

DISCLAIMER

This site contains a copy of the Company's tariffs. The official tariffs are on file with the relevant state regulatory commissions. While every effort has been made to ensure that the tariffs on this site are accurate and are updated on a timely basis, Atmos does not warrant that they are identical in every respect to the official tariffs on file with the relevant regulatory agencies and expressly disclaims any responsibility or liability for any differences.

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THIS DOCUMENT LAST UPDATED NOVEMBER 1, 2022

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PRELIMINARY STATEMENT

United Cities Gas Company, a Division of ATMOS Energy Corporation, sometimes herein referred to as "Company" is a public utility engaged in the business of distributing and selling natural gas at retail within its authorized service areas in the Commonwealth of Virginia, and subject to the jurisdiction of the Virginia State Corporation Commission.

This tariff, containing replacement rates of United Cities Gas Company, a Division of ATMOS Energy Corporation, is filed with the Virginia State Corporation Commission in accordance with the applicable statutes of Virginia and the applicable Rules and Regulations of that Commission.

Gas service will be provided to all bona fide applicants for service in accordance with the terms and conditions of Company's service regulations, and at Company's applicable rate schedules, as set forth in this tariff.

Areas Served

The Company serves several communities in Virginia with natural gas purchased from East Tennessee Natural Gas Company in accordance with their individual tariffs approved by the Federal Energy Regulatory Commission. The areas served by the Company are as follows:

Bristol and Adjacent areas in Washington County

Abingdon and Adjacent areas in Washington County

Meadowview and Adjacent areas in Washington County.

Glade Springs and Adjacent areas in Washington County.

Chilhowie and Adjacent areas in Smyth County.

Marion and Adjacent areas in Smyth County.

Pulaski and Adjacent areas in Pulaski County.

Wytheville and Adjacent areas in Wythe County.

Dublin and Adjacent areas in Pulaski County.

Radford and Adjacent areas in Pulaski County.

Blacksburg and Adjacent areas in Montgomery County.

Christianburg and Adjacent areas in Montgomery County.

RESERVED FOR FUTURE USE

RESIDENTIAL GAS SERVICESchedule 610Applicability

This schedule is available within the Company's service area to any residential customer using gas service primarily for domestic purposes.

Gas purchased under this rate schedule may not be resold by customer. Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area.

Customer Charge

A monthly customer charge of \$10.24 is payable regardless of the usage of gas.

Monthly Rate

All Consumption, Per Ccf \$.1848

Plus any IRRA charges as set forth on tariff sheets 28.1 and 28.2.

Activation Charge

When a customer applies to initiate service, a charge of \$40.00 will be assessed to cover the cost of activating service.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge computed at the rate of one and one-half percent (1-1/2%) per month may be added to the amount of any bill remaining unpaid at the close of the first business day after twenty (20) days following such date of issue.

Gas Lights

For all gas light services, the charge for such service shall be based on actual usage through a metered source or, if unmetered, the customer will be billed monthly for twenty (20) Ccf per standard residential gas light. It shall be within the Company's discretion whether a gas light should be metered.

RESIDENTIAL GAS SERVICE (Continued)

Schedule 610

Purchased Gas Cost Adjustment

Bills for service are subject to adjustment for changes in the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Provision approved by the Virginia State Corporation Commission.

Service Regulations

Gas service on these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices.

SMALL COMMERCIAL AND INDUSTRIAL GAS SERVICESchedule 620Applicability

This schedule is available within the Company's service area to any commercial or industrial customer whose annual natural gas requirements are less than 67,500 Ccf for any purpose at the option of the Company, to the extent gas supply and delivery capacity is available.

Gas purchased under this rate schedule may not be resold by customer.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or at such higher delivery pressure as agreed upon by Customer and Company.

Customer Charge

A monthly customer charge of \$20.52 is payable regardless of the usage of gas.

Monthly Rate

All Consumption, Per Ccf \$.1537

Plus any IRRA charges as set forth on tariff sheets 28.1 and 28.2.

Activation Charge

When a customer applies to initiate service, a charge of \$40.00 will be assessed to cover the cost of activating service.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge computed at the rate of one and one-half percent (1-1/2%) per month may be added to the amount of any bill remaining unpaid at the close of the first business day after twenty (20) days following such date of issue.

Gas Lights

For all metered gas light services under this tariff, the charge for such service shall be based on actual usage through a metered source at this tariff rate. It shall be within the Company's discretion whether a gas light should be metered, however, if the gas light is unmetered, the Company may estimate and determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

SMALL COMMERCIAL AND INDUSTRIAL GAS SERVICE (Continued)

Schedule 620

Purchased Gas Cost Adjustment

Bills for service are subject to adjustment for changes in the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Provision approved by the Virginia State Corporation Commission. Gas purchased under this rate schedule may not be resold by customer.

Service Regulations

Gas service on these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices.

LARGE COMMERCIAL AND INDUSTRIAL SERVICESchedule 630Applicability

This schedule is available within the Company's service area to any commercial or industrial customer whose annual natural gas requirements are at least 67,500 Ccf for any purpose at the option of the Company, to the extent gas supply and delivery capacity is available.

Gas purchased under this rate schedule may not be resold by customer.

Character of Service

Natural gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or at such higher delivery pressure as agreed upon by Customer and Company.

Customer Charge

A monthly customer charge of \$186.55 is payable regardless of the usage of gas. Monthly Rate

All Consumption, Per Ccf \$.1103

Plus any IRRA charges as set forth on tariff sheets 28.1 and 28.2.

Activation Charge

When a customer applies to initiate service, a charge of \$40.00 will be assessed to cover the cost of activating service.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge computed at the rate of one and one-half percent (1-1/2%) per month may be added to the amount of any bill remaining unpaid at the close of the first business day after twenty (20) days following such date of issue.

Gas Lights

For all metered gas light services under this tariff, the charge for such service shall be based on actual usage through a metered source at this tariff rate. It shall be within the Company's discretion whether a gas light should be metered, however, if the gas light is unmetered, the Company may estimate determine the appropriate consumption of the light and charge the applicable rate under this rate schedule.

LARGE COMMERCIAL AND INDUSTRIAL SERVICE (Continued)Schedule 630Purchased Gas Cost Adjustment

Bills for service are subject to adjustment for changes in the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Provision approved by the Virginia State Corporation Commission.

Service Regulations

Gas service on these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices.

Transportation Service

Customers served under this Rate Schedule, whose daily natural gas requirements are at least 1,000 Ccf or whose annual usage exceeds 100,000 Ccf, may elect to secure their own gas supply for transportation on the Company's distribution system. Customers electing transportation service shall be billed on the rates set forth below.

Actual Cost Adjustment (ACA) – Customers electing transportation service that have been on sales service for at least 18 months shall be subject to the Actual Cost Adjustment (ACA) component of the Purchased Gas Adjustment for 12 consecutive months. Customers returning to sales service will not be subject to the ACA for 12 consecutive months.

A Transportation Customer may return to firm sales service after 12 months upon thirty (30) days' notice provided the Company can secure appropriate quantities of gas supply and capacity from the Company's pipeline transporter to supply said sales service. A Customer that has returned from transportation service to sales service must remain on sales service for not less than twelve months before returning to Transportation Service.

Transportation Customer Charge

A monthly customer charge of \$186.88 is payable regardless of the usage of gas.

Transportation Commodity Charge

All Consumption, Per Ccf \$.1103

Plus any IRRRA charges as set forth on tariff sheets 28.1 and 28.2.

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

OPTIONAL GAS SERVICESchedule 650Applicability

This schedule is available, at the Company's option and to the extent gas supply and delivery capacity is available, to large volume commercial and industrial customers (1) whose annual usage exceeds 100,000 Ccf or 1,000 Ccf per day during off peak periods; and (2) whose premises are located adjacent to Company's gas distribution mains having adequate capacity to supply Customer's prospective requirements in addition to the requirements of other customers already receiving service from such distribution mains; and (3) who contract for service on a basis where delivery may be discontinued for interim periods of peak demand; and (4) who the Company recommends to have and maintain an adequate standby facility and alternate fuel supply. Customers that will utilize natural gas during off peak periods only do not need to meet this requirement for eligibility under this schedule. Examples of customers utilizing natural gas during off-peak periods only, would include, but is not limited to the following: asphalt plants, electric generating facilities, grain drying facilities, and farm irrigation systems. The Company, however, recommends an adequate standby facility and alternate fuel supply for all customers served under this schedule.

Gas purchased under this rate schedule may not be resold.

Character of Service

Natural Gas, with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or at such higher delivery pressure as agreed upon by the Customer and Company. The amount of gas available at any time for delivery under the schedule is that portion of Company's supply which exceeds the existing requirements of Company's firm gas customers at such time.

Customer Charge

A monthly customer charge of \$326.46 is payable regardless of the usage of gas. Monthly Rate

All consumption, Per Ccf \$.0513

Plus any IRRA charges as set forth on tariff sheets 28.1 and 28.2. Activation Charge

When a customer applies to initiate service, a charge of \$40.00 will be assessed to cover the cost of activating service.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge computed at the rate of one and one-half percent (1-1/2%) per month may be added to the amount of any bill remaining unpaid at the close of the first business day after twenty (20) days following such date of issue.

OPTIONAL GAS SERVICE (Continued)Schedule 650Interruption and Curtailment

Gas deliveries to customers served on this schedule may be interrupted or curtailed upon one-half (1/2) hours' notice at any time whenever, in Company's judgment, such interruption or curtailment is necessary in order for it to continue to supply the gas requirements of its firm customers at such time. The Company will endeavor to give advance notice to customers served on this schedule whenever a curtailment or interruption is required, and each customer shall curtail his use of gas at the time and to the extent requested by Company. Interruptions and curtailments may vary from time to time among customers but shall be equally apportioned as practicable over any period of 12 consecutive months.

