CompanyPSNC may discontinue Service and Customer shall be required to pay for the estimated unauthorized usage and the costs of inspection, investigation, disconnection, and reconnection before Service is restored.

#### 18. UNSAFE CONDITIONS

If Customer creates an unsafe condition for CompanyPSNC's Facilities, all expenses to correct the condition shall be borne by Customer. Unsafe conditions include, but are not limited to, erecting structures, and planting trees or bushes over or in close proximity to CompanyPSNC Facilities.

#### 19. BILLING

- (a) Bills: Bills for Service shall be rendered and paid monthly. CompanyPSNC or its agent shall read Meters, and CompanyPSNC shall render bills monthly on a cycle basis of approximately thirty (30) days. Facilities Charges shall not be prorated unless a billing adjustment is being made that covers more than forty-five (45) days of Service that has been previously provided and billed. Rate changes occurring from general rate cases and purchased gas adjustment proceedings shall be implemented on a "service rendered" or prorated basis.
- (b) Payment: All bills are due when rendered and are payable by mail, bank draft, other electronic means, or at authorized payment centers. Residential bills become past due twenty-five (25) days after the billing date. All other bills become past due fifteen (15) days after the billing date. If any bill is not paid before becoming past

due, a late payment charge of 1% per month will be applied at the next billing date to the balance in arrears and thereafter until the amount due is paid. This charge is applicable to all Customers and all classes of Service.

- (c) Returned Check Charge: A charge equal to the approved state charge for returned items set forth in North Carolina General Statutes § 25-3-506 and shown in the Summary of Rates and Charges of CompanyPSNC's Tariff shall be imposed for checks or drafts tendered on Customer's account and returned to CompanyPSNC.
- (d) Valid Billing Address: CompanyPSNC will deliver to Customer a monthly bill of the amount due to CompanyPSNC by mailing the bill by first class mail to the mailing address furnished by Customer or by electronic billing when agreed to by CompanyPSNC and Customer. Customer will be responsible for keeping CompanyPSNC informed of the proper billing address. If Customer fails to do so, delivery to the Premises address shall be deemed delivery to Customer. Failure to receive a bill will not entitle Customer to any extension of time for payment beyond the past due date. For a Customer that receives bills electronically, notices regarding rate or Service changes, account status, or other matters shall also be provided electronically.
- (e) Past Due Balance: If CompanyPSNC, with good cause, determines a likelihood that Customer cannot pay the outstanding Gas bill, and Customer's deposit, if one has been provided, does not provide CompanyPSNC with adequate security, CompanyPSNC may accelerate the past due or delinquent date and proceed with disconnect procedures under Commission Rule R12-8 by issuing a written statement of cause to Customer and filing a copy of such statement with the Commission.
- (f) Estimate: If a Meter is not read for any reason at the regular reading date, CompanyPSNC may estimate the amount of Service used by Customer to that date by referring, where possible, to Customer's consumption for a similar prior period. CompanyPSNC will bill Customer on the basis of that estimated use and will make any necessary adjustment on the bill when the Meter is next read.
- (g) Multiple Meters: CompanyPSNC does not allow the combining of Meters for purposes of billing unless the design of the metering facilities requires the use of multiple Meters. CompanyPSNC will set an additional Meter when requested to do so by Customer, and Customer bears all costs of such installation. When CompanyPSNC provides an additional Meter, it establishes a separate Account, and Customer is responsible for paying a separate Facilities Charge and separate billing through the steps of the Rate Schedule, if applicable. Some current Customers receiving Service as of October 7, 1994, have been allowed to combine Meters for billing purposes. CompanyPSNC will grandfather these Accounts by coding them in its Customer database to allow them to remain as combined Accounts at their current locations and in their present configurations. If, in the future, additional Meters are set for these Customers, new Accounts will be established for such additional Meters and Customer will not be allowed to combine Service provided by such Meters with the existing Accounts.
- (h) Offsets Against Bills: No claim which Customer has, or may claim to have, against CompanyPSNC shall be offset or counterclaimed against the payment of any sum of money due CompanyPSNC by Customer for Service(s) provided. All sums due CompanyPSNC shall be paid in accordance with the terms of the bill, these Rules and Service Regulations, and the service agreement regardless of such claim.
- (i) Equal Payment Plans for Residential and Commercial Customers:
  - (1) An equal payment plan is available to any Customer receiving residential or commercial Service whose Account has not been removed from an equal payment plan for late payment of a bill within the previous three (3) months.
  - (2) At the request of an eligible Customer, CompanyPSNC will estimate Customer's bills for the next twelve (12) months based on actual consumption during the previous twelve (12) months (adjusted for normal weather), CompanyPSNC's currently approved margin rates, an estimated purchased gas adjustment factor for the upcoming twelve (12)-month period, and applicable fees and taxes. If Customer has an outstanding balance, the balance will be added to the estimated annual amount. Customer's monthly payment under the equal payment plan will be calculated by dividing the estimated annual billing amount by twelve (12).
  - (3) At the end of the twelve-(12) month period, Customer's bill will be recalculated based on actual consumption during the period and compared to Customer's payments under the equal payment plan. Any underage may be paid by Customer or added to the estimated annual amount used to calculate Customer's monthly payments for the next twelve (12) months, at Customer's election, and any overage will be deducted from



the estimated annual amount. Unless otherwise requested, Customer will remain on the equal payment plan during the next annual period with a new monthly payment based upon the factors set forth above.

- (4) CompanyPSNC may adjust Customer's monthly payment under the equal payment plan as necessary to avoid a large balance in Customer's Account.

## 20. FORCE MAJEURE

In the event either CompanyPSNC or its transporter or supplier or Customer is unable, wholly or in part, by reason of Force Majeure to carry out its obligations, other than to make payments for the Service received, it is agreed that on giving notice of such Force Majeure as soon as possible after the occurrence of the cause relied on, then the obligations of CompanyPSNC or Customer so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch.

It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Person affected, and the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the Person affected thereby.

## 21. POSSESSION OF GAS; GAS QUALITY AND MEASUREMENT

- (a) Customer agrees that CompanyPSNC is responsible only for Service to the Delivery Point, and CompanyPSNC shall not be liable to Customer or any of Customer's agents, contractors, or employees, or to any Person(s) whomever, for any loss, damage, or injury to any Person(s) or property resulting from the Gas or its use after it leaves Delivery Point. Customer shall assume all risks downstream of the Delivery Point, except when caused by the exclusive gross negligence or willful acts of the employees of CompanyPSNC.
- (b) CompanyPSNC shall not be responsible for the transmission, use, or control of Gas beyond the Delivery Point. CompanyPSNC shall not be liable for any loss, damage, or injury to Person(s) or property whatsoever, accruing or resulting in any manner, from the receipt, use, or discontinuance of the use of the Gas beyond the Delivery Point, defective Customer Facilities, or any cause not resulting from the direct, exclusive gross negligence or willful acts of CompanyPSNC.
- (c) All Gas delivered to CompanyPSNC's system is subject to the quality specifications of the interstate transporter's Federal Energy Regulatory Commission-approved tariff, except that Renewable Gas shall be subject to the Gas Quality Standards. As such, CompanyPSNC shall have no liability for damages of any kind related to or arising from the quality or constituent characteristics of Gas delivered or sold to Customer. **ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE THAT MIGHT OTHERWISE ATTACH OR BE APPLICABLE TO THE SALE OF GAS FOR RESALE IS HEREBY DISCLAIMED AND WAIVED.** CompanyPSNC shall further have no responsibility to process, condition, or otherwise modify Gas delivered to its system for transmission or sale to Customers. It is Customer's sole responsibility to install, adjust, maintain, and operate its Gas burning equipment in a manner consistent with the prevailing quality of Gas delivered to CompanyPSNC.
- (d) CompanyPSNC shall measure all Gas in Cubic Feet and convert the volume of gas measured to Therms or Dekatherms, as applicable, for billing purposes by multiplying such volume by the BTU Factor. The BTU Factor shall be based on the weighted average BTU content of Gas entering CompanyPSNC's system for the days of Customer's billing cycle.

## 22. REPORTS OF LEAKS

Customer shall give immediate notice to CompanyPSNC when any leakage of Gas is discovered or suspected. Customer agrees not to use any potential source of ignition such as flame, electrical source, or other igniting medium, in the proximity of escaping Gas, which could ignite such Gas. CompanyPSNC shall not be liable for any leakage of Gas, or any damage or loss arising out of, or caused by, any leakage of Gas, except when due to the exclusive gross negligence or willful acts of the employees of CompanyPSNC.

## 23. EXTENSION OF SERVICE; CIAC

- (a) CompanyPSNC will extend Mains along the route selected by CompanyPSNC in streets that are at an established final grade and will install Gas Service Lines (measured from the Premises' property line to the Meter on Customer's Premises) for distances totaling up to 200 feet without charge to Customer. CompanyPSNC will perform a Feasibility Test and may require a CIAC to reimburse CompanyPSNC for the cost of a Main extension/Gas Service Line installation totaling in excess of 200 feet and any other Excess Facilities necessary to extend service if the anticipated revenue does not produce a reasonable return on the total cost of such Excess Facilities.
- (b) If Excess Facilities are required, CompanyPSNC shall perform a Feasibility Test to determine whether ~~or not~~ these additional facilities will require Customer to pay a CIAC.
- (c) A CIAC may be required for Facilities located at a point other than that selected by CompanyPSNC or deviating from the route selected by CompanyPSNC.
- (d) If a Feasibility Test is required, CompanyPSNC shall also calculate the estimated cost of the Main and Service Line in excess of the 200 feet for which no CIAC is required for new Customers occupying existing structures. For proposed new sub-divisions, the allowance for extensions of Mains and Service Lines will be considered only for existing structures that plan to use Gas at the time the Main is to be extended. Any CIAC shall be the lesser of (i) the CIAC calculated in the Feasibility Test, or (ii) the full cost of extending the lines beyond the initial 200-foot Main and Service Line allowance. The Feasibility Test shall include all costs directly associated with the Service extension.
- (e) Notwithstanding Paragraphs (a) and (d) above, CompanyPSNC shall perform a Feasibility Test to determine whether a CIAC is required for all extensions of Service when the Applicant's/Customer's request for Service does not include the use of Gas for either central space heating or water heating. Failure to install or utilize Gas Facilities as agreed upon within ninety (90) days of the time of Facilities extension may result in the Customer being charged for the cost of CompanyPSNC Facilities and installation, if Customer has been given written notice that such Customer may be charged for the cost of CompanyPSNC Facilities and installation if Gas is not used within ninety (90) days.
- (f) Location of Privately Owned Structures. Customer shall locate privately owned structures such as septic tanks, drain lines, water lines, and sprinkler systems prior to CompanyPSNC installing a Gas Service Line to Customer's Premises. CompanyPSNC and its contractors, if any, are not responsible for damages to privately owned facilities that are not adequately located.

#### 24. FARM TAP SERVICE

- (a) Whenever an Applicant requests Service which can only be supplied from a high pressure (above 60 pounds per square inch gauge) Main, CompanyPSNC, subject to the results of a Feasibility Test, may tap the Main, install regulating Facilities, and extend its Facilities to the Delivery Point on Customer's Premises. Customer will provide CompanyPSNC with all necessary rights-of-way (including a station site) on its Premises at no expense to CompanyPSNC as set forth in Section 8 of these Service Regulations and shall execute a written right-of-way as requested by CompanyPSNC. Whether a CIAC is required of Customer prior to the installation of such Facilities shall be determined by the results of the Feasibility Test.
- (b) For a Farm Tap Customer, a Feasibility Test shall be performed which includes all costs less an allowance for Main and Gas Service Line required to serve Customer as provided in Section 23 of these ~~Rules and Service~~ Regulations.
- (c) Charges for Service shall be billed on the applicable CompanyPSNC Rate Schedule. All other terms and conditions of the applicable CompanyPSNC Rate Schedule(s) apply to Customers receiving Service using a Farm Tap ~~service~~.

#### 25. CUSTOMER FACILITIES

- (a) An Applicant shall supply CompanyPSNC a list of Customer Facilities located on the Premises which may increase Customer's load to enable CompanyPSNC to determine the feasibility of providing Service. CompanyPSNC shall provide information concerning the availability of Service (including whether CompanyPSNC can serve the increased load), delivery pressure, Meter location and size, and other information which may be pertinent to the installation.

- (b) Customer Facilities must be installed and maintained in accordance with the manufacturer's instructions, approved installation standards, and the requirements of applicable local, state, and federal agencies. All Customer Facilities shall be maintained by, and be the sole responsibility of, Customer and/or the owner of the Premises.
- (c) If- Customer Facilities have the potential to create a vacuum, back pressure, or any other condition, which, in CompanyPSNC's sole opinion, could cause operating difficulties on CompanyPSNC's system, a device meeting CompanyPSNC's specifications must be installed and maintained by Customer at Customer's sole expense to protect fully and completely CompanyPSNC's system.
- (d) Customer shall not introduce and/or store any flammable or combustible material within close proximity to a Gas appliance or other Facilities.

## 26. REQUESTS TO INCREASE LOAD OR PRESSURE

Customer shall make a request to CompanyPSNC and receive CompanyPSNC's permission before increasing Gas loads or pressure and before changing the purpose for which Customer uses Gas. The request shall specify, at a minimum, the name of Customer, type of Service needed, estimated monthly Gas consumption, required delivery pressure, and the date needed. If, in CompanyPSNC's sole opinion, it has the capability to provide the additional or changed Service without interfering with its ability to provide Service to its other Customers, CompanyPSNC shall allow Customer to increase Customer's load and/or pressure or to change the purpose for which Customer uses Gas. A CIAC may be required depending on the nature of the request.

## 27. EXCAVATION NEAR PSNC-COMPANY FACILITIES

Customer shall inform CompanyPSNC of any excavation activities near CompanyPSNC Facilities located on Customer's Premises by calling North Carolina 811, Inc. at 811 or 1-800-632-4949 not less than three (3) working days nor more than twelve (12) working days prior to such activities. Customer will give a similar notice to CompanyPSNC prior to any additions or changes in Customer's Premises over, under, or near CompanyPSNC Facilities. Any damages incurred or losses of Gas resulting from any such activity shall be billed to, and paid by, Customer.

## 28. PROHIBITION AGAINST RESALE OF GAS

Customer shall not directly or indirectly sell, resell, assign, or otherwise transfer Gas to any Person unless such transfer is pursuant to a contract or franchise acceptable to CompanyPSNC and, if required, approved by the Commission. This prohibition against resale shall not apply to sales of Gas: (i) to housing authorities which, on October 1, 1996, purchased Gas or received authorization to purchase Gas from CompanyPSNC for resale to the residents of such housing authorities; (ii) ~~to any housing authority which, after October 1, 1996, received authorization to purchase Gas from PSNC for resale to the residents of such housing authority;~~ (iii) resold as a vehicular fuel; ~~(iv)~~ (iv) to providers authorized to resell Gas pursuant to Chapter 24 of the Commission's Rules and Service Regulations; or (iv) as otherwise authorized by the Commission.

## 29. TAXES

Customer is responsible for payment of all taxes or tax liabilities attributable to or due in connection with the provision of Service by CompanyPSNC to the Customer, including any excise or sales tax. Customer is also responsible for the payment of any local, state, or federal tax, charge, or fee attributable to or arising out of the utilization of Gas delivered by the Company as a motor vehicle fuel.

## 30. NON-WAIVER

No delay or failure of CompanyPSNC to exercise any right or remedy provided by these Rules and Service Regulations, the Rate Schedules, the service agreement, or other documents controlling the terms of Service shall impair any such right or remedy, nor shall it be construed to be a waiver of any breach or default, or an acquiescence therein of any similar breach or default subsequently occurring. No waiver shall be valid unless it is in writing and signed by the party against which it is sought to be enforced. Any written waiver will be effective only to the extent specifically set forth.



### TRANSPORTATION POOLING AGREEMENT

THIS AGREEMENT ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, by and between PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INCORPORATED, a South Carolina corporation, hereinafter called "~~PSNC~~Company," with its main office at 800 Gaston Road, Gastonia, North Carolina 28056, and \_\_\_\_\_ (hereinafter "Pooler"), a \_\_\_\_\_ corporation, with its main office at \_\_\_\_\_.

WHEREAS, ~~Company~~PSNC is willing to permit its Customers or their agents, which obtain transportation on a Pipeline or Renewable Gas from a supplier, to deliver Gas into ~~Company~~PSNC's system for the purpose of enabling ~~PSNC's~~Customers to satisfy all of their Gas requirements through the use of transportation Services provided by ~~Company~~PSNC; and

WHEREAS, Pooling will permit ~~Company~~PSNC's Customers or their agents to accumulate various privileges accorded individual ~~transportation~~Customers for the benefit of a group of ~~transportation~~Customers; and

WHEREAS, Pooling will benefit all of ~~Company~~PSNC's ~~transportation~~Customers.

NOW, THEREFORE, for and in consideration of mutual covenants and promises contained herein, ~~Company~~PSNC agrees to permit Pooling, and Pooler agrees to pool Gas supplies hereunder, in accordance with the following terms and conditions:

#### ARTICLE I Definitions

For the purposes of this Agreement, the following definitions shall apply:

1. "Customers" means any recipient of transportation Service provided by ~~Company~~PSNC that procures its supply of Gas from a Pooler's Pool.
2. "Gas" means undiluted natural gas, or a substitute for natural gas, or any mixture of natural gas and a substitute for natural gas, as delivered by ~~Company~~PSNC.
3. "Gas Day" means a period of twenty-four (24) consecutive hours as defined by NAESB.
4. "NAESB" means the North American Energy Standards Board, or its successor.
5. "Operational Order" means an order issued by ~~Company~~PSNC when, in its sole discretion, ~~Company~~PSNC anticipates that an imbalance between Gas quantities delivered by Pooler into a Pool and deliveries to Customers out of the Pool during a Gas Day may threaten the integrity of ~~Company~~PSNC's system or operations or may impair service to firm customers.
6. "Over-Delivery" means an imbalance created when a Pooler's deliveries of Gas into its Pool exceed the quantities of Gas delivered by Pooler to Customers out of the Pool during a Gas Day.
67. "Pipeline" means any interstate pipeline, including Transco, which establishes a physical interconnection with ~~Company~~PSNC's pipeline system.
78. "Pool" ~~shall mean~~ an aggregation of Gas quantities for one or more ~~Company~~PSNC ~~transportation~~Customers which Pooler establishes under this Agreement.
89. "Pooling" is a service provided by ~~Company~~PSNC whereby a broker, marketer, producer, or any consumer of Gas qualifying for transportation Service under ~~Company~~PSNC's ~~tariffs~~Tariff, which obtains transportation on a Pipeline or Renewable Gas from a supplier and aggregates Gas supplies needed to satisfy the full requirements of one or more ~~transportation~~Customers of ~~Company~~PSNC, and such Customer or Customers have assigned its rights to Pooler as agent, or such Customer is acting on its own behalf, for the purpose of delivering Gas to ~~Company~~PSNC.
910. "Transco" means Transcontinental Gas Pipe Line Company, LLC, or its successor.
11. "Under-Delivery" means an imbalance created when a Pooler's deliveries of Gas to Customers out of its Pool

exceed the quantities of Gas delivered by Pooler into the Pool during a Gas Day.

Any capitalized terms used herein, which are not defined herein, shall have the meanings set forth in PSNC's Rules and the Service Regulations.

## **ARTICLE II** **Applicability**

All persons and entities that obtain transportation on a Pipeline or Renewable Gas from a supplier for the purpose of delivering Gas to an interconnection with CompanyPSNC shall be required to execute a Transportation Pooling Agreement. Unless CompanyPSNC agrees otherwise, only a single pooler may sell Gas to a Customer Account in one calendar month.

## **ARTICLE III** **Term**

This Agreement shall commence on the first day of \_\_\_\_\_, 20\_\_\_\_, and shall continue thereafter for twelve (12) calendar months; provided, however, that the term shall be extended from year to year thereafter, subject to cancellation by either party upon expiration of the primary term or any subsequent one (1) year period upon at least thirty (30) days written notice given prior to expiration of the primary term or prior to the expiration of any one year period occurring thereafter. Notwithstanding the foregoing, CompanyPSNC may cancel or discontinue service under this Agreement as provided in Articles VIII, IX, and X below.

