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IN REPLY REFER TO:

Ansley Watson, Jr.
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Tampa, Florida 33601
e-mail: aw@macfar.com

July 25, 2013

VIA FEDEX

Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED FPSC
13 JUL 26 AM 10:36
COMMISSION
CLERK

Re: New Filing -- Request for approval of tariff modifications applicable to natural gas vehicles and fueling facilities by Peoples Gas System

Dear Ms. Cole:

Enclosed for filing with the Commission on behalf of Peoples Gas System, please find the original and 12 copies of Peoples' request referenced above. Enclosed also are five copies of each of the following sheets to Peoples' Natural Gas Tariff, Original Volume No. 3, for which the Company's request seeks the Commission's approval:

Sixth Revised Sheet No. 7.000
Fifth Revised Sheet No. 7.101-5
Fourth Revised Sheet No. 7.101-6
Sixth Revised Sheet No. 7.401
Fourth Revised Sheet No. 7.401-1
Original Sheet No. 7.401-2
Original Sheet No. 7.401-3
Original Sheet No. 7.401-4

The coded (legislative style) versions of each of the above revised sheets required by Rule 25-9.005, F.A.C., are attached to the Company's petition.

Ann Cole
July 25, 2013
Page 2

Please acknowledge your receipt of the enclosures, the date of their filing, and the docket number assigned, on the enclosed copy of this letter, and return the same to me in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,

A handwritten signature in blue ink that reads "Ansley Watson, Jr." The signature is written in a cursive style with a large, looping initial "A".

Ansley Watson, Jr.

AWjr/a
Enclosures

cc: Ms. Kandi M. Floyd

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of tariff modifications)
applicable to natural gas vehicles and fueling)
facilities by Peoples Gas System.)
_____)

Docket No.

Submitted for Filing:
7-26-13

**PETITION FOR APPROVAL OF TARIFF MODIFICATIONS
APPLICABLE TO NATURAL GAS VEHICLES AND FUELING FACILITIES**

Peoples Gas System ("Peoples" or the "Company"), by and through its undersigned attorneys, hereby requests the Commission's approval of modifications to its Natural Gas Tariff, Original Volume No. 3, relating to natural gas vehicle service, submits herewith new and revised tariff sheets to become effective the date of the Commission's vote, and in support of its request states:

1. The name and address of the petitioner are:

Peoples Gas System
702 N. Franklin Street
Tampa, Florida 33602

2. The persons to whom notices, orders and pleadings in this docket should be addressed are:

Ansley Watson, Jr., Esquire
Macfarlane Ferguson & McMullen
Post Office Box 1531
Tampa, Florida 33601-1531

Paula K. Brown
Peoples Gas System
Post Office Box 2562
Tampa, Florida 33601-2562

Kandi M. Floyd
Peoples Gas System
Post Office Box 2562
Tampa, Florida 33601-2562

BACKGROUND

3. In response to recent favorable legislation passed by the Florida Legislature, and consistent with Peoples' ongoing practice of updating its tariff as appropriate, Peoples has determined that changes to its tariff are necessary in order to provide greater flexibility in rate and service options available to customers seeking to

fuel natural gas vehicles (“NGVs”) with compressed natural gas (“CNG”), and to allow the Company to respond more quickly to its customers' needs. The changes are similar to tariff provisions for which Florida City Gas has recently sought Commission approval in Docket No. 130147-GU, and would provide Peoples with multiple tools to address the NGV market, which is poised for growth.

4. Peoples' tariff has contained a rate schedule applicable solely to NGV service – Rate Schedule NGVS (Natural Gas Vehicle Service – since it was first approved by the Commission's Order No. PSC-93-1179-FOF-GU (Docket No. 930335-GU) in August 1993 for use on an experimental basis. The rate schedule was made permanent by the Commission's Order No. PSC-98-1453-FOF-GU (Docket No. 981037-GU) in October 1998, and has remained in effect since that time. Peoples presently provides NGV service to 19 customers, five of which receive such service under Rate Schedule NGVS. The other 14 customers receive such service (in some cases, in addition to gas for uses other than compression and delivery into motor vehicles or other transportation containers) under the appropriate “General Service” rate schedule in Peoples' tariff based on their annual therm consumption. All of these customers have their own compression and dispensing equipment for the compression and delivery of the gas into motor vehicles; that is, Peoples merely delivers the gas to the customers' meters, just as it would to any other customer.

5. The State of Florida has taken a proactive approach to CNG and NGVs. During the 2012 Florida Legislative Session, changes to Section 334.044, *Florida Statutes*, were passed calling for the development of the Freight Mobility and Trade Plan, a plan currently being finalized by the Department of Transportation to assist in making freight mobility investments that contribute to the economic growth of the state. The statutory directive for the Plan specifies that natural gas motor fuels can reduce transportation costs for businesses and residents within the state. In the 2013

Legislative Session, the Legislature passed a significant natural gas motor fuel tax bill that provides incentives for end users. The bill, signed by Governor Scott on June 14, 2013, repeals the annual decal fee program for motor vehicles powered by alternative fuels effective January 1, 2014, and establishes a fuel tax structure for natural gas used as a motor fuel similar to that for diesel fuel beginning January 1, 2019, thereby exempting natural gas fuel from fuel taxes for five years. It permanently exempts individual use/residential home fueling from fuel taxes. The bill also exempts natural gas fuel from state sales and use taxes and expands the definition of "energy efficiency improvement" to include "installation of systems for natural gas fuel" under uses authorized by the Local Government Infrastructure Surtax. In addition, the bill calls for establishment of a natural gas fuel fleet vehicle rebate program under the Department of Agriculture and Consumer Services " . . . to help reduce transportation costs in this state and encourage freight mobility investments that contribute to the economic growth of the state" These actions by the Legislature clearly reflect a State policy to promote the use of natural gas as a vehicle fuel that can not only produce significant cost savings for consumers but also provide significant environmental benefits for the State.

6. As Commission Staff noted at the February 19, 2013 Internal Affairs meeting, the NGV market is poised for growth. In fact, the recent shale gas development across the United States has uncovered voluminous reserves of recoverable domestic natural gas projected to produce for years to come. As a result, NGVs are increasingly discussed in policy circles as a means of, among other things, reducing overall cost to businesses and residents, spurring the economy, creating jobs and reducing air emissions.

7. As the emphasis on cleaner burning fuels increases, natural gas motor fuels are an obvious response since natural gas produces demonstrably fewer noxious

emissions than traditional motor fuels and is, therefore, an environmentally beneficial addition to the transportation fuel portfolio for the State.

PROPOSED TARIFF PROVISIONS

8. Attached to this petition are legislative format versions of the new and revised tariff sheets for which the Commission's approval is sought. "Clean" versions of the sheets accompany the filing of this petition.

9. Under the proposed tariff changes, Peoples' NGV service would remain a volume-based service, but would be billed under the Company's applicable Residential Service ("RS") or General Service ("GS") rate schedule, thereby treating the NGV as simply another piece of gas-consuming equipment. Customers would continue to be billed based upon usage, thus continuing to provide the Company's customers with flexibility to control their own costs through their usage. Customers will also continue to be assessed a customer charge reflective of their usage, plus all applicable taxes and clause and rider charges. Peoples' current Rate Schedule NGVS would be re-named Rate Schedule NGVS-1, and would be closed to new customers after August 1, 2013 (*i.e.*, those receiving service under the schedule as of that date would be "grandfathered").