Volumes of gas taken at any time in excess of the amount stipulated by the Company in the curtailment notice as being available to customer shall constitute overrun gas. A penalty of \$1.50 per Ccf for such overrun volumes shall be paid by customer in addition to all other charges payable hereunder provided, however, Company has the right to waive any portion of the overrun penalty on a non-discriminatory basis for good cause.

Purchased Gas Cost Adjustment

Bills for service are subject to adjustment for change in the cost of purchased gas in accordance with the Purchase Gas Adjustment (PGA) Provision approved by the Virginia State Corporation Commission.

Service Regulation

Gas Service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, copies of which are available for public reference during business hours at each of the Company's offices.

Transportation Service

Customers served under this Rate Schedule whose (1) daily natural gas requirements are at least 1,000 Ccf or (2) annual usage exceeds 270,000 Ccf, or (3) annual usage is greater than 100,000 Ccf but less than 270,000 Ccf and who have and maintain an adequate standby facility and alternate fuel supply, may elect to secure their own gas supply for transportation on the Company's distribution system. Customers electing transportation service shall be billed on the rates set forth in this tariff.

A Transportation Customer may return to sales service after 12 months upon thirty (30) days-notice provided the Company can secure appropriate quantities of gas supply and capacity from the Company's pipeline transporter to supply said sales service.

Actual Cost Adjustment (ACA) – Customers electing transportation service that have been on sales service for at least 18 months shall be subject to the Actual Cost Adjustment (ACA) component of the Purchased Gas Adjustment for 12 consecutive months. Customers returning to sales service will not be subject to the ACA for 12 consecutive months.

Overrun Penalty

Volumes of gas taken at any time in excess of the amount stipulated by the Company in the curtailment notice as being available to customer shall constitute "unauthorized gas" and shall be subject to an overrun penalty. A penalty of \$1.50 per Ccf for "unauthorized gas" shall be paid by the customer. All revenues related to overrun penalties will be credited to the purchased gas adjustment.

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NEGOTIATED GAS SERVICESchedule 691Applicability

Gas Service under this rate schedule is available to those customers having alternate fuel capability at the Company's discretion. This rate schedule is designed to permit the Company to meet alternate fuel and/or gas to gas consumption. Service under this rate schedule shall be fully optional and subject to curtailment prior to optional customers on regular Rate Schedule 650.

The intent of this rate schedule is to provide the Company flexibility to sell gas at negotiated rates when the otherwise applicable tariff rates are noncompetitive. The Company will make every effort to maximize recovery of base margins and fixed components of the purchased gas adjustment.

Customer Charge

A monthly customer charge equivalent to the otherwise applicable companion tariff per meter is payable regardless of the usage of gas.

The rates charged under this rate schedule shall be negotiated monthly on a per customer basis. The Company may require supporting documents from the end-user certifying that the cost of available alternate supply is less than the otherwise applicable tariff rate. The maximum charge shall not exceed the sales rate schedule under which the customer would otherwise be charged. The minimum charge shall not be less than the commodity cost of gas plus 1¢ per Ccf.

A percentage adjustment for unaccounted for gas shall be made to the volumes of Customer- owned gas delivered into the Company's facilities for the Customer's account, and the volumes of gas deliverable to the Customer under this Rider shall be reduced by such percentage. Such percentage shall be equal to the Company's annual unaccounted for percent during the most recent twelve-month period ending June.

NEGOTIATED GAS SERVICE (Continued)

Schedule 691

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of one and one-half percent (1-1/2%) may be added to the amount of any bill remaining unpaid at the close of the first business day after twenty (20) days following such date of issue.

Rate Schedule Subject to Change

The rates, terms, and conditions set forth in this rate schedule are subject to Company Rules and Regulations on file and approved by the Virginia State Corporation Commission as provided by law.

Unauthorized Gas

In the event customer fails to discontinue the use of gas after one-half (1/2) hours-notice that gas under this schedule is not available, all gas so used shall be paid for by the customer at the rate charged the Company by the supplier for all such unauthorized gas in addition to all other charges payable under this rate schedule.

COGENERATION, COMPRESSED NATURAL GAS, PRIME MOVERS, FUEL CELL SERVICESchedule 692Purpose

The purpose of providing service under this schedule is to increase utilization of system supplies and system capacity.

Applicability

This schedule is available to the extent gas supply and delivery capacity is available to commercial and industrial customers, existing or new, for use as a single prime fuel source to generate electrical and thermal energy in order to optimize efficiency. This schedule is also available for compressed natural gas for automobile and truck fleets and fuel cell service.

Eligibility

Eligible customers shall include those who are currently connected to the Company's gas main or who will become newly connected. In either case, service will be provided, at the Company's option, through a separate meter.

Character of Service

Natural gas with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or at such higher delivery pressure as agreed upon by customer and Company.

Customer Charge

A monthly customer charge of \$20.06 for each customer.

Monthly Rate

Service provided under this schedule will be billed at \$.0516 per Ccf. Plus any IRRRA charges as set forth on tariff sheets 28.1 and 28.2.

Activation Charge

When a customer applies to initiate service, a charge of \$40.00 will be assessed to cover the cost of activating service.

Facilities charge for adjacent connected load will not be duplicated, otherwise the facilities charge will be at the customer's regular schedule charge.

**COGENERATION, COMPRESSED NATURAL GAS, PRIME MOVERS, FUEL CELL SERVICE
(Continued)**Schedule 692Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of one and one-half percent (1-1/2%) may be added to the amount of any bill remaining unpaid at the close of the first business day after twenty (20) days following such date of issue.

Contract

Customers shall contract for service hereunder for a term of not less than one (1) year. Upon the expiration of any contract term, the contract shall be automatically renewed for a period of one (1) year. At any time following the first contract year service may be terminated by either party following at least six (6) months written notice to the other party.

Purchased Gas Adjustment

Bills for service are subject for changes in the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Provision approved by the Virginia State Corporation Commission.

Service Regulations

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, approved by the Commission, copies which are available for public inspection during regular business hours at each of the Company's offices.

GAS AIR CONDITIONING SERVICE

Schedule 693

Purpose

The purpose of providing service under this schedule is to increase utilization of system supplies and system capacity.

Applicability

This schedule is available to the extent gas supply and delivery capacity is available to commercial and industrial customers whose requirements may include high load factor systems that provide chilled water, space conditioning, processing, and/or humidity control. These conditions may be accomplished by the utilization of absorption, gas engine driven or desiccant systems.

Eligibility

Eligible customers shall include those who are currently connected to the Company's gas main or who will become newly connected. In either case, service will be provided, at the Company's option, through a separate meter.

Character of Service

Natural gas with a heating value of approximately 1,000 Btu per cubic foot, supplied through a single delivery point and a single meter, at the delivery pressure of the distribution system in the area, or at such higher deliver pressure as agreed upon by customer and Company.

Service Period

Service provided under this schedule will be for the cooling season, the billing periods of May through September.

GAS AIR CONDITIONING SERVICE (Continued)Schedule 693Monthly Rate

Service provided under this schedule will be billed at \$.0529 per Ccf.

Plus any IRRA charges as set forth on tariff sheets 28.1 and 28.2.

Customer Charge

A monthly customer charge of \$20.54 for each customer is payable regardless of the usage of gas. However, a customer charge for adjacent connected load will not be duplicated, otherwise the facilities charge will be at the customer's regular schedule charge.

Activation Charge

When a customer applies to initiate service, a charge of \$40.00 will be assessed to cover the cost of activating service.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of one and one-half percent (1-1/2%) may be added to the amount of any bill remaining unpaid at the close of the first business day after twenty (20) days following such date of issue.

Contract

Customers shall contract for service hereunder for a term of not less than one (1) year. Upon the expiration of any contract term, the contract shall be automatically renewed for a period of one (1) year. At any time following the first contract year service may be terminated by either party following at least six (6) months written notice to the other party.

Purchased Gas Adjustment

Bills for service are subject for changes in the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Provision approved by the Virginia State Corporation Commission.

Service Regulations

Gas service at these schedules will be furnished in accordance with the Company's General Rules and Regulations, approved by the Commission, copies which are available for public inspection during regular business hours at each of the Company's offices.

EMERGENCY SERVICESchedule 694Territory

In the entire certificated service area of United Cities Gas Company, a Division of ATMOS Energy Corporation.

Availability

To any regular natural gas customer subject to curtailment of service under the provisions of Company's optional rate schedule provided such customer has installed a standby or alternate energy system with such capability being inoperative, or having exhausted all supplies of alternate energy, as a result of a bona fide existing, or threatened, emergency which would otherwise force discontinuance of customer's operations.

Monthly Rate

In addition to Regular Rate under which Customer receives gas service, a charge of \$.25 per Ccf.

Character of Service

1. Any Customer desiring gas deliveries under this schedule must request such from Company's Load Control Department on a day-to-day basis, and Company reserves the right to refuse such service and to discontinue the furnishing of such service at any time should Company deem it necessary.
2. When Customer requests and is authorized service under this schedule, such request will be recorded on Company's records, and Customer will be billed under this schedule for all volumes shown by Company's measuring equipment for the period commencing with the curtailment order and terminating at the time of release from curtailment, excluding any quantity of "firm gas" allowed by contract.
3. Gas deliveries under this schedule will be made from pipeline allocations when a surplus is available, or, at the election of Company, will be made from the gas storage facilities of the Company.
4. All other provisions of the current rate schedule under which Customer is receiving service shall apply.

