

GAS RATE NO. A3

USAGE BALANCING SERVICE

APPLICABILITY:

The following provisions shall apply to 3rd Party Suppliers providing gas supply services to a Supplier Group of Customers in accordance with the Company's requirements.

USAGE IMBALANCES:

The Company shall cash out monthly a 3rd Party Supplier with positive or negative monthly net Usage Imbalances associated with a Supplier Group of Customers receiving Gas Delivery Service under Gas Rate Nos. D30, D40 and D50.

Negative monthly net Usage Imbalances reflect situations where a Supplier Group of Customers consumed greater volumes of Gas than accumulated Daily Gas Supply Deliveries for the Month.

Positive monthly net Usage Imbalances reflect situations where a Supplier Group of Customers consumed lesser volumes of Gas than accumulated Daily Gas Supply Deliveries for the Month.

In the event an Operational Flow Order is issued, all Usage Imbalances will be billed in accordance with Rate No. A1 Non-Performance Charges. In all Non-Operational Flow Order periods any net monthly Usage Imbalances will be administered in the following manner:

MONTHLY CASH-OUT:

1. Cash-out charges for net monthly negative Usage Imbalances are as follows (charges posted to bill):

100% of applicable Gas Supply Charge from Appendix B (including capacity costs) for monthly net Usage Imbalances of greater than 0% up to and including 20%.

110% of applicable Gas Supply Charge from Appendix B (including capacity costs) for monthly net Usage Imbalances of greater than 20% up to and including 25%.

Gas Rate No. A3 – Usage Balancing Service – (cont'd)

120% of applicable Gas Supply Charge from Appendix B (including capacity costs) for monthly net Usage Imbalances of greater than 25% up to and including 30%.

140% of applicable Gas Supply Charge from Appendix B (including capacity costs) for monthly net Usage Imbalances of greater than 30%.

2. Cash-out credits for net monthly positive Usage Imbalances are as follows (Company will purchase amounts from a 3rd Party Supplier that are not offset by other charges.):

100% of applicable Gas Supply Charge from Appendix B (excluding capacity costs) for monthly net Usage Imbalances of greater than 0% up to and including 20%.

90% of applicable Gas Supply Charge from Appendix B (excluding capacity costs) for monthly net Usage Imbalances of greater than 20% up to and including 25%.

80% of applicable Gas Supply Charge from Appendix B (excluding capacity costs) for monthly net Usage Imbalances of greater than 25% up to and including 30%.

60% of applicable Gas Supply Charge from Appendix B (excluding capacity costs) for monthly net Usage Imbalances of greater than 30%.

BILLING:

Charges and credits for Usage Balancing Service will be calculated monthly and billed at Month end to the applicable 3rd Party Supplier or as otherwise applicable to a Customer. Company will purchase amounts from a 3rd Party Supplier that are not offset by other charges.