## **ARTICLE IV** **Transportation Nomination Procedures**

For each month that this Agreement is in effect, Pooler must submit its nomination for each month's transportation to CompanyPSNC using CompanyPSNC's electronic bulletin board or such other means authorized by CompanyPSNC no later than the NAESB deadline for the timely nomination cycle on the fourth business day prior to the beginning of each month.

Changes to nominations within the month must be submitted to CompanyPSNC using CompanyPSNC's electronic bulletin board or such other means authorized by CompanyPSNC no later than the NAESB deadline for the timely nomination cycle on the day prior to the day of Gas flow. Nominations should reflect anticipated demand of the Customers to be served by Pooler. CompanyPSNC will have no obligation to accommodate intraday nomination changes.

## **ARTICLE V** **Pooling Procedures**

For each month that this Agreement is in effect, CompanyPSNC will allow Pooler to create a Pool in which Pooler shall aggregate all Gas quantities delivered to CompanyPSNC by Pooler for delivery to CompanyPSNC's Customers or Pooler pursuant to Article IV above. Pooler agrees to make deliveries into its Pool at daily rates that are reasonably even and constant. Pooler may increase or decrease daily Gas deliveries to CompanyPSNC provided that any such change does not impair CompanyPSNC's operating ability, as determined by CompanyPSNC, in its sole discretion.

Notwithstanding the foregoing, CompanyPSNC may from time to time issue an Operational Order notifying Pooler to comply with any restrictions specified by CompanyPSNC in the Operational Order. CompanyPSNC will provide Pooler at least four (4) hours' advance notice of the effective time of any restrictions in an Operational Order. Pooler shall provide CompanyPSNC with the names, titles, telephone numbers, and email addresses of at least two representatives authorized by Pooler to receive such notices and shall promptly notify CompanyPSNC of any changes to such information.

When an Operational Order specifies that a Pooler take appropriate actions for any Gas Day to prevent ~~deliveries to Customers out of its Pool from exceeding quantities delivered by Pooler into the Pool~~ ("Under-Delivery"), upon Pooler's failure to comply with the Operational Order, Pooler shall pay CompanyPSNC a penalty for each Dekatherm that Pooler's Under-Delivery is greater than the percentage tolerance specified in the Operational Order of Pooler's approved nomination, such penalty equal to the higher of (i) \$50 per Dekatherm or (ii) three times the "Transco, zone 5 del." Midpoint price published in Platts Gas Daily, "Daily price survey" for the flow date on which the Under-Delivery occurred. For days of consumption when Gas Daily is not published, the daily price published by Gas Daily on the nearest subsequent day shall be used.

When an Operational Order specifies that a Pooler take appropriate actions for any Gas Day to prevent Gas quantities delivered by Pooler into its Pool from exceeding deliveries to Customers out of the Pool ("Over-Delivery"), upon Pooler's failure to comply with the Operational Order, Pooler shall pay CompanyPSNC a penalty for each Dekatherm that Pooler's Over-Delivery is greater than the percentage tolerance specified in the Operational Order of Pooler's approved nomination, such penalty equal to the higher of (i) \$50 per Dekatherm or (ii) three times the "Transco, zone 5 del." Midpoint price published in Platts Gas Daily, "Daily price survey" for the flow date on which the Over-Delivery occurred. For days of consumption when Gas Daily is not published, the daily price published by Gas Daily on the nearest subsequent day shall be used.

#### **ARTICLE VI** **Gas Measurement**

The quantity and heating value of the Gas delivered by Pooler to CompanyPSNC shall be determined by the transporting Pipeline(s) in the manner provided in its (their) tariff(s) or, for Renewable Gas, by CompanyPSNC in the manner provided in ~~its Rules and the Service~~ Regulations.

#### **ARTICLE VII** **Full Requirements Service**

For each month that this Agreement is in effect, Pooler agrees to satisfy the full requirements for Gas for each PSNC Customer Account on Pooler's designated list provided pursuant to Article IV for each such month. Pooler's ability to satisfy all such requirements for Gas in any month shall be determined by subtracting the Customers' actual consumption for the listed Customer Accounts in that month from the total actual deliveries received in that month on the Pooler's account. Any imbalance resulting from an adjustment to actual consumption or deliveries due to meter inaccuracy, billing error, or otherwise, after the month in which such Gas requirements were determined, shall be cashed out under the procedure provided in Article VIII with all adjusted quantities cashed out under either paragraph 1 for shortage quantities or paragraph 1 for excess quantities, as applicable.

#### **ARTICLE VIII** **Pool Balancing Procedures**

Pooler and any other pooler authorized to obtain Pooling from Company may trade monthly imbalances if the resulting trade will reduce the imbalance for each pooler. Imbalance trades must be made using Company's electronic bulletin board or such other means authorized by Company no later than the third (3rd) business day following the month in which the imbalances occurred. If Pooler has an imbalance remaining after the close of the trading period, such imbalance shall be cashed out according to the procedures set forth below.

~~In the event that~~ If Pooler's Pool has insufficient Gas available to satisfy the actual needs of the Customer Account(s) to be served from the Pool in any month, the cashout procedure shall be as follows:

1. If such shortage is less than or equal to two percent (2%) of the Customers' actual usage, for each Dekatherm of such shortage, CompanyPSNC shall sell to Pooler Gas required to cover such shortage quantities at a rate equal to the first of the month price for the month in which such shortage occurred for Transco Station 65 as published in Natural Gas Week, plus (a) for the months of November through March, the one hundred percent (100%) load factor rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, plus applicable fuel retention and all applicable surcharges, or (b) for the months of April through October, the commodity rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, including applicable fuel retention and surcharges, plus \$.05.
2. If such shortage is greater than two percent (2%) of the Customers' actual usage, for each Dekatherm of such shortage, CompanyPSNC shall sell to Pooler Gas required to cover such shortage quantities at a rate equal to the higher of the first of the month price or the highest weekly price for any subsequent week for the month in which such shortage occurred for Transco Station 65 as published in Natural Gas Week, multiplied by the premium percentage shown below corresponding to the percentage of the shortage, plus (a) for the months of November through March, the one hundred percent (100%) load factor rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, plus applicable fuel retention and all applicable surcharges, or (b) for the months of April through October, the commodity rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, including applicable fuel retention and surcharges, plus \$.05.

Shortage Percentage	Premium Percentage
Over 2% & equal to or less than 5%	110%

Over 5% & equal to or less than 10%	120%
Over 10% & equal to or less than 15%	130%
Over 15%	150%

In the event that Pooler's Pool has Gas in excess of the actual needs of the Customer Account(s) in any month, the cashout procedure shall be as follows:

1. If such excess is less than or equal to two percent (2%) of the Customers' actual usage, for each Dekatherm of such overage, CompanyPSNC shall purchase from Pooler such excess quantities of Gas at a rate equal to the first of the month price for the month in which the excess accumulated for Transco Station 65 as published in Natural Gas Week, plus (a) for the months of November through March, the one hundred percent (100%) load factor rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, plus applicable fuel retention and all applicable surcharges, or (b) for the months of April through October, the commodity rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, including applicable fuel retention and surcharges, plus \$.05.
2. If such excess is greater than two percent of the Customers' actual usage, for each Dekatherm of such overage, CompanyPSNC shall purchase from Pooler such excess quantities of Gas at a rate equal to the lower of the first of the month price or lowest weekly price for any subsequent week for the month in which the excess accumulated for Transco Station 65 as published in Natural Gas Week, multiplied by the discount percentage shown below corresponding to the percentage of the excess, plus (a) for the months of November through March, the one hundred percent (100%) load factor rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, plus applicable fuel retention and all applicable surcharges, or (b) for the months of April through October, the commodity rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, including applicable fuel retention and surcharges, plus \$.05.

Excess Percentage	Discount Percentage
Over 2% & equal to or less than 5%	90%
Over 5% & equal to or less than 10%	80%
Over 10% & equal to or less than 15%	70%
Over 15%	50%

If, for any month, the imbalance in Pooler's Pool exceeds twenty-five percent (25%), either positive or negative, CompanyPSNC shall have the right, in its sole discretion, to cancel this Agreement and to suspend the Pooler's right to establish a Pool for delivery to Customers that transport on CompanyPSNC's system for twelve (12) months.

#### ARTICLE IX Creditworthiness

CompanyPSNC shall not commence service to Pooler, and Company has the right to discontinue service upon five (5) days' written notice to Pooler, if Pooler fails to meet CompanyPSNC's creditworthiness criteria. CompanyPSNC shall apply consistent evaluative practices to determine the acceptability of Pooler's overall financial condition, working capital, and profitability trends. Acceptable creditworthiness is demonstrated by meeting the following criteria:

1. At CompanyPSNC's request, Pooler shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss the Pooler's financial status, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available.
2. At CompanyPSNC's request, Pooler shall provide a bank reference and at least two trade references. Pooler authorizes CompanyPSNC to obtain a current credit report on Pooler to determine whether to extend credit and releases generally all creditors to disclose otherwise confidential information. The results of reference checks and any credit reports submitted must show that Pooler's obligations are being paid on a prompt basis.
3. At CompanyPSNC's request, Pooler shall provide a guarantee by a person or another entity acceptable to CompanyPSNC that satisfies the credit appraisal, or a standby irrevocable letter of credit drawn upon a bank acceptable to CompanyPSNC.
4. Pooler must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws such as an assignment for the benefit of creditors, or any informal creditors' committee agreement.

5. Pooler shall not be subject to the uncertainty of pending liquidation or regulatory proceedings in state or federal courts or before other governmental or regulatory bodies having jurisdiction, which could cause a substantial deterioration in its financial condition, a condition of insolvency, or an impairment of Pooler's ability to exist as an ongoing business entity.
6. Pooler shall have no significant collection lawsuits or judgments outstanding that might affect Pooler's ability to remain solvent.
7. If any of the events or actions described in paragraphs 4, 5, and 6 above shall be initiated or imposed during the terms of service under this Agreement, Pooler shall provide notification thereof to CompanyPSNC within two (2) working days of any such initiated or imposed event or action.
8. If Pooler has an ongoing business relationship with CompanyPSNC, no delinquent balances shall be consistently outstanding for undisputed billings made previously by CompanyPSNC, and Pooler must have paid its account in the past according to the established terms and not made deductions or withheld payment for claims other than for disputed billings.

#### **ARTICLE X** **Billing and Payment**

No later than three (3) business days following CompanyPSNC's end-of-the-month meter reading date for the month of delivery, CompanyPSNC will provide Pooler with a statement detailing the total quantities delivered by Pooler into its Pool for the preceding month as well as the total metered consumption in Dekatherms for each individual CompanyPSNC Customer Account served by Pooler. Pooler is responsible for billing each of CompanyPSNC's Customer(s) served from Pooler's Pool for all Gas consumed by such Customers determined pursuant to Article VII above ~~with the exception of~~ except for unauthorized quantities or other penalties assessed directly to a Customer by CompanyPSNC. CompanyPSNC shall continue to bill its applicable transportation and Facilities Charges directly to the Customer.

If the total quantities present in Pooler's Pool fail to cover the total accumulated usage for CompanyPSNC's Customer(s) served by Pooler's Pool in any month, CompanyPSNC shall bill Pooler for any shortage quantities pursuant to the procedures described in Article VIII above. Such statement shall be furnished to Pooler by CompanyPSNC no later than the fifth (5th) business day following CompanyPSNC's end-of-the-month meter reading date for the month of delivery and is due and payable within ten (10) days after the statement date. A bill shall be deemed delinquent when it remains unpaid after the due date set forth on the bill. If Pooler fails to remit the full amount when due, interest on the unpaid portion shall accrue at a rate of one percent (1%) per month. If a Pooler withholds any portion of any amount billed by CompanyPSNC as a disputed amount and any portion or all of the amount so withheld is determined to have been properly billed, then interest (as set forth above) shall accrue on the withheld amount that was properly billed from the date due until the date that CompanyPSNC receives it. CompanyPSNC may terminate this Agreement when any bill becomes delinquent.

If the total quantities present in Pooler's Pool exceed the total accumulated usage for the Customer(s) served from Pooler's Pool in any month, CompanyPSNC shall purchase such Gas pursuant to the procedures described in Article VIII above. CompanyPSNC shall furnish Pooler with a statement identifying the quantities purchased from Pooler no later than the fifth (5th) business day following CompanyPSNC's end-of-the-month meter reading date for the month of delivery and shall pay Pooler no later than ten (10) days after the statement date.

#### **ARTICLE XI** **Force Majeure**

The term "Force Majeure," as used herein, and as applied to CompanyPSNC or Pooler, shall mean acts of law including governmental bodies acting pursuant to law, acts of God, strikes, lockouts or other disturbances, acts of a public enemy, war, blockades, insurrections, riots, epidemics, lightning, fires, floods, washouts, arrests, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, freezing of wells or pipelines, or any other cause, whether of the kind enumerated or otherwise, not reasonably within the control of the affected party. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party affected.

Such causes or contingencies affecting the performance of this Agreement by CompanyPSNC or the Pooler shall not relieve the affected party of liability unless such party shall give notice and full particulars of such cause or contingency in writing or by facsimile to the other party as soon as reasonably practical after the occurrence of the cause relied upon, nor shall such causes or contingencies affecting this Agreement by either party relieve it of liability



in the event of its concurring negligence, nor shall such causes or contingencies affecting the performance of this Agreement relieve either party from its obligations to make payments of amounts due under the Agreement for Gas already allocated to the Customers served by Pooler.

**ARTICLE XII**  
**Miscellaneous**

1. No modification of the terms and provisions of this Agreement shall be or become effective except by the execution of a written agreement or by modification of CompanyPSNC's Tariff.
2. No waiver by any party of any one or more defaults by any other party in the performance of any provisions of this Agreement shall operate or be construed as a waiver or any other default or defaults, whether of a like or of a different character.
3. Any company, which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of CompanyPSNC or of Pooler, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Without relieving itself of its obligations under this Agreement, any party may assign any of its rights hereunder to a company with which it is affiliated, but otherwise no assignment of this Agreement or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party, provided that such consent will not be unreasonably withheld.
4. Except as otherwise provided, any notice, request, demand, statement, or bill provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when delivered to the United States Postal Service to be sent by registered or certified mail to the Post Office address of the parties hereto, as the case may be, or at such address as either party shall designate by formal written notice, as follows:

Notices to CompanyPSNC:

Public Service Company of North Carolina,  
Incorporated PSNC  
Attention: Transportation & Administration  
220 Operation Way MC E31  
Cayce, South Carolina 29033-3701  
Telephone: (803) 217-5307  
E-mail:  
PSNCTransAdmin@seanadominionenergy.com

Payments to CompanyPSNC:

Public Service Company of North Carolina,  
Incorporated PSNC Treasurer's Account  
Wells Fargo Bank NA  
Minneapolis, MN 55702  
ABA No: *call to request*  
Account. No: *call to request*

Notices to Pooler: (Enter Applicable Information)

\_\_\_\_\_  
Pooler Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City / State/ Zip Code

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
E-mail AddressFax Number

Payments to Pooler: (Enter Applicable Information)

\_\_\_\_\_  
Pooler Name

\_\_\_\_\_  
Pooler Bank Name

\_\_\_\_\_  
ABA Number

\_\_\_\_\_  
Account Number

6. The subject headings of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.
7. The construction, interpretation, and performance of this Agreement shall be in accordance with the laws of the State of North Carolina, excluding any conflicts-of-law rule or principle which might refer the construction, interpretation, or performance of this Agreement to the law of another jurisdiction.

8. In the event of a conflict between the provisions of this Agreement and Company PSNC's Tariff, Company PSNC's Tariff shall control.
9. This Agreement supersedes all preexisting agreements for Pooling between Company PSNC and Pooler.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as indicated below.

COMPANY, PSNC

POOLER

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
(Type or Print)

Name: \_\_\_\_\_  
(Type or Print)

Title: \_\_\_\_\_

Title: \_\_\_\_\_



## GAS QUALITY STANDARDS FOR RENEWABLE GAS

These Gas Quality Standards set forth the terms and conditions under which ~~PSNC Company~~ will accept "Renewable Gas" onto its system and pursuant to which it will continue to accept and redeliver such gas to ~~customers~~ Customers receiving service from ~~Company PSNC~~. The terms of these Gas Quality Standards may be modified from time-to-time, with the approval of the ~~North Carolina Utilities Commission~~, based upon ~~Company PSNC's~~ actual operating experience with Renewable Gas and/or any threats to ~~Company PSNC's~~ ability to provide safe, reliable, and economic natural gas service to the public.

For purposes of these Gas Quality Standards, "Renewable Gas" shall mean gas capable of combustion in customer appliances or facilities which is similar in heat content and chemical characteristics to natural gas produced from traditional underground well sources and which is intended to act as a substitute or replacement for natural gas. Renewable Gas shall include but not be limited to biogas, biomethane, and landfill gas, as well as any other type of natural gas equivalent produced or manufactured from sources other than traditional underground well sources. For purposes of the application of ~~Company's Rate Schedules PSNC's rate schedules and its Rules and Service Regulations~~, Renewable Gas shall be treated in a manner equivalent to "Gas" (as that term is defined in ~~PSNC's Rules and the Service Regulations~~) except to the extent that these Gas Quality Standards specify more restrictive obligations applicable to Renewable Gas, in which case the provisions of these Gas Quality Standards shall control.

### Receipt of Renewable Gas

~~Company PSNC's~~ obligation to receive and accept Renewable Gas shall be limited as set forth below and to situations where ~~Company PSNC~~ is able to physically receive the Renewable Gas into its system without materially impacting its ability to provide service to ~~its customers~~ Customers, meet its legal, contractual, and regulatory obligations, or safely and reliably operate its system. Construction of facilities needed to receive and accept Renewable Gas shall be governed by ~~Company PSNC's~~ standard feasibility analyses and ~~Company PSNC~~ shall have no obligation to construct economically infeasible facilities to enable receipt of Renewable Gas. ~~Company PSNC~~ may require prospective suppliers of Renewable Gas to enter into interconnection and facilities reimbursement agreements, as discussed below, as a condition to receipt and acceptance of Renewable Gas.

### Testing Requirements

Initial Testing. Prior to the initial receipt of Renewable Gas by ~~Company PSNC~~, any supplier thereof shall provide the results of an independent laboratory test demonstrating that supplier's Renewable Gas is in conformance with the Gas Quality Standards set forth herein. Supplier shall also provide ~~Company PSNC~~ with the results of an additional laboratory test on a second sample of its Renewable Gas taken at least seven (but no more than fourteen) days after the initial test sample, confirming the continuing conformance of supplier's Renewable Gas with the standards set forth herein. After the initial receipt of Renewable Gas by ~~Company PSNC~~, any supplier thereof shall provide the results of three consecutive independent laboratory tests, performed no less than thirty days (or more than 45 days) apart, demonstrating that supplier's Renewable Gas is in conformance with the Gas Quality Standards set forth herein. Such testing shall be performed by an independent third-party laboratory satisfactory to ~~Company PSNC~~ at supplier's sole cost and expense.

Subsequent Testing. If receipt of supplier's Renewable Gas is interrupted or suspended by ~~Company PSNC~~ pursuant to the terms hereof, then prior to resumption of acceptance of deliveries of Renewable Gas from such supplier, and at the reasonable discretion of ~~Company PSNC~~, that supplier may be required to provide the results of an independent laboratory test, demonstrating that supplier's Renewable Gas continues to be or has been restored to be in conformance with the Gas Quality Standards set forth herein. If such subsequent independent laboratory testing is required by ~~Company PSNC~~, Supplier shall also provide ~~Company PSNC~~ with the results of an additional laboratory test on its Renewable Gas conducted within seven days of the initial test, confirming the conformance of supplier's Renewable Gas with the standards set forth herein. These provisions for Subsequent Testing shall not apply to (i) simple disruptions in the flow or production of Renewable Gas that occur in the normal course of supplier's business operations and which do not otherwise involve circumstances that would authorize ~~Company PSNC~~ to curtail the receipt of such supplies hereunder, or (ii) to non-material and/or incidental deviations from the specific Renewable Gas Quality Standards set forth below related to Temperature, Methane Content, CHDP, Nitrogen, Oxygen, Carbon Monoxide, Total Inerts, Heating Value, Interchangeability, Total Sulfur, Carbon Dioxide, Water, or Hydrogen Sulfide, so long as any such deviations are not recurring in nature and do not pose a threat to ~~Company PSNC's~~ equipment or facilities, the equipment or facilities of ~~PSNC's customers~~ Customers, or to ~~Company PSNC's~~ ability to provide continuous, safe, and reliable service to the public.

