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**GAS RATE NO. D5**

**LARGE VOLUME DELIVERY SERVICE**

**APPLICABILITY:**

This rate schedule applies to all Gas delivered in a Month or any portion thereof for consumption for a single End-Use Customer through one or more Meters supplying a single Premise where the End-Use Customer used a minimum of 300,000 Therms of Gas during the twelve (12) Months prior to initiation of Gas Delivery Service under this rate schedule or, in the Utility's sole judgment, is expected to use such minimum Gas volume level during the first twelve (12) Months of service under this rate schedule.

**SPECIAL PROVISIONS:**

Incorporated herein, and made part of this Gas Rate No. D5, are the Terms and Conditions for Gas Service, as amended from time to time. Capitalized terms used in this rate schedule are defined in the Terms and Conditions for Gas Service.

**FACILITIES CHARGE:**

**Meter Class I - \$40.00 per Meter per Month**  
**Meter Class II - \$70.00 per Meter per Month**  
**Meter Class III - \$300.00 per Meter per Month**

**METER CLASSIFICATIONS:**

Meter Class I <u>(CF/Hour)</u>	Meter Class II <u>(CF/Hour)</u>	Meter Class III <u>(CF/Hour)</u>
175	8C	5000
240	800	5M
250	1000	7M
425	1400	11M
SONIX6	2300	16M
	3000	23M
	1M740-CD	38M
	1.5M	56M
	3M	102M
	630TC	4 Turbo
	SONIX25	6 Turbo
		8 Turbo
		12 Turbo

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**DEMAND CHARGE:**

**\$0.6500 per Therm of billing demand per Month**

Billing demand is determined as the highest average daily consumption during any one of the previous billing Months of November, December, January, February and March. Billing demands will be adjusted annually, with bills issued for April consumption.

**DELIVERY CHARGE:**

**\$0.0528 per Therm delivered each Month**

In addition, applicable Balancing Charges from Rider A, Customer Benefit Distribution from Rider C, and Universal Service Fund from Rider F shall apply to all Therms delivered.

**BASIC DELIVERY OPTION:**

End-Use Customers are eligible to elect the Basic Delivery Service Option, in accordance with the Utility's requirements. End-Use Customers choosing the Basic Delivery Service Option must select a 3<sup>rd</sup> Party Supplier for Gas supply service.

Basic Delivery Service charges are as follows:

**\$0.0439 per Therm delivered each Month**

In addition, applicable Balancing Charges from Rider A, Customer Benefit Distribution from Rider C, and Universal Service Fund from Rider F shall apply to all Therms delivered.

End-Use Customers choosing the Basic Delivery Service Option must have Automatic Meter Reading Devices (AMR), provided by the Utility through Information Service, under Gas Rate No. A7.

**GAS SUPPLY:**

This rate schedule and the above-stated charges or adjustments do not provide for a supply of Gas. Gas Supply is available from the Utility through Variable-Rate Gas Supply Service, under Gas Rate No. S1.

End-Use Customers choosing not to make a Gas supply selection, either from the Utility, or from a 3<sup>rd</sup> Party Supplier, will receive Variable-Rate Gas Supply Service under Gas Rate No. S1.

End-Use Customers electing the Basic Delivery Service Option are eligible, but are not required, to act as their own Supply Agent. As a Supply Agent, they must be an approved bidder on CMS Panhandle Eastern Pipe Line and/or Texas

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Gas Transmission or their successors and are expected to perform all responsibilities normally handled by 3<sup>rd</sup> Party Suppliers. These include, but are not limited to, forecasting Gas supply volumes, making pipeline and Utility Daily Gas Supply Nominations, and balancing their nominations, deliveries and usage. End-Use Customers acting as their own Supply Agent are responsible for charges for Supply Administration Service, under Gas Rate No. A1, as well as for Basic Usage Balancing Service, under Gas Rate No. A3, and, if applicable, Non-Performance Charges, under Gas Rate No. A4.

**GAS SUPPLY FROM 3<sup>RD</sup> PARTY SUPPLIERS:**

End-Use Customers may choose a 3<sup>rd</sup> Party Supplier to furnish a supply of Gas in accordance with the Utility's requirements. It is the End-Use Customer's responsibility to ensure that the 3<sup>rd</sup> Party Supplier delivers the directed proportion of Gas supplies at delivery points designated by the Utility.