**JAMES HARDIE BUILDING PRODUCTS, INC.
FIRM NATURAL GAS TRANSPORTATION AGREEMENT**

Special Contract
as approved by the Virginia State Corporation Commission in
Case No. PUE-2015-00125
filed under seal with Division of Energy Regulation

Virginia S.C.C. No. 1
 356th Revised Sheet No. 28
 Cancelling 355th Revised Sheet No. 28

ATMOS ENERGY CORPORATION

	<u>FIRM</u>	<u>RATE SCHEDULE OPTIONAL</u>	
Purchased Gas Adjustment Effective November 1, 2022	\$0.7765 per Ccf	\$0.5339 per Ccf	(R , R)
Actual Cost Adjustment Effective for the Period September 1, 2022 to August 31, 2023	(\$0.0413) per Ccf	(\$0.0425) per Ccf	(- , -)
Pipeline Refund Effective for the Period March 1, 2022 to February 28, 2023	(0.0299) per Ccf	(0.0006) per Ccf	(- , -)
Total Adjustment Effective November 1, 2022	\$0.7053 per Ccf	\$0.4908 per Ccf	(R , R)

Issued by: Brannon Taylor, V.P. Rates and Regulatory Affairs
 Date Issued: October 25, 2022

Effective Date: November 01, 2022

Virginia S.C.C. No. 1
363rd Revised Sheet No. 28.1
Cancelling 362nd Revised Sheet No. 28.1

ATMOS ENERGY CORPORATION

RATE SUMMARY - PER Ccf VIRGINIA					
	BASE RATE	PURCHASED GAS ADJUSTMENT		TOTAL RATE	
<u>RATE SCHEDULE 610 (Residential)</u>					
Facilities Charge	\$ 10.24			\$10.24	(-, -, -)
All Consumption	\$ 0.1848	\$0.7053		\$0.8901	(-, R, R)
IRRA	\$ 1.46			\$1.46	
Minimum Bill	\$ 10.24			\$10.24	(-, -, -)
<u>RATE SCHEDULE 620 (Small Commercial and Industrial)</u>					
Facilities Charge	\$ 20.52			\$20.52	(-, -, -)
All Consumption	\$ 0.1537	\$0.7053		\$0.8590	(-, R, R)
IRRA	\$ 8.42			\$8.42	
Minimum Bill	\$ 20.52			\$20.52	(-, -, -)
<u>RATE SCHEDULE 630 (Large Commercial and Industrial)</u>					
Facilities Charge	\$ 186.55			\$ 186.55	(-, -, -)
All Consumption	\$ 0.1103	\$0.7053		\$0.8156	(-, R, R)
IRRA	\$ 123.77			\$123.77	
Minimum Bill	\$ 186.55			\$186.55	(-, -, -)
<u>RATE SCHEDULE 650 (Optional)</u>					
Facilities Charge	\$ 326.46			\$326.46	(-, -, -)
All Consumption	\$ 0.0513	\$0.4908		\$0.5421	(-, R, R)
IRRA	\$ 392.77			\$392.77	
Minimum Bill	\$ 326.46			\$326.46	(-, -, -)
<u>RATE SCHEDULE 630 Transportation Customers (Old 655)</u>					
Facilities Charge	\$ 186.55			\$186.55	(-, -, -)
All Consumption	\$ 0.1103			\$0.1103	(-, -, -)
IRRA	\$ 443.17			\$443.17	
Minimum Bill	\$ 186.55			\$186.55	(-, -, -)
* Base, Consumption, and IRRA Rates are effective per case number PUR-2019-00054					

Issued by: Brannon Taylor, V.P. Rates and Regulatory Affairs
 Date Issued: October 25, 2022

Effective Date: November 01, 2022

ATMOS ENERGY CORPORATION

RATE SUMMARY - PER Ccf VIRGINIA				
	BASE RATE	PURCHASED GAS ADJUSTMENT	TOTAL RATE	
<u>RATE SCHEDULE 650 Transportation Customers (Old 665)</u>				
Facilities Charge	\$ 326.46		\$ 326.46	(-, -, -)
All Consumption	\$ 0.0513		\$ 0.0513	(-, -, -)
IRRA	\$ 804.99		\$ 804.99	
<u>RATE SCHEDULE 691 (Negotiated)</u>				
Facilities Charge	\$ 283.00			
All Consumption	Negotiated			
Maximum Charge	Lower of normal rate schedule or equivalent competitive cost determined by Atmos Energy			
Minimum Charge	Commodity cost of gas plus \$.01 per Ccf, adjusted for unaccounted for gas			
<u>RATE SCHEDULE 692 (Cogen, CNG)</u>				
Facilities Charge	\$ 20.06		\$ 20.06	(-, -, -)
All Consumption	\$ 0.0516	\$0.4908	\$ 0.5424	(-, R, R)
IRRA	\$ 0.33		\$ 0.33	
<u>RATE SCHEDULE 693 (Air Conditioning)</u>				
Facilities Charge	\$ 20.54		\$ 20.54	(-, -, -)
All Consumption	\$ 0.0529	\$0.4908	\$ 0.5437	(-, R, R)
IRRA	\$ 0.33		\$ 0.33	
<u>RATE SCHEDULE 694 (Emergency)</u>				
All Consumption	Regular rate schedule plus a charge of \$.25 per Ccf.			
	* Base, Consumption, and IRRA Rates are effective per case number PUR-2019-00054			

ATMOS ENERGY CORPORATION

INFRASTRUCTURE RELIABILITY AND REPLACEMENT ADJUSTMENT

(a) Applicability

This Section governs the Company's Infrastructure Reliability and Replacement Adjustment (IRRA), being implemented pursuant to the Steps to Advance Virginia's Energy Plan Act ("SAVE Act") for bills rendered on or after October 1, 2022. The IRRA is comprised of an Infrastructure Replacement Current Rate (IRCR) and an Infrastructure Replacement Reconciliation Rate (IRRR). Customers receiving service under Rate Schedules 610, 620, 630, 650, 692, and 693 will be subject to the IRRA.

(b) Infrastructure Replacement Current Rate ("IRCR")

The IRCR monthly rate for the SAVE Plan for each of the applicable rate schedules are set forth in the table below:

Rate Class	Description	Monthly Rate
610	Residential	\$1.460
620	Small Commercial & Industrial	\$8.420
630	Large Commercial & Industrial	\$123.700
630	Large Transportation	\$442.900
650	Optional Gas Service	\$392.530
650	Optional Gas Transportation	\$804.500
692	Cogen and CNG	\$0.330
693	Air Conditioning	\$0.330

(c) Infrastructure Replacement Reconciliation Rate ("IRRR")

The IRRR will be computed by rate schedule at the conclusion of each year of the SAVE Plan by comparing the actual collections of the IRCR with actual eligible infrastructure replacement costs, as calculated per (c) (ii) below, plus or minus any under or over recovered IRRR from the previous SAVE Plan year's IRRR billing period. The results of the calculation will be divided by the billing determinants in the Company's most recently filed AIF or rate case. The IRRR calculations and supporting detail will be filed with the Commission June 1 following the end of each SAVE Plan year. Once approved by the Commission, the IRRR will be added to or subtracted from the current SAVE Plan year's IRCR per (d) below to become effective with the first billing unit for October and ending with the last billing unit for the following September.

ATMOS ENERGY CORPORATION

The IRRR monthly rate effective October 1, 2022 for each of the applicable rate schedules are set forth in the table below:

Rate Class	Description	Monthly Rate
610	Residential	\$0.00
620	Small Commercial & Industrial	\$0.00
630	Large Commercial & Industrial	\$0.07
630	Large Transportation	\$0.27
650	Optional Gas Service	\$0.24
650	Optional Gas Transportation	\$0.49
692	Cogen and CNG	\$0.00
693	Air Conditioning	\$0.00

- (d) The IRRA is comprised of the IRCR, which includes return on investment, revenue conversion factor, depreciation expense and property taxes, associated with eligible infrastructure costs, and the IRRR, which includes carrying costs. The IRRA will be equal to the IRCR to be effective with the first billing unit for October of each year of the SAVE Plan for bills rendered on or after October 1, 2022 plus or minus the IRRR to be effective with the first billing unit for October of each year of the SAVE Plan beginning with the first billing unit for October 2022. The IRRA component of the current monthly facilities charges are set forth on Sheet No. 28.1 and Sheet No. 28.2.

ATMOS ENERGY CORPORATION**Virginia S.C.C. No. 1
25th Revised Sheet No. 28.5
Cancelling 24th Revised Sheet No. 28.5**

The IRRA monthly rate effective October 1, 2022 for each of the applicable rate schedules, not including the IRRA component of the current monthly facilities charges as set forth on Sheet No. 28.1 and Sheet No. 28.2, are set forth in the table below:

Rate Class	Description	Monthly Rate
610	Residential	\$1.46
620	Small Commercial & Industrial	\$8.42
630	Large Commercial & Industrial	\$123.77
630	Large Transportation	\$443.17
650	Optional Gas Service	\$392.77
650	Optional Gas Transportation	\$804.99
692	Cogen and CNG	\$0.33
693	Air Conditioning	\$0.33

WEATHER NORMALIZATION ADJUSTMENT**1. APPLICABILITY**

The Weather Normalization Adjustment will become effective on August 1, 2009 for the twelve-month period of May 1, 2008 through April 30, 2009 and will be applicable for each twelve-month period, thereafter. The Weather Normalization Adjustment is applicable to service delivered under the terms of rate schedules 610 and 620 throughout the entire service area of the Company based on the most recent 30-year average of heating degree days. A separate Weather Normalization Adjustment will be calculated for customers in each rate schedule in each weather zone. The East weather zone shall include all customers in and adjacent to Blacksburg, Radford, Pulaski and Wytheville. The West weather zone shall include all customers in and adjacent to Bristol, Marion and Abingdon.

2. CALCULATION OF ADJUSTMENT

The Weather Normalization Adjustment Factor will be calculated for each customer class and weather zone as follows:

- (1) Ccf Volume Adj. = $(\text{HDD Normal} - \text{HDD Actual}) * M * (\text{Annual no. of bills}/12)$
- (2) Total Revenue Adjustment = Volume Adj. * Non-Gas Commodity Margin
- (3) Adjustment Factor Per Ccf = Total Rev Adj./Annual Weather Sensitive Usage
- (4) Any residual balance (positive or negative) as a result of actual Weather Normalization Adjustment revenue collected compared to the total revenue adjustment set forth in (2) above shall be added to the following year's revenue adjustment amount.