**Quarterly Testing.** In addition to the other testing requirements set forth herein, and on no less than a quarterly basis, supplier shall provide to CompanyPSNC the results from independent laboratory testing, satisfactory to CompanyPSNC and at supplier's sole cost and expense, demonstrating that supplier's Renewable Gas continues to conform to the Gas Quality Standards set forth herein. CompanyPSNC may waive the quarterly testing requirement if, in the reasonable exercise of CompanyPSNC's discretion, it concludes that the percentage of Renewable Gas to be received at a specific interconnect point is immaterial in relation to the amount of geologic natural gas flowing through CompanyPSNC's system at that point such that the receipt of Renewable Gas at that point will not have a detrimental impact on CompanyPSNC's system, its operations, or services provided to ~~customers~~ Customers.

**Supplemental Testing.** CompanyPSNC reserves the right to request supplier, at supplier's sole expense, to perform additional testing for constituent or contaminant compounds in addition to those expressly listed herein, should (i) the presence of such compounds be determined by CompanyPSNC to be reasonably possible in supplier's Renewable Gas stream, and (ii) should such constituents or compounds pose an actual or prospective threat to CompanyPSNC's system or the provision of safe and reliable natural gas service to ~~CustomersPSNC's customers~~.

**Renewable Gas Source.** In the event a supplier flowing Renewable Gas onto CompanyPSNC's system determines to alter its source of production of Renewable Gas or to take action that might otherwise be expected to change the characteristics or constituent components of its gas stream, supplier shall promptly notify CompanyPSNC, in advance, of such prospective change and CompanyPSNC shall have no obligation to receive Renewable Gas from such supplier until it has been provided with the results of two consecutive independent laboratory tests, performed no less than seven days apart, demonstrating that supplier's modified Renewable Gas is in conformance with the Gas Quality Standards set forth herein. Such testing shall be performed by an independent third-party laboratory satisfactory to CompanyPSNC at supplier's sole cost and expense.

With regard to any of the testing provided for above, CompanyPSNC shall be provided reasonable advance notice of such testing and shall have the right to observe the samples being taken. Test results shall be promptly shared between CompanyPSNC and supplier upon receipt of such results from the testing laboratory. With regard to any of the testing provided for above, and upon request of a supplier and in the reasonable exercise of CompanyPSNC's discretion, CompanyPSNC will waive the requirement for laboratory testing for one or more constituent components, on a not unduly discriminatory basis, where certified field testing equipment satisfactory to CompanyPSNC is available to test for those components.

The Renewable Gas testing requirements set forth above shall include tests for and reportable levels of each of the constituent elements set forth below. To the extent that two consecutive laboratory tests demonstrate non-detectable levels of one or more of the constituent compounds set out below from a supplier's Renewable Gas stream at a specific interconnect point, CompanyPSNC will consider, in the reasonable exercise of its discretion, written requests for waiver of the requirement to continue testing for such constituent compounds at that specific interconnect point. CompanyPSNC may grant or deny such petition in the reasonable exercise of its discretion subject only to the requirement that any decision to deny a petition for a waiver or to revoke a waiver once granted shall state the basis for the decision in sufficient detail to facilitate further discussions and/or review of the decision by the Commission. Any such waiver shall be revocable in the reasonable exercise of CompanyPSNC's discretion subject to the requirements of the foregoing sentence.

#### **Renewable Gas Quality Standards**

All Renewable Gas delivered to CompanyPSNC shall fully comply with the quality standards and specifications set forth below.

Renewable Gas delivered to CompanyPSNC shall be free of components which might interfere with its merchantability or cause damage to the operation of CompanyPSNC's system or equipment or those of ~~its customers~~ Customers. All such Renewable Gas delivered to CompanyPSNC shall specifically conform to the following minimum Gas Quality Standards:

**Delivery Temperature:** Minimum of 40°F and maximum of 120°F.

**Methane:** Minimum methane content of 94%.

**Heating Value:** Between 980 and 1100 Btu/SCF at dry gas conditions (14.73 psia at 60°F).

**Interchangeability:** All Renewable Gas delivered by any single supplier thereof shall fall within a WOBBE range of 1290 to 1370.

**Hydrogen Sulfide (H<sub>2</sub>S):** Less than or equal to 0.25 grain/100 SCF.

**Mercaptan:** Shall not exceed 0.5 grain/100 SCF.

**Total Sulfur:** Less than or equal to 10 grain/100 SCF, including sulfur from hydrogen sulfide and mercaptan.

**Water:** Less than or equal to 7 pounds/MMSCF at dry gas conditions (14.73 psia at 60°F).

**CHDP:** Not greater than 20°F.

**Carbon Dioxide (CO<sub>2</sub>):** Not more than 2% by volumetric basis.

**Nitrogen:** Not more than 2% by volumetric basis.

**Oxygen:** Not more than 0.2% by volumetric basis.

**Carbon Monoxide (CO):** Not more than 0.1% by volume.

**Total Inerts:** Not more than 3.2% by volumetric basis. For purposes of this provision, Total Inerts are defined as Oxygen, Nitrogen, and Carbon Dioxide.

**Hydrogen:** No more than 600 ppm.

**Solid Particle Size:** Gas filtration is required and shall be sufficient to remove 99.99% of solid particles 3 microns or larger.

**Dust, Gums & Solid Matter:** The gas shall be free of dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the gas in the course of transportation through pipelines.

**Biologicals:** Gas, including any associated liquids, shall not contain any micro-biological organisms exceeding 4 x 10<sup>4</sup>/scf (qPCR per APB, SRB, IOB group), active bacteria or bacterial agents > 0.2 microns.

**Organic Silicon (Siloxanes):** Total Organic Silicon (siloxanes) shall not be greater than 0.40 mg of Si/Nm<sup>3</sup>.

**Odorization Masking/Fading Agents (VOC):** Gas shall be free of agents, compounds, or the like which will interfere with the process of the human olfactory process in the recognition of odorized natural gas through bonding with the odorant or causing interference with the human olfactory senses.

**VOC:** Renewable Gas shall be free from any halogenated compounds that when, through the process of combustion, form dioxins.

**The following Constituents of Concern shall be limited as indicated:**

Constituent	Limit mg/m <sup>3</sup> (ppmv)
Arsenic	0.48 (0.15)
p-Dichlorobenzene	140 (24)
Ethylbenzene	650 (150)
n-Nitroso-di-n-propylamine	0.81 (0.15)
Vinyl Chloride	21 (8.3)
Antimony	30 (6.1)
Copper	3.0 (1.2)
Lead	3.8 (0.44)
Methacrolein	53 (18)
Alkyl thiols (mercaptans)	N/A (610)
Toluene	45,000 (12,000)

If additional equipment is required to ensure consistent compliance of supplier's Renewable Gas to the Gas Quality Standards set forth above, CompanyPSNC may require supplier to purchase, and promptly install, any additional equipment necessary to meet the referenced gas quality specifications at supplier's expense. The unreasonable refusal to do so shall be a violation of supplier's obligations hereunder.

#### **Termination of Obligation to Receive Gas**

Except as otherwise provided below, if Renewable Gas proffered for delivery to CompanyPSNC fails to meet the specifications of the Gas Quality Standards set forth herein, or is otherwise out of conformance with the provisions of these Gas Quality Standards, CompanyPSNC may interrupt or suspend its receipt and acceptance of such Renewable Gas until such Renewable Gas is in conformity with these Gas Quality Standards and such conformity is verified by an independent certified third-party laboratory satisfactory to CompanyPSNC as provided above; except in circumstances where field testing for such compliance is permitted under the provisions of Subsequent Testing set forth above. Notwithstanding CompanyPSNC's right to terminate its receipt of Renewable Gas for non-compliance with the Gas Quality Standards set forth herein, CompanyPSNC will not terminate such receipt for minor non-compliance with such standards applicable to the enumerated constituent component measurements of a producer's Renewable Gas stream listed under Subsequent Testing above (except Temperature), where:

- (a) Such constituent components can be measured in real time by field equipment operated or monitored by CompanyPSNC;
- (b) Variances for one or more of the constituent component measurements listed under Subsequent Testing (except Temperature) do not exceed standards by more than ten percent (10%);
- (c) Variances for one or more of the constituent component measurements listed under Subsequent Testing (except Temperature) do not exceed four hours in duration; and
- (d) No operational problems or continuity of service issues are created for CompanyPSNC by the variance, as determined in the reasonable exercise of CompanyPSNC's discretion.

CompanyPSNC shall provide electronic notice to any producer of variations from standards found in such producer's Renewable Gas stream. The four-hour limit on the duration of any variances for the constituent component measurements identified above (except Temperature) shall commence upon the issuance of such notice.

CompanyPSNC shall also have the right to interrupt or suspend the receipt of Renewable Gas at any time from any supplier in the event that: (i) constituent compounds or components of supplier's Renewable Gas are determined to pose an actual or potential health risk to the public or to CompanyPSNC's employees that is different in degree or nature from the risks normally attendant upon the use and transportation of natural gas; (ii) testing or other evidence reasonably indicates that supplier's Renewable Gas contains constituent compounds or components reasonably likely to cause or actually causing harm to CompanyPSNC's facilities or equipment (including corrosion damage); (iii) testing or other evidence reasonably indicates that supplier's Renewable Gas contains constituent compounds or components reasonably likely to cause or actually causing harm to the facilities or equipment of PSNC's other customers ~~Customers~~ (including corrosion damage); or (iv) the chemical characteristics or physical properties of supplier's Renewable Gas are impeding PSNC's ability to provide safe and reliable service to PSNC's other customers ~~Customers~~.

In the event of such interruption or suspension of service, CompanyPSNC shall have no obligation to resume receipt of Renewable Gas from supplier until the correction or remediation of the problem prompting such interruption or suspension of service has occurred as determined by CompanyPSNC in the exercise of its reasonable discretion.

#### **Interconnection Agreement**

Prior to and as a condition of delivering Renewable Gas to CompanyPSNC and CompanyPSNC's acceptance thereof, any proposed supplier must enter into an interconnection and facilities reimbursement agreement with CompanyPSNC addressing, to CompanyPSNC's reasonable satisfaction, the terms and conditions applicable to construction and payment for any needed incremental facilities required to accept or receive supplier's Renewable Gas. CompanyPSNC shall have no obligation to accept or receive Renewable Gas until such agreement is executed and its obligations to accept and receive Renewable Gas following such execution shall be governed by the interconnection and reimbursement agreement and these Gas Quality Standards. In the event of a conflict between the provisions set forth in these Gas Quality Standards and the terms and conditions of an interconnection and reimbursement agreement, the provisions of these Gas Quality Standards shall control.

**Measurement Requirements**

Company~~PSNC~~ will measure, or receive data from the supplier to measure, on a daily or continuous basis, the quantity, heat content, WOBBE value, and specific gravity of all Renewable Gas delivered to Company~~PSNC~~ at each point of delivery into Company~~PSNC~~'s system utilized by Renewable Gas suppliers.

**Indemnity/Liability**

As a condition to the receipt and acceptance of Renewable Gas by Company~~PSNC~~, all suppliers of Renewable Gas shall indemnify and hold Company~~PSNC~~ harmless from any and all claims, suits, actions, debts, accounts, damages, costs, losses, and expenses, including reasonable attorney fees, (i) arising from or related to the delivery to Company~~PSNC~~ by supplier of any Renewable Gas that fails to meet the Gas Quality Standards set forth herein or otherwise is not in compliance with these Gas Quality Standards, or (ii) arising from or related to damage to Company~~PSNC~~'s equipment or facilities or the equipment or facilities of Customers~~PSNC's customers~~ from receipt of supplier's Renewable Gas.

**PSNC COMPANY SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO SUPPLIER, SUPPLIER'S CUSTOMER, OR ANY THIRD-PARTY ASSOCIATED WITH ITS EXERCISE OF THE RIGHT TO INTERRUPT OR SUSPEND RECEIPT OF RENEWABLE GAS AS PROVIDED FOR ABOVE AND IN NO EVENT SHALL BE LIABLE FOR ANY PUNITIVE, CONSEQUENTIAL, OR EXEMPLARY DAMAGES ARISING FROM ITS RECEIPT OR ACCEPTANCE (OR FAILURE TO RECEIVE OR ACCEPT) RENEWABLE GAS UNDER THE TERMS HEREOF OR OTHERWISE.**



## 1. APPLICABILITY

- (a) These ~~Rules and Service Regulations~~ apply to all services provided by ~~Public Service Company of North Carolina, Incorporated ("PSNC")~~ under its ~~Rate Schedules~~ ~~rate schedules on file with, and subject to the jurisdiction of, the North Carolina Utilities Commission, ("Commission")~~ and are adopted for the mutual protection of both the Customer and ~~Company~~ PSNC. They provide standards for ~~Company~~ PSNC's practices, promote safe and adequate service to the public, and establish a reasonable basis for meeting the public's demands for natural gas service.
- (b) The rates, terms and other conditions, and rules and regulations stated in this ~~tariff~~ Tariff are subject to change upon ~~Company~~ PSNC's application to the Commission and approval of such application by the Commission, or upon order of the Commission, in the manner prescribed by law at any time. In the event of such change, the new rates, terms and conditions, and rules and regulations prescribed by the Commission will apply to Service received hereunder from the date such change is made effective. Customer agrees to accept and be bound by all such rates, terms and conditions, and rules and regulations in connection with such Service, which are now or may hereafter be filed with, or issued or promulgated by, the Commission or other governmental bodies having jurisdiction thereof.
- (c) If a conflict exists between these ~~Rules and Service Regulations~~ and the provisions of the applicable currently effective Rate Schedule, the provisions of the Rate Schedule shall govern. The ~~Rules and Regulations~~ rules and regulations of the Commission shall govern in the event of a conflict with these ~~Rules and Service Regulations~~.

## 2. DEFINITIONS

For the purposes of this ~~PSNC's Tariff, Rate Schedules, and these Rules and Regulations~~, the following capitalized terms shall be defined as follows:

- (a) "Account" means Service provided to any Person at a single location on a single Rate Schedule.
- (b) "Applicant" means any Person applying for Service.
- (c) "British Thermal Unit" or "BTU" means the amount of heat required to raise the temperature of one pound of water from 58.5° to 59.5° Fahrenheit at a pressure of 14.73 pounds per square inch absolute.
- (d) "BTU Factor" means the factor used to convert a volume of Gas measured in Cubic Feet into Therms or Dekatherms, as applicable.
- (e) "CIAC" means a non-refundable cash contribution in aid of construction made by a Customer to ~~Company~~ PSNC to defray the cost of construction of Excess Facilities installed by ~~Company~~ PSNC to provide Service to that Customer.
- (f) "City Gate" means point(s) where Gas is delivered to ~~Company~~ PSNC's system.
- (g) "Commission" means the North Carolina Utilities Commission, which regulates gas utilities operating within the State of North Carolina, including ~~Company~~ PSNC.
- (h) "Company" means Public Service Company of North Carolina, Incorporated, doing business as Dominion Energy North Carolina, a natural gas utility operating under the jurisdiction of the Commission.
- (i) "Company Facilities" means any piping, Mains, Gas Service Lines, Meters, Meter Assemblies, regulating or other Facilities of whatever nature owned by PSNC.
- (j) "Cubic Foot" or "Cubic Feet" is the volume of Gas that occupies one cubic foot at a temperature of 60° Fahrenheit at a pressure of 14.73 pounds per square inch absolute.
- (k) "Customer" means any Account being supplied Service by ~~Company~~ PSNC.
- (l) "Customer Facilities" means any piping, appliances, ~~gas~~ Gas burning devices, regulating, or other ~~gas delivery~~ Facilities located downstream of the Delivery Point.

- (km) "Customer Usage Tracker" is the mechanism in Rider C that tracks and trues up variations in average per customer usage from levels approved in CompanyPSNC's last general rate case for residential and commercial Customers receiving service on Rate Schedule Nos. 101, 102, 125, 127, and 140.
- (ln) "Dekatherm" or "Dt" means the unit of energy equivalent to 10 Therms, or 1,000,000 British Thermal Units.
- (mo) "Delivery Point" means the physical point in the Gas delivery system where Customer Facilities meets the outlet of CompanyPSNC's Meter Assembly.
- (p) "Emergency Service" means Service made available to a Customer subject to curtailment as provided in Rider A of this Tariff.
- (ag) "Excess Facilities" means Gas Service Lines and Mains totaling in excess of 200 feet or any additional CompanyPSNC Facilities required to ~~supply service different from standard service from a high pressure (above 60 pounds per square inch gauge) Main~~ provide Service at a pressure in excess of the applicable pressure set forth in Section 15 of these Service Regulations or to provide Service using a Farm Tap.
- (er) "Facilities" means all infrastructure to deliver natural gas.
- (ps) "Facilities Charge" means a fixed amount billed each month to cover the basic cost of providing Service regardless of the amount of Gas used.
- (et) "Farm Tap" means a connection to a high pressure (above 60 pounds per square inch gauge) Main including Facilities to reduce the delivery pressure to supply Service to one or more Customers.
- (ru) "Feasibility Test" means an economic test performed by CompanyPSNC which compares the net present value of the cost of certain CompanyPSNC Facilities to the anticipated net present value of the revenue to be received by CompanyPSNC from Service through those same CompanyPSNC Facilities.
- (sy) "Force Majeure" means any acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, acts of sabotage or terrorism, war, blockades, insurrections, riots, epidemics, landslides, unusual conditions of weather or temperature, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage of or accidents to CompanyPSNC Facilities, supplier's or transporter's Facilities, Customer Facilities, lines of pipe, or CompanyPSNC's peak shaving plants, freezing of wells or lines of pipe, partial or complete curtailment of deliveries from CompanyPSNC's supplier(s) or transporters as a result of force majeure under the supplier(s) Gas purchase contracts, inability to obtain rights of way, franchises, permits, materials, Facilities, supplies, or an inability to obtain an unlimited supply of gas from CompanyPSNC's supplier(s), inadequate delivery pressure from CompanyPSNC's transporters, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of CompanyPSNC and/or its supplier(s), transporters or the Customer and which by the exercise of due diligence either CompanyPSNC and/or its supplier(s), transporters or the Customer is unable to prevent or overcome.
- (tw) "Gas" means undiluted natural gas, or a substitute for natural gas, or any mixture of natural gas and a substitute for natural gas, as delivered by CompanyPSNC.
- (ux) "Gas Quality Standards" means the quality standards, specifications, and other requirements pertaining to Renewable Gas as set forth in Appendix B to these Rules and Service Regulations.
- (yy) "Gas Service Line" means the pipeline owned by CompanyPSNC that runs between a Main and a Meter.
- (wz) "Integrity Management Tracker" means the mechanism in Rider E that tracks capital costs of integrity management projects between rate cases and recovers such costs from residential and commercial Customers receiving service on Rate Schedule Nos. 101, 102, 115, 125, 126, 127, 135, 140, 145, 150, 160, 165, 175, and 180.
- (xaa) "Main" means a gas pipeline other than a Gas Service Line, owned, operated or maintained by CompanyPSNC, which is used for the purpose of transmission or distribution of Gas.