10. A new Natural Gas Vehicle Service Rate Schedule (Rate Schedule NGVS-2) would be added to Peoples' tariff to provide a Customer or Customers with options not currently available from the Company with respect to the compression and dispensing equipment required to compress gas delivered by Company and dispense it into NGVs or other transportation containers. See Sheets Nos. 7.401-2 *et seq.* The options provided may be summarized as follows:

A. Customer provides and maintains its own equipment to provide CNG to its (or others') NGVs: Under this "option," the customer would enter into no agreement contemplated by new Rate Schedule NGVS-2, which would have

no application. The customer would receive distribution service only from Peoples, and pay whatever RS or GS rate its annual consumption made applicable, as well as all other applicable charges under various clauses and riders, and any applicable taxes. There would be no Monthly Facilities Charge, no CNG Dispensing Fee, and no Distribution and Dispensing Charge (each of these terms being further described below). To the extent fuel taxes were due the State or other taxing authority, the customer would be responsible for registration, reporting and payment. Peoples would have nothing to do with the Customer's compression of the gas, or with dispensing the CNG into vehicles or other transportation containers. Peoples would have no responsibility for the gas it delivers to the Customer beyond the outlet of the Company's meter.

B. Peoples provides and maintains equipment for Customer to provide CNG to its (or others') NGVs on the Customer's premises: Under Option 1 in Rate Schedule NGVS-2, the customer would receive distribution service from Peoples, and pay whatever RS or GS rate its annual consumption made applicable, as well as all other applicable charges under various clauses and riders, and any applicable taxes. In addition, the Customer would pay the Monthly Facilities Charge of 1.6% of Peoples' Gross Investment in the compression and dispensing equipment installed and maintained by Peoples on the Customer's premises. Peoples would have no responsibility for the physical dispensing of CNG into the customer's NGVs, so there would be no CNG Dispensing Fee. Peoples would have no responsibility for the gas it delivers to the Customer beyond the outlet of the Company's meter.

C. Peoples provides and maintains equipment to provide CNG to one or more specific Customers' NGVs on Peoples' premises: Under Option 2 in Rate Schedule NGVS-2, the customer would receive distribution service from

Peoples, and pay whatever RS or GS rate its annual consumption made applicable, as well as all other applicable charges under various clauses and riders, and any applicable taxes. In addition, the Customer would pay the Monthly Facilities Charge of 1.6% of Peoples' Gross Investment in the compression and dispensing equipment installed and maintained by Peoples on the Company's premises. The Customer would also pay a Compressed Gas Dispensing Fee to allow Peoples to recover all costs related to dispensing the CNG into the Customer's NGVs because Peoples, rather than the Customer, would compress the gas and dispense it into the Customer's NGVs. To the extent fuel taxes were due the State, Peoples would collect the taxes from the Customer and report and remit the taxes to the state. Peoples would have no responsibility for the gas it delivers to the Customer beyond the outlet of the equipment used to fill an NGV.

D. Peoples provides and maintains its own equipment to provide CNG to the public's NGVs on Peoples' premises: Option 3 in Rate Schedule NGVS-2 basically provides the terms, conditions and charges that would apply to Peoples' operation of a public facility for the filling of NGVs or other transportation containers. Each Customer would pay to Peoples (a) a Distribution and Dispensing fee of \$0.50 per therm (*i.e.*, there would be no RS or GS rate schedule customer charge or distribution charge), (b) the Gas Cost (which would be set by Peoples from time to time based on the market, but would be no less than the Company's PGA factor then in effect), and (c) any applicable motor fuel or others taxes on the delivery of CNG for use as motor fuel.

11. As noted at the outset, the tariff provisions proposed here by Peoples are similar to those proposed by Florida City Gas in Docket No. 130147-GU, and reflect Peoples' efforts to better meet the needs of its customers. Currently, Peoples has one

rate for NGVs. The proposed tariff changes would continue to apply usage-based rates, but those rates would be the applicable RS or GS rate (based on a customer's usage). Thus, except in the case of Option 3 described above, an NGV customer would be charged for its usage, plus a customer charge based on the quantity used. This approach squarely addresses cost while still maintaining a competitive pricing mechanism. Moreover, the continuing volume-based pricing will hopefully encourage greater reliance upon natural gas as a customer's fuel of choice. It may also produce cost savings for the Company by eliminating, in some cases, costs associated with installation of a sub-meter for existing customers. Ultimately, elimination of these costs would inure to the benefit of Peoples' general body of ratepayers.

12. Peoples' proposed offerings in proposed new Rate Schedule NGVS-2 are largely customer-driven, prompted by inquiries from Peoples customers requesting that the Company provide more flexible options for CNG service. Some Customers have indicated that Peoples is their preferred provider given the nature of the fuel and Peoples' expertise in handling it. These options are being proposed not only to respond to Customers' expressions of interest, but also to encourage continued development of the market, which will ultimately benefit all ratepayers on the Company's system. Peoples fully expects that the recent legislation will further accelerate the market and generate additional requests for this type of service from the Company.

13. Each of the customer options in proposed new Rate Schedule NGVS-2 will allow the Company to fully recover its costs, thus avoiding any cross-subsidization or stranded investment concerns. Specifically, the Monthly Facilities Charges associated with two of the options are designed to cover the capital and installation costs associated with the facilities. Likewise, the Company's existing rate schedules have been demonstrated to fully recover the cost of service. As noted in the proposed tariff sheets, Peoples contemplates that service under the new options would typically be subject to

additional terms, including minimum purchase or term commitments. With regard to Options 1 and 2, the fact that a customer has likely made a significant investment to either purchase or convert fleet vehicles to use CNG provides additional assurance that the customer will continue to be served by Peoples for a period sufficient for the Company to recover its investment in the facilities. As for Option 3, Peoples contemplates that this option would likely be implemented in situations where there is already an assured, cornerstone customer for the facility. Thus, whether or not the facility attracts significant traffic from the public should have minimal impact on the overall investment recovery period.

14. Peoples recognizes that the NGV market is quickly developing. As such, the Company's participation in this market may well require that it be able to respond to unique situations. To provide this ability in what will hopefully be limited situations, Peoples also seeks Commission approval for tariff provisions that would allow the Company to enter into special contracts for these types of situations. Any such contract would be submitted for Commission approval in accordance with the Commission's rules and any difference between the approved contract rate and the applicable tariff rate may be subject to recovery through Peoples' Competitive Rate Adjustment Clause.

15. Peoples has also included a provision permitting a "phase-in" of the Monthly Facilities Charge over the life of the agreement. This may enable a customer to ramp-up CNG fleet vehicle purchases over time. The net present value of the revenue from the phased-in facilities charges, discounted at the Company's most recent authorized rate of return, is set equal to the net present value of the revenue that would be generated over the term of the contract if the Monthly Facilities Charge had not been phased-in, something that would be addressed in the Customer's service agreement.

16. The Commission is vested with jurisdiction to approve Peoples' proposed tariff modifications pursuant to Sections 366.04 and 366.05, *Florida Statutes*.¹ The options proposed by Peoples in this petition are also consistent with Section 366.125, *Florida Statutes*, which restricts the Commission's jurisdiction over the sale of natural gas such that it does not extend "beyond the outlet of the customer's meter set assembly when the means of delivery of natural gas is other than by pipeline." In each instance, the proposed tariff provisions govern only the installed facilities and the pricing of the service to the Customer. Except in the case of Option 3 of the new Rate Schedule NGVS-2, the options do not contemplate a dispensed, per gallon, charge at the pump, which would be governed by the market. Finally, as noted earlier herein, these proposals are consistent with the Florida Legislature's stated policy over the past two legislative sessions of encouraging the use of natural gas as a means to reduce transportation costs. They are also consistent with one of the stated goals of the Florida Energy Efficiency and Conservation Act – the "conservation of expensive resources, particularly petroleum fuels." Peoples' proposed service options represent an approach to further these policies for the purpose of encouraging a developing market, reducing transportation costs, and promoting a lower emission fuel, as well as bringing the benefits of additional load and revenues to Peoples' system to the benefit of its general body of ratepayers.