The Utility also reserves the right to bill the End-Use Customer at appropriate Gas Supply Service rates for Gas consumed in excess of Daily Gas Supply Deliveries, following cessation of any agreement with a 3<sup>rd</sup> Party Supplier. Back-up Gas Supply Service, under Gas Rate No. S2, is available from the Utility to End-Use Customers for each Single Account with an annual usage at a single Meter greater than 50,000 Therms, and choosing a 3<sup>rd</sup> Party Supplier. Back-up Gas Supply Service provides for reservation of a designated level of pipeline capacity and Gas supply to be available on a daily basis, in order to provide an additional measure of Gas supply security. Back-up Gas Supply Service is only available to those customers choosing the Basic Delivery option.

Following expiration of their contracts with 3<sup>rd</sup> Party Suppliers, and with appropriate notice, as described in the accompanying Terms and Conditions for Gas Service, End-Use Customers may choose to purchase Gas Supply from the Utility under Gas Rate No. S1, with the Utility's approval.

End-Use Customers who switch 3<sup>rd</sup> Party Suppliers, or return to Utility Gas Supply Service will be subject to Switching Charges, under Gas Rate No. A8. End-Use Customers switching to a 3<sup>rd</sup> Party Supplier from Utility Gas Supply Service may do so at no charge.

**Gas Imbalance Provisions**

Delivery Imbalances for Supplier Groups arising from differences in the level of Daily Gas Supply Nominations compared to the level of Daily Gas Supply Deliveries will be monitored on a daily basis and accumulated monthly for all End-Use Customers of a 3<sup>rd</sup> Party Supplier, in a Supplier Group. Charges for all Delivery Imbalances will be billed, at Month end, to 3<sup>rd</sup> Party Suppliers through Non-Performance Charges, under Gas Rate No. A4.

Usage Imbalances for Supplier Groups, arising from differences in the level of accumulated Daily Gas Supply Deliveries compared to the level of Gas consumed by End-Use Customers in the Supplier Group, will be monitored, combined and netted, on a Monthly basis. Unless an Operational Flow Order is issued, all monthly net Usage Imbalances will be charged, at Month end, to 3<sup>rd</sup> Party Suppliers through Usage Balancing Service, under Gas Rate No. A2. In the event of an Operational Flow Order, Monthly net Usage Imbalances will be charged, at Month end, to 3<sup>rd</sup> Party Suppliers through Non-Performance Charges, under Gas Rate No. A4.

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In addition to the Basic Delivery Service Charges applicable to End-Use Customers selecting Basic Delivery Service, Basic Usage Imbalances, for Basic Delivery Service customers, arising from differences in the level of Daily Gas Supply Deliveries compared to the level of Gas consumed by the End-Use Customer, will be monitored, combined, and netted, on a daily basis, for all End-Use Customers in a single Supplier Group. All daily net Basic Usage Imbalances will be calculated daily and charged, at Month end, to 3<sup>rd</sup> Party Suppliers through Basic Usage Balancing Service, under Gas Rate No. A3.

In the event of 3<sup>rd</sup> Party Supplier default, the Gas volumes consumed by End-Use Customers during the first three days of default will be charged at Month end to 3<sup>rd</sup> Party Suppliers through Non-Performance Charges, under Gas Rate No. A4.

**Supply of Last Resort**

If the 3<sup>rd</sup> Party Supplier, defaults, (as indicated by its failure to nominate and/or deliver Gas supplies for three consecutive days), beginning with the fourth day following default, End-Use Customers who have contracted for Gas supply services from 3<sup>rd</sup> Party Suppliers, will have access to Supply of Last Resort Service from the Utility, under Gas Rate No. S3, if available. Supply of Last Resort Service, if available, will be provided until the first day of the End-Use Customer's next billing cycle, at which time Variable Rate Gas Supply Service, under Gas Rate No. S1, will apply for a minimum of one billing cycle, subject to the Utility's discretion. If End-Use Customers do not have Automated Meter Reading devices, usage applicable to Supply of Last Resort Service will be prorated. A Switching Charge will be assessed, pursuant to Gas Rate No. A8, on the first day of the next billing cycle.