- (ybb) "Meter" or "Meter Assembly" means any of CompanyPSNC's meter, regulator, piping, valves, vents, relief valves, gauges, and/or other apparatus, including automated or remote meter reading devices, used to measure, communicate, and control flow or pressure of Gas.
- (zcc) "Person" means an individual, partnership, corporation, trust, governmental agency, or other association.
- (aadd) "Premises" means the land or real estate, including buildings and other appurtenances thereon, where a Customer receives Service.
- ~~(bb) "PSNC" means Public Service Company of North Carolina, Incorporated, a natural gas utility operating under the jurisdiction of the Commission.~~
- ~~(cc) "PSNC Facilities" means any piping, Mains, Gas Service Lines, Meters, Meter Assemblies, regulating or other Facilities of whatever nature owned by PSNC.~~
- ~~(dee) "Rate Schedule" means the portion of the PSNC's approved Tariff on file with and approved by the Commission describing that sets forth the rates, and charges, and the terms, and conditions, for each category of Service offered by the Company under this Tariff.~~
- (eeff) "Renewable Gas" means gas that is capable of combustion in appliances or facilities, that is similar in heat content and chemical characteristics to natural gas produced from traditional underground well sources, and that is intended to act as a substitute for natural gas. Renewable Gas includes but is not limited to, biogas, biomethane, landfill gas, and any other type of natural gas equivalent produced or manufactured from sources other than traditional underground well sources.
- (ffgg) "Residence" means any single or multiple family residence, condominium, townhouse, mobile or modular home, or apartment that is individually metered and has Gas used for any domestic usage such as space heating, air conditioning, water heating, cooking, or any other residential usage.
- (gghh) "Service" means the delivery, and all other activities incidental to the delivery, of Gas by CompanyPSNC to a Customer at its Delivery Point.
- (ii) "Service Regulations" means the Company's service regulations, including appendices, on file with and approved by the Commission as they may be amended from time to time. Service Regulations were formerly called Rules and Regulations.
- (ji) "Tariff" means the Company's tariff, including the Summary of Rates and Charges, Rate Schedules, Riders, and Service Regulations, as revised from time to time.
- ~~(hkk) "Therm" means the unit of energy equivalent to 100,000 BTUs.~~
- (iil) "Transportation Pooling Agreement" means an agreement executed by CompanyPSNC and a Customer or a Customer's agent that details the procedures to be followed when a Customer obtains an independent supply of Gas and arranges to have the Gas delivered to the City Gate. The required form of the Transportation Pooling Agreement is Appendix A to these ~~Rules and Service~~ Regulations.
- (mm) "Unauthorized Gas" means the quantity of Gas received by a Customer subject to curtailment and not authorized for Emergency Service by Company, as provided in Rider A of this Tariff.

### 3. AGREEMENT

- (a) CompanyPSNC shall not be required to provide Service unless and until application for Service has been made and any charges for Excess Facilities have been paid by Customer to CompanyPSNC. When no charges or potential charges for Excess Facilities are involved, an Applicant's application for Service and CompanyPSNC's acceptance may be oral. In the absence of a written agreement, such agreement shall be conclusively presumed to exist if Gas is made available by CompanyPSNC for use by Customer or on the Customer's Premises. Service will be supplied pursuant to CompanyPSNC's standard service agreement, the applicable Rate Schedule(s), these ~~Rules and Service~~ Regulations, and the rules, regulations, and orders of the Commission.



- (b) ~~Company PSNC's obligations to provide Service and the Customer's obligations upon receipt of Service are set forth in the applicable provisions of Chapter 62 of the North Carolina General Statutes; the applicable rules, regulations, and orders of the Commission~~ Rules and Regulations; the applicable Rate Schedule(s); these Rules and Service Regulations; and any written application or other document ~~approved in form by the Commission and executed by Company PSNC and Customer pertaining to such Service.~~
- (c) Copies of the Rate Schedules and these Rules and Service Regulations are available from Company PSNC. Upon Customer request, Company PSNC will provide Customer with a copy of the applicable Rate Schedule(s), these Rules and Service Regulations, any written application for Service, and all or other documents executed by Company PSNC and Customer pertaining to such Service. No promise, statement, or representation by any Company PSNC employee, agent, or representative, or by any other Person, shall bind Company PSNC to provide Service, or to change the terms and conditions upon which Service will be provided, unless the same is in writing and is executed by an authorized Company PSNC representative and Customer; no amendment, change, or modification to any such document shall be effective unless in writing and signed by an authorized Company PSNC representative and Customer.

#### 4. ESTABLISHMENT AND REESTABLISHMENT OF CREDIT; DEPOSITS

- (a) Establishment and Reestablishment of Credit:
  - (1) Before the commencement of Service, the Applicant (whether a former Customer or not) must satisfactorily establish credit in accordance with Commission Rule R12-2. An Applicant for residential Service shall not be denied Service for failure to pay bills for any non-residential Service.
  - (2) If the conditions of Service or the basis on which credit was originally established have materially changed, Company PSNC may require a Customer to reestablish credit in accordance with Commission Rule R12-2.
  - (3) If a disagreement arises with respect to the establishment or reestablishment of credit with Company PSNC it shall be the Applicant's or Customer's right to have this problem reviewed and acted upon by Company PSNC's supervisory personnel. If unresolved after that review, then the Applicant or Customer shall have the right to have the problem reviewed by the Commission pursuant to Commission Rule R12-7.
- (b) Deposits:
  - (1) Company PSNC may require payment of a cash deposit prior to establishing or reestablishing Service to an Applicant or a Customer in accordance with the provisions of Commission Rules R12-2 through R12-4.
  - (2) Interest on deposits will be paid in accordance with Commission Rule R12-4.
  - (3) Deposits will be refunded in accordance with Commission Rule R12-5.

#### 5. DENYING OR DISCONTINUING SERVICE

- (a) Company PSNC shall have the right to discontinue Service or to deny Service for any of the following reasons:
  - (1) Company PSNC determines that a hazardous condition exists;
  - (2) Service to Customer adversely affects Company PSNC Facilities or ~~PSNC's~~ Service to other Customers;
  - (3) Company PSNC Facilities have been tampered with;
  - (4) The unauthorized use of Gas by Customer;
  - (5) Any material misrepresentation made by Customer or refusal to provide identification in connection with the application for Service;
  - (6) Any material breach of these Rules and Service Regulations or any terms and conditions of the applicable Rate Schedule(s) or service agreement(s), or any violation of any statute, or any order, regulation, or rule of the Commission or any governmental agency;

- (7) Customer's failure to fulfill Customer's agreements and contractual obligations for Service subject to regulation by the Commission;
  - (8) Customer's failure either to establish or reestablish satisfactory credit pursuant to Commission Rule R12-2;
  - (9) Customer's failure to permit CompanyPSNC reasonable access to CompanyPSNC Facilities and/or Customer Facilities;
  - (10) Nonpayment of bill pursuant to Commission Rules R12-8 and R12-10;
  - (11) Customer's failure to furnish such Customer Facilities, permits, certificates, and/or rights-of-way as required by CompanyPSNC as a condition to obtaining or continuing Service; or
  - (12) Customer Facilities are installed or are in use on Customer's Premises which permits the Gas to be used without passing through the Meter(s), which prevents or interferes with the measuring of the Gas by the Meter(s), or which interconnects fuel systems supplied on separate Rate Schedules.
- (b) Prior Indebtedness: CompanyPSNC reserves the right to deny service to any Applicant who is found to be indebted to CompanyPSNC for Service previously furnished to that Applicant at any Premises served by CompanyPSNC until satisfactory arrangements have been made for the payment of all such indebtedness. Further, where the Service has been discontinued to a Premises for nonpayment, CompanyPSNC shall have the right to refuse Service at the same Premises where there is clear, documented evidence of action taken by the Applicant with the intent to evade payment for utility services. CompanyPSNC may require reasonable proof of identity of the Applicant as a condition to providing Service.
- (c) Discontinuing Service:
- (1) CompanyPSNC may discontinue or suspend Service without notice to Customer under the following circumstances:
    - i. In the event of a condition determined by CompanyPSNC to be hazardous;
    - ii. In the event of Customer use of equipment in such a manner as to adversely affect CompanyPSNC equipment or CompanyPSNC service to others;
    - iii. In the event of tampering with the equipment furnished and owned by CompanyPSNC; or
    - iv. In the event of unauthorized use.
  - (2) For any reason not listed in 5(c)(1) above and not otherwise addressed in Commission Rules R12-8 and R12-10, CompanyPSNC shall give Customer at least 10 days written notice that Service is subject to termination. This notice of proposed termination shall, at a minimum, contain the following:
    - i. A clear explanation of the reasons which underlie the proposed termination;
    - ii. The date of the proposed termination, which shall not be less than 10 days from the date of issuance of such notice;
    - iii. Statements advising how Customer can avoid termination; and
    - iv. Statements advising Customer that Customer should first contact CompanyPSNC with any questions, and that in cases of dispute, a proposed termination action may thereafter be appealed informally to the Commission either by calling the Public Staff-North Carolina Utilities Commission, Consumer Services Division at (919) 733-9277 or toll free at 1-866-380-9816 or by appearing in person or by writing the Public Staff-North Carolina Utilities Commission, Consumer Services Division, 4326 Mail Service Center, Raleigh, NC 27699-4326.
  - (3) Customer is entitled to personal contact prior to termination as detailed in Commission Rule R12-10(i), and Customer retains all rights as detailed in the Commission Rules, with special attention to Rules R6-16, R6-17, R12-8, and R12-10.
- (d) No Liability for Discontinuing or Denying Service: CompanyPSNC shall have no liability to Customer or to any other Person for any damages incurred as a result of the discontinuance or denial of Service to the Premises such as, but not limited to, frozen water pipes, damaged Facilities, damages to any building or structure, or any other damage or injury of any type.

## 6. RECONNECTION TERMS AND FEES

- (a) Where Service has been discontinued at Customer's request and reconnection of Service is requested by the same Customer at the same Premises within one (1) year after the date of discontinuance, a reconnection fee shown in the Summary of Rates and Charges of CompanyPSNC's Tariff shall be charged.
- (b) All reconnections that require more than one hour to complete will be billed the applicable reconnection rate per hour shown in the Summary of Rates and Charges of CompanyPSNC's Tariff.
- (c) In cases where Service is discontinued for nonpayment of bills, Customer shall do the following before CompanyPSNC is obligated to restore Service:
  - (1) pay the arrears portion of the bill in full;
  - (2) reestablish credit in accordance with Commission Rule R12-3;
  - (3) pay the applicable reconnection fee shown in the Summary of Rates and Charges of Company's Tariff.

## 7. ACCESS TO CUSTOMER PREMISES

Customer shall grant to CompanyPSNC the right of ingress and egress to, over, across, and through Customer Premises, for any and all purposes associated with the Service or the exercise of any and all rights under the Rate Schedule, service agreement, or these Rules and Service Regulations. Customer authorizes CompanyPSNC's representatives to enter Customer Premises to inspect Customer lines and appliances that use Gas, and to install, read, inspect, test, maintain, repair, or remove any or all of CompanyPSNC Facilities. Customer agrees that if a condition exists on Customer Premises, which, in CompanyPSNC's sole opinion, is dangerous to CompanyPSNC's representatives or CompanyPSNC Facilities, and/or prevents reasonable access to CompanyPSNC Facilities, CompanyPSNC may remove or relocate CompanyPSNC Facilities at Customer's sole expense.

## 8. RIGHT-OF-WAY

- (a) CompanyPSNC shall not be required to extend its Facilities for the purpose of rendering Service to the Customer until satisfactory rights-of-way, easements, or permits have been obtained from government agencies and property owners, at Customer expense, to permit the installation, operation, and maintenance of CompanyPSNC Facilities. Customer in requesting or accepting Service thereby grants CompanyPSNC, without charge, necessary rights-of-way and privileges for CompanyPSNC Facilities on, along, across, and under property controlled by Customer to the extent that such rights-of-way required or necessary to enable CompanyPSNC to supply Service to the Customer and Customer also grants CompanyPSNC the right to continue or extend CompanyPSNC Facilities on, along, across, or under property, with necessary rights to serve other Customers. Customer shall maintain such right-of-way so as to grant CompanyPSNC continued access to CompanyPSNC Facilities by CompanyPSNC personnel, vehicles, and other power-operated equipment. Customer's application for Service and acceptance of such Service from CompanyPSNC shall be deemed to grant to CompanyPSNC an implied right-of-way on, along, across, and under the Premises, if Customer has not executed a written right-of-way agreement as requested by CompanyPSNC. CompanyPSNC shall not be liable to Customer for any failure to provide Service because of CompanyPSNC's inability to secure or retain such rights-of-way.
- (b) Customer may make full use and enjoyment of the Premises included within the right-of-way granted by this Section 8 in any manner not inconsistent with the use and purposes of the Premises by CompanyPSNC; provided, however, that Customer, its heirs, successors, and assigns, shall not construct, nor permit to be constructed, any house, structure, or obstruction, nor impound any water, nor permit any water to be impounded, on or over the right-of-way, and Customer, its heirs, successors, and assigns, further agrees that Customer, and its heirs, successors, and assigns, will not change the grade over the pipeline(s) in any manner which will reduce or increase the depth of the pipeline(s). Customer shall also furnish suitable space and satisfactory protection for CompanyPSNC Facilities installed on the Premises.

## 9. VACATED PREMISES

Customer shall notify CompanyPSNC at least twenty-four (24) hours before vacating the Premises served and will pay upon presentation all bills due for Service provided to the Premises. CompanyPSNC shall have no liability to Customer

or to any other Person for any damages incurred as a result of Customer vacating the Premises such as, but not limited to, frozen water pipes, damaged Facilities, damages to any building or structure, or any other damage or injury of any type.

#### 10. NON-ASSIGNABILITY

Customer's rights to Service and rights provided under any service agreement are personal and shall not be transferred or assigned by Customer without the prior written consent of CompanyPSNC, which CompanyPSNC, in its sole discretion, may refuse to grant.

#### 11. INTERRUPTIONS

Except where interruptions of Service are permitted by CompanyPSNC's Tariff or in accordance with Commission Rule R6-19.2, CompanyPSNC shall make reasonable efforts to avoid interruptions of Service. If interruptions occur for any reason, CompanyPSNC shall restore Service within the shortest time practical under the conditions. CompanyPSNC shall not be liable, in any manner to Customer or any other Person, for any loss or damage resulting from such failure or interruptions of Service.

#### 12. ACTION TO MAINTAIN SYSTEM INTEGRITY

If CompanyPSNC, in its sole discretion, determines that it is necessary to curtail or interrupt Service to maintain the integrity of its system or to provide for its or the public's safety, CompanyPSNC shall have the right to curtail or interrupt delivery of Gas to any Customer. CompanyPSNC shall not be liable, in any manner to Customer or any other Person, for any loss or damage resulting from such curtailment or interruptions of Service.

#### 13. EMERGENCY USES

It is expressly understood and agreed that CompanyPSNC does not furnish uninterruptible Service for pumping water, emergency power generation, or any other emergency use. If Customer uses Gas for emergency uses, Customer, at all times, shall maintain a standby supply of energy so that it shall not be necessary to rely on Gas during a time of emergency. CompanyPSNC shall not be liable, in any event, to any Customer, any inhabitants of any municipal Customer, or any other Person, for any loss or injury of or to property or persons occasioned by, or resulting directly or indirectly from, the failure of any fire protection or other emergency apparatus to operate, whether said failure shall be due to any act or omission of CompanyPSNC or otherwise.

#### 14. INTERCONNECTIONS

If CompanyPSNC supplies Service to Customer under more than one of the Rate Schedules in this Tariff, Customer shall not use the higher priority Service as a standby for any lower priority Service, nor shall Customer install, or permit to be installed, any interconnection between the fuel lines supplying Gas delivered under separate Accounts.

#### 15. PRESSURE

CompanyPSNC will generally provide Gas at a pressure of approximately 0.25 pounds per square inch gauge ("psig"). CompanyPSNC and Customer, however, may mutually agree upon a higher pressure at which Gas may be provided. CompanyPSNC shall supply only one delivery pressure per Account. In no event shall CompanyPSNC be required to furnish Gas to Customer at a pressure exceeding two (2) psig for residential Service, or five (5) psig for all other classes of Service, except to the extent that CompanyPSNC has agreed to do so in writing.

#### 16. METERS AND OTHER ~~PSNC~~ COMPANY FACILITIES; RELOCATION OF ~~PSNC~~ COMPANY METERS AND FACILITIES; INTERFERENCE OR TAMPERING WITH ~~PSNC~~ COMPANY PROPERTY

- (a) Meters: CompanyPSNC shall furnish, install, and maintain on Customer's Premises a Meter or Meters of suitable capacity and design to measure the quantity of Gas used by Customer, and such Meter or Meters shall be and remain the property of CompanyPSNC. Customer shall (i) provide suitable space for Meters and other CompanyPSNC Facilities, (ii) protect all of CompanyPSNC Facilities from damage or injury, and (iii) permit no Person other than CompanyPSNC's representative or agent, or a person otherwise lawfully authorized, to disturb or remove the same; and CompanyPSNC's representatives are hereby expressly authorized to enter Customer Premises at all hours to inspect Customer lines and appliances that use Gas, and to read, inspect, maintain,

repair, or remove Meters and other Facilities. References to Meters do not apply to Rate Schedule No. 115, Unmetered Lighting Service.

- (b) Other Facilities: CompanyPSNC shall also furnish, install, and maintain all other CompanyPSNC Facilities required to provide Service. CompanyPSNC shall have the right, at its option and at its own expense, to place additional CompanyPSNC Facilities on the Premises for billing, testing, system monitoring, or other purposes related to the provision of Service. If CompanyPSNC elects to install remote or automated Meter reading devices, Customer shall cooperate with CompanyPSNC to effect installation of any power, phone, or other service to the Meter site. Customer shall also provide suitable site(s) for any required communication antennas, batteries, and/or solar panels. If CompanyPSNC installs an excess flow valve at the Customer's request, all costs of installation shall be borne by the Customer. All CompanyPSNC Facilities shall be and remain the sole property and sole responsibility of CompanyPSNC, regardless of whether the Customer was required to make a CIAC and regardless of whether the Customer is responsible for the cost of installing such facilities.
- (c) Meter Tests: CompanyPSNC shall have the right to test its Meters and CompanyPSNC Facilities periodically. Customer shall provide adequate access, including vehicle access, to allow for testing of Facilities.
- (d) Failure or Inaccuracy of Meter: In case of any failure, ~~or inaccuracy or nonregistering~~ of a Meter, Customer's bills for the period of such failure or inaccuracy shall be calculated ~~as in the manner~~ provided in Commission Rule R6-15.
- (e) Relocation of CompanyPSNC Facilities and Rights-of-Way: CompanyPSNC may change the location of CompanyPSNC Facilities and rights-of-way upon Customer's request, but Customer shall bear the expense of the change; provided, however, no change will be made where it will interfere with or jeopardize CompanyPSNC's Service, either to Customer requesting the change or to any other Customer(s). All privileges of CompanyPSNC incident to the original location shall apply to the new location. When a Meter is relocated at CompanyPSNC's option, all expense in connection with such change shall be borne by CompanyPSNC. If the relocation is made at Customer's request, all expense will be borne by Customer. If a change in the right-of-way is made, Customer shall be subject to the restrictions set forth in Section 8 of these ~~Rules and Service~~ Regulations with respect to the new right-of-way.
- (f) If Service is discontinued, CompanyPSNC shall have the right to remove all CompanyPSNC Facilities from Customer's Premises. Such removal shall be at CompanyPSNC's sole expense.

#### 17. INTERFERENCE WITH PSNC-COMPANY PROPERTY

Customer shall not interfere with, alter, or remove CompanyPSNC Facilities, or permit the same to be done by others unless authorized in writing by CompanyPSNC. Damage or loss to CompanyPSNC Facilities caused or permitted by Customer shall be paid by Customer. When unauthorized use of Service is discovered, CompanyPSNC may discontinue Service and Customer shall be required to pay for the estimated unauthorized usage and the costs of inspection, investigation, disconnection, and reconnection before Service is restored.

#### 18. UNSAFE CONDITIONS

If Customer creates an unsafe condition for CompanyPSNC's Facilities, all expenses to correct the condition shall be borne by Customer. Unsafe conditions include, but are not limited to, erecting structures, and planting trees or bushes over or in close proximity to CompanyPSNC Facilities.

#### 19. BILLING

- (a) Bills: Bills for Service shall be rendered and paid monthly. CompanyPSNC or its agent shall read Meters, and CompanyPSNC shall render bills monthly on a cycle basis of approximately thirty (30) days. Facilities Charges shall not be prorated unless a billing adjustment is being made that covers more than forty-five (45) days of Service that has been previously provided and billed. Rate changes occurring from general rate cases and purchased gas adjustment proceedings shall be implemented on a "service rendered" or prorated basis.
- (b) Payment: All bills are due when rendered and are payable by mail, bank draft, other electronic means, or at authorized payment centers. Residential bills become past due twenty-five (25) days after the billing date. All other bills become past due fifteen (15) days after the billing date. If any bill is not paid before becoming past



due, a late payment charge of 1% per month will be applied at the next billing date to the balance in arrears and thereafter until the amount due is paid. This charge is applicable to all Customers and all classes of Service.