17. Peoples believes the tariff changes for which approval is sought herein will provide options for consumers and are responsive to inquiries for service that the Company is already hearing in the market. Service under these tariff provisions will

¹ While the definition of "public utility" in Section 366.02, *Florida Statutes*, provides that entities owning "...facilities beyond the outlet of a meter through which natural gas is supplied for compression and delivery into motor vehicle fuel tanks or other transportation containers" generally do not fall under the definition of a "public utility," the statute further recognizes that exclusion does not apply if the entity otherwise provides natural gas service, as is the case with Peoples, which is a Commission-regulated natural gas utility or local distribution company.

cover costs and provide benefits to Peoples' system and its general body of ratepayers. Moreover, as Florida's largest investor-owned natural gas utility, and the first Florida utility to offer an NGV rate, Peoples is well-situated to provide the services proposed.

CONCLUSION

18. Peoples believes that each of the proposed additions to its tariff is reasonable and appropriate, as well as consistent with the legislatively expressed State policy of encouraging natural gas as a vehicle fuel of choice. The tariff changes proposed herein recognize that this still relatively untapped market calls for additional solutions that will meet the needs of customers, while ensuring that the Company's general body of ratepayers is appropriately protected.

WHEREFORE, Peoples Gas System respectfully requests that the Commission will enter its order permitting the revised tariff sheets submitted with this petition to become effective on the date of the Commission's vote disposing of this petition.

Respectfully submitted,



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Attorneys for Peoples Gas System

PGS TARIFF

Section 7

Legislative Version

1 Original

2 Copies (on Mylar)

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GENERAL APPLICABILITY PROVISIONS (Continued)

F. TAX AND FEE ADJUSTMENT CLAUSE

The bill for Gas Service computed under the rates in this tariff shall be increased by the appropriate proportionate part of all taxes, licenses, assessments, or fees imposed by any governmental authority based on the production or consumption of natural Gas or on revenues derived from the consumption of Gas. Should franchise fees be included in the basis for determining the amount of the State Regulatory Trust Fund fees, the franchise fee addition reflected in the bill shall be computed at a factor of 1.00503 of such franchise fee. All of the foregoing additions to the bill will be shown separately from the amount billed for Gas.

G. COMPETITIVE RATE ADJUSTMENT CLAUSE

The Distribution Charge for Gas delivered after September 30, 1989 to Customers other than those served under Company's Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission is subject to adjustment in accordance with the following provisions, for prior shortfalls or surpluses in Company's contract interruptible service revenues.

1. For the purposes of this clause, the following definitions shall apply:
 - a. "Actual revenue" means Company's actual non-gas revenue derived from service provided under its Rate Schedule CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission during a determination period.
 - b. "Base revenue" means the non-gas revenue which Company would have derived had all Gas delivered under Company's Rate Schedule CIS and any Rate Schedule NGVS-2 special contract rate during a determination period been billed at the distribution charge established for service under applicable interruptible rate schedules in Company's last base rate proceeding.
 - c. "Surplus" means the amount, if any, by which Company's actual revenue exceeds its base revenue for a determination period.
 - d. "Shortfall" means the amount, if any, by which Company's base revenue exceeds its actual revenue for a determination period.
2. The existence of a shortfall or surplus shall be determined by comparing Company's actual revenue with its base revenue. This determination shall be made each year for the twelve (12) months ending September 30 ("determination period").
3. Adjustments to rates pursuant to this clause shall be implemented during an "adjustment period", which shall be the eleven (11) months ending September 30 in the year following the determination period in the event of a surplus. In the event of a shortfall, any eleven (11) successive months ending on a September 30 within five (5) years following the determination period may be an adjustment period.

NATURAL GAS VEHICLE SERVICE-1
Rate Schedule NGVS-1

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer through a separate Meter for compression and delivery (through the use of equipment furnished by Customer) into motor vehicle fuel tanks or other transportation containers. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or ITS Rider. Service under this rate schedule is only available to those Customers receiving service thereunder as of August 1, 2013. Customers seeking natural gas vehicle service after that date shall take service under Rate Schedule NGVS-2.

Monthly Rate:

Customer Charge: \$45.00 per month

Distribution Charge: 0.18392 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Rider NCTS and ITS Rider.

Minimum Bill: The Customer charge.

Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth of Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this rate schedule, unless an extension of facilities or an agreement for payment of a Monthly Facilities Charge pursuant to Rate Schedule NGVS-2 is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension or the Monthly Facilities Charge.
4. The rates set forth above schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

NATURAL GAS VEHICLE SERVICE-1 (Continued)

6. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

NATURAL GAS VEHICLE SERVICE -2
Rate Schedule NGVS-2

Availability:

Throughout the service areas of the Company.

Applicability:

For gas delivered to any Customer for the purpose of compression and delivery into motor vehicle fuel tanks or other transportation containers ("NGV Service") pursuant to Rate Schedules RS, SGS, GS-1, GS-2, GS-3, GS-4, or GS-5. This schedule provides options to Customers with respect to the facilities and equipment required for compression and dispensing of compressed natural gas ("CNG"). It also provides (see Option 3) the terms and conditions for Company's fueling of natural gas vehicles at publicly available fueling stations.

Monthly Rate:

NGV Service is available under any rate schedule referenced under "Applicability" above based on Customer's annual consumption in Therms as determined by Company. The charges, terms and conditions of the applicable rate schedule shall apply notwithstanding Customer's election of one or more of the options available under this schedule. This schedule provides three options available to a Customer or Customers, and provides for monthly charges in addition to those provided by the rate schedule pursuant to which the Customer is receiving service from Company.

Monthly Facilities Charge when Company Provides Equipment Necessary for NGV Service:

The Monthly Facilities Charge, if applicable, shall be equal to 1.6% multiplied by the Company's Gross Investment in facilities, as determined by the Company, required to provide NGV Service to the Customer. As used in this schedule, "Gross Investment" means the total installed cost of such facilities, as determined by the Company, which facilities may include but are not limited to dryers, compressors, storage vessels, controls, piping, metering, dispensers, and any other related appurtenances including any redundancy necessary to provide reliable NGV Service and land and land rights, before any adjustment for accumulated depreciation, a contribution in aid of construction, etc. The 1.6% factor is subject to adjustment if Customer makes a contribution in aid of construction and will be reduced based on the percentage of Company-provided Gross Investment to the total installed Gross Investment. The adjusted factor will be set forth in Company's agreement for NGV Service provided pursuant to this schedule. If such NGV Service is provided to more than one Customer, the Monthly Facilities Charge applicable to each Customer shall be set forth in the agreement with such Customer. The agreement may require a commitment by a Customer to purchase NGV Service for a minimum period of time, to take or pay for a minimum amount of NGV Service, a contribution in aid of construction, a guarantee, such as a surety bond, letter of credit, other means of establishing credit, and/or other provisions as determined appropriate by the Company.

NATURAL GAS VEHICLE SERVICE -2 (continued)

OPTION 1: COMPANY-PROVIDED FACILITIES ON CUSTOMER'S PREMISES

If Customer elects for Company to provide and maintain the necessary facilities for the provision of NGV Service on Customer's premises, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company.

Under this option, the Company's provision and maintenance of the facilities required to provide NGV Service does not include the physical dispensing of CNG into vehicles, or the provision of electricity required to operate such facilities. The physical dispensing of CNG into vehicles, the collection and remittance of any federal, state or local tax imposed on CNG dispensed for use as a motor fuel, and the payment for electricity used to operate such facilities, shall be the sole responsibility of the Customer receiving NGV Service. Company-provided facilities could be those constituting a residential compression and fueling station.

OPTION 2: LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES

If Customer elects for Company, pursuant to agreement(s) with Customer and/or one or more other Customers, to provide and maintain, on Company premises, facilities for the provision of NGV Service, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company. In addition, Customer shall also pay a CNG Dispensing Fee, the amount of which fee shall permit the Company to recover all costs related to dispensing CNG and be provided in the agreement between Company and Customer.

Under this option, Company shall collect from the Customer and remit to the applicable authority any motor fuel tax on CNG or the dispensing thereof. Any service provided pursuant to this Option 2 shall be provided at the times and on terms and conditions determined by Company and specified in the Company's agreement(s) with the Customer(s). The agreement(s) may require a Customer commitment to purchase service for a minimum period of time, to take or pay for a minimum amount of service, to make a contribution in aid of construction, to furnish a guarantee, surety bond or other means of establishing credit, and/or other provisions determined appropriate by Company.