Note: M will be the slope of the most recent 36 months regression equation for the adjustment period for each rate schedule and weather zone. Annual Weather Sensitive Usage is defined as the 12 months total actual usage less the Base Load usage for the same period. *The Base Load usage is defined as the intercept value resulting from the most recent 36 months regression equation multiplied times the 12 months total of bill counts.*

3. BILLING

All adjustments, if applicable, will be included on the monthly bill as an adjustment factor applicable to all Ccfs in excess of the Base Load intercept value as set forth in (2) above and will be effective for the 12-month period of August through July that occurs after the preceding Weather Normalization Adjustment period of May through April as set forth in (1) above.

4. LATE PAYMENT CHARGE

Any late payment penalties applicable to a customer's bill will also apply to Weather Normalization Adjustment amounts.

5. TAXES

Weather Normalization Adjustments will be subject to any effective tax based upon revenue receipts levied by governing bodies.

PURCHASED GAS ADJUSTMENT RIDER**A. Provision for Adjustment**

1. The rates per Ccf (100 cubic feet) of gas set forth in all of the Rate Schedules of Atmos Energy Corporation (the "Company") shall be increased or decreased by an amount hereinafter described, which amount is called the "Purchased Gas Adjustment" (PGA).
2. The cost of purchased gas as used in determination of the PGA shall include costs of the following sources of gas including related transportation, storage and handling costs required for delivery to the Company:
 - a. Natural and substitute natural gas (SNG) and vaporized liquefied natural gas (VLNG)
 - b. Liquefied natural gas (LNG)
 - c. Liquefied petroleum gas (LPG); and
 - d. Other hydrocarbons used as feedstock for production of substitute natural gas (SNG) and spot or emergency purchases.
 - e. Costs associated with gas price hedging contracts, such as futures contracts, forward contracts, and call options, including caps and collars, in conjunction with 60% of the Company's expected gas purchases under normal conditions, net of storage over any twelve-month period in accordance with the Company's Risk Management Control Guidelines adopted by the Company.

B. Definitions

"Suppliers" -- any person, firm or corporation from whom the Company purchases gas and/or transports gas for the Company.

"Computation Period" -- the period utilized to compute the Purchased Gas Adjustment. The Computation Period for each Purchased Gas Adjustment computed pursuant to this Rider shall be the twelve-month period ending on the last day of a month which is no more than 62 days prior to the date upon which the Company begins to apply such Purchased Gas Adjustment under the terms of this Rider.

"Billing Determinants" -- the quantities of gas demand or other fixed maximums for which the Company has contracted with the Suppliers as of the end of the Computation Period; and the volumes of gas taken by the Company from the Suppliers during the Computation Period. The quantities of gas demand contracted are shared between Virginia and East Tennessee. Virginia's quantities of gas demand shall be allocated based on the percentage (rounded to 3 decimal places) of design day demand between Tennessee and Virginia. The Company will update and provide the Staff with this demand allocation percentage a minimum of once per year (or sooner if circumstances warrant) on or before June 1.

"Demand Cost" -- the product resulting from multiplying the sum of the demand Billing Determinants by the unit cost for such demand as set forth in the Suppliers' applicable rate

PURCHASED GAS ADJUSTMENT RIDER (Continued)

schedules. The D-2 billing determinants invoiced by East Tennessee Natural Gas Company of D-1 billing determinants assigned to specified customers shall be excluded from the Demand Cost.

"Commodity Cost" -- the product resulting from multiplying the sum of the volumes of gas taken and the D-2 billing determinants by the unit cost for such as set forth in the Suppliers' applicable rate schedules.

"Storage Cost" -- the product resulting from multiplying the sum of the storage Billing Determinants by the unit cost set forth in the Suppliers' applicable rate schedules.

"Current Cost" -- the Demand Cost and/or the Commodity Cost of gas purchased by the Company from the Suppliers, ascertained by applying (a) the Billing Determinants during the Computation Period to

(b) the rates of each supplier which will be in effect the last day of the month preceding the month the Company begins to apply the Purchased Gas Adjustment, computed pursuant to this Rider, to consumer's bills.

"Suppliers' Refunds" -- the total of all refunds, including interest thereon, received by the Company from the Suppliers, as a result of the Company's purchase of gas during any period in which the Company has applied a Purchased Gas Adjustment to bills pursuant to this Rider.

"Firm Sales" -- the quantity of gas, expressed in number of Ccf billed to firm customers of the Company exclusive of Ccf billed to customers under Rate Schedules 640 and 660 during the Computation Period.

"Total Sales" -- the quantity of gas expressed in number of Ccf billed to all customers of the Company exclusive of Ccf billed to customers under Rate Schedules 660, 665 and 694, during the Computation Period.

C. Computation and Application of Purchased Gas Adjustment

The Purchased Gas Adjustment shall be computed to the nearest one-hundredth cent per Ccf in the following manner:

The Firm Gas Sales Adjustment shall be the sum of the Demand Component (Adjustment "A") and the Commodity Component (Adjustment "B"), and Storage Component (Adjustment "C").

1. Demand Component -- the quotient obtained by dividing the Current Demand Cost by the Firm Sales in the Computation Period.
2. Commodity Component -- the quotient obtained by dividing the Current Commodity Cost by the Total Sales in the Computation Period.

PURCHASED GAS ADJUSTMENT RIDER (Continued)

3. Storage Component -- the quotient obtained by dividing the Total Storage Cost by the Total Sales in the Computation Period.

The Optional Gas Sales Adjustment -- shall be the sum of the Commodity Components and the Storage Component set forth in "2" and "3" on the previous page.

The above is stated algebraically below:

Firm Gas Adjustment

$$\frac{Dc}{Sf} + \frac{Cc}{St} + \frac{Sc}{St}$$

Optional Gas Adjustment

$$\frac{Cc}{St} + \frac{Sc}{St}$$

Where

- Dc = Current Demand Cost
- Cc = Current Commodity Cost
- Sc = Storage Cost
- Sf = Firm Sales
- St = Total Sales

Each computed Purchased Gas Adjustment shall be adjusted for any taxes levied upon the Company which are based upon revenues by dividing the PGA by the complement of the composite state and local tax rates on revenue.

D. Special Provisions

The appropriate billing determinants and Ccf sales volume shall be adjusted for the annualized effect on such in the event a customer ceases to be or commences to be subject to the Purchased Gas Adjustment provisions. The Company may project the appropriate billing determinants, Ccf sales volumes, and Current Cost, if the use of billing determinants, Ccf sales volumes and Current Cost, as defined in Section B of these Purchased Gas Cost provisions, would, in the determination of the Company, not adequately reflect expected purchase and sales activity.

In the event that the Company's supplier(s) should institute a Gas Inventory Charge (GIC), or its equivalent, the Company shall include the GIC, or its equivalent, actually invoiced the Company during the Computation Period in the appropriate cost formula of the PGA.

PURCHASED GAS ADJUSTMENT RIDER (Continued)**E. Refunds**

1. When the Company receives refunds from one or more of its suppliers which results from a reduction in suppliers' prices applicable to prior periods and previously reflected in the PGA, the Company shall pass on such refunds to Customers as hereinafter described.
 - a. Allocate to the Virginia jurisdiction an appropriate portion of the principal refund received as follows:
 - (1) Allocate commodity refunds to the Virginia jurisdiction based upon the ratio that Virginia related billing period Ccf sales to customers bears to the Company's total of such sales for each month of the period to which the refund applies.
 - (2) Allocates non-commodity refunds to the Virginia jurisdiction based upon related allocation factors included in the Company's last general rate case proceeding. (Allocation factors developed in any subsequent proceedings shall be applicable to refunds for periods concurrent with the effectiveness of such superseding general rates.)
 - (3) Add the amounts determined in (1) and (2) to determine the principal refund received applicable to Virginia; and
 - (4) Divide the refund factor determined in (3) to Firm and Optional Customers based upon the ratio that the related billing period Ccf sales of each bears to the total of such sales for each month of the period to which the refund applies.

PURCHASED GAS ADJUSTMENT RIDER (Continued)

- b. Refund to Customers as a credit to each Customer's bill over a period not to exceed 12 months and commencing no later than the third billing month after the date of receipt of the refund, an amount separately determined for Firm Customers and Optional Customers as follows:
- (1) Apportion any interest received in connection with supplier refunds to the Virginia jurisdiction and to Firm and Optional Customers in the same ratio as their principal bears to the total refund to the Company; and
 - (2) Compute interest with respect to all supplier refunds received by the Company on and after February 15, 1982 on the total refund dollars to be returned to customers, at the current annual rate and in the manner prescribed by the Commission; and
 - (3) Add the amounts determined in (1) and (2) and divide such amount by the related estimate of sales in the Virginia jurisdiction for the refund period specified in E. 1.b. above to determine the refund factor, which shall be applicable to the volume billed to Customers each month of the refund period. The refund factor, as computed, shall be adjusted, if necessary, to insure refund of the total refund amount.
2. The Company shall not be required to refund amounts for which the associated credit factor would be less than .01¢ per Ccf of applicable sales but will accumulate all refunds until the aggregate amounts to .01¢ per Ccf.
- F. Filing
1. The Company will file with the Commission a copy of the computation of the PGA or refund credit and verification of its suppliers' change in prices or refunds, which PGA or refund credit shall be subject to Commission approval.
 2. The Company shall file with the Commission a Purchased Gas Adjustment computation to become effective 30 days after the effective date of a change in supplier's rates, or if the provisions in D above would necessitate the filing of such a computation.