- (c) Returned Check Charge: A charge equal to the approved state charge for returned items set forth in North Carolina General Statutes § 25-3-506 and shown in the Summary of Rates and Charges of CompanyPSNC's Tariff shall be imposed for checks or drafts tendered on Customer's account and returned to CompanyPSNC.
- (d) Valid Billing Address: CompanyPSNC will deliver to Customer a monthly bill of the amount due to CompanyPSNC by mailing the bill by first class mail to the mailing address furnished by Customer or by electronic billing when agreed to by CompanyPSNC and Customer. Customer will be responsible for keeping CompanyPSNC informed of the proper billing address. If Customer fails to do so, delivery to the Premises address shall be deemed delivery to Customer. Failure to receive a bill will not entitle Customer to any extension of time for payment beyond the past due date. For a Customer that receives bills electronically, notices regarding rate or Service changes, account status, or other matters shall also be provided electronically.
- (e) Past Due Balance: If CompanyPSNC, with good cause, determines a likelihood that Customer cannot pay the outstanding Gas bill, and Customer's deposit, if one has been provided, does not provide CompanyPSNC with adequate security, CompanyPSNC may accelerate the past due or delinquent date and proceed with disconnect procedures under Commission Rule R12-8 by issuing a written statement of cause to Customer and filing a copy of such statement with the Commission.
- (f) Estimate: If a Meter is not read for any reason at the regular reading date, CompanyPSNC may estimate the amount of Service used by Customer to that date by referring, where possible, to Customer's consumption for a similar prior period. CompanyPSNC will bill Customer on the basis of that estimated use and will make any necessary adjustment on the bill when the Meter is next read.
- (g) Multiple Meters: CompanyPSNC does not allow the combining of Meters for purposes of billing unless the design of the metering facilities requires the use of multiple Meters. CompanyPSNC will set an additional Meter when requested to do so by Customer, and Customer bears all costs of such installation. When CompanyPSNC provides an additional Meter, it establishes a separate Account, and Customer is responsible for paying a separate Facilities Charge and separate billing through the steps of the Rate Schedule, if applicable. Some current Customers receiving Service as of October 7, 1994, have been allowed to combine Meters for billing purposes. CompanyPSNC will grandfather these Accounts by coding them in its Customer database to allow them to remain as combined Accounts at their current locations and in their present configurations. If, in the future, additional Meters are set for these Customers, new Accounts will be established for such additional Meters and Customer will not be allowed to combine Service provided by such Meters with the existing Accounts.
- (h) Offsets Against Bills: No claim which Customer has, or may claim to have, against CompanyPSNC shall be offset or counterclaimed against the payment of any sum of money due CompanyPSNC by Customer for Service(s) provided. All sums due CompanyPSNC shall be paid in accordance with the terms of the bill, these Rules and Service Regulations, and the service agreement regardless of such claim.
- (i) Equal Payment Plans for Residential and Commercial Customers:
  - (1) An equal payment plan is available to any Customer receiving residential or commercial Service whose Account has not been removed from an equal payment plan for late payment of a bill within the previous three (3) months.
  - (2) At the request of an eligible Customer, CompanyPSNC will estimate Customer's bills for the next twelve (12) months based on actual consumption during the previous twelve (12) months (adjusted for normal weather), CompanyPSNC's currently approved margin rates, an estimated purchased gas adjustment factor for the upcoming twelve (12)-month period, and applicable fees and taxes. If Customer has an outstanding balance, the balance will be added to the estimated annual amount. Customer's monthly payment under the equal payment plan will be calculated by dividing the estimated annual billing amount by twelve (12).
  - (3) At the end of the twelve-(12) month period, Customer's bill will be recalculated based on actual consumption during the period and compared to Customer's payments under the equal payment plan. Any underage may be paid by Customer or added to the estimated annual amount used to calculate Customer's monthly payments for the next twelve (12) months, at Customer's election, and any overage will be deducted from

the estimated annual amount. Unless otherwise requested, Customer will remain on the equal payment plan during the next annual period with a new monthly payment based upon the factors set forth above.

- (4) CompanyPSNC may adjust Customer's monthly payment under the equal payment plan as necessary to avoid a large balance in Customer's Account.

## 20. FORCE MAJEURE

In the event either CompanyPSNC or its transporter or supplier or Customer is unable, wholly or in part, by reason of Force Majeure to carry out its obligations, other than to make payments for the Service received, it is agreed that on giving notice of such Force Majeure as soon as possible after the occurrence of the cause relied on, then the obligations of CompanyPSNC or Customer so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch.

It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Person affected, and the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the Person affected thereby.

## 21. POSSESSION OF GAS; GAS QUALITY AND MEASUREMENT

- (a) Customer agrees that CompanyPSNC is responsible only for Service to the Delivery Point, and CompanyPSNC shall not be liable to Customer or any of Customer's agents, contractors, or employees, or to any Person(s) whomever, for any loss, damage, or injury to any Person(s) or property resulting from the Gas or its use after it leaves Delivery Point. Customer shall assume all risks downstream of the Delivery Point, except when caused by the exclusive gross negligence or willful acts of the employees of CompanyPSNC.
- (b) CompanyPSNC shall not be responsible for the transmission, use, or control of Gas beyond the Delivery Point. CompanyPSNC shall not be liable for any loss, damage, or injury to Person(s) or property whatsoever, accruing or resulting in any manner, from the receipt, use, or discontinuance of the use of the Gas beyond the Delivery Point, defective Customer Facilities, or any cause not resulting from the direct, exclusive gross negligence or willful acts of CompanyPSNC.
- (c) All Gas delivered to CompanyPSNC's system is subject to the quality specifications of the interstate transporter's Federal Energy Regulatory Commission-approved tariff, except that Renewable Gas shall be subject to the Gas Quality Standards. As such, CompanyPSNC shall have no liability for damages of any kind related to or arising from the quality or constituent characteristics of Gas delivered or sold to Customer. **ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE THAT MIGHT OTHERWISE ATTACH OR BE APPLICABLE TO THE SALE OF GAS FOR RESALE IS HEREBY DISCLAIMED AND WAIVED.** CompanyPSNC shall further have no responsibility to process, condition, or otherwise modify Gas delivered to its system for transmission or sale to Customers. It is Customer's sole responsibility to install, adjust, maintain, and operate its Gas burning equipment in a manner consistent with the prevailing quality of Gas delivered to CompanyPSNC.
- (d) CompanyPSNC shall measure all Gas in Cubic Feet and convert the volume of gas measured to Therms or Dekatherms, as applicable, for billing purposes by multiplying such volume by the BTU Factor. The BTU Factor shall be based on the weighted average BTU content of Gas entering CompanyPSNC's system for the days of Customer's billing cycle.

## 22. REPORTS OF LEAKS

Customer shall give immediate notice to CompanyPSNC when any leakage of Gas is discovered or suspected. Customer agrees not to use any potential source of ignition such as flame, electrical source, or other igniting medium, in the proximity of escaping Gas, which could ignite such Gas. CompanyPSNC shall not be liable for any leakage of Gas, or any damage or loss arising out of, or caused by, any leakage of Gas, except when due to the exclusive gross negligence or willful acts of the employees of CompanyPSNC.

## 23. EXTENSION OF SERVICE; CIAC

- (a) CompanyPSNC will extend Mains along the route selected by CompanyPSNC in streets that are at an established final grade and will install Gas Service Lines (measured from the Premises' property line to the Meter on Customer's Premises) for distances totaling up to 200 feet without charge to Customer. CompanyPSNC will perform a Feasibility Test and may require a CIAC to reimburse CompanyPSNC for the cost of a Main extension/Gas Service Line installation totaling in excess of 200 feet and any other Excess Facilities necessary to extend service if the anticipated revenue does not produce a reasonable return on the total cost of such Excess Facilities.
- (b) If Excess Facilities are required, CompanyPSNC shall perform a Feasibility Test to determine whether ~~or not~~ these additional facilities will require Customer to pay a CIAC.
- (c) A CIAC may be required for Facilities located at a point other than that selected by CompanyPSNC or deviating from the route selected by CompanyPSNC.
- (d) If a Feasibility Test is required, CompanyPSNC shall also calculate the estimated cost of the Main and Service Line in excess of the 200 feet for which no CIAC is required for new Customers occupying existing structures. For proposed new sub-divisions, the allowance for extensions of Mains and Service Lines will be considered only for existing structures that plan to use Gas at the time the Main is to be extended. Any CIAC shall be the lesser of (i) the CIAC calculated in the Feasibility Test, or (ii) the full cost of extending the lines beyond the initial 200-foot Main and Service Line allowance. The Feasibility Test shall include all costs directly associated with the Service extension.
- (e) Notwithstanding Paragraphs (a) and (d) above, CompanyPSNC shall perform a Feasibility Test to determine whether a CIAC is required for all extensions of Service when the Applicant's/Customer's request for Service does not include the use of Gas for either central space heating or water heating. Failure to install or utilize Gas Facilities as agreed upon within ninety (90) days of the time of Facilities extension may result in the Customer being charged for the cost of CompanyPSNC Facilities and installation, if Customer has been given written notice that such Customer may be charged for the cost of CompanyPSNC Facilities and installation if Gas is not used within ninety (90) days.
- (f) Location of Privately Owned Structures. Customer shall locate privately owned structures such as septic tanks, drain lines, water lines, and sprinkler systems prior to CompanyPSNC installing a Gas Service Line to Customer's Premises. CompanyPSNC and its contractors, if any, are not responsible for damages to privately owned facilities that are not adequately located.

#### 24. FARM TAP SERVICE

- (a) Whenever an Applicant requests Service which can only be supplied from a high pressure (above 60 pounds per square inch gauge) Main, CompanyPSNC, subject to the results of a Feasibility Test, may tap the Main, install regulating Facilities, and extend its Facilities to the Delivery Point on Customer's Premises. Customer will provide CompanyPSNC with all necessary rights-of-way (including a station site) on its Premises at no expense to CompanyPSNC as set forth in Section 8 of these Service Regulations and shall execute a written right-of-way as requested by CompanyPSNC. Whether a CIAC is required of Customer prior to the installation of such Facilities shall be determined by the results of the Feasibility Test.
- (b) For a Farm Tap Customer, a Feasibility Test shall be performed which includes all costs less an allowance for Main and Gas Service Line required to serve Customer as provided in Section 23 of these ~~Rules and Service~~ Regulations.
- (c) Charges for Service shall be billed on the applicable CompanyPSNC Rate Schedule. All other terms and conditions of the applicable CompanyPSNC Rate Schedule(s) apply to Customers receiving Service using a Farm Tap ~~service~~.

#### 25. CUSTOMER FACILITIES

- (a) An Applicant shall supply CompanyPSNC a list of Customer Facilities located on the Premises which may increase Customer's load to enable CompanyPSNC to determine the feasibility of providing Service. CompanyPSNC shall provide information concerning the availability of Service (including whether CompanyPSNC can serve the increased load), delivery pressure, Meter location and size, and other information which may be pertinent to the installation.



- (b) Customer Facilities must be installed and maintained in accordance with the manufacturer's instructions, approved installation standards, and the requirements of applicable local, state, and federal agencies. All Customer Facilities shall be maintained by, and be the sole responsibility of, Customer and/or the owner of the Premises.
- (c) If- Customer Facilities have the potential to create a vacuum, back pressure, or any other condition, which, in CompanyPSNC's sole opinion, could cause operating difficulties on CompanyPSNC's system, a device meeting CompanyPSNC's specifications must be installed and maintained by Customer at Customer's sole expense to protect fully and completely CompanyPSNC's system.
- (d) Customer shall not introduce and/or store any flammable or combustible material within close proximity to a Gas appliance or other Facilities.

## 26. REQUESTS TO INCREASE LOAD OR PRESSURE

Customer shall make a request to CompanyPSNC and receive CompanyPSNC's permission before increasing Gas loads or pressure and before changing the purpose for which Customer uses Gas. The request shall specify, at a minimum, the name of Customer, type of Service needed, estimated monthly Gas consumption, required delivery pressure, and the date needed. If, in CompanyPSNC's sole opinion, it has the capability to provide the additional or changed Service without interfering with its ability to provide Service to its other Customers, CompanyPSNC shall allow Customer to increase Customer's load and/or pressure or to change the purpose for which Customer uses Gas. A CIAC may be required depending on the nature of the request.

## 27. EXCAVATION NEAR PSNC-COMPANY FACILITIES

Customer shall inform CompanyPSNC of any excavation activities near CompanyPSNC Facilities located on Customer's Premises by calling North Carolina 811, Inc. at 811 or 1-800-632-4949 not less than three (3) working days nor more than twelve (12) working days prior to such activities. Customer will give a similar notice to CompanyPSNC prior to any additions or changes in Customer's Premises over, under, or near CompanyPSNC Facilities. Any damages incurred or losses of Gas resulting from any such activity shall be billed to, and paid by, Customer.

## 28. PROHIBITION AGAINST RESALE OF GAS

Customer shall not directly or indirectly sell, resell, assign, or otherwise transfer Gas to any Person unless such transfer is pursuant to a contract or franchise acceptable to CompanyPSNC and, if required, approved by the Commission. This prohibition against resale shall not apply to sales of Gas: (i) to housing authorities which, on October 1, 1996, purchased Gas or received authorization to purchase Gas from CompanyPSNC for resale to the residents of such housing authorities; (ii) ~~to any housing authority which, after October 1, 1996, received authorization to purchase Gas from PSNC for resale to the residents of such housing authority;~~ (iii) resold as a vehicular fuel; ~~(iv)~~ (viii) to providers authorized to resell Gas pursuant to Chapter 24 of the Commission's Rules and Service Regulations; or (iv) as otherwise authorized by the Commission.

## 29. TAXES

Customer is responsible for payment of all taxes or tax liabilities attributable to or due in connection with the provision of Service by CompanyPSNC to the Customer, including any excise or sales tax. Customer is also responsible for the payment of any local, state, or federal tax, charge, or fee attributable to or arising out of the utilization of Gas delivered by the Company as a motor vehicle fuel.

## 30. NON-WAIVER

No delay or failure of CompanyPSNC to exercise any right or remedy provided by these Rules and Service Regulations, the Rate Schedules, the service agreement, or other documents controlling the terms of Service shall impair any such right or remedy, nor shall it be construed to be a waiver of any breach or default, or an acquiescence therein of any similar breach or default subsequently occurring. No waiver shall be valid unless it is in writing and signed by the party against which it is sought to be enforced. Any written waiver will be effective only to the extent specifically set forth.

### TRANSPORTATION POOLING AGREEMENT

THIS AGREEMENT ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, by and between PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INCORPORATED, a South Carolina corporation, hereinafter called "~~PSNC~~Company," with its main office at 800 Gaston Road, Gastonia, North Carolina 28056, and \_\_\_\_\_ (hereinafter "Pooler"), a \_\_\_\_\_ corporation, with its main office at \_\_\_\_\_.

WHEREAS, ~~Company~~PSNC is willing to permit its Customers or their agents, which obtain transportation on a Pipeline or Renewable Gas from a supplier, to deliver Gas into ~~Company~~PSNC's system for the purpose of enabling ~~PSNC's~~Customers to satisfy all of their Gas requirements through the use of transportation Services provided by ~~Company~~PSNC; and

WHEREAS, Pooling will permit ~~Company~~PSNC's Customers or their agents to accumulate various privileges accorded individual ~~transportation~~Customers for the benefit of a group of ~~transportation~~Customers; and

WHEREAS, Pooling will benefit all of ~~Company~~PSNC's ~~transportation~~Customers.

NOW, THEREFORE, for and in consideration of mutual covenants and promises contained herein, ~~Company~~PSNC agrees to permit Pooling, and Pooler agrees to pool Gas supplies hereunder, in accordance with the following terms and conditions:

#### ARTICLE I Definitions

For the purposes of this Agreement, the following definitions shall apply:

1. "Customers" means any recipient of transportation Service provided by ~~Company~~PSNC that procures its supply of Gas from a Pooler's Pool.
2. "Gas" means undiluted natural gas, or a substitute for natural gas, or any mixture of natural gas and a substitute for natural gas, as delivered by ~~Company~~PSNC.
3. "Gas Day" means a period of twenty-four (24) consecutive hours as defined by NAESB.
4. "NAESB" means the North American Energy Standards Board, or its successor.
5. "Operational Order" means an order issued by ~~Company~~PSNC when, in its sole discretion, ~~Company~~PSNC anticipates that an imbalance between Gas quantities delivered by Pooler into a Pool and deliveries to Customers out of the Pool during a Gas Day may threaten the integrity of ~~Company~~PSNC's system or operations or may impair service to firm customers.
6. "Over-Delivery" means an imbalance created when a Pooler's deliveries of Gas into its Pool exceed the quantities of Gas delivered by Pooler to Customers out of the Pool during a Gas Day.
67. "Pipeline" means any interstate pipeline, including Transco, which establishes a physical interconnection with ~~Company~~PSNC's pipeline system.
78. "Pool" ~~shall mean~~ an aggregation of Gas quantities for one or more ~~Company~~PSNC ~~transportation~~Customers which Pooler establishes under this Agreement.
89. "Pooling" is a service provided by ~~Company~~PSNC whereby a broker, marketer, producer, or any consumer of Gas qualifying for transportation Service under ~~Company~~PSNC's ~~tariffs~~Tariff, which obtains transportation on a Pipeline or Renewable Gas from a supplier and aggregates Gas supplies needed to satisfy the full requirements of one or more ~~transportation~~Customers of ~~Company~~PSNC, and such Customer or Customers have assigned its rights to Pooler as agent, or such Customer is acting on its own behalf, for the purpose of delivering Gas to ~~Company~~PSNC.
910. "Transco" means Transcontinental Gas Pipe Line Company, LLC, or its successor.
11. "Under-Delivery" means an imbalance created when a Pooler's deliveries of Gas to Customers out of its Pool

exceed the quantities of Gas delivered by Pooler into the Pool during a Gas Day.

Any capitalized terms used herein, which are not defined herein, shall have the meanings set forth in PSNC's Rules and the Service Regulations.

## **ARTICLE II** **Applicability**

All persons and entities that obtain transportation on a Pipeline or Renewable Gas from a supplier for the purpose of delivering Gas to an interconnection with CompanyPSNC shall be required to execute a Transportation Pooling Agreement. Unless CompanyPSNC agrees otherwise, only a single pooler may sell Gas to a Customer Account in one calendar month.

## **ARTICLE III** **Term**

This Agreement shall commence on the first day of \_\_\_\_\_, 20\_\_\_\_, and shall continue thereafter for twelve (12) calendar months; provided, however, that the term shall be extended from year to year thereafter, subject to cancellation by either party upon expiration of the primary term or any subsequent one (1) year period upon at least thirty (30) days written notice given prior to expiration of the primary term or prior to the expiration of any one year period occurring thereafter. Notwithstanding the foregoing, CompanyPSNC may cancel or discontinue service under this Agreement as provided in Articles VIII, IX, and X below.

## **ARTICLE IV** **Transportation Nomination Procedures**

For each month that this Agreement is in effect, Pooler must submit its nomination for each month's transportation to CompanyPSNC using CompanyPSNC's electronic bulletin board or such other means authorized by CompanyPSNC no later than the NAESB deadline for the timely nomination cycle on the fourth business day prior to the beginning of each month.

Changes to nominations within the month must be submitted to CompanyPSNC using CompanyPSNC's electronic bulletin board or such other means authorized by CompanyPSNC no later than the NAESB deadline for the timely nomination cycle on the day prior to the day of Gas flow. Nominations should reflect anticipated demand of the Customers to be served by Pooler. CompanyPSNC will have no obligation to accommodate intraday nomination changes.

## **ARTICLE V** **Pooling Procedures**

For each month that this Agreement is in effect, CompanyPSNC will allow Pooler to create a Pool in which Pooler shall aggregate all Gas quantities delivered to CompanyPSNC by Pooler for delivery to CompanyPSNC's Customers or Pooler pursuant to Article IV above. Pooler agrees to make deliveries into its Pool at daily rates that are reasonably even and constant. Pooler may increase or decrease daily Gas deliveries to CompanyPSNC provided that any such change does not impair CompanyPSNC's operating ability, as determined by CompanyPSNC, in its sole discretion.

Notwithstanding the foregoing, CompanyPSNC may from time to time issue an Operational Order notifying Pooler to comply with any restrictions specified by CompanyPSNC in the Operational Order. CompanyPSNC will provide Pooler at least four (4) hours' advance notice of the effective time of any restrictions in an Operational Order. Pooler shall provide CompanyPSNC with the names, titles, telephone numbers, and email addresses of at least two representatives authorized by Pooler to receive such notices and shall promptly notify CompanyPSNC of any changes to such information.