OPTION 3: PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES

If Company offers service to Customer from facilities located on the Company's premises, the following charges shall apply in lieu of the charges otherwise applicable under this, or any other Company rate schedule or rider:

Distribution and Dispensing Charge: \$0.50 per Therm,
Plus Company's Gas Cost (as determined by Company),
Plus taxes applicable to CNG or the sale or dispensing of CNG for use as motor fuel

NATURAL GAS VEHICLE SERVICE-2 (continued)

The total charge, consisting of the Distribution and Dispensing Charge, Company's Gas Cost, and taxes, shall be as determined by Company; provided, however, that the Company's Gas Cost component of the charge shall not be less than Company's monthly Purchased Gas Adjustment ("PGA") factor in effect at the time of the sale to Customer. The total charge to the Customer, (less the Distribution and Dispensing Charge and applicable taxes) will be accounted for by Company as recovery of gas cost in Docket No. 130003-GU (the annual PGA docket) and successor dockets.

Any service provided by Company pursuant to this Option 3 shall be provided at the times and on terms and conditions determined by Company.

Special Conditions:

1. A separate meter or sub-meter may be requested by the Customer or required by Company; in which case the Customer will pay the cost of the meter (which shall remain the property of the Company) and its installation.
2. The collection and remittance of any federal or state or local tax imposed on CNG or the dispensing thereof for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provided for in Customer's agreement with Company.
3. NGV service is not available for resale by a residential customer.
4. If Customer has elected Option 2 or Option 3, Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.
5. If the Company, alone or in partnership with another entity, responds to a competitive situation of a government agency or commercial customer that will consume quantities greater than 100,000 Therms per year, the Company has the option to provide NGV service, equipment, facilities, and distribution at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved special contract rate under this rate provision through Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
6. If a Customer desires to phase in the use of CNG as motor fuel and is acquiring and placing into service vehicles fueled by CNG over a period of years, the Monthly Facilities Charge may, in the discretion of Company, be phased-in over the term of the agreement between Customer and Company. However, the net present value of the revenue from the phased-in charges, discounted at the Company's then authorized rate of return, shall be set equal to the net present value of the revenue that would have been generated over the term of the agreement if the Monthly Facilities Charge had not been phased-in. Any such phase-in shall be included in the agreement between Customer and Company.

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GENERAL APPLICABILITY PROVISIONS (Continued)

F. TAX AND FEE ADJUSTMENT CLAUSE

The bill for Gas Service computed under the rates in this tariff shall be increased by the appropriate proportionate part of all taxes, licenses, assessments, or fees imposed by any governmental authority based on the production or consumption of natural Gas or on revenues derived from the consumption of Gas. Should franchise fees be included in the basis for determining the amount of the State Regulatory Trust Fund fees, the franchise fee addition reflected in the bill shall be computed at a factor of 1.00503 of such franchise fee. All of the foregoing additions to the bill will be shown separately from the amount billed for Gas.

G. COMPETITIVE RATE ADJUSTMENT CLAUSE

The Distribution Charge for Gas delivered after September 30, 1989 to Customers other than those served under Company's Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission is subject to adjustment in accordance with the following provisions, for prior shortfalls or surpluses in Company's contract interruptible service revenues.

1. For the purposes of this clause, the following definitions shall apply:
 - a. "Actual revenue" means Company's actual non-gas revenue derived from service provided under its Rate Schedule CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission during a determination period.
 - b. "Base revenue" means the non-gas revenue which Company would have derived had all Gas delivered under Company's Rate Schedule CIS and any Rate Schedule NGVS-2 special contract rate during a determination period been billed at the distribution charge established for service under applicable interruptible rate schedules in Company's last base rate proceeding.
 - c. "Surplus" means the amount, if any, by which Company's actual revenue exceeds its base revenue for a determination period.
 - d. "Shortfall" means the amount, if any, by which Company's base revenue exceeds its actual revenue for a determination period.
2. The existence of a shortfall or surplus shall be determined by comparing Company's actual revenue with its base revenue. This determination shall be made each year for the twelve (12) months ending September 30 ("determination period").
3. Adjustments to rates pursuant to this clause shall be implemented during an "adjustment period", which shall be the eleven (11) months ending September 30 in the year following the determination period in the event of a surplus. In the event of a shortfall, any eleven (11) successive months ending on a September 30 within five (5) years following the determination period may be an adjustment period.

GENERAL APPLICABILITY PROVISIONS (Continued)

4. In the event of a surplus, Company shall reduce rates to Customers (other than Customers served under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to credit them with revenues equal to the surplus.
5. In the event of a shortfall, Company may increase rates to Customers (other than Customers served under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to recover an amount not to exceed the amount of the shortfall.
6. A surplus refund or shortfall recovery shall be implemented during an adjustment period by reducing or increasing the distribution charge prescribed in each rate schedule of this tariff (except Rate Schedules ISLV and CIS and any Rate Schedule NGVS-2 special contract rate approved by the Commission) by an adjustment factor computed as follows and rounded to the nearest .001 cent per Therm:

In event of a surplus, subtract:	Surplus Refund <u>to Customers</u> PTS
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In event of a shortfall, add:	Shortfall <u>Recovery</u> PTS
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Where PTS is the projected Therm consumption for Customers (excluding Customers serviced under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) during the adjustment period.

Any variation between the actual refund to Customers and the amount calculated pursuant to the preceding paragraph, or between the actual shortfall recovery and the amount which Company elected to recover in an adjustment period, shall be "trued-up" during the succeeding adjustment period pursuant to methodology approved by the Commission.

7. Company may defer all or any portion of a shortfall recovery to a subsequent adjustment period or portion thereof.

NATURAL GAS VEHICLE SERVICE-1
Rate Schedule NGVS-1

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer through a separate Meter for compression and delivery (through the use of equipment furnished by Customer) into motor vehicle fuel tanks or other transportation containers. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or ITS Rider. Service under this rate schedule is only available to those Customers receiving service thereunder as of August 1, 2013. Customers seeking natural gas vehicle service after that date shall take service under Rate Schedule NGVS-2.

Monthly Rate:

Customer Charge: \$45.00 per month

Distribution Charge: 0.18392 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Rider NCTS and ITS Rider.

Minimum Bill: The Customer charge.

Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth of Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this rate schedule, unless an extension of facilities or an agreement for payment of a Monthly Facilities Charge pursuant to Rate Schedule NGVS-2 is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension or the Monthly Facilities Charge.
4. The rates set forth above schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

NATURAL GAS VEHICLE SERVICE~~-1~~ (Continued)

6. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

NATURAL GAS VEHICLE SERVICE -2 (continued)

OPTION 1: COMPANY-PROVIDED FACILITIES ON CUSTOMER'S PREMISES

If Customer elects for Company to provide and maintain the necessary facilities for the provision of NGV Service on Customer's premises, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company.

Under this option, the Company's provision and maintenance of the facilities required to provide NGV Service does not include the physical dispensing of CNG into vehicles, or the provision of electricity required to operate such facilities. The physical dispensing of CNG into vehicles, the collection and remittance of any federal, state or local tax imposed on CNG dispensed for use as a motor fuel, and the payment for electricity used to operate such facilities, shall be the sole responsibility of the Customer receiving NGV Service. Company-provided facilities could be those constituting a residential compression and fueling station.

OPTION 2: LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES

If Customer elects for Company, pursuant to agreement(s) with Customer and/or one or more other Customers, to provide and maintain, on Company premises, facilities for the provision of NGV Service, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company. In addition, Customer shall also pay a CNG Dispensing Fee, the amount of which fee shall permit the Company to recover all costs related to dispensing CNG and be provided in the agreement between Company and Customer.