PURCHASED GAS ADJUSTMENT RIDER (Continued)**G. Actual Cost Adjustment (ACA)**

1. For each twelve-month period ending June 30, the Company shall calculate, in accordance with the formula set forth below, the amount by which the revenues recovered by the Company under this Rider were greater or less than the cost of the gas sold by the Company during such period. This amount, hereinafter referred to as the "ACA", shall if positive (i.e., an over recovery) be subtracted from, if negative (i.e., an under recovery) be added to, the current Purchased Gas Adjustment. The "ACA" shall be separated into its Demand and Commodity components when applied to the Current Cost.

2. ACA Formula:

$$B_1 = [R - P - N + W + E + U + I + B_0] / S$$

Where:

$$B_1 = \text{ACA for the current twelve-month period } B_0$$

$$= \text{ACA for the preceding twelve-month period}$$

$$R = \text{Revenues recovered under this Rider during the current twelve-month period}$$

$$P = \text{Costs of all gas when purchased from Suppliers during the current twelve-month period. Costs of all gas include all Demand and Commodity costs. Commodity costs are allocated based on throughput. Demand Costs are allocated based on the percentage (rounded to 3 decimal places) of design day demand between Tennessee and Virginia. The Company will update this demand allocation percentage a minimum of once per year or sooner if circumstances warrant.}$$

$$N = \text{Costs when purchased from Suppliers of gas injected into storage during the current twelve-month period}$$

$$W = \text{Inventory costs of storage gas, Liquefied Natural Gas (LNG) and Liquefied Petroleum Gas (LPG) withdrawn from storage during the current twelve-month period.}$$

$$E = \text{Residual balances of expired refunds.}$$

$$I = \text{Interest on the monthly average ACA balance. The interest rate shall be the interest rate on customer deposits prescribed by the Commission.}$$

$$U = \text{The gas cost portion of uncollectible accounts written-off during the ACA period, less any gas cost portion of collections from accounts previously written-off. Factor U shall be treated as a commodity cost.}$$

$$S = \text{Sales}$$

RESERVED FOR FUTURE USE

GENERAL RULES AND REGULATIONS1. Definitions

Except where the context indicates a different meaning or intent, the following terms, when used herein or in the Company's rate schedules incorporating these General Rules and Regulations, shall have the meanings defined below:

1.1 "Company"

United Cities Gas Company, a Division of ATMOS Energy Corporation.

1.2 "Customer"

Any individual, partnership, firm, organization, or governmental agency receiving service at one location though one or more active meters are billed under one rate classification, contract or rate structure.

The Company may, prior to initiating service and at other reasonable times, require Customer to establish that Customer is the owner or bona fide lessee of the premises and to require all owners and bona fide lessees to have the service in their names. All such persons shall be deemed Customers under this section.

1.3 "Gas Service"

The availability of natural gas at the Company's point of delivery to Customer irrespective of whether any such gas is actually used.

1.4 "Point of Delivery"

The point of connection between Company and Customer of which the gas supplied leaves the outlet side of Company's meter and enters Customer's facilities.

1.5 "Cubic Foot of Gas"

The gas necessary to fill one cubic foot of space at a temperature of 60^o Fahrenheit and an absolute pressure of 14.65 pounds per square inch.

1.6 "Mcf", "Ccf", and "Therm", and "Dekatherm"

"Mcf" is 1,000 cubic feet of gas; "Ccf" is 100 cubic feet of gas; as used herein "Therm" means a volume of gas containing a quantity of heat equal to 100,000 BTU; "Dekatherm" means a volume of gas containing a quantity of heat equal to 1,000,000 BTU.

1.7 "Prompt Payment"

Payment of a bill for gas service within twenty (20) days following its date of issue.

GENERAL RULES AND REGULATIONS (Continued)**2. Customer Facilities and Responsibility**

- 2.1 The Customer shall install and maintain gas piping and appliance in the condition required by codes adopted by the insurance and governmental authorities having jurisdiction and, in a manner, approved by the Company. The Customer shall so use the equipment as not to disturb the Company's service to other Customers. By furnishing service to a customer, the Company assumes no responsibility for the customer's piping and/or appliance installations being in compliance with the requirements set forth herein.
- 2.2 The Company will supply the Customer with gas through meters owned by the Company. The Customer shall provide a suitable place for the meter satisfactory to the Company. Meters shall be located as close to the service entrance as practical. The Customer shall see that said meters are protected from damage or accident and will not permit any person other than the agent of the Company, or a person lawfully authorized to do so, to remove, inspect, or tamper with same.
- 2.3 The meter, meter connections, shut-off valve, service regulator, any required vents or relief valves and the service piping from the main to the meter, and any extension thereof, shall belong to the Company and be subject to removal only by the Company regardless of whether any costs were contributed by the Customer.
- 2.4 The Company shall have the right, but shall not be obligated, to inspect any installation at all reasonable hours. The Company reserves the right to refuse to connect or discontinue service, to any piping, equipment, or appliances, not in accordance with applicable code, or which are not in accordance with any special contract, these Rules and Regulations or other requirements of the Company; but any failure to exercise this right shall not render the Company liable or responsible for any loss or damage resulting from defects in the installation, piping, or appliances, or from violation of the applicable code, regulations of Commonwealth of Virginia, City Ordinances, or the provisions of any special contract, or from accidents which may occur upon the customer's premises.
- 2.5 In the event of the escape of gas, Customer should shut off all gas at the meter, take reasonable precaution to prevent ignition of escaping gas. The customer shall give the Company immediate notification of suspected gas leakage. The Company will promptly investigate, free of charge to the customer, gas leak reports. Should a gas leak be discovered, the Company representative shall take appropriate action to render the area safe.

GENERAL RULES AND REGULATIONS (Continued)

- 2.6 The Company shall not be liable for any loss, cost, damage, or expense to any parties, resulting from the use or presence of gas or gas appliances upon the Customer's premises.
- 2.7 The Customer shall not construct buildings over a gas service line and/or enclose gas metering equipment. In the event a Customer builds over the gas line and/or encloses the gas meter, the cost of relocation will be paid by the Customer.

3. Customer Credits and Deposits**3.1 Establishment of Credit****(a) Present Customers**

If any present Customer has been delinquent in the payment of any two consecutive bills or has been delinquent three or more times within the preceding twelve months, or if the Company has reason to believe that Customer is a questionable credit risk, such Customer may be required to make a cash deposit in order to establish credit as provided in 3.3 below.

Payment by the Customer of delinquent bills will not of itself relieve the Customer from the obligation of establishing credit with respect to the account involved or with respect to any other account for service of the same class which Company may be providing to such Customer.

(b) Applicants for Service

Before service is rendered, every applicant for initial or additional service, in addition to complying with all other applicable service regulations, may be required to establish credit. The applicant shall be notified promptly of this requirement to prevent any undue delay in the furnishing of service.

Service may be denied as long as the applicant owes the Company for service of the same class (residential or business) previously furnished at the same or another location. Any applicant who has not established credit, as provided in this service regulation, may be required, before service is established, to (1) pay the service connection charge, if any; (2) make an advance payment in an amount equal to an estimated periodic bill. An advance payment shall not relieve the applicant of the responsibility subsequently to fully establish credit.

GENERAL RULES AND REGULATIONS (Continued)

- 3.2 Any Customer or applicant for service may establish credit by compliance with either of the following conditions:
- (a) By furnishing credit references or information which the Company after prudent investigation, determine to be satisfactory for extending credit.
 - (b) By making a cash deposit in accordance with the requirements of Section 3.3 of this service regulation.

3.3 Amount of Cash Deposit

- (a) The amount of the cash deposit which may be required of a Customer or applicant for the purpose of establishing credit in accordance with this service regulation, shall not exceed the highest estimated bill for the class of service involved for two consecutive billing periods or as may be reasonably required by the Company in cases involving service for short periods or special occasions. The determination of a present Customer's estimated bill (as distinguished from an applicant's bill) will be based upon prior or current use of the class of service involved.
- (b) The amount of cash deposit may be adjusted on the basis set forth in this section at the option of the Customer or the Company at any time when the character or degree of the Customer's use of the service has materially changed or is expected to change.
- (c) When the amount of any required deposit for a residential customer exceeds \$40.00, payment of such deposit shall be made in equal installments over a period not to exceed three (3) consecutive months.

3.4 Conditions Under Which Deposits Are to be Applied or Refunded

The Company shall promptly refund the deposit, with interest as provided in this service regulation, and may require the surrender of the Company's receipt of certificate of deposit properly endorsed, or the delivery of a cancellation receipt for such deposit, whenever:

- (a) Any residential customer has established satisfactory credit by means of meeting acceptable standards for payment over a period of time established by the Company not to exceed one (1) year from the date of deposit.

GENERAL RULES AND REGULATIONS (Continued)

- (b) The service is discontinued and there are charges due to the Company for service to the Customer, in which case the cash deposit plus any accrued interest will be applied to the payment of such charges, and the balance remaining of the deposit and interest, if any, will be returned to the Customer. When the deposit is applied to the liquidation of unpaid bills, the Company will mail or deliver to the Customer a statement showing the amount of the original deposit, including accrued interest, if any, the amount of the unpaid bills liquidated by the deposit; and the balance remaining due either to the Customer or to the Company.

In either case and in any event, if there is balance due the Customer when service is discontinued, it shall then be promptly and automatically refunded to the Customer, except however, if such amount is less than one dollar, a refund check will be issued only upon request from the customer.

3.5 Interest to be Accrued on Deposits

The Company will pay interest on all deposits held longer than ninety (90) days with such interest to accrue from the date the deposit is made until it has been refunded, or until a reasonable effort has been made to effect refund. The rate of interest will be established by the Commission in January each year based on the yields of Treasury bills for the preceding year. The Commission will notify the Company in January of each year of the rate to be used for that year.

3.6 Payment of Interest Accruals

Interest accruing on cash deposits will be computed and prompt settlement made.