When an Operational Order specifies that a Pooler take appropriate actions for any Gas Day to prevent deliveries to Customers out of its Pool from exceeding quantities delivered by Pooler into the Pool ("Under-Delivery"), upon Pooler's failure to comply with the Operational Order, Pooler shall pay CompanyPSNC a penalty for each Dekatherm that Pooler's Under-Delivery is greater than the percentage tolerance specified in the Operational Order of Pooler's approved nomination, such penalty equal to the higher of (i) \$50 per Dekatherm or (ii) three times the "Transco, zone 5 del." Midpoint price published in Platts Gas Daily, "Daily price survey" for the flow date on which the Under-Delivery occurred. For days of consumption when Gas Daily is not published, the daily price published by Gas Daily on the nearest subsequent day shall be used.

When an Operational Order specifies that a Pooler take appropriate actions for any Gas Day to prevent Gas quantities delivered by Pooler into its Pool from exceeding deliveries to Customers out of the Pool ("Over-Delivery"), upon Pooler's failure to comply with the Operational Order, Pooler shall pay CompanyPSNC a penalty for each Dekatherm that Pooler's Over-Delivery is greater than the percentage tolerance specified in the Operational Order of Pooler's approved nomination, such penalty equal to the higher of (i) \$50 per Dekatherm or (ii) three times the "Transco, zone 5 del." Midpoint price published in Platts Gas Daily, "Daily price survey" for the flow date on which the Over-Delivery occurred. For days of consumption when Gas Daily is not published, the daily price published by Gas Daily on the nearest subsequent day shall be used.

#### **ARTICLE VI** **Gas Measurement**

The quantity and heating value of the Gas delivered by Pooler to CompanyPSNC shall be determined by the transporting Pipeline(s) in the manner provided in its (their) tariff(s) or, for Renewable Gas, by CompanyPSNC in the manner provided in ~~its Rules and the Service~~ Regulations.

#### **ARTICLE VII** **Full Requirements Service**

For each month that this Agreement is in effect, Pooler agrees to satisfy the full requirements for Gas for each PSNC Customer Account on Pooler's designated list provided pursuant to Article IV for each such month. Pooler's ability to satisfy all such requirements for Gas in any month shall be determined by subtracting the Customers' actual consumption for the listed Customer Accounts in that month from the total actual deliveries received in that month on the Pooler's account. Any imbalance resulting from an adjustment to actual consumption or deliveries due to meter inaccuracy, billing error, or otherwise, after the month in which such Gas requirements were determined, shall be cashed out under the procedure provided in Article VIII with all adjusted quantities cashed out under either paragraph 1 for shortage quantities or paragraph 1 for excess quantities, as applicable.

#### **ARTICLE VIII** **Pool Balancing Procedures**

Pooler and any other pooler authorized to obtain Pooling from Company may trade monthly imbalances if the resulting trade will reduce the imbalance for each pooler. Imbalance trades must be made using Company's electronic bulletin board or such other means authorized by Company no later than the third (3rd) business day following the month in which the imbalances occurred. If Pooler has an imbalance remaining after the close of the trading period, such imbalance shall be cashed out according to the procedures set forth below.

~~In the event that~~ If Pooler's Pool has insufficient Gas available to satisfy the actual needs of the Customer Account(s) to be served from the Pool in any month, the cashout procedure shall be as follows:

1. If such shortage is less than or equal to two percent (2%) of the Customers' actual usage, for each Dekatherm of such shortage, CompanyPSNC shall sell to Pooler Gas required to cover such shortage quantities at a rate equal to the first of the month price for the month in which such shortage occurred for Transco Station 65 as published in Natural Gas Week, plus (a) for the months of November through March, the one hundred percent (100%) load factor rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, plus applicable fuel retention and all applicable surcharges, or (b) for the months of April through October, the commodity rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, including applicable fuel retention and surcharges, plus \$.05.
2. If such shortage is greater than two percent (2%) of the Customers' actual usage, for each Dekatherm of such shortage, CompanyPSNC shall sell to Pooler Gas required to cover such shortage quantities at a rate equal to the higher of the first of the month price or the highest weekly price for any subsequent week for the month in which such shortage occurred for Transco Station 65 as published in Natural Gas Week, multiplied by the premium percentage shown below corresponding to the percentage of the shortage, plus (a) for the months of November through March, the one hundred percent (100%) load factor rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, plus applicable fuel retention and all applicable surcharges, or (b) for the months of April through October, the commodity rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, including applicable fuel retention and surcharges, plus \$.05.

Shortage Percentage	Premium Percentage
Over 2% & equal to or less than 5%	110%

Over 5% & equal to or less than 10%	120%
Over 10% & equal to or less than 15%	130%
Over 15%	150%

In the event that Pooler's Pool has Gas in excess of the actual needs of the Customer Account(s) in any month, the cashout procedure shall be as follows:

1. If such excess is less than or equal to two percent (2%) of the Customers' actual usage, for each Dekatherm of such overage, CompanyPSNC shall purchase from Pooler such excess quantities of Gas at a rate equal to the first of the month price for the month in which the excess accumulated for Transco Station 65 as published in Natural Gas Week, plus (a) for the months of November through March, the one hundred percent (100%) load factor rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, plus applicable fuel retention and all applicable surcharges, or (b) for the months of April through October, the commodity rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, including applicable fuel retention and surcharges, plus \$.05.
2. If such excess is greater than two percent of the Customers' actual usage, for each Dekatherm of such overage, CompanyPSNC shall purchase from Pooler such excess quantities of Gas at a rate equal to the lower of the first of the month price or lowest weekly price for any subsequent week for the month in which the excess accumulated for Transco Station 65 as published in Natural Gas Week, multiplied by the discount percentage shown below corresponding to the percentage of the excess, plus (a) for the months of November through March, the one hundred percent (100%) load factor rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, plus applicable fuel retention and all applicable surcharges, or (b) for the months of April through October, the commodity rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, including applicable fuel retention and surcharges, plus \$.05.

Excess Percentage	Discount Percentage
Over 2% & equal to or less than 5%	90%
Over 5% & equal to or less than 10%	80%
Over 10% & equal to or less than 15%	70%
Over 15%	50%

If, for any month, the imbalance in Pooler's Pool exceeds twenty-five percent (25%), either positive or negative, CompanyPSNC shall have the right, in its sole discretion, to cancel this Agreement and to suspend the Pooler's right to establish a Pool for delivery to Customers that transport on CompanyPSNC's system for twelve (12) months.

#### ARTICLE IX Creditworthiness

CompanyPSNC shall not commence service to Pooler, and Company has the right to discontinue service upon five (5) days' written notice to Pooler, if Pooler fails to meet CompanyPSNC's creditworthiness criteria. CompanyPSNC shall apply consistent evaluative practices to determine the acceptability of Pooler's overall financial condition, working capital, and profitability trends. Acceptable creditworthiness is demonstrated by meeting the following criteria:

1. At CompanyPSNC's request, Pooler shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss the Pooler's financial status, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available.
2. At CompanyPSNC's request, Pooler shall provide a bank reference and at least two trade references. Pooler authorizes CompanyPSNC to obtain a current credit report on Pooler to determine whether to extend credit and releases generally all creditors to disclose otherwise confidential information. The results of reference checks and any credit reports submitted must show that Pooler's obligations are being paid on a prompt basis.
3. At CompanyPSNC's request, Pooler shall provide a guarantee by a person or another entity acceptable to CompanyPSNC that satisfies the credit appraisal, or a standby irrevocable letter of credit drawn upon a bank acceptable to CompanyPSNC.
4. Pooler must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws such as an assignment for the benefit of creditors, or any informal creditors' committee agreement.



5. Pooler shall not be subject to the uncertainty of pending liquidation or regulatory proceedings in state or federal courts or before other governmental or regulatory bodies having jurisdiction, which could cause a substantial deterioration in its financial condition, a condition of insolvency, or an impairment of Pooler's ability to exist as an ongoing business entity.
6. Pooler shall have no significant collection lawsuits or judgments outstanding that might affect Pooler's ability to remain solvent.
7. If any of the events or actions described in paragraphs 4, 5, and 6 above shall be initiated or imposed during the terms of service under this Agreement, Pooler shall provide notification thereof to CompanyPSNC within two (2) working days of any such initiated or imposed event or action.
8. If Pooler has an ongoing business relationship with CompanyPSNC, no delinquent balances shall be consistently outstanding for undisputed billings made previously by CompanyPSNC, and Pooler must have paid its account in the past according to the established terms and not made deductions or withheld payment for claims other than for disputed billings.

#### **ARTICLE X** **Billing and Payment**

No later than three (3) business days following CompanyPSNC's end-of-the-month meter reading date for the month of delivery, CompanyPSNC will provide Pooler with a statement detailing the total quantities delivered by Pooler into its Pool for the preceding month as well as the total metered consumption in Dekatherms for each individual CompanyPSNC Customer Account served by Pooler. Pooler is responsible for billing each of CompanyPSNC's Customer(s) served from Pooler's Pool for all Gas consumed by such Customers determined pursuant to Article VII above ~~with the exception of~~ except for unauthorized quantities or other penalties assessed directly to a Customer by CompanyPSNC. CompanyPSNC shall continue to bill its applicable transportation and Facilities Charges directly to the Customer.

If the total quantities present in Pooler's Pool fail to cover the total accumulated usage for CompanyPSNC's Customer(s) served by Pooler's Pool in any month, CompanyPSNC shall bill Pooler for any shortage quantities pursuant to the procedures described in Article VIII above. Such statement shall be furnished to Pooler by CompanyPSNC no later than the fifth (5th) business day following CompanyPSNC's end-of-the-month meter reading date for the month of delivery and is due and payable within ten (10) days after the statement date. A bill shall be deemed delinquent when it remains unpaid after the due date set forth on the bill. If Pooler fails to remit the full amount when due, interest on the unpaid portion shall accrue at a rate of one percent (1%) per month. If a Pooler withholds any portion of any amount billed by CompanyPSNC as a disputed amount and any portion or all of the amount so withheld is determined to have been properly billed, then interest (as set forth above) shall accrue on the withheld amount that was properly billed from the date due until the date that CompanyPSNC receives it. CompanyPSNC may terminate this Agreement when any bill becomes delinquent.

If the total quantities present in Pooler's Pool exceed the total accumulated usage for the Customer(s) served from Pooler's Pool in any month, CompanyPSNC shall purchase such Gas pursuant to the procedures described in Article VIII above. CompanyPSNC shall furnish Pooler with a statement identifying the quantities purchased from Pooler no later than the fifth (5th) business day following CompanyPSNC's end-of-the-month meter reading date for the month of delivery and shall pay Pooler no later than ten (10) days after the statement date.

#### **ARTICLE XI** **Force Majeure**

The term "Force Majeure," as used herein, and as applied to CompanyPSNC or Pooler, shall mean acts of law including governmental bodies acting pursuant to law, acts of God, strikes, lockouts or other disturbances, acts of a public enemy, war, blockades, insurrections, riots, epidemics, lightning, fires, floods, washouts, arrests, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, freezing of wells or pipelines, or any other cause, whether of the kind enumerated or otherwise, not reasonably within the control of the affected party. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party affected.

Such causes or contingencies affecting the performance of this Agreement by CompanyPSNC or the Pooler shall not relieve the affected party of liability unless such party shall give notice and full particulars of such cause or contingency in writing or by facsimile to the other party as soon as reasonably practical after the occurrence of the cause relied upon, nor shall such causes or contingencies affecting this Agreement by either party relieve it of liability

in the event of its concurring negligence, nor shall such causes or contingencies affecting the performance of this Agreement relieve either party from its obligations to make payments of amounts due under the Agreement for Gas already allocated to the Customers served by Pooler.

**ARTICLE XII**  
**Miscellaneous**

1. No modification of the terms and provisions of this Agreement shall be or become effective except by the execution of a written agreement or by modification of CompanyPSNC's Tariff.
2. No waiver by any party of any one or more defaults by any other party in the performance of any provisions of this Agreement shall operate or be construed as a waiver or any other default or defaults, whether of a like or of a different character.
3. Any company, which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of CompanyPSNC or of Pooler, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Without relieving itself of its obligations under this Agreement, any party may assign any of its rights hereunder to a company with which it is affiliated, but otherwise no assignment of this Agreement or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party, provided that such consent will not be unreasonably withheld.
4. Except as otherwise provided, any notice, request, demand, statement, or bill provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when delivered to the United States Postal Service to be sent by registered or certified mail to the Post Office address of the parties hereto, as the case may be, or at such address as either party shall designate by formal written notice, as follows:

Notices to CompanyPSNC:

Public Service Company of North Carolina,  
Incorporated PSNC  
Attention: Transportation & Administration  
220 Operation Way MC E31  
Cayce, South Carolina 29033-3701  
Telephone: (803) 217-5307  
E-mail:  
PSNCTransAdmin@seanadominionenergy.com

Payments to CompanyPSNC:

Public Service Company of North Carolina,  
Incorporated PSNC Treasurer's Account  
Wells Fargo Bank NA  
Minneapolis, MN 55702  
ABA No: *call to request*  
Account. No: *call to request*

Notices to Pooler: (Enter Applicable Information)

\_\_\_\_\_  
Pooler Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City / State/ Zip Code

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
E-mail AddressFax Number

Payments to Pooler: (Enter Applicable Information)

\_\_\_\_\_  
Pooler Name

\_\_\_\_\_  
Pooler Bank Name

\_\_\_\_\_  
ABA Number

\_\_\_\_\_  
Account Number

6. The subject headings of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.
7. The construction, interpretation, and performance of this Agreement shall be in accordance with the laws of the State of North Carolina, excluding any conflicts-of-law rule or principle which might refer the construction, interpretation, or performance of this Agreement to the law of another jurisdiction.

8. In the event of a conflict between the provisions of this Agreement and Company PSNC's Tariff, Company PSNC's Tariff shall control.
9. This Agreement supersedes all preexisting agreements for Pooling between Company PSNC and Pooler.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as indicated below.

COMPANY, PSNC

POOLER

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
(Type or Print)

Name: \_\_\_\_\_  
(Type or Print)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## GAS QUALITY STANDARDS FOR RENEWABLE GAS

These Gas Quality Standards set forth the terms and conditions under which ~~PSNC Company~~ will accept "Renewable Gas" onto its system and pursuant to which it will continue to accept and redeliver such gas to ~~customers~~ Customers receiving service from ~~Company PSNC~~. The terms of these Gas Quality Standards may be modified from time-to-time, with the approval of the ~~North Carolina Utilities Commission~~, based upon ~~Company PSNC's~~ actual operating experience with Renewable Gas and/or any threats to ~~Company PSNC's~~ ability to provide safe, reliable, and economic natural gas service to the public.

For purposes of these Gas Quality Standards, "Renewable Gas" shall mean gas capable of combustion in customer appliances or facilities which is similar in heat content and chemical characteristics to natural gas produced from traditional underground well sources and which is intended to act as a substitute or replacement for natural gas. Renewable Gas shall include but not be limited to biogas, biomethane, and landfill gas, as well as any other type of natural gas equivalent produced or manufactured from sources other than traditional underground well sources. For purposes of the application of ~~Company's Rate Schedules PSNC's rate schedules and its Rules and Service Regulations~~, Renewable Gas shall be treated in a manner equivalent to "Gas" (as that term is defined in ~~PSNC's Rules and the Service Regulations~~) except to the extent that these Gas Quality Standards specify more restrictive obligations applicable to Renewable Gas, in which case the provisions of these Gas Quality Standards shall control.

### Receipt of Renewable Gas

~~Company PSNC's~~ obligation to receive and accept Renewable Gas shall be limited as set forth below and to situations where ~~Company PSNC~~ is able to physically receive the Renewable Gas into its system without materially impacting its ability to provide service to ~~its customers~~ Customers, meet its legal, contractual, and regulatory obligations, or safely and reliably operate its system. Construction of facilities needed to receive and accept Renewable Gas shall be governed by ~~Company PSNC's~~ standard feasibility analyses and ~~Company PSNC~~ shall have no obligation to construct economically infeasible facilities to enable receipt of Renewable Gas. ~~Company PSNC~~ may require prospective suppliers of Renewable Gas to enter into interconnection and facilities reimbursement agreements, as discussed below, as a condition to receipt and acceptance of Renewable Gas.

### Testing Requirements

Initial Testing. Prior to the initial receipt of Renewable Gas by ~~Company PSNC~~, any supplier thereof shall provide the results of an independent laboratory test demonstrating that supplier's Renewable Gas is in conformance with the Gas Quality Standards set forth herein. Supplier shall also provide ~~Company PSNC~~ with the results of an additional laboratory test on a second sample of its Renewable Gas taken at least seven (but no more than fourteen) days after the initial test sample, confirming the continuing conformance of supplier's Renewable Gas with the standards set forth herein. After the initial receipt of Renewable Gas by ~~Company PSNC~~, any supplier thereof shall provide the results of three consecutive independent laboratory tests, performed no less than thirty days (or more than 45 days) apart, demonstrating that supplier's Renewable Gas is in conformance with the Gas Quality Standards set forth herein. Such testing shall be performed by an independent third-party laboratory satisfactory to ~~Company PSNC~~ at supplier's sole cost and expense.

Subsequent Testing. If receipt of supplier's Renewable Gas is interrupted or suspended by ~~Company PSNC~~ pursuant to the terms hereof, then prior to resumption of acceptance of deliveries of Renewable Gas from such supplier, and at the reasonable discretion of ~~Company PSNC~~, that supplier may be required to provide the results of an independent laboratory test, demonstrating that supplier's Renewable Gas continues to be or has been restored to be in conformance with the Gas Quality Standards set forth herein. If such subsequent independent laboratory testing is required by ~~Company PSNC~~, Supplier shall also provide ~~Company PSNC~~ with the results of an additional laboratory test on its Renewable Gas conducted within seven days of the initial test, confirming the conformance of supplier's Renewable Gas with the standards set forth herein. These provisions for Subsequent Testing shall not apply to (i) simple disruptions in the flow or production of Renewable Gas that occur in the normal course of supplier's business operations and which do not otherwise involve circumstances that would authorize ~~Company PSNC~~ to curtail the receipt of such supplies hereunder, or (ii) to non-material and/or incidental deviations from the specific Renewable Gas Quality Standards set forth below related to Temperature, Methane Content, CHDP, Nitrogen, Oxygen, Carbon Monoxide, Total Inerts, Heating Value, Interchangeability, Total Sulfur, Carbon Dioxide, Water, or Hydrogen Sulfide, so long as any such deviations are not recurring in nature and do not pose a threat to ~~Company PSNC's~~ equipment or facilities, the equipment or facilities of ~~PSNC's customers~~ Customers, or to ~~Company PSNC's~~ ability to provide continuous, safe, and reliable service to the public.

**Quarterly Testing.** In addition to the other testing requirements set forth herein, and on no less than a quarterly basis, supplier shall provide to CompanyPSNC the results from independent laboratory testing, satisfactory to CompanyPSNC and at supplier's sole cost and expense, demonstrating that supplier's Renewable Gas continues to conform to the Gas Quality Standards set forth herein. CompanyPSNC may waive the quarterly testing requirement if, in the reasonable exercise of CompanyPSNC's discretion, it concludes that the percentage of Renewable Gas to be received at a specific interconnect point is immaterial in relation to the amount of geologic natural gas flowing through CompanyPSNC's system at that point such that the receipt of Renewable Gas at that point will not have a detrimental impact on CompanyPSNC's system, its operations, or services provided to ~~customers~~ Customers.

**Supplemental Testing.** CompanyPSNC reserves the right to request supplier, at supplier's sole expense, to perform additional testing for constituent or contaminant compounds in addition to those expressly listed herein, should (i) the presence of such compounds be determined by CompanyPSNC to be reasonably possible in supplier's Renewable Gas stream, and (ii) should such constituents or compounds pose an actual or prospective threat to CompanyPSNC's system or the provision of safe and reliable natural gas service to ~~CustomersPSNC's customers~~.

**Renewable Gas Source.** In the event a supplier flowing Renewable Gas onto CompanyPSNC's system determines to alter its source of production of Renewable Gas or to take action that might otherwise be expected to change the characteristics or constituent components of its gas stream, supplier shall promptly notify CompanyPSNC, in advance, of such prospective change and CompanyPSNC shall have no obligation to receive Renewable Gas from such supplier until it has been provided with the results of two consecutive independent laboratory tests, performed no less than seven days apart, demonstrating that supplier's modified Renewable Gas is in conformance with the Gas Quality Standards set forth herein. Such testing shall be performed by an independent third-party laboratory satisfactory to CompanyPSNC at supplier's sole cost and expense.

