GAS RATE NO. S3

SUPPLY OF LAST RESORT

APPLICABILITY:

This rate schedule is applicable to End-Use Customers who have chosen a 3rd Party Supplier in accordance with the Utility's requirements.

SPECIAL PROVISIONS:

Incorporated herein, and made part of this Gas Rate No. S3, 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.

CAPACITY CHARGE:

The applicable capacity charge for all supply volumes supplied under this Gas Rate No. S3 is set quarterly. The current applicable capacity charge is identified on Rider B.

COMMODITY CHARGE:

The applicable commodity charge for all gas supplied under this Gas Rate No. S3 is set each month and is identified on Rider B (highest day's price for the month).

<u>BILLING</u>:

End-Use Customers who have chosen a 3rd Party Supplier, who has defaulted, by failing to nominate and/or deliver Gas Supply for three (3) consecutive days, will be billed Supply of Last Resort, under Gas Rate No. S3, for any volumes used in excess of accumulated Daily Gas Supply Deliveries for the month, beginning with the fourth day following default, until the end of the End-Use Customer's current billing cycle.