- (a) By paying the amount of interest accrued on the demand of the Customer, but not more often than once in any 12 months period; or
- (b) By adding the amount of interest accrued to the deposit, upon the return of such deposit to the Customer or upon its application to the liquidation of unpaid charges as provided in this service regulation.

GENERAL RULES AND REGULATIONS (Continued)3.7 Issuance of Receipt of Certificate of Deposit

At the time the Company receives a cash deposit from a Customer in accordance with this service regulation, it will issue, and deliver to such Customer, a receipt or certificate of deposit showing thereon (1) the date thereof, (2) the name of the Customer, (3) the address of the premises served or to be served, and (4) the amount of the deposit.

4. Billing

4.1 Bills will be rendered at intervals of approximately 30 days according to billing cycle established at the Company's discretion. If the Customer's meter fails to register or a reading of such meter cannot be obtained, a bill will be rendered based upon a reasonable estimate of the gas consumed by the Customer. Bi-monthly meter readings may occur during May-October, but no Customer shall receive two estimated bills in succession. Monthly meter readings are required during November-April.

4.2 Bills for service furnished to the Customer by the Company are due and payable on the date rendered. If a bill is not paid within the maximum period prescribed by the rate schedule, it shall be considered delinquent, and the additional charge authorized by the rate schedule shall become payable.

4.3 Atmos Energy offers several bill payment options, including mail, automatic payment plan (recurring bank draft), on our Web site as a one-time bank draft, over the telephone with a check or credit card and payment in person at an authorized payment center. For those options that incur a vendor processing fee, the customer choosing to utilize that option will bear its cost.

5. Discontinuance and Restoration of Service

5.1 The Company may discontinue, or refuse to establish or restore, gas service for one or more of the following reasons. Except as otherwise provided herein, ten (10) days written notice (excluding Sundays and holidays) will be given before service is discontinued.

(a) Non-payment of bills

Service may be discontinued or refused if a Customer has not paid his bills for gas service, or has not paid applicable reconnection charges, or made a cash deposit in accordance with these service regulations, except that (i) Service to a residential Customer will not be discontinued because of non-payment of bills for other classes of service and (ii) service will not be discontinued earlier than twenty (20) days after the date of issuance of the unpaid bill.

GENERAL RULES AND REGULATIONS (Continued)

(b) Failure to Establish Credit

The Company may refuse service or refuse to re-establish service to a Customer who has not made a deposit or otherwise established credit in accordance with these service regulations.

GENERAL RULES AND REGULATIONS (Continued)(c) Unsafe or Illegal Apparatus

The Company may discontinue or refuse service if any part of Customer's piping or equipment, or use thereof, is either unsafe or in violation of law, and may continue to refuse service until such apparatus shall have been placed in a safe condition or the violation remedied. If, in Company's judgment, operation of Customer's equipment constitutes an immediate danger, service may be discontinued without notice.

(d) Service Detrimental to Other Customers

Service may be refused or discontinued without notice if, in Company's judgment, the operation of Customer's equipment is, or will be, detrimental to the service of other Customers.

(e) Fraud

The Company may discontinue service without notice, or may refuse service, if the Customer's action or the condition of the premises are such as to indicate an intent to defraud the Company.

(f) Noncompliance

Service may be discontinued or refused if Customer does not comply with Company's General Rules and Regulations.

5.2 Discontinuance at Customer's Request

When a Customer desires to terminate gas service, such Customer shall so notify the Company not less than three (3) days in advance, or such period in advance as is specified in Customer's contract and state the date on which he wishes service terminated. A customer may be held responsible for all gas service furnished at the premises until the date of termination specified in the notice, or a date three (3) days beyond the date of the notice, or such greater number of days after notice as are specified in his contract, whichever date is later. Restoration of service following temporary termination of service at Customer's request will be made upon payment by Customer of a reconnection charge of \$40.00 as provided in 5.4. A read charge of \$20.00, as provided in 5.3, may be assessed for transfer of service where only a meter read is required.

5.3 Allow Gas Service to Remain on in Absence of Customer

This option allows the transfer of active gas service from one customer to another at the same location for a period of time with no actual disconnection or interruption of service. This option applies to residential meters and accounts but may be used in other circumstances as deemed necessary.

GENERAL RULES AND REGULATIONS (Continued)

When a customer requests termination of gas service, this option is presented. Upon choosing this option, the customer is given a list of safety steps they are requested to follow to reduce the possibility of danger and to minimize the gas used. These steps are:

- (a) Lower all thermostats.
- (b) Check operating status of appliances and ensure all settings are in the off position.
- (c) All gas lines must be properly capped and plugged if appliances are removed from the structure.

A final meter read is performed and a final bill issued. A door tag is left notifying anyone approaching that gas service is "ON". The gas service will remain on until either 45 days or 50 Ccf of consumption occurs, whichever comes first. If the technician discovers that a tenant has moved into the location without notifying the Company, field personnel will leave a door tag with a 48-hour notice for the new tenant to contact the Company to transfer service into their name. If no contact is made within the 48-hour period, a disconnect order is issued. A read charge of \$20.00 will be assessed where gas service has remained on in accordance with 5.3 and only a meter read is required.

5.4 Restoration of Service; Reconnection Charge; Returned Check Charge

Service which is discontinued by the Company for Customer's nonpayment of bills, failure to comply with applicable service regulations, or at Customer's request including turn on from a seasonal off, may be restored upon payment by Customer of all indebtedness for gas service and a charge of \$40.00 for reconnection during regular office hours.

When the Customer pays by check which is returned to the Company marked NSF (Not Sufficient Funds) the Customer will be assessed a charge of \$20.00 additional cost.

The Company may require that service be on a cash payment basis if more than one of such Customer's checks is returned marked NSF in a twelve-month period. Cash will be deemed to be U.S. currency, U.S. postal money order, or certified check.

6. Extension and Installation of Company Facilities

The Company will, upon written application, extend its gas mains to serve bona fide applicants of a permanent and established character in accordance with the provisions of this Service Regulation. Gas main extensions shall be made only along public streets, roads and highways and upon private property across which satisfactory rights of way or easements have been provided without cost to the Company. All gas mains constructed pursuant to this service regulation shall be owned, operated and maintained by the Company.

6.1 Free Extension Allowance

Gas mains will be extended by the Company to supply new Customers, without additional charge for any extension, provided the length of such extension meets the requirements stated below:

(a) Residential Customers

- (1) In determining the free length allowance for a new customer, the free length allowance, if any, will be determined on an individual feasibility basis considering the required investment, character and economic life of the load, and other appropriate information.

GENERAL RULES AND REGULATIONS (Continued)

- (2) The Company has discretion to waive payment for excess cost over free allowance when, in Company's opinion, such payments would within a reasonable period of time be fully refundable or when other conditions justify such waiver.
- (b) Commercial and Industrial Customer:
- (1) The free length shall be computed in accordance with paragraph (a) of this section.
- (c) General
- (1) No free length allowance will be made for usage for temporary, standby, auxiliary, or emergency use only, including gas logs or any other gas service that is not typically considered year-round service.
 - (2) The Company is under no obligation to provide free length allowance under the optional rate schedules.
 - (3) Notwithstanding the provisions for free main footage contained in Sections (a) and (b) herein, the Company shall not be required to make such connections at no cost to the customer if the overall installation is not economically feasible, in which case the customer will be notified of the required deposit or contribution.
- 6.2 Extensions Beyond the Free Limit-Residential and Commercial
- (1) Upon completion of a "Contract for Extension of Distribution Main Beyond Free Length", the Company will extend its mains to a Customer beyond the Free Length provided the Customer deposits a construction charge with the Company sufficient to cover the construction expense for service to the Customer in excess of the free length of 2-inch polyethylene main.
 - (2) As additional Customers are served through a service line connected directly to the specifically involved main extension within five (5) years of its completion date, the original Customer(s) shall be refunded an amount determined as follows:
 - (a) The Contract with the original Customer(s) shall set forth the estimated cost per foot for a normal 2-inch polyethylene main extension.

GENERAL RULES AND REGULATIONS (Continued)

- (b) The Company will estimate the annual gas consumption (Mcf) of each new Customer added to the main extension
- (c) The refund shall be determined by the following formula:

 Refund = the estimated cost per foot from (a) times the estimated annual consumption (Mcf) for the new customer.
- (d) The refund to the original Customer(s) shall not exceed the amount of the original construction charge deposited with the Company.
- (e) No interest shall be paid on the construction charge deposit.
- (f) The refund(s) due, if any, to the original Customer(s) will be calculated and paid on June 1st every year. Refunds will not be made at any other time.

6.3 Meters and Services

- (a) Upon written application Company will install necessary meter connections and meter without charge subject to the provisions of Service Regulation No. 2.
- (b) New service piping, up to and including a size 3/4 inch in diameter, will be installed by the Company free of charge for residential and commercial Customers, from its distribution main to the private property line of the applicant or other private property line through which the service shall be constructed, and for an additional length, from such property line to the meter location, determined in accordance with Service Regulation No. 2., as is determined by the allowance per Customer for each major use of gas appliances and equipment specified below:

<u>Residential and Commercial Service</u>	<u>Allowance</u>
Gas Space Heating Equipment	60 feet
Automatic Gas Water Heater and/or Gas Range	40 feet

Residential and commercial customers whose annual consumption is estimated by the Company to be over 100 Mcf, and less than 500 Mcf for commercial customers, the free length will equal one foot per Mcf of estimated total gas consumption.

This free service piping allowance will not apply for temporary service.

- (c) For each industrial Customer and commercial Customer whose annual consumption is over 500 Mcf, the Free Length of service, is any, will be determined on an individual feasibility basis considering the required investment, character, and economic life of the load, and other appropriate information.
- (d) For Service piping in excess of the portion installed at Company expense pursuant to paragraph (b) above, Customer will be charged for such excess footage, based on the average cost of the Company, for installing service piping during the preceding calendar year. The rate per linear foot of service

GENERAL RULES AND REGULATIONS (Continued)

pipng will be the average cost incurred during the preceding calendar year for installing such service pipe. Any charges for installing excess service piping are payable in advance.