Under this option, Company shall collect from the Customer and remit to the applicable authority any motor fuel tax on CNG or the dispensing thereof. Any service provided pursuant to this Option 2 shall be provided at the times and on terms and conditions determined by Company and specified in the Company's agreement(s) with the Customer(s). The agreement(s) may require a Customer commitment to purchase service for a minimum period of time, to take or pay for a minimum amount of service, to make a contribution in aid of construction, to furnish a guarantee, surety bond or other means of establishing credit, and/or other provisions determined appropriate by Company.

OPTION 3: PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES

If Company offers service to Customer from facilities located on the Company's premises, the following charges shall apply in lieu of the charges otherwise applicable under this, or any other Company rate schedule or rider:

Distribution and Dispensing Charge: \$0.50 per Therm,
Plus Company's Gas Cost (as determined by Company),
Plus taxes applicable to CNG or the sale or dispensing of CNG for use as motor fuel

NATURAL GAS VEHICLE SERVICE-2 (continued)

The total charge, consisting of the Distribution and Dispensing Charge, Company's Gas Cost, and taxes, shall be as determined by Company; provided, however, that the Company's Gas Cost component of the charge shall not be less than Company's monthly Purchased Gas Adjustment ("PGA") factor in effect at the time of the sale to Customer. The total charge to the Customer, (less the Distribution and Dispensing Charge and applicable taxes) will be accounted for by Company as recovery of gas cost in Docket No. 130003-GU (the annual PGA docket) and successor dockets.

Any service provided by Company pursuant to this Option 3 shall be provided at the times and on terms and conditions determined by Company.

Special Conditions:

1. A separate meter or sub-meter may be requested by the Customer or required by Company; in which case the Customer will pay the cost of the meter (which shall remain the property of the Company) and its installation.
2. The collection and remittance of any federal or state or local tax imposed on CNG or the dispensing thereof for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provided for in Customer's agreement with Company.
3. NGV service is not available for resale by a residential customer.
4. If Customer has elected Option 2 or Option 3, Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.
5. If the Company, alone or in partnership with another entity, responds to a competitive situation of a government agency or commercial customer that will consume quantities greater than 100,000 Therms per year, the Company has the option to provide NGV service, equipment, facilities, and distribution at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved special contract rate under this rate provision through Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
6. If a Customer desires to phase in the use of CNG as motor fuel and is acquiring and placing into service vehicles fueled by CNG over a period of years, the Monthly Facilities Charge may, in the discretion of Company, be phased-in over the term of the agreement between Customer and Company. However, the net present value of the revenue from the phased-in charges, discounted at the Company's then authorized rate of return, shall be set equal to the net present value of the revenue that would have been generated over the term of the agreement if the Monthly Facilities Charge had not been phased-in. Any such phase-in shall be included in the agreement between Customer and Company.

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GENERAL APPLICABILITY PROVISIONS (Continued)

F. TAX AND FEE ADJUSTMENT CLAUSE

The bill for Gas Service computed under the rates in this tariff shall be increased by the appropriate proportionate part of all taxes, licenses, assessments, or fees imposed by any governmental authority based on the production or consumption of natural Gas or on revenues derived from the consumption of Gas. Should franchise fees be included in the basis for determining the amount of the State Regulatory Trust Fund fees, the franchise fee addition reflected in the bill shall be computed at a factor of 1.00503 of such franchise fee. All of the foregoing additions to the bill will be shown separately from the amount billed for Gas.

G. COMPETITIVE RATE ADJUSTMENT CLAUSE

The Distribution Charge for Gas delivered after September 30, 1989 to Customers other than those served under Company's Rate Schedules ISLV₇ and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission is subject to adjustment in accordance with the following provisions, for prior shortfalls or surpluses in Company's contract interruptible service revenues.

1. For the purposes of this clause, the following definitions shall apply:
 - a. "Actual revenue" means Company's actual non-gas revenue derived from service provided under its Rate Schedule CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission during a determination period.
 - b. "Base revenue" means the non-gas revenue which Company would have derived had all Gas delivered under Company's Rate Schedule CIS and any Rate Schedule NGVS-2 special contract rate during a determination period been billed at the distribution charge established for service under applicable interruptible rate schedules in Company's last base rate proceeding.
 - c. "Surplus" means the amount, if any, by which Company's actual revenue exceeds its base revenue for a determination period.
 - d. "Shortfall" means the amount, if any, by which Company's base revenue exceeds its actual revenue for a determination period.
2. The existence of a shortfall or surplus shall be determined by comparing Company's actual revenue with its base revenue. This determination shall be made each year for the twelve (12) months ending September 30 ("determination period").
3. Adjustments to rates pursuant to this clause shall be implemented during an "adjustment period", which shall be the eleven (11) months ending September 30 in the year following the determination period in the event of a surplus. In the event of a shortfall, any eleven (11) successive months ending on a September 30 within five (5) years following the determination period may be an adjustment period.

GENERAL APPLICABILITY PROVISIONS (Continued)

4. In the event of a surplus, Company shall reduce rates to Customers (other than Customers served under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to credit them with revenues equal to the surplus.
5. In the event of a shortfall, Company may increase rates to Customers (other than Customers served under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to recover an amount not to exceed the amount of the shortfall.
6. A surplus refund or shortfall recovery shall be implemented during an adjustment period by reducing or increasing the distribution charge prescribed in each rate schedule of this tariff (except Rate Schedules ISLV and CIS and any Rate Schedule NGVS-2 special contract rate approved by the Commission) by an adjustment factor computed as follows and rounded to the nearest .001 cent per Therm:

In event of a surplus, subtract:
$$\frac{\text{Surplus Refund to Customers}}{\text{PTS}}$$

In event of a shortfall, add:
$$\frac{\text{Shortfall Recovery}}{\text{PTS}}$$

Where PTS is the projected Therm consumption for Customers (excluding Customers serviced under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) during the adjustment period.

Any variation between the actual refund to Customers and the amount calculated pursuant to the preceding paragraph, or between the actual shortfall recovery and the amount which Company elected to recover in an adjustment period, shall be "trued-up" during the succeeding adjustment period pursuant to methodology approved by the Commission.

7. Company may defer all or any portion of a shortfall recovery to a subsequent adjustment period or portion thereof.

NATURAL GAS VEHICLE SERVICE-1
Rate Schedule NGVS-1

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer through a separate Meter for compression and delivery (through the use of equipment furnished by Customer) into motor vehicle fuel tanks or other transportation containers. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or ITS Rider. Service under this rate schedule is only available to those Customers receiving service thereunder as of August 1, 2013. Customers seeking natural gas vehicle service after that date shall take service under Rate Schedule NGVS-2.

Monthly Rate:

Customer Charge: \$45.00 per month

Distribution Charge: 0.18392 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Rider NCTS and ITS Rider.

Minimum Bill: The Customer charge.

Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth of Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this rate schedule, unless an extension of facilities or an agreement for payment of a Monthly Facilities Charge pursuant to Rate Schedule NGVS-2 is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension or the Monthly Facilities Charge.
4. The rates set forth above schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

NATURAL GAS VEHICLE SERVICE-1 (Continued)

6. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

NATURAL GAS VEHICLE SERVICE -2
Rate Schedule NGVS-2

Availability:

Throughout the service areas of the Company.

Applicability:

For gas delivered to any Customer for the purpose of compression and delivery into motor vehicle fuel tanks or other transportation containers ("NGV Service") pursuant to Rate Schedules RS, SGS, GS-1, GS-2, GS-3, GS-4, or GS-5. This schedule provides options to Customers with respect to the facilities and equipment required for compression and dispensing of compressed natural gas ("CNG"). It also provides (see Option 3) the terms and conditions for Company's fueling of natural gas vehicles at publicly available fueling stations.

Monthly Rate:

NGV Service is available under any rate schedule referenced under "Applicability" above based on Customer's annual consumption in Therms as determined by Company. The charges, terms and conditions of the applicable rate schedule shall apply notwithstanding Customer's election of one or more of the options available under this schedule. This schedule provides three options available to a Customer or Customers, and provides for monthly charges in addition to those provided by the rate schedule pursuant to which the Customer is receiving service from Company.