With regard to any of the testing provided for above, CompanyPSNC shall be provided reasonable advance notice of such testing and shall have the right to observe the samples being taken. Test results shall be promptly shared between CompanyPSNC and supplier upon receipt of such results from the testing laboratory. With regard to any of the testing provided for above, and upon request of a supplier and in the reasonable exercise of CompanyPSNC's discretion, CompanyPSNC will waive the requirement for laboratory testing for one or more constituent components, on a not unduly discriminatory basis, where certified field testing equipment satisfactory to CompanyPSNC is available to test for those components.

The Renewable Gas testing requirements set forth above shall include tests for and reportable levels of each of the constituent elements set forth below. To the extent that two consecutive laboratory tests demonstrate non-detectable levels of one or more of the constituent compounds set out below from a supplier's Renewable Gas stream at a specific interconnect point, CompanyPSNC will consider, in the reasonable exercise of its discretion, written requests for waiver of the requirement to continue testing for such constituent compounds at that specific interconnect point. CompanyPSNC may grant or deny such petition in the reasonable exercise of its discretion subject only to the requirement that any decision to deny a petition for a waiver or to revoke a waiver once granted shall state the basis for the decision in sufficient detail to facilitate further discussions and/or review of the decision by the Commission. Any such waiver shall be revocable in the reasonable exercise of CompanyPSNC's discretion subject to the requirements of the foregoing sentence.

#### **Renewable Gas Quality Standards**

All Renewable Gas delivered to CompanyPSNC shall fully comply with the quality standards and specifications set forth below.

Renewable Gas delivered to CompanyPSNC shall be free of components which might interfere with its merchantability or cause damage to the operation of CompanyPSNC's system or equipment or those of ~~its customers~~ Customers. All such Renewable Gas delivered to CompanyPSNC shall specifically conform to the following minimum Gas Quality Standards:

**Delivery Temperature:** Minimum of 40°F and maximum of 120°F.

**Methane:** Minimum methane content of 94%.

**Heating Value:** Between 980 and 1100 Btu/SCF at dry gas conditions (14.73 psia at 60°F).

**Interchangeability:** All Renewable Gas delivered by any single supplier thereof shall fall within a WOBBE range of 1290 to 1370.

**Hydrogen Sulfide (H<sub>2</sub>S):** Less than or equal to 0.25 grain/100 SCF.

**Mercaptan:** Shall not exceed 0.5 grain/100 SCF.

**Total Sulfur:** Less than or equal to 10 grain/100 SCF, including sulfur from hydrogen sulfide and mercaptan.

**Water:** Less than or equal to 7 pounds/MMSCF at dry gas conditions (14.73 psia at 60°F).

**CHDP:** Not greater than 20°F.

**Carbon Dioxide (CO<sub>2</sub>):** Not more than 2% by volumetric basis.

**Nitrogen:** Not more than 2% by volumetric basis.

**Oxygen:** Not more than 0.2% by volumetric basis.

**Carbon Monoxide (CO):** Not more than 0.1% by volume.

**Total Inerts:** Not more than 3.2% by volumetric basis. For purposes of this provision, Total Inerts are defined as Oxygen, Nitrogen, and Carbon Dioxide.

**Hydrogen:** No more than 600 ppm.

**Solid Particle Size:** Gas filtration is required and shall be sufficient to remove 99.99% of solid particles 3 microns or larger.

**Dust, Gums & Solid Matter:** The gas shall be free of dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the gas in the course of transportation through pipelines.

**Biologicals:** Gas, including any associated liquids, shall not contain any micro-biological organisms exceeding 4 x 10<sup>4</sup>/scf (qPCR per APB, SRB, IOB group), active bacteria or bacterial agents > 0.2 microns.

**Organic Silicon (Siloxanes):** Total Organic Silicon (siloxanes) shall not be greater than 0.40 mg of Si/Nm<sup>3</sup>.

**Odorization Masking/Fading Agents (VOC):** Gas shall be free of agents, compounds, or the like which will interfere with the process of the human olfactory process in the recognition of odorized natural gas through bonding with the odorant or causing interference with the human olfactory senses.

**VOC:** Renewable Gas shall be free from any halogenated compounds that when, through the process of combustion, form dioxins.

**The following Constituents of Concern shall be limited as indicated:**

Constituent	Limit mg/m <sup>3</sup> (ppmv)
Arsenic	0.48 (0.15)
p-Dichlorobenzene	140 (24)
Ethylbenzene	650 (150)
n-Nitroso-di-n-propylamine	0.81 (0.15)
Vinyl Chloride	21 (8.3)
Antimony	30 (6.1)
Copper	3.0 (1.2)
Lead	3.8 (0.44)
Methacrolein	53 (18)
Alkyl thiols (mercaptans)	N/A (610)
Toluene	45,000 (12,000)

If additional equipment is required to ensure consistent compliance of supplier's Renewable Gas to the Gas Quality Standards set forth above, CompanyPSNC may require supplier to purchase, and promptly install, any additional equipment necessary to meet the referenced gas quality specifications at supplier's expense. The unreasonable refusal to do so shall be a violation of supplier's obligations hereunder.

#### **Termination of Obligation to Receive Gas**

Except as otherwise provided below, if Renewable Gas proffered for delivery to CompanyPSNC fails to meet the specifications of the Gas Quality Standards set forth herein, or is otherwise out of conformance with the provisions of these Gas Quality Standards, CompanyPSNC may interrupt or suspend its receipt and acceptance of such Renewable Gas until such Renewable Gas is in conformity with these Gas Quality Standards and such conformity is verified by an independent certified third-party laboratory satisfactory to CompanyPSNC as provided above; except in circumstances where field testing for such compliance is permitted under the provisions of Subsequent Testing set forth above. Notwithstanding CompanyPSNC's right to terminate its receipt of Renewable Gas for non-compliance with the Gas Quality Standards set forth herein, CompanyPSNC will not terminate such receipt for minor non-compliance with such standards applicable to the enumerated constituent component measurements of a producer's Renewable Gas stream listed under Subsequent Testing above (except Temperature), where:

- (a) Such constituent components can be measured in real time by field equipment operated or monitored by CompanyPSNC;
- (b) Variances for one or more of the constituent component measurements listed under Subsequent Testing (except Temperature) do not exceed standards by more than ten percent (10%);
- (c) Variances for one or more of the constituent component measurements listed under Subsequent Testing (except Temperature) do not exceed four hours in duration; and
- (d) No operational problems or continuity of service issues are created for CompanyPSNC by the variance, as determined in the reasonable exercise of CompanyPSNC's discretion.

CompanyPSNC shall provide electronic notice to any producer of variations from standards found in such producer's Renewable Gas stream. The four-hour limit on the duration of any variances for the constituent component measurements identified above (except Temperature) shall commence upon the issuance of such notice.

CompanyPSNC shall also have the right to interrupt or suspend the receipt of Renewable Gas at any time from any supplier in the event that: (i) constituent compounds or components of supplier's Renewable Gas are determined to pose an actual or potential health risk to the public or to CompanyPSNC's employees that is different in degree or nature from the risks normally attendant upon the use and transportation of natural gas; (ii) testing or other evidence reasonably indicates that supplier's Renewable Gas contains constituent compounds or components reasonably likely to cause or actually causing harm to CompanyPSNC's facilities or equipment (including corrosion damage); (iii) testing or other evidence reasonably indicates that supplier's Renewable Gas contains constituent compounds or components reasonably likely to cause or actually causing harm to the facilities or equipment of PSNC's other customers Customers (including corrosion damage); or (iv) the chemical characteristics or physical properties of supplier's Renewable Gas are impeding PSNC's ability to provide safe and reliable service to PSNC's other customers Customers.

In the event of such interruption or suspension of service, CompanyPSNC shall have no obligation to resume receipt of Renewable Gas from supplier until the correction or remediation of the problem prompting such interruption or suspension of service has occurred as determined by CompanyPSNC in the exercise of its reasonable discretion.

#### **Interconnection Agreement**

Prior to and as a condition of delivering Renewable Gas to CompanyPSNC and CompanyPSNC's acceptance thereof, any proposed supplier must enter into an interconnection and facilities reimbursement agreement with CompanyPSNC addressing, to CompanyPSNC's reasonable satisfaction, the terms and conditions applicable to construction and payment for any needed incremental facilities required to accept or receive supplier's Renewable Gas. CompanyPSNC shall have no obligation to accept or receive Renewable Gas until such agreement is executed and its obligations to accept and receive Renewable Gas following such execution shall be governed by the interconnection and reimbursement agreement and these Gas Quality Standards. In the event of a conflict between the provisions set forth in these Gas Quality Standards and the terms and conditions of an interconnection and reimbursement agreement, the provisions of these Gas Quality Standards shall control.

**Measurement Requirements**

Company~~PSNC~~ will measure, or receive data from the supplier to measure, on a daily or continuous basis, the quantity, heat content, WOBBE value, and specific gravity of all Renewable Gas delivered to Company~~PSNC~~ at each point of delivery into Company~~PSNC~~'s system utilized by Renewable Gas suppliers.

**Indemnity/Liability**

As a condition to the receipt and acceptance of Renewable Gas by Company~~PSNC~~, all suppliers of Renewable Gas shall indemnify and hold Company~~PSNC~~ harmless from any and all claims, suits, actions, debts, accounts, damages, costs, losses, and expenses, including reasonable attorney fees, (i) arising from or related to the delivery to Company~~PSNC~~ by supplier of any Renewable Gas that fails to meet the Gas Quality Standards set forth herein or otherwise is not in compliance with these Gas Quality Standards, or (ii) arising from or related to damage to Company~~PSNC~~'s equipment or facilities or the equipment or facilities of Customers~~PSNC's customers~~ from receipt of supplier's Renewable Gas.

**PSNC COMPANY SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO SUPPLIER, SUPPLIER'S CUSTOMER, OR ANY THIRD-PARTY ASSOCIATED WITH ITS EXERCISE OF THE RIGHT TO INTERRUPT OR SUSPEND RECEIPT OF RENEWABLE GAS AS PROVIDED FOR ABOVE AND IN NO EVENT SHALL BE LIABLE FOR ANY PUNITIVE, CONSEQUENTIAL, OR EXEMPLARY DAMAGES ARISING FROM ITS RECEIPT OR ACCEPTANCE (OR FAILURE TO RECEIVE OR ACCEPT) RENEWABLE GAS UNDER THE TERMS HEREOF OR OTHERWISE.**

EXHIBIT H

Purchased Gas Expense



**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**

Docket No. G-5, Sub 632

**COST OF GAS**

I. FIXED GAS COSTS (in DTs and \$/DT)

PIPELINE	CONTRACT NUMBER	RATE SCHEDULE	MDTQ	DEMAND RATE	MONTHS/ DAYS	AMOUNT	PIPELINE TOTAL
DTI	700013	FTNN-GSS	11,669	\$4.17410	5	243,538	
DTI	700036	FTNN-GSS	18,000	\$4.17410	5	375,669	
DTI	100035	FTNN	18,331	\$4.17410	12	918,185	
DTI	100103	FTNN	12,000	\$4.17410	12	601,070	
DTI	100051	FTNN	10,000	\$4.17410	12	500,892	
DTI	200085	FT	5,035	\$6.20210	12	374,731	3,014,085
TGT	29970	FT	5,272	\$0.28420	365	546,880	546,880
TRANSCO	1004190	FT, Zn 4-5	4,643	\$0.38176	61	108,123	
TRANSCO	1004190	FT, Zn 4-5	30,754	\$0.38176	61	716,179	
TRANSCO	1004190	FT, Zn 4-5	5,159	\$0.38176	90	177,255	
TRANSCO	1004190	FT, Zn 4-5	34,171	\$0.38176	90	1,174,061	2,175,619
TRANSCO	1004996	FT, Zn 1-5	739	\$0.87626	90	58,279	
TRANSCO	1004996	FT, Zn 2-5	1,087	\$0.85217	90	83,349	
TRANSCO	1004996	FT, Zn 3-5	2,521	\$0.78911	90	179,060	320,688
TRANSCO	1002264	FT, Zn 1-5	385	\$0.48308	365	67,885	
TRANSCO	1002264	FT, Zn 2-5	566	\$0.46959	365	97,013	
TRANSCO	1002264	FT, Zn 3-5	1,313	\$0.43427	365	208,122	373,019
TRANSCO	1003703	FT, Zn 1-5	27,906	\$0.48308	365	4,920,503	
TRANSCO	1003703	FT, Zn 2-5	41,037	\$0.46959	365	7,033,756	
TRANSCO	1003703	FT, Zn 3-5	95,208	\$0.43427	365	15,091,282	27,045,541
TRANSCO	1006505	FT, Zn 3-6	30	\$0.51153	365	5,601	
TRANSCO	1006505	FT, Zn 2-6	1,371	\$0.54685	365	273,652	279,253
TRANSCO	1012381	FT, Zn 6	5,175	\$0.12806	365	241,889	241,889
TRANSCO	1012028	FT, Zn 4-5	44,627	\$0.38176	365	6,218,433	6,218,433
TRANSCO	9103562	FT, Zn 3-5	20,000	\$0.27275	365	1,991,075	1,991,075
TRANSCO	9178381	FT, Zn 6-4	100,000	\$0.55515	365	20,262,975	20,262,975
TRANSCO	9130053	FT, Zn 3-6	208	\$0.51153	365	38,835	38,835
TRANSCO	9130053	FT, Zn 2-6	9,425	\$0.54685	365	1,881,232	1,881,232
TRANSCO	9238274	FT, Zn 3-5	60,000	\$0.64578	365	14,142,582	14,142,582
COVE POINT LN	1003	FTS	25,000	\$0.56310	12	168,930	168,930
CARDINAL	9125343	Zone 2	50,000	\$0.08100	365	1,478,250	
CARDINAL	1031995	Zone 2	103,500	\$0.08100	365	3,059,978	
CARDINAL	1031994	Zone 1B	72,450	\$0.03930	365	1,039,259	5,577,487
COLUMBIA	49530	SST	35,335	\$6.89100	6	1,460,961	
COLUMBIA	49530	SST	17,667	\$6.89100	6	730,460	2,191,421
EAST TN PATRIC	410097	FT-A	30,000	\$9.29000	12	3,344,400	3,344,400
EAST TN PATRIC	410333 & 8	FT-A	20,000	\$9.29000	12	2,229,600	2,229,600
TEXAS EASTERN TRANSMISSION				\$46,944	12	563,328	563,328
PIEDMONT (Town of Faith redelivery agreement)				\$760	12	9,120	9,120
EDF				147,000	12	1,764,000	1,764,000

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Oct 15 2021



**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**

Docket No. G-5, Sub 632

**COST OF GAS**

## I. FIXED GAS COSTS (in DTs and \$/DT)

SUB-TOTAL TRANSPORTATION 94,380,393

PIPELINE	CONTRACT NUMBER	RATE [\$/DT]	STORAGE QUANTITY	DAILY DEMAND	MONTHS/ DAYS	AMOUNT	SERVICE TOTAL
<b>TRANSCO</b>							
GSS	1000732						
DEMAND		\$0.10555		33,218	365	1,279,748	
CAPACITY		\$0.00063	1,835,944		365	422,175	1,701,924
WSS	9019052						
DEMAND		\$0.03102		29,416	365	333,057	
CAPACITY		\$0.00033	2,794,500		365	336,598	669,654
LG-A	9019071						
DEMAND		\$0.10316		5,175	365	194,856	
CAPACITY		\$0.01988	25,875		365	187,754	382,611
ESS	9011146						
DEMAND		\$0.03901		37,717	365	537,039	
CAPACITY		\$0.00486	318,271		365	564,581	1,101,620
Eminence	9050453						
DEMAND		\$0.03901		38,545	365	548,829	
CAPACITY		\$0.00486	321,950		365	571,107	1,119,936
<b>COLUMBIA FSS</b>							
DEMAND		\$1.50100		35,335	12	636,454	
CAPACITY		\$0.02880	3,180,150		12	1,099,060	1,735,514
<b>COVE POINT LNG</b>							
RESV CHG - FPS-1		\$3.29510		25,000	12	988,530	988,530
<b>DTI GSS</b>							
DEMAND		\$1.87160		62,669	12	1,407,496	
CAPACITY		\$0.01450	3,856,000		12	670,944	2,078,440
<b>PINE NEEDLE LNG</b>							
RESV CHG		\$0.07602		103,500	365	2,871,846	2,871,846
<b>SALTVILLE</b>							
DEMAND		\$0.11670	600,000		12	840,240	
INJ RESERV		\$4.00000		13,333	12	639,984	
WD RESERV		\$2.00000		30,000	12	720,000	2,200,224
<b>SALTVILLE</b>							
DEMAND	420034	\$0.11670	200,000		12	280,080	
INJ RESERV		\$4.00000		10,000	12	480,000	
WD RESERV		\$2.00000		20,000	12	480,000	1,240,080
SUB-TOTAL STORAGE COSTS							\$16,090,377

ANNUALIZED SECONDARY MARKET CREDITS (\$23,248,469)DEFERRED FIXED GAS COST, CO. USE & LAUF (10,602,953)

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**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**

Docket No. G-5, Sub 632

**COST OF GAS**

I. FIXED GAS COSTS (in DTs and \$/DT)

NET TOTAL FIXED GAS COSTS	\$76,619,349
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II. COMMODITY COSTS (In Therms and \$/Therm)

SALES VOLUMES	559,414,506	\$0.250	139,853,627
UNACCOUNTED FOR GAS	7,474,453	\$0.250	1,868,613
COMPANY USE GAS	1,362,104	\$0.250	340,526

TOTAL COMMODITY COSTS	<u>142,062,766</u>
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III. TOTAL GAS COST	<u><u>218,682,115</u></u>
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# EXHIBIT I

Comparison of End of Period Revenues to  
Stipulated Proposed Revenues for Year One

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 632  
**COMPARISON OF END OF PERIOD REVENUES TO STIPLUATED REVENUES BY CLASS**  
For The Test Year Ended December 31, 2020

Line No.	Revenue Class	Tariff Rate Schedule	End of Period Revenues	Total Revenue Increase (Decrease)	Total Stipulated Revenues	Overall Percent Increase (Decrease)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Residential Service	101 / 102	\$ 359,967,140	\$ 21,330,086	\$381,297,226	5.93%
2	Small General Service	125 / 126 / 127	\$ 103,434,686	\$ 4,483,262	\$107,917,948	4.33%
3	Medium General Service	140	\$ 22,325,997	\$ 456,645	\$22,782,642	2.05%
4	Outdoor Gas Light Service	115	\$ 61,723	\$ 5,633	\$67,356	9.13%
5	Natural Gas Vehicles	135	\$ 115,477	\$ -	\$115,477	0.00%
6	Large Quantity Firm General Service	145 / 175	\$ 41,748,107	\$ 2,429,333	\$44,177,441	5.82%
7	Large Quantity Interruptible Service	150 / 180	\$ 11,739,530	\$ 759,395	\$12,498,925	6.47%
8	Special Contracts		\$ 34,239,341	\$ -	\$34,239,341	0.00%
9	<b>Total Sales and Transportation Revenue</b>		<b>\$ 573,632,002</b>	<b>\$ 29,464,353</b>	<b>\$ 603,096,355</b>	<b>5.14%</b>
10	Miscellaneous Revenue		\$ 1,462,442	\$ -	\$ 1,462,442	0.00%
11	<b>Total Operating Revenue</b>		<b>\$ 575,094,444</b>	<b>\$ 29,464,353</b>	<b>\$ 604,558,797</b>	<b>5.12%</b>

**Public Service Company of North Carolina**  
Docket No. G-5, Sub 632  
**COMPARISON OF END OF PERIOD REVENUES TO STIPLUATED REVENUES BY CLASS**  
For The Test Year Ended December 31, 2020