- (e) Upon request from the customer the Company will provide the following services without charge:
- (i) Leak investigation
 - (ii) Burner or pilot light adjustment (during normal working hours)
 - (iii) One (1) meter re-read during a 12-month period. After 1 occurrence, customer will be responsible for a fee of \$20.00 per visit.

- (f) Additional Load

Meters and equipment supplied by the Company for each customer have definite capacities and no major addition to the equipment or load connected thereto shall be made except by consent of the Company. Failure to give notice of additions or changes in load, and to obtain Company's consent for same, shall render the customer liable for any damage to any of Company's lines or equipment caused by the additional or changed installation.

- (g) Notwithstanding the provisions for free meters and service lines contained in Sections (a) through (d) herein, the Company shall not be required to make such connections at no cost to the customer if the overall installation is not economically feasible, in which case the customer will be notified of the required deposit or contribution.

7. Curtailment of Gas Service

- (a) Gas service under all schedules is subject to curtailment in the event that the Company's gas supply is not adequate, due to emergency requirements or pipeline supplier curtailments, to meet the demands of the Company's customers. In the event such curtailment is necessary, service will be curtailed beginning with Priority 7 and proceeding in reverse order to Priority 1 as set forth below insofar as it is practicable under existing conditions. All customers within a priority class, or all customers within any subclass thereof, which is subject to curtailment shall be curtailed to the extent practicable on an equal basis. If a customer's firm requirements must be treated separately when applying this schedule of priorities.

PRIORITIES FOR FIRM SERVICE

- Priority 1 - Customer requirements for residential service, and requirements for human needs without alternate fuel capability (AFC).
- Priority 2 - Customer requirements under 1500 Mcf per peak month without AFC.

GENERAL RULES AND REGULATIONS (Continued)

- Priority 3 - Customer requirements over 1500 Mcf per peak month without AFC.
- Priority 4 - Electric generation requirements for essential electric human needs that do not have available supplies of alternate fuels or alternate sources of electricity.
- Priority 5 - Customer requirements for human needs with AFC.
- Priority 6 - Requirements of customers with AFC that do not come under any other priority.
- Priority 7 - Requirements for boiler fuel.

8. Limitations on Sale of Gas

Customer additions to firm service shall be limited to those with requirements as follows:

- (1) Equipment utilizing up to 500,000 Btu/hr. input for space heating only.
- (2) Total installation input including space heating not to exceed 750,000 Btu/hr.

9. Other Conditions of Service

- 9.1 The Company shall endeavor to furnish continuous service to the Customer but does not guarantee uninterrupted service. Further, the Company shall not be liable for loss or damage resulting from interruptions or deficiencies in service occasioned by any cause except willful default or neglect on its part.

GENERAL RULES AND REGULATIONS (Continued)

- 9.2 Gas purchased from the Company shall be used by the customer at one location and shall not be resold. The term "one location" as used herein, shall include separate buildings only if such separate buildings are immediately adjacent and not separated by either private or public right-of-way.
- 9.3 The Company will determine the adjustment, if any, to be made for wastage of gas occurring without knowledge to the customer, on the basis of the circumstances involved in each specific instance.
- 9.4 Gas service will not be provided for use for gas flares on and after April 15, 1974 (pursuant to order of the State Corporation Commission of Virginia, dated March 4, 1974, in Case No. 19355).
- 9.5 Standard Service conditions are normally limited to natural gas of 1,000 BTU per cubic foot heat content, specific gravity 0.6 as relative to air, 60° temperature Fahrenheit, and at a pressure of 7 inches of water column above atmosphere. The Company reserved the right to furnish substitute or supplemental gas of different heat content and/or specific gravity either in the event of emergency or for other reasons. Pressure specified herein is nominal and the Company does not guarantee actual pressure. The Company may correct values of gas to the above standard conditions.
- 9.6 For service at other than standard pressure, the customer shall confer with the Company regarding the type of service required. Before the customer proceeds with the purchase of equipment or piping in such cases, he should contact the Company which will furnish information, on the ability of the Company to meet special requirements. The customer shall pay the cost of any special installation which is made to meet his specific requirements for service at other than standard pressure. Nothing contained herein shall obligate the Company to provide such special service.

For billing purposes, the volume or quantity of gas delivered to a customer using non-standard service, as metered or estimated, shall be corrected, in accordance with Boyle's Law, to its equivalent volume at a pressure of 7 inches water column.

GENERAL RULES AND REGULATIONS (Continued)9.7 Scope

These Rules and Regulations and the regularly established Rate Schedules are part of all contracts for receiving gas service from the Company and apply to all service rendered from the Company, whether the service is based upon contract, agreement, signed application, or otherwise.

9.8 Conflict

In case of conflict between any provision of any Rate Schedule and these Rules and Regulations, the Rate Schedule shall apply.

9.9 Revisions

These Rules and Regulations may be revised, amended, supplemental, or otherwise changed from time to time. Such changes, when effective, shall have the same force as the present Rules and Regulations.

9.10 Separability

If any clause, sentence, paragraph, section or part of these Rules and Regulations or the Company's Rate Schedule shall be declared invalid or unconstitutional, it shall not affect the validity of the remaining part of these Rules and Regulations or the Company's Rate Schedules.

9.11 Filing and Posting

A copy of these Rules and Regulations, together with a copy of the Company's Schedule of Rates and Charges, shall be kept open to inspection at the offices of the Company.

9.12 Meter Testing

The Company shall provide one free meter test during any twenty-four-month period for any of its customers requesting same. For each additional test which may be requested during such period, the customer shall be required to deposit a reasonable sum of money with the Company to offset the cost of the test. If any additional requested test made during the aforesaid period reveals meter error greater than 102%, or less than 98%, of actual consumption, the deposit required herein shall be refunded; otherwise, the deposit shall be retained by the Company for the purpose aforesaid.

GENERAL RULES AND REGULATIONS (Continued)9.13 Customer Requested Excess Flow Valves (EFVs)

Customers may request the installation of EFV valves which meet the DOT- prescribed performance standards (Title 49 CFR Part 192.383), and related safety benefits and costs. While the Company will install the EFV at the customer's request, it is the responsibility of the customer to pay all of the cost associated with the installation. These costs will include fully loaded labor, equipment and material costs for the installation and removal or repair of asphalt, concrete, sod, landscaping and piping.

Customers who want an EFV removed from their service line will be charged the actual cost to remove the EFV. Again, the fully loaded labor, equipment and material costs for the removal and repair of asphalt, concrete, sod, landscaping, and piping will be paid by the customer.

GENERAL RULES AND REGULATIONS (Continued)Applicability

Transportation Service:

- (i) The customer has demonstrated to the Company's satisfaction that the Customer has made appropriate contractual arrangements with a supplier or suppliers for the delivery of volumes of gas sufficient for the Customer's daily delivery service requirements.
- (ii) The customer has demonstrated to the Company's satisfaction that all volumes to be delivered into the Company's facilities for the account of the customer are of the same quality, both as to heating content and physical characteristics, as the gas sold and delivered by the connecting pipeline company to the Company
- (iii) The Customer has contracted in writing with Company for service under this rate schedule which agreement shall specify the daily volumes of gas Customer agrees to tender to Company for transportation and delivery and the point of delivery to Customer.
- (iv) The Company has determined that it has gas delivery capacity to serve the contracted for volumes in (iii) above for customers who elect stand-by service. Customers not electing stand-by service shall demonstrate that the customer has made appropriate contractual arrangements with the applicable interstate pipeline supplier for capacity to deliver the contracted for firm volumes in (iii) above.

Definitions

- (i) "Connecting Pipeline" means a pipeline supplier to the Company whose facilities, in the sole judgment of the Company, can be feasibly utilized to transport customer-owned gas to the Company for delivery by the Company to the Customer.
- (ii) "Underage in Delivered Volumes" means the difference between the volumes of customer-owned gas received into the Company's system for the account of the Customer and the volumes delivered by the Company to the Customer when the volumes received by the Company are greater than volumes delivered to the Customer. An "underage in delivered volumes" shall be considered a positive imbalance.
- (iii) "Overage in Delivered Volumes" means the difference between the volumes of customer-owned gas received into the Company's system for the account of the Customer and the volumes delivered by the Company to the Customer when the volumes received by the Company are less than volumes delivered to the Customer. An "overage in delivered volumes" shall be considered a negative imbalance.

GENERAL RULES AND REGULATIONS (Continued)

- (iv) "Maximum Daily Quantity" (MDQ) means the maximum daily volume of gas, as determined by the Company based on Customer's historical metered volumes, that a Customer under this Rate Schedule will be allowed to nominate and have delivered into the Company's system for the Customer's account. In the event historical data is not available, the Company will determine the MDQ based on data provided by the customer. Once historical data becomes available the MDQ will be revised.
- (v) "Operational Flow Order" (OFO) is an order from the Company or the Connecting Pipeline Company that requires transportation customers to hold to their daily allocated volumes or any other pipeline directive or any company directive.

Terms and Provisions of Service for Transportation Customers

- (i) Except as expressly modified by the provision of the applicable rate schedule, all terms, provisions, and conditions within Company's approved general rules and regulations shall also apply to transportation service rendered under this rate schedule.
- (ii) Gas transported by Company shall remain the sole property of the Customer, but the Company reserved the right to commingle such gas with company-owned gas.
- (iii) The Customer must notify the Company on Company's standard form of the quantity of gas to be received by the Company from the Connecting Pipeline Company for the Customer's account during the billing month and the daily rate of delivery. This nomination must be received by the Company by the nomination deadline of the Connecting Pipeline Company for both first of the month nominations and mid-month changes. The quantity of gas received by the Company from the Connecting Pipeline Company for the Customer's account shall be based on the transportation nomination for that month. Adjustments will be made if the Connecting Pipeline Company's allocated volumes vary from the nominated volume. Daily nominations shall not exceed the Customer's Maximum Daily Quantity (MDQ).
- (iv) The Customer shall warrant that Customer has good and legal title to all gas which customer causes to be delivered into the Company's facilities and Customer shall hold the Company harmless from any loss or claim in regard to same.