Monthly Facilities Charge when Company Provides Equipment Necessary for NGV Service:

The Monthly Facilities Charge, if applicable, shall be equal to 1.6% multiplied by the Company's Gross Investment in facilities, as determined by the Company, required to provide NGV Service to the Customer. As used in this schedule, "Gross Investment" means the total installed cost of such facilities, as determined by the Company, which facilities may include but are not limited to dryers, compressors, storage vessels, controls, piping, metering, dispensers, and any other related appurtenances including any redundancy necessary to provide reliable NGV Service and land and land rights, before any adjustment for accumulated depreciation, a contribution in aid of construction, etc. The 1.6% factor is subject to adjustment if Customer makes a contribution in aid of construction and will be reduced based on the percentage of Company-provided Gross Investment to the total installed Gross Investment. The adjusted factor will be set forth in Company's agreement for NGV Service provided pursuant to this schedule. If such NGV Service is provided to more than one Customer, the Monthly Facilities Charge applicable to each Customer shall be set forth in the agreement with such Customer. The agreement may require a commitment by a Customer to purchase NGV Service for a minimum period of time, to take or pay for a minimum amount of NGV Service, a contribution in aid of construction, a guarantee, such as a surety bond, letter of credit, other means of establishing credit, and/or other provisions as determined appropriate by the Company.

NATURAL GAS VEHICLE SERVICE -2 (continued)

OPTION 1: COMPANY-PROVIDED FACILITIES ON CUSTOMER'S PREMISES

If Customer elects for Company to provide and maintain the necessary facilities for the provision of NGV Service on Customer's premises, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company.

Under this option, the Company's provision and maintenance of the facilities required to provide NGV Service does not include the physical dispensing of CNG into vehicles, or the provision of electricity required to operate such facilities. The physical dispensing of CNG into vehicles, the collection and remittance of any federal, state or local tax imposed on CNG dispensed for use as a motor fuel, and the payment for electricity used to operate such facilities, shall be the sole responsibility of the Customer receiving NGV Service. Company-provided facilities could be those constituting a residential compression and fueling station.

OPTION 2: LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES

If Customer elects for Company, pursuant to agreement(s) with Customer and/or one or more other Customers, to provide and maintain, on Company premises, facilities for the provision of NGV Service, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company. In addition, Customer shall also pay a CNG Dispensing Fee, the amount of which fee shall permit the Company to recover all costs related to dispensing CNG and be provided in the agreement between Company and Customer.

Under this option, Company shall collect from the Customer and remit to the applicable authority any motor fuel tax on CNG or the dispensing thereof. Any service provided pursuant to this Option 2 shall be provided at the times and on terms and conditions determined by Company and specified in the Company's agreement(s) with the Customer(s). The agreement(s) may require a Customer commitment to purchase service for a minimum period of time, to take or pay for a minimum amount of service, to make a contribution in aid of construction, to furnish a guarantee, surety bond or other means of establishing credit, and/or other provisions determined appropriate by Company.

OPTION 3: PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES

If Company offers service to Customer from facilities located on the Company's premises, the following charges shall apply in lieu of the charges otherwise applicable under this, or any other Company rate schedule or rider:

Distribution and Dispensing Charge: \$0.50 per Therm,
Plus Company's Gas Cost (as determined by Company),
Plus taxes applicable to CNG or the sale or dispensing of CNG for use as motor fuel

NATURAL GAS VEHICLE SERVICE-2 (continued)

The total charge, consisting of the Distribution and Dispensing Charge, Company's Gas Cost, and taxes, shall be as determined by Company; provided, however, that the Company's Gas Cost component of the charge shall not be less than Company's monthly Purchased Gas Adjustment ("PGA") factor in effect at the time of the sale to Customer. The total charge to the Customer, (less the Distribution and Dispensing Charge and applicable taxes) will be accounted for by Company as recovery of gas cost in Docket No. 130003-GU (the annual PGA docket) and successor dockets.

Any service provided by Company pursuant to this Option 3 shall be provided at the times and on terms and conditions determined by Company.

Special Conditions:

1. A separate meter or sub-meter may be requested by the Customer or required by Company; in which case the Customer will pay the cost of the meter (which shall remain the property of the Company) and its installation.
2. The collection and remittance of any federal or state or local tax imposed on CNG or the dispensing thereof for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provided for in Customer's agreement with Company.
3. NGV service is not available for resale by a residential customer.
4. If Customer has elected Option 2 or Option 3, Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.
5. If the Company, alone or in partnership with another entity, responds to a competitive situation of a government agency or commercial customer that will consume quantities greater than 100,000 Therms per year, the Company has the option to provide NGV service, equipment, facilities, and distribution at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved special contract rate under this rate provision through Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
6. If a Customer desires to phase in the use of CNG as motor fuel and is acquiring and placing into service vehicles fueled by CNG over a period of years, the Monthly Facilities Charge may, in the discretion of Company, be phased-in over the term of the agreement between Customer and Company. However, the net present value of the revenue from the phased-in charges, discounted at the Company's then authorized rate of return, shall be set equal to the net present value of the revenue that would have been generated over the term of the agreement if the Monthly Facilities Charge had not been phased-in. Any such phase-in shall be included in the agreement between Customer and Company.

PGS TARIFF

Section 7

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GENERAL APPLICABILITY PROVISIONS (Continued)

F. TAX AND FEE ADJUSTMENT CLAUSE

The bill for Gas Service computed under the rates in this tariff shall be increased by the appropriate proportionate part of all taxes, licenses, assessments, or fees imposed by any governmental authority based on the production or consumption of natural Gas or on revenues derived from the consumption of Gas. Should franchise fees be included in the basis for determining the amount of the State Regulatory Trust Fund fees, the franchise fee addition reflected in the bill shall be computed at a factor of 1.00503 of such franchise fee. All of the foregoing additions to the bill will be shown separately from the amount billed for Gas.

G. COMPETITIVE RATE ADJUSTMENT CLAUSE

The Distribution Charge for Gas delivered after September 30, 1989 to Customers other than those served under Company's Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission is subject to adjustment in accordance with the following provisions, for prior shortfalls or surpluses in Company's contract interruptible service revenues.

1. For the purposes of this clause, the following definitions shall apply:
 - a. "Actual revenue" means Company's actual non-gas revenue derived from service provided under its Rate Schedule CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission during a determination period.
 - b. "Base revenue" means the non-gas revenue which Company would have derived had all Gas delivered under Company's Rate Schedule CIS and any Rate Schedule NGVS-2 special contract rate during a determination period been billed at the distribution charge established for service under applicable interruptible rate schedules in Company's last base rate proceeding.
 - c. "Surplus" means the amount, if any, by which Company's actual revenue exceeds its base revenue for a determination period.
 - d. "Shortfall" means the amount, if any, by which Company's base revenue exceeds its actual revenue for a determination period.
2. The existence of a shortfall or surplus shall be determined by comparing Company's actual revenue with its base revenue. This determination shall be made each year for the twelve (12) months ending September 30 ("determination period").
3. Adjustments to rates pursuant to this clause shall be implemented during an "adjustment period", which shall be the eleven (11) months ending September 30 in the year following the determination period in the event of a surplus. In the event of a shortfall, any eleven (11) successive months ending on a September 30 within five (5) years following the determination period may be an adjustment period.

GENERAL APPLICABILITY PROVISIONS (Continued)

4. In the event of a surplus, Company shall reduce rates to Customers (other than Customers served under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to credit them with revenues equal to the surplus.
5. In the event of a shortfall, Company may increase rates to Customers (other than Customers served under Rate Schedules ISLV and CIS, and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to recover an amount not to exceed the amount of the shortfall.
6. A surplus refund or shortfall recovery shall be implemented during an adjustment period by reducing or increasing the distribution charge prescribed in each rate schedule of this tariff (except Rate Schedules ISLV and CIS and any Rate Schedule NGVS-2 special contract rate approved by the Commission) by an adjustment factor computed as follows and rounded to the nearest .001 cent per Therm:

In event of a surplus, subtract:
$$\frac{\text{Surplus Refund to Customers}}{\text{PTS}}$$

In event of a shortfall, add:
$$\frac{\text{Shortfall Recovery}}{\text{PTS}}$$

Where PTS is the projected Therm consumption for Customers (excluding Customers serviced under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) during the adjustment period.