**Nominations**

3<sup>rd</sup> Party Suppliers of End-Use Customers in a Supplier Group will be required to provide an estimate of Daily Gas Supply Nominations for the following Month to the Utility by the required date, as stated in the Terms and Conditions for Gas Service, prior to the beginning of the Month. 3<sup>rd</sup> Party Suppliers of End-Use Customers in a Supplier Group also will be required to provide Daily Gas Supply Nominations to the Utility, as stated in the Terms and Conditions for Gas Service. The Utility retains the right to refuse Daily Gas Supply Nominations that vary significantly from the estimated daily nomination previously provided to the Utility.

Except as otherwise provided herein, on a seasonal basis, 3<sup>rd</sup> Party Suppliers of Supplier Groups are required to provide a specified percent of their Daily Gas Supply Nominations on the Panhandle Eastern Pipe Line and the remainder on the other pipelines connected to the Utility's system (in any combination), at the 3<sup>rd</sup> Party Supplier's level. For purposes of this section, deliveries on Rockies Express Pipeline and Heartland Gas Pipeline should be considered as one delivery point. The Utility will allow, on a first-come, first-served basis, End-Use Customers with annual usage greater than 1,000,000 Therms, to notify the Utility, in writing, of an intent to nominate volumes that do not comply with the previously stated requirement regarding nomination amounts on all interstate pipelines connected to the Utility's distribution system. The initial total usage of End-Use Customers that can be exempt from the requirement is 5 Bcf. As participating End-Use Customers change their nomination practices to comply with the Utility's requirement, the Utility will open a 30-day sign-up period, allocated on a first-come, first-served basis, for additional End-Use Customers interested in nominating volumes that do not comply with the Utility's requirement.

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<b>Season</b>	<b>Panhandle Eastern Pipeline</b>	<b>Other Pipelines Connected to the Utility's System</b>
Winter (November – March)	50%	50%
Shoulder (April and October)	Up to 75%	Up to 75%
Summer (May – September)	Up to 100%	Up to 100 %

**Non-Economic Operational Flow Order**

The Utility, in its discretion, shall have the right to issue a Non-Economic Operational Flow Order in accordance with the provisions stated in the Terms and Conditions for Gas Service. If a Non-Economic OFO is declared, the Utility will notify the affected 3<sup>rd</sup> Party Suppliers in accordance with the Non-Economic Operational Flow Order procedures stated in the Terms and Conditions for Gas Service. 3<sup>rd</sup> Party Suppliers who do not comply with the Non-Economic Operational Flow Order, will be subject to the Operational Flow Order imbalance provisions of Basic Usage Balancing Service, under Gas Rate No. A3, or Non-Performance Charges, under Gas Rate No. A4.

**Economic Operational Flow Order**

The Utility, in its discretion, shall have the right to issue an Economic Operational Flow Order in accordance with the provisions stated in the Terms and Conditions for Gas Service. If an Economic Operational Flow Order is declared, the Utility will notify the affected 3<sup>rd</sup> Party Suppliers in accordance with the Economic Operational Flow Order procedures stated in the Terms and Conditions for Gas Service. 3<sup>rd</sup> Party Suppliers who do not comply with the Economic Operational Flow Order, will be subject to the Operational Flow Order imbalance provisions of Basic Usage Balancing Service, under Gas Rate No. A3, or Non-Performance Charges, under Gas Rate No. A4.

**Unaccounted-For Gas and Company Use Gas**

The Utility will retain the allowances for Unaccounted-For Gas and Company Use Gas of the volumes tendered for delivery to the End-Use Customer for Company Use Gas as approved by the Commission in Gas Rate No. S4.

**Curtailement**

Service under this rate schedule may be curtailed, as described in Terms and Conditions for Gas Service. If a Curtailement is declared, the Utility will notify End-Use Customers, and 3<sup>rd</sup> Party Suppliers, as soon as practicable, but not less than 30 minutes prior to the effective time. End-Use Customers may be directed to restrict their Gas consumption on an hourly or daily basis. End-Use Customers who do not comply with the Utility's request may be subject to Non-Performance Charges, under Gas Rate No. A4, for all Gas taken in excess of the Utility's order.