GENERAL RULES AND REGULATIONS (Continued)

- (v) The Company shall enforce the balancing provisions of East Tennessee Natural Gas Company which could result in monthly scheduling/balancing fees and/or penalties being assessed to the Customer. Such provisions are subject to changes in the connecting pipeline's tariff subject to approval by the Federal Regulatory Energy Commission.

All revenues related to cash-out balancing fees and/or penalties will be included in the purchased gas adjustment.

The Parties' actual imbalance volumes shall be "cashed out" according to the following formula:

Negative Imbalance

<u>Imbalance Tier</u>	<u>Price</u>
0 – 5%	100% of HP
5% - 10%	115% of HP
10% - 15%	130% of HP
15% - 20%	140% of HP
20%	150% of HP

For purposes of determining the tier at which an imbalance will be cashed out, the price will apply only to volumes within a tier. For example, if there is a 7% imbalance, volumes that make up the first 5% of the imbalance are priced at 100% of the HP. Volumes making up the remaining 2% of the imbalance are priced at 115% of the HP.

GENERAL RULES AND REGULATIONS (Continued)Positive Imbalance

<u>Imbalance Tier</u>	<u>Price</u>
0 – 5%	100% of LP
5% - 10%	85% of LP
10% - 15%	70% of LP
15% - 20%	60% of LP
20%	50% of LP

For purposes of determining the tier at which an imbalance will be cashed out, the price will apply only to volumes within a tier. For example, if there is a 7% imbalance, volumes that make up the first 5% of the imbalance are priced at 100% of the LP. Volumes making up the remaining 2% of the imbalance are priced at 85% of the LP.

For each month, the monthly “Low Price” or “LP” for the Market Area shall be established by taking the lowest weekly Market Area Region Price (“MARPs”) set forth in East Tennessee Natural Gas Company’s tariff pursuant to its Rate Schedule LMS-MA established for the Market Area applicable to the month.

For each month, the monthly “High Price” or “HP” for the Market Area shall be established by taking the highest weekly MARP established for the Market Area applicable for the month.

For each month, the monthly “Average Price” or “AP” for the Market Area shall be determined by taking the simple arithmetic average of the weekly MARP figures established for the Market Area applicable for the month.

In addition to the cash out, “cashed out” imbalances shall be subject to a “transportation component.” The transportation component shall be equal to East Tennessee Natural’s Commodity Rate under Rate Schedule FT-A or FT-GS as applicable multiplied by the monthly imbalance plus an additional amount to cover the cost of gas for system fuel use and lost and unaccounted for gas. The additional amount shall be calculated by multiplying the amount of fuel by the average price as defined above.

GENERAL RULES AND REGULATIONS (Continued)

- (vi) A percentage adjustment for unaccounted for gas shall be made to the volumes of customer-owned gas delivered into the Company's facilities for the Customer's account, and the volumes of gas deliverable to the Customer under this rate schedule shall be reduced by such percentage. Such percentage shall be equal to the Company's annual unaccounted for percent during the most recent twelve-month period ending June.
- (vii) Customer shall make a contribution in aid of construction to the Company (prior to construction) for the cost of any modification to the Company's existing facilities or any new facilities that may be required to provide service, and the amount of such contribution shall be specified in the service contract.
- (viii) All volumes transported under this rate schedule shall be excluded from the Purchased Gas Adjustment Computation.
- (ix) New customers choosing to transport after November 1, 1995 shall be required to pay for the cost and installation of measurement data collection and verification equipment. All customers shall also be required to pay the cost of installation, maintenance and any monthly usage charges associated with telephone, power or other utilities or energy sources required for the operation of the data collection and verification equipment. All customers shall also be required to provide adequate space in new or existing facilities for the installation of the data collection equipment.
- (x) Operations Flow Orders (OFO)
 1. Company will have the right to issue an Operational Flow Order that will require actions by the Customer to alleviate conditions that, in the sole judgment of the Company, jeopardize the operational integrity of Company's system required to maintain system reliability. Customer shall be responsible for complying with the directives set forth in the OFO.
 2. Upon issuance of an OFO, the Company shall notify the Customer and the Pool Manager, as applicable by electronic mail to the addresses provided to the Company. The Customer and the Pool Manager shall be responsible for notifying the Company of any changes in contact information. The Company will direct Customer to comply with one of the following conditions:

GENERAL RULES AND REGULATIONS (Continued)

- a. Customer must take delivery of an amount of natural gas from the Company that is no more than the hourly or daily amount being received by the Company from the Connecting Pipeline Company for the Customer's account. All volumes delivered to the Customer in excess of volumes received by the Company from the Connecting Pipeline Company for the Customer's account, that are in violation of the above condition, with the exception of a 5% daily tolerance, shall constitute an unauthorized overrun by Customer on the Company's system. Customer shall be charged a penalty of the greater of \$15.00 per dth or the Connecting Pipeline Company's tariff penalty rate, plus the Gas Daily Index price for the respective Connecting Pipeline Company for such unauthorized overruns during the OFO, or
 - b. Customer must take delivery of an amount of natural gas from the Company that is no less than the hourly or daily amount being received by the Company from the Connecting Pipeline Company for the Customer's account. All volumes delivered to the Customer which are less than volumes received by the Company from the Connecting Pipeline Company for the Customer's account, that are in violation of the above condition, with the exception of a 5% daily tolerance, shall constitute an unauthorized delivery by Customer to Company. Customer shall be charged a penalty of the greater of \$15.00 per dth or the Connecting Pipeline Company's tariff penalty rate for such unauthorized delivery during the OFO.
3. Any penalties charged due to unauthorized overruns or deliveries during an OFO will be in addition to any cash out charges described in Subsection C(v) (c) above. All revenues related to overrun penalties during an OFO will be credited to the purchased gas adjustment.
 4. The Company may charge the Customer for any additional daily or monthly charges, fees, penalties, etc. assessed to the company, which are applicable to the Customer, by the Connecting Pipeline Company.

GENERAL RULES AND REGULATIONS (Continued)(xi) Pooling Service

1. Customer's agents shall be allowed to aggregate their customers' usages for the purpose of balancing pursuant to the Pooling Service.
 - (a) For the purpose of this section, A Pool Manager is defined as an entity which has been appointed by a customer or group of customers served under this rate schedule to perform the functions and responsibilities of requesting information, nominating supply, and other related duties. The Pool Manager shall have all of the rights under this Transportation Service as does a Customer transporting gas supply directly under this Transportation Service.
 - (b) The Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of customers in the pool. The cash out provisions of Subsection C (v) shall be applied against the aggregate volume of all customers in a specific pool. The Pool Manager will be responsible for the payment of any monthly cash out payments, scheduling fees and any penalties incurred by a specific pool as a result of monthly, daily, or hourly imbalances.
 - (c) The Company, at the Company's sole discretion, shall establish pooling areas by Connecting Pipeline, Pipeline zone, Company receipt point, geographic area, operational area, administrative or other appropriate parameters.
 - (d) No customer shall participate in a Pool that does not individually meet the availability conditions of this rate schedule, and no customer shall participate in more than one pool concurrently.
 - (e) To receive service hereunder, the Pool Manager shall enter into a Pool Management Agreement with Company and shall submit an Agency Authorization Form for each member of the pool, signed by both Customer and its Pool Manager.
 - (f) The Pool Manager shall submit a signed Pool Management Agreement and an Agency Authorization Form for each member of the pool at least 30 days prior to the beginning of a billing period when service under this rate schedule shall commence. A customer who terminates service under this rate schedule or who desires to change Pool Managers shall likewise provide Company with a written notice at least 30 days prior to the end of a billing period.

GENERAL RULES AND REGULATIONS (Continued)

- (g) The Pool Manager shall upon request of the Company agree to maintain a cash deposit, a surety bond, an irrevocable letter of credit, or such other financial instrument satisfactory to Company in order to assure the Pool Manager's performance of its obligations under the Pool Management Agreement. In determining the level of the deposit, bond, or other surety to be required of the Pool Manager, the Company shall consider such factors, including, but not limited to, the following: the volume of natural gas to be transported on behalf of the Pool members, the general credit worthiness of the Pool Manager, and the Pool Managers prior credit record with the Company, if any. In the event that the Pool Manager defaults on its obligations under this rate schedule or the Pool Management Agreement, the company shall have the right to use such cash deposit, or proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy the Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the Pool Management Agreement. Such credit requirements shall be administered by the Company in a non-discriminatory manner, and such credit requirements may change as the requirements of the pool change.
- (h) The Pool Manager shall notify the Company in writing of any changes in the composition of the pool at least 30 days prior to the beginning of the first billing period that would apply to the modified pool.
- (i) The Pool Management Agreement will be terminated by the Company upon 30 days written notice if a Pool Manager fails to meet any condition of this rate schedule. The Pool Management Agreement will also be terminated by the Company upon 30 days written notice if the Pool Manager has payments in arrears. Written notice of termination of the Pool Management Agreement shall be provided both to the Pool Manager and to the individual members of the pool by the Company.
- (j) Company shall directly bill the Pool Manager for the monthly cash out charges, penalties, or other payments contained in this rate schedule. The monthly bill will be due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.
- (k) Company shall directly bill the individual customers in the pool for all Customer Charges, Demand Charges, and Commodity Charges as provided for in either this rate schedule or its companion rate schedule.