Any variation between the actual refund to Customers and the amount calculated pursuant to the preceding paragraph, or between the actual shortfall recovery and the amount which Company elected to recover in an adjustment period, shall be "trued-up" during the succeeding adjustment period pursuant to methodology approved by the Commission.

7. Company may defer all or any portion of a shortfall recovery to a subsequent adjustment period or portion thereof.

**NATURAL GAS VEHICLE SERVICE-1
Rate Schedule NGVS-1**

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer through a separate Meter for compression and delivery (through the use of equipment furnished by Customer) into motor vehicle fuel tanks or other transportation containers. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or ITS Rider. Service under this rate schedule is only available to those Customers receiving service thereunder as of August 1, 2013. Customers seeking natural gas vehicle service after that date shall take service under Rate Schedule NGVS-2.

Monthly Rate:

Customer Charge: \$45.00 per month

Distribution Charge: 0.18392 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Rider NCTS and ITS Rider.

Minimum Bill: The Customer charge.

Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth of Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this rate schedule, unless an extension of facilities or an agreement for payment of a Monthly Facilities Charge pursuant to Rate Schedule NGVS-2 is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension or the Monthly Facilities Charge.
4. The rates set forth above schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

NATURAL GAS VEHICLE SERVICE-1 (Continued)

6. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

**NATURAL GAS VEHICLE SERVICE -2
Rate Schedule NGVS-2**

Availability:

Throughout the service areas of the Company.

Applicability:

For gas delivered to any Customer for the purpose of compression and delivery into motor vehicle fuel tanks or other transportation containers ("NGV Service") pursuant to Rate Schedules RS, SGS, GS-1, GS-2, GS-3, GS-4, or GS-5. This schedule provides options to Customers with respect to the facilities and equipment required for compression and dispensing of compressed natural gas ("CNG"). It also provides (see Option 3) the terms and conditions for Company's fueling of natural gas vehicles at publicly available fueling stations.

Monthly Rate:

NGV Service is available under any rate schedule referenced under "Applicability" above based on Customer's annual consumption in Therms as determined by Company. The charges, terms and conditions of the applicable rate schedule shall apply notwithstanding Customer's election of one or more of the options available under this schedule. This schedule provides three options available to a Customer or Customers, and provides for monthly charges in addition to those provided by the rate schedule pursuant to which the Customer is receiving service from Company.

Monthly Facilities Charge when Company Provides Equipment Necessary for NGV Service:

The Monthly Facilities Charge, if applicable, shall be equal to 1.6% multiplied by the Company's Gross Investment in facilities, as determined by the Company, required to provide NGV Service to the Customer. As used in this schedule, "Gross Investment" means the total installed cost of such facilities, as determined by the Company, which facilities may include but are not limited to dryers, compressors, storage vessels, controls, piping, metering, dispensers, and any other related appurtenances including any redundancy necessary to provide reliable NGV Service and land and land rights, before any adjustment for accumulated depreciation, a contribution in aid of construction, etc. The 1.6% factor is subject to adjustment if Customer makes a contribution in aid of construction and will be reduced based on the percentage of Company-provided Gross Investment to the total installed Gross Investment. The adjusted factor will be set forth in Company's agreement for NGV Service provided pursuant to this schedule. If such NGV Service is provided to more than one Customer, the Monthly Facilities Charge applicable to each Customer shall be set forth in the agreement with such Customer. The agreement may require a commitment by a Customer to purchase NGV Service for a minimum period of time, to take or pay for a minimum amount of NGV Service, a contribution in aid of construction, a guarantee, such as a surety bond, letter of credit, other means of establishing credit, and/or other provisions as determined appropriate by the Company.

NATURAL GAS VEHICLE SERVICE -2 (continued)

OPTION 1: COMPANY-PROVIDED FACILITIES ON CUSTOMER'S PREMISES

If Customer elects for Company to provide and maintain the necessary facilities for the provision of NGV Service on Customer's premises, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company.

Under this option, the Company's provision and maintenance of the facilities required to provide NGV Service does not include the physical dispensing of CNG into vehicles, or the provision of electricity required to operate such facilities. The physical dispensing of CNG into vehicles, the collection and remittance of any federal, state or local tax imposed on CNG dispensed for use as a motor fuel, and the payment for electricity used to operate such facilities, shall be the sole responsibility of the Customer receiving NGV Service. Company-provided facilities could be those constituting a residential compression and fueling station.

OPTION 2: LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES

If Customer elects for Company, pursuant to agreement(s) with Customer and/or one or more other Customers, to provide and maintain, on Company premises, facilities for the provision of NGV Service, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company. In addition, Customer shall also pay a CNG Dispensing Fee, the amount of which fee shall permit the Company to recover all costs related to dispensing CNG and be provided in the agreement between Company and Customer.

Under this option, Company shall collect from the Customer and remit to the applicable authority any motor fuel tax on CNG or the dispensing thereof. Any service provided pursuant to this Option 2 shall be provided at the times and on terms and conditions determined by Company and specified in the Company's agreement(s) with the Customer(s). The agreement(s) may require a Customer commitment to purchase service for a minimum period of time, to take or pay for a minimum amount of service, to make a contribution in aid of construction, to furnish a guarantee, surety bond or other means of establishing credit, and/or other provisions determined appropriate by Company.

OPTION 3: PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES

If Company offers service to Customer from facilities located on the Company's premises, the following charges shall apply in lieu of the charges otherwise applicable under this, or any other Company rate schedule or rider:

Distribution and Dispensing Charge: \$0.50 per Therm,
Plus Company's Gas Cost (as determined by Company),
Plus taxes applicable to CNG or the sale or dispensing of CNG for use as motor fuel

NATURAL GAS VEHICLE SERVICE-2 (continued)

The total charge, consisting of the Distribution and Dispensing Charge, Company's Gas Cost, and taxes, shall be as determined by Company; provided, however, that the Company's Gas Cost component of the charge shall not be less than Company's monthly Purchased Gas Adjustment ("PGA") factor in effect at the time of the sale to Customer. The total charge to the Customer, (less the Distribution and Dispensing Charge and applicable taxes) will be accounted for by Company as recovery of gas cost in Docket No. 130003-GU (the annual PGA docket) and successor dockets.

Any service provided by Company pursuant to this Option 3 shall be provided at the times and on terms and conditions determined by Company.

Special Conditions:

1. A separate meter or sub-meter may be requested by the Customer or required by Company; in which case the Customer will pay the cost of the meter (which shall remain the property of the Company) and its installation.
2. The collection and remittance of any federal or state or local tax imposed on CNG or the dispensing thereof for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provided for in Customer's agreement with Company.
3. NGV service is not available for resale by a residential customer.
4. If Customer has elected Option 2 or Option 3, Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.
5. If the Company, alone or in partnership with another entity, responds to a competitive situation of a government agency or commercial customer that will consume quantities greater than 100,000 Therms per year, the Company has the option to provide NGV service, equipment, facilities, and distribution at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved special contract rate under this rate provision through Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
6. If a Customer desires to phase in the use of CNG as motor fuel and is acquiring and placing into service vehicles fueled by CNG over a period of years, the Monthly Facilities Charge may, in the discretion of Company, be phased-in over the term of the agreement between Customer and Company. However, the net present value of the revenue from the phased-in charges, discounted at the Company's then authorized rate of return, shall be set equal to the net present value of the revenue that would have been generated over the term of the agreement if the Monthly Facilities Charge had not been phased-in. Any such phase-in shall be included in the agreement between Customer and Company.