Line No.	Revenue Class	Tariff Rate Schedule	Distribution Margin Revenues at Current Rates	Distribution Margin Revenues at Proposed Rates	Total Revenue Increase (Decrease)	Overall Percent Increase (Decrease)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Residential Service	101 / 102	\$228,400,230.80	\$249,730,317	\$ 21,330,086	9.34%
2	Small General Service	125 / 126 / 127	\$50,796,150.31	\$55,279,412	\$ 4,483,262	8.83%
3	Medium General Service	140	\$10,347,702.74	\$10,804,347	\$ 456,645	4.41%
4	Outdoor Gas Light Service	115	\$36,765.15	\$42,398	\$ 5,633	15.32%
5	Natural Gas Vehicles	135	\$68,131.55	\$68,132	\$ -	0.00%
6	Large Quantity Firm General Service	145 / 175	\$23,664,266.05	\$26,093,600	\$ 2,429,333	10.27%
7	Large Quantity Interruptible Service	150 / 180	\$7,397,302.21	\$8,156,697	\$ 759,395	10.27%
8	<b>Total Sales and Transportation Revenue</b>		<b>\$ 320,710,549</b>	<b>\$ 350,174,902</b>	<b>\$ 29,464,353</b>	<b>9.19%</b>

# EXHIBIT J

Stipulated Proposed Revenue by Rate Element

**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**

Docket No. G-5, Sub 632

**PRESENT RATES & CHARGES AS OF JUNE 30, 2021**

For The Test Year Ended December 31, 2020

Rate No.	Description	Facilities Charge (a)	Billing Rate (b)	CUT Increment/ (Decrement) (c)	IMT Increment/ (Decrement) (d)	Clean Tariff Rate (e)
<b>101</b>	<b>Residential Service</b>					
	Facilities Charge - Per Month	\$10.00				
	Energy Charge - Per Therm					
	Winter - November through April		\$0.92656	\$0.05439	\$0.07512	\$0.79705
	Summer- May through October		\$0.86056	\$0.05439	\$0.07512	\$0.73105
<b>102</b>	<b>Residential Service</b>					
	Facilities Charge - Per Month	\$10.00				
	Energy Charge - Per Therm					
	Winter - November through April		\$0.82921	\$0.00704	\$0.07512	\$0.74705
	Summer- May through October		\$0.76321	\$0.00704	\$0.07512	\$0.68105
<b>115</b>	<b>Open Flame Gas Lanterns</b>					
	Facilities Charge - Per Month	\$10.00				
	Energy Charge - Per Therm					
	Winter - November through April		\$0.87216	\$0.00000	\$0.07512	\$0.79704
	Summer- May through October		\$0.80616	\$0.00000	\$0.07512	\$0.73104
<b>125</b>	<b>Small General Service</b>					
	Facilities Charge - Per Month	\$17.50				
	Energy Charge - Per Therm					
	First 500		\$0.75562	\$0.03679	\$0.04187	\$0.67696
	Next 4,500		\$0.70562	\$0.03679	\$0.04187	\$0.62696
	All Over 5,000		\$0.65562	\$0.03679	\$0.04187	\$0.57696
<b>126</b>	<b>Small General Service - Cooling</b>					
	Facilities Charge - Per Month	\$30.00				
	Energy Charge - Per Therm		\$0.61883	\$0.00000	\$0.04187	\$0.57696
<b>127</b>	<b>Small General Service</b>					
	Facilities Charge - Per Month	\$17.50				
	Energy Charge - Per Therm					
	First 500		\$0.66560	(\$0.00323)	\$0.04187	\$0.62696
	Next 4,500		\$0.61560	(\$0.00323)	\$0.04187	\$0.57696
	All Over 5,000		\$0.56560	(\$0.00323)	\$0.04187	\$0.52696
<b>135</b>	<b>Natural Gas Vehicle Fuel</b>					
	Energy Charge - Per Therm		\$0.73780	\$0.00000	\$0.00643	\$0.73137



**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**

Docket No. G-5, Sub 632

**PRESENT RATES & CHARGES AS OF JUNE 30, 2021**

For The Test Year Ended December 31, 2020

Rate No.	Description	Facilities Charge	Billing Rate	CUT Increment/ (Decrement)	IMT Increment/ (Decrement)	Clean Tariff Rate
		(a)	(b)	(c)	(d)	(e)
	Energy Charge - Per GGE (b)					\$0.92153
<b>140</b>	<b>Medium General Service</b>					
	Facilities Charge - Per Month	\$100.00				
	Energy Charge - Per Therm					
	First 1,000		\$0.64250	\$0.02170	\$0.04187	\$0.57893
	All Over 1,000		\$0.59230	\$0.02170	\$0.04187	\$0.52873

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**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**

Docket No. G-5, Sub 632

**PRESENT RATES & CHARGES AS OF JUNE 30, 2021**

For The Test Year Ended December 31, 2020

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Rate No.	Description	Facilities Charge (a)	Billing Rate (b)	CUT Increment/ (Decrement) (c)	IMT Increment/ (Decrement) (d)	Clean Tariff Rate (e)
<b>145</b>	<b>Large-Quantity General Service</b>					
	Facilities Charge - Per Month	\$300.00				
	Energy Charge - Per Therm					
	First 15,000		\$0.45972	\$0.00000	\$0.01165	\$0.44807
	Next 15,000		\$0.43885	\$0.00000	\$0.01165	\$0.42720
	Next 15,000		\$0.42020	\$0.00000	\$0.01165	\$0.40855
	Next 15,000		\$0.39584	\$0.00000	\$0.01165	\$0.38419
	Next 1,000,000		\$0.37557	\$0.00000	\$0.01165	\$0.36392
	Over 1,060,000		\$0.35909	\$0.00000	\$0.01165	\$0.34744
<b>150</b>	<b>Large-Quantity Interruptible Commercial &amp; Industrial Service</b>					
	Facilities Charge - Per Month	\$600.00				
	Energy Charge - Per Therm					
	First 15,000		\$0.38911	\$0.00000	\$0.00643	\$0.38268
	Next 15,000		\$0.36912	\$0.00000	\$0.00643	\$0.36269
	Next 70,000		\$0.34915	\$0.00000	\$0.00643	\$0.34272
	Next 500,000		\$0.32948	\$0.00000	\$0.00643	\$0.32305
	All Over 600,000		\$0.30952	\$0.00000	\$0.00643	\$0.30309
<b>160</b>	<b>Special Sales Rate</b>					
	Facilities Charge - Per Month	\$600.00				
	Energy Charge - Per Therm		See Rate Schedule No. 160			
<b>165</b>	<b>Special Transportation Rate</b>					
	Facilities Charge - Per Month	\$600.00				
	Energy Charge - Per Therm		See Rate Schedule No. 165			
<b>175</b>	<b>Firm Transportation Service For Customers Qualifying For Service On Rate Schedule No. 145</b>					
	Facilities Charge - Per Month	\$300.00				
	Energy Charge - Per Therm					
	First 15,000		\$0.15065	\$0.00000	\$0.01165	\$0.13900
	Next 15,000		\$0.13000	\$0.00000	\$0.01165	\$0.11835
	Next 15,000		\$0.11154	\$0.00000	\$0.01165	\$0.09989
	Next 15,000		\$0.08744	\$0.00000	\$0.01165	\$0.07579
	Next 1,000,000		\$0.06738	\$0.00000	\$0.01165	\$0.05573
	Over 1,060,000		\$0.06037	\$0.00000	\$0.01165	\$0.04872

**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**

Docket No. G-5, Sub 632

**PRESENT RATES & CHARGES AS OF JUNE 30, 2021**

For The Test Year Ended December 31, 2020

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Oct 15 2021

Rate No.	Description	Facilities Charge (a)	Billing Rate (b)	CUT Increment/ (Decrement) (c)	IMT Increment/ (Decrement) (d)	Clean Tariff Rate (e)
<b>180</b>	<b>Interruptible Transportation Service For Customers Qualifying For Service on Rate Schedule No. 150</b>					
	Facilities Charge - Per Month	\$600.00				
	Energy Charge - Per Therm					
	First 15,000		\$0.10399	\$0.00000	\$0.00643	\$0.09756
	Next 15,000		\$0.08421	\$0.00000	\$0.00643	\$0.07778
	Next 70,000		\$0.06445	\$0.00000	\$0.00643	\$0.05802
	Next 500,000		\$0.04498	\$0.00000	\$0.00643	\$0.03855
	All Over 600,000		\$0.02523	\$0.00000	\$0.00643	\$0.01880
	<b>Rider A - Emergency Services</b>					
	Energy Charge - Per Dekatherm					
	Emergency Service		\$20.00	plus cost of gas		
	Unauthorized Gas		\$50.00	plus cost of gas		
	<b>Miscellaneous Fees</b>					
	Late Payments	1% of balance in arrears per month				
	Returned Checks and Bank Drafts	\$25.00				
	Reconnection (c)					
	Residential – Regular Hours	\$80.00				
	After 5 p.m., weekends, holidays	\$120.00				
	Non-Residential – Regular Hours	\$120.00				
	After 5 p.m., weekends, holidays	\$150.00				

- (a) Rates do not include applicable sales tax.  
(b) The rate converts 1.26 Therms to 1 Gasoline Gallon Equivalent (GGE).  
(c) All reconnections that exceed one hour shall be billed the indicated rates per hour.

**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**

Docket No. G-5, Sub 632

**PROPOSED RATES AND CHARGES**

For The Test Year Ended December 31, 2020

Rate No.	Description	Facilities Charge	Total Billing Rate	Cost of Gas Increase	Billing Rate	CUT Increment/ (Decrement)	IMT Increment/ (Decrement)	Clean Tariff Rate
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<b>101</b>	<b>Residential Service</b>							
	Facilities Charge - Per Month	\$10.00						
	Energy Charge - Per Therm							
	Winter - November through April		\$1.11494	\$0.12622	\$0.98872	\$0.03747	\$0.00000	\$0.95125
	Summer- May through October		\$1.04894	\$0.12622	\$0.92272	\$0.03747	\$0.00000	\$0.88525
<b>102</b>	<b>Residential Service</b>							
	Facilities Charge - Per Month	\$10.00						
	Energy Charge - Per Therm							
	Winter - November through April		\$0.99897	\$0.12622	\$0.87275	(\$0.00889)	\$0.00000	\$0.88164
	Summer- May through October		\$0.93297	\$0.12622	\$0.80675	(\$0.00889)	\$0.00000	\$0.81564
<b>115</b>	<b>Open Flame Gas Lanterns</b>							
	Facilities Charge - Per Month	\$10.00						
	Energy Charge - Per Therm							
	Winter - November through April		\$1.07747	\$0.12622	\$0.95125	\$0.00000	\$0.00000	\$0.95125
	Summer- May through October		\$1.01147	\$0.12622	\$0.88525	\$0.00000	\$0.00000	\$0.88525
<b>125</b>	<b>Small General Service</b>							
	Facilities Charge - Per Month	\$17.50						
	Energy Charge - Per Therm							
	First 500		\$0.88896	\$0.12622	\$0.76274	\$0.02530	\$0.00000	\$0.73744
	Next 4,500		\$0.83896	\$0.12622	\$0.71274	\$0.02530	\$0.00000	\$0.68744
	All Over 5,000		\$0.78896	\$0.12622	\$0.66274	\$0.02530	\$0.00000	\$0.63744
<b>126</b>	<b>Small General Service - Cooling</b>							
	Facilities Charge - Per Month	\$30.00						
	Energy Charge - Per Therm		\$0.76366	\$0.12622	\$0.63744	\$0.00000	\$0.00000	\$0.63744
<b>127</b>	<b>Small General Service</b>							
	Facilities Charge - Per Month	\$17.50						
	Energy Charge - Per Therm							
	First 500		\$0.78869	\$0.12622	\$0.66247	(\$0.02497)	\$0.00000	\$0.68744
	Next 4,500		\$0.73869	\$0.12622	\$0.61247	(\$0.02497)	\$0.00000	\$0.63744
	All Over 5,000		\$0.68869	\$0.12622	\$0.56247	(\$0.02497)	\$0.00000	\$0.58744
<b>135</b>	<b>Natural Gas Vehicle Fuel</b>							
	Energy Charge - Per Therm		\$0.85759	\$0.12622	\$0.73137	\$0.00000	\$0.00000	\$0.73137
	Energy Charge - Per GGE (b)							\$0.92153
<b>140</b>	<b>Medium General Service</b>							
	Facilities Charge - Per Month	\$100.00						
	Energy Charge - Per Therm							
	First 1,000		\$0.77852	\$0.12622	\$0.65230	\$0.01580	\$0.00000	\$0.63650
	All Over 1,000		\$0.72832	\$0.12622	\$0.60210	\$0.01580	\$0.00000	\$0.58630

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**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**  
Docket No. G-5, Sub 632  
**PROPOSED RATES AND CHARGES**  
For The Test Year Ended December 31, 2020

Settlement Exhibit J  
Schedule 2 of 2

Rate No.	Description	Facilities Charge	Total Billing Rate	Cost of Gas Increase	Billing Rate	CUT Increment/ (Decrement)	IMT Increment/ (Decrement)	Clean Tariff Rate
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<b>145</b>	<b>Large-Quantity General Service</b>							
	Facilities Charge - Per Month	\$300.00						
	Energy Charge - Per Therm							
	First 15,000		\$0.60568	\$0.12622	\$0.47946	\$0.00000	\$0.00000	\$0.47946
	Next 15,000		\$0.57958	\$0.12622	\$0.45336	\$0.00000	\$0.00000	\$0.45336
	Next 15,000		\$0.55626	\$0.12622	\$0.43004	\$0.00000	\$0.00000	\$0.43004
	Next 15,000		\$0.52579	\$0.12622	\$0.39957	\$0.00000	\$0.00000	\$0.39957
	Next 1,000,000		\$0.50045	\$0.12622	\$0.37423	\$0.00000	\$0.00000	\$0.37423
	Over 1,060,000		\$0.48219	\$0.12622	\$0.35597	\$0.00000	\$0.00000	\$0.35597
<b>150</b>	<b>Large-Quantity Interruptible Commercial &amp; Industrial Service</b>							
	Facilities Charge - Per Month	\$600.00						
	Energy Charge - Per Therm							
	First 15,000		\$0.53483	\$0.12622	\$0.40861	\$0.00000	\$0.00000	\$0.40861
	Next 15,000		\$0.50864	\$0.12622	\$0.38242	\$0.00000	\$0.00000	\$0.38242
	Next 70,000		\$0.48249	\$0.12622	\$0.35627	\$0.00000	\$0.00000	\$0.35627
	Next 500,000		\$0.45672	\$0.12622	\$0.33050	\$0.00000	\$0.00000	\$0.33050
	All Over 600,000		\$0.43058	\$0.12622	\$0.30436	\$0.00000	\$0.00000	\$0.30436
<b>160</b>	<b>Special Sales Rate</b>							
	Facilities Charge - Per Month	\$600.00						
	Energy Charge - Per Therm		See Rate Schedule No. 160					
<b>165</b>	<b>Special Transportation Rate</b>							
	Facilities Charge - Per Month	\$600.00						
	Energy Charge - Per Therm		See Rate Schedule No. 165					
<b>175</b>	<b>Firm Transportation Service For Customers Qualifying For Service On Rate Schedule No. 145</b>							
	Facilities Charge - Per Month	\$300.00						
	Energy Charge - Per Therm							
	First 15,000		\$0.17161	\$0.00122	\$0.17039	\$0.00000	\$0.00000	\$0.17039
	Next 15,000		\$0.14573	\$0.00122	\$0.14451	\$0.00000	\$0.00000	\$0.14451
	Next 15,000		\$0.12260	\$0.00122	\$0.12138	\$0.00000	\$0.00000	\$0.12138
	Next 15,000		\$0.09239	\$0.00122	\$0.09117	\$0.00000	\$0.00000	\$0.09117
	Next 1,000,000		\$0.06726	\$0.00122	\$0.06604	\$0.00000	\$0.00000	\$0.06604
	Over 1,060,000		\$0.05847	\$0.00122	\$0.05725	\$0.00000	\$0.00000	\$0.05725

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## PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.

Docket No. G-5, Sub 632

Settlement Exhibit J

Schedule 2 of 2

## PROPOSED RATES AND CHARGES

For The Test Year Ended December 31, 2020

Rate No.	Description	Facilities Charge	Total Billing Rate	Cost of Gas Increase	Billing Rate	CUT Increment/ (Decrement)	IMT Increment/ (Decrement)	Clean Tariff Rate
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<b>180</b>	<b>Interruptible Transportation Service For Customers Qualifying For Service on Rate Schedule No. 150</b>							
	Facilities Charge - Per Month	\$600.00						
	Energy Charge - Per Therm							
	First 15,000		\$0.12471	\$0.00122	\$0.12349	\$0.00000	\$0.00000	\$0.12349
	Next 15,000		\$0.09873	\$0.00122	\$0.09751	\$0.00000	\$0.00000	\$0.09751
	Next 70,000		\$0.07279	\$0.00122	\$0.07157	\$0.00000	\$0.00000	\$0.07157
	Next 500,000		\$0.04722	\$0.00122	\$0.04600	\$0.00000	\$0.00000	\$0.04600
	All Over 600,000		\$0.02129	\$0.00122	\$0.02007	\$0.00000	\$0.00000	\$0.02007
	<b>Rider A - Emergency Services</b>							
	Energy Charge - Per Dekatherm							
	Emergency Service		\$20.00	plus cost of gas				
	Unauthorized Gas		\$50.00	plus cost of gas				
	<b>Miscellaneous Fees</b>							
	Late Payments	1% of balance in arrears per month						
	Returned Checks and Bank Drafts	\$25.00						
	Reconnection (c)							
	Residential – Regular Hours	\$80.00						
	After 5 p.m., weekends, holidays	\$120.00						
	Non-Residential – Regular Hours	\$120.00						
	After 5 p.m., weekends, holidays	\$150.00						

(a) Rates do not include applicable sales tax.

(b) The rate converts 1.26 Therms to 1 Gasoline Gallon Equivalent (GGE).

(c) All reconnections that exceed one hour shall be billed the indicated rates per hour.

(d) Pursuant to Rider E the Company has included in base rates the revenue requirement associated with Integrity Management Capital Investment as of December 31, 2020.

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# EXHIBIT K

Stipulated Proposed Tax Rider Elements

**PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.**

Docket No. G-5, Sub 632

**COMPUTATION OF TAX RIDER RATES**

For The Test Year Ended December 31, 2020

**Federal EDIT, Unprotected**

Line No.	Rate Class (a)	Allocation %	Annual Refund (b)	Annual Therms (c)	Rate per Therm (d)
1.	Residential - (101, 102, 115)	71.33%	\$ (2,687,718)	332,441,182	\$ (0.00808)
2.	SGS & MGS - (125, 126, 127,140)	18.87%	\$ (711,022)	172,905,640	\$ (0.00411)
4.	Firm Large General - (145, 175)	7.45%	\$ (280,716)	256,721,533	\$ (0.00109)
5.	Interruptible Large General - (135, 150, 180)	2.35%	\$ (88,548)	143,316,551	\$ (0.00062)
6.	Total	100.00%	<u>\$ (3,768,004)</u>		

**Tax Act Revenue Deferred from Overcollections**

Line No.	Rate Class (a)	Annual Refund (b)	Annual Therms (c)	Rate per Therm (d)
1.	Residential - (101, 102, 115)	\$ (13,332,290)	332,441,182	\$ (0.04010)
2.	SGS & MGS - (125, 126, 127,140)	\$ (3,526,992)	172,905,640	\$ (0.02040)
3.	Firm Large General - (145, 175)	\$ (1,392,479)	256,721,533	\$ (0.00542)
4.	Interruptible Large General - (135, 150, 180)	\$ (439,238)	143,316,551	\$ (0.00306)
5.	Total	<u>\$ (18,690,999)</u>		

**North Carolina State EDIT**

Line No.	Rate Class (a)	Annual Refund (b)	Annual Therms (c)	Rate per Therm (d)
1.	Residential - (101, 102, 115)	\$ (1,828,254)	332,441,182	\$ (0.00550)
2.	SGS & MGS - (125, 126, 127,140)	\$ (483,656)	172,905,640	\$ (0.00280)
3.	Firm Large General - (145, 175)	\$ (190,950)	256,721,533	\$ (0.00074)
4.	Interruptible Large General - (135, 150, 180)	\$ (60,233)	143,316,551	\$ (0.00042)
5.	Total	<u>\$ (2,563,093)</u>		
		<b>\$ (25,022,095)</b>		



**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing *Stipulation of Settlement*, as filed in Docket Nos. G-5, Sub 632 and G-5, Sub 634, were served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 15<sup>th</sup> day of October, 2021.

/s/Mary Lynne Grigg

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Oct 15 2021