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GENERAL SERVICE RATES:

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GENERAL APPLICABILITY PROVISIONS (Continued)

4. In the event of a surplus, Company shall reduce rates to Customers (other than Customers served under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to credit them with revenues equal to the surplus.
5. In the event of a shortfall, Company may increase rates to Customers (other than Customers served under Rate Schedules ISLV and CIS, and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to recover an amount not to exceed the amount of the shortfall.
6. A surplus refund or shortfall recovery shall be implemented during an adjustment period by reducing or increasing the distribution charge prescribed in each rate schedule of this tariff (except Rate Schedules ISLV and CIS and any Rate Schedule NGVS-2 special contract rate approved by the Commission) by an adjustment factor computed as follows and rounded to the nearest .001 cent per Therm:

In event of a surplus, subtract:
$$\frac{\text{Surplus Refund to Customers}}{\text{PTS}}$$

In event of a shortfall, add:
$$\frac{\text{Shortfall Recovery}}{\text{PTS}}$$

Where PTS is the projected Therm consumption for Customers (excluding Customers serviced under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) during the adjustment period.

Any variation between the actual refund to Customers and the amount calculated pursuant to the preceding paragraph, or between the actual shortfall recovery and the amount which Company elected to recover in an adjustment period, shall be "trued-up" during the succeeding adjustment period pursuant to methodology approved by the Commission.

7. Company may defer all or any portion of a shortfall recovery to a subsequent adjustment period or portion thereof.

**NATURAL GAS VEHICLE SERVICE-1
Rate Schedule NGVS-1**

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer through a separate Meter for compression and delivery (through the use of equipment furnished by Customer) into motor vehicle fuel tanks or other transportation containers. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or ITS Rider. Service under this rate schedule is only available to those Customers receiving service thereunder as of August 1, 2013. Customers seeking natural gas vehicle service after that date shall take service under Rate Schedule NGVS-2.

Monthly Rate:

Customer Charge: \$45.00 per month

Distribution Charge: 0.18392 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Rider NCTS and ITS Rider.

Minimum Bill: The Customer charge.

Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth of Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this rate schedule, unless an extension of facilities or an agreement for payment of a Monthly Facilities Charge pursuant to Rate Schedule NGVS-2 is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension or the Monthly Facilities Charge.
4. The rates set forth above schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

NATURAL GAS VEHICLE SERVICE-1 (Continued)

6. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

NATURAL GAS VEHICLE SERVICE -2
Rate Schedule NGVS-2

Availability:

Throughout the service areas of the Company.

Applicability:

For gas delivered to any Customer for the purpose of compression and delivery into motor vehicle fuel tanks or other transportation containers ("NGV Service") pursuant to Rate Schedules RS, SGS, GS-1, GS-2, GS-3, GS-4, or GS-5. This schedule provides options to Customers with respect to the facilities and equipment required for compression and dispensing of compressed natural gas ("CNG"). It also provides (see Option 3) the terms and conditions for Company's fueling of natural gas vehicles at publicly available fueling stations.

Monthly Rate:

NGV Service is available under any rate schedule referenced under "Applicability" above based on Customer's annual consumption in Therms as determined by Company. The charges, terms and conditions of the applicable rate schedule shall apply notwithstanding Customer's election of one or more of the options available under this schedule. This schedule provides three options available to a Customer or Customers, and provides for monthly charges in addition to those provided by the rate schedule pursuant to which the Customer is receiving service from Company.

Monthly Facilities Charge when Company Provides Equipment Necessary for NGV Service:

The Monthly Facilities Charge, if applicable, shall be equal to 1.6% multiplied by the Company's Gross Investment in facilities, as determined by the Company, required to provide NGV Service to the Customer. As used in this schedule, "Gross Investment" means the total installed cost of such facilities, as determined by the Company, which facilities may include but are not limited to dryers, compressors, storage vessels, controls, piping, metering, dispensers, and any other related appurtenances including any redundancy necessary to provide reliable NGV Service and land and land rights, before any adjustment for accumulated depreciation, a contribution in aid of construction, etc. The 1.6% factor is subject to adjustment if Customer makes a contribution in aid of construction and will be reduced based on the percentage of Company-provided Gross Investment to the total installed Gross Investment. The adjusted factor will be set forth in Company's agreement for NGV Service provided pursuant to this schedule. If such NGV Service is provided to more than one Customer, the Monthly Facilities Charge applicable to each Customer shall be set forth in the agreement with such Customer. The agreement may require a commitment by a Customer to purchase NGV Service for a minimum period of time, to take or pay for a minimum amount of NGV Service, a contribution in aid of construction, a guarantee, such as a surety bond, letter of credit, other means of establishing credit, and/or other provisions as determined appropriate by the Company.

NATURAL GAS VEHICLE SERVICE -2 (continued)

OPTION 1: COMPANY-PROVIDED FACILITIES ON CUSTOMER'S PREMISES

If Customer elects for Company to provide and maintain the necessary facilities for the provision of NGV Service on Customer's premises, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company.

Under this option, the Company's provision and maintenance of the facilities required to provide NGV Service does not include the physical dispensing of CNG into vehicles, or the provision of electricity required to operate such facilities. The physical dispensing of CNG into vehicles, the collection and remittance of any federal, state or local tax imposed on CNG dispensed for use as a motor fuel, and the payment for electricity used to operate such facilities, shall be the sole responsibility of the Customer receiving NGV Service. Company-provided facilities could be those constituting a residential compression and fueling station.

OPTION 2: LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES

If Customer elects for Company, pursuant to agreement(s) with Customer and/or one or more other Customers, to provide and maintain, on Company premises, facilities for the provision of NGV Service, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company. In addition, Customer shall also pay a CNG Dispensing Fee, the amount of which fee shall permit the Company to recover all costs related to dispensing CNG and be provided in the agreement between Company and Customer.

Under this option, Company shall collect from the Customer and remit to the applicable authority any motor fuel tax on CNG or the dispensing thereof. Any service provided pursuant to this Option 2 shall be provided at the times and on terms and conditions determined by Company and specified in the Company's agreement(s) with the Customer(s). The agreement(s) may require a Customer commitment to purchase service for a minimum period of time, to take or pay for a minimum amount of service, to make a contribution in aid of construction, to furnish a guarantee, surety bond or other means of establishing credit, and/or other provisions determined appropriate by Company.

OPTION 3: PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES

If Company offers service to Customer from facilities located on the Company's premises, the following charges shall apply in lieu of the charges otherwise applicable under this, or any other Company rate schedule or rider:

Distribution and Dispensing Charge: \$0.50 per Therm,
Plus Company's Gas Cost (as determined by Company),
Plus taxes applicable to CNG or the sale or dispensing of CNG for use as motor fuel

NATURAL GAS VEHICLE SERVICE-2 (continued)

The total charge, consisting of the Distribution and Dispensing Charge, Company's Gas Cost, and taxes, shall be as determined by Company; provided, however, that the Company's Gas Cost component of the charge shall not be less than Company's monthly Purchased Gas Adjustment ("PGA") factor in effect at the time of the sale to Customer. The total charge to the Customer, (less the Distribution and Dispensing Charge and applicable taxes) will be accounted for by Company as recovery of gas cost in Docket No. 130003-GU (the annual PGA docket) and successor dockets.

Any service provided by Company pursuant to this Option 3 shall be provided at the times and on terms and conditions determined by Company.

Special Conditions:

1. A separate meter or sub-meter may be requested by the Customer or required by Company; in which case the Customer will pay the cost of the meter (which shall remain the property of the Company) and its installation.
2. The collection and remittance of any federal or state or local tax imposed on CNG or the dispensing thereof for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provided for in Customer's agreement with Company.
3. NGV service is not available for resale by a residential customer.
4. If Customer has elected Option 2 or Option 3, Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.
5. If the Company, alone or in partnership with another entity, responds to a competitive situation of a government agency or commercial customer that will consume quantities greater than 100,000 Therms per year, the Company has the option to provide NGV service, equipment, facilities, and distribution at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved special contract rate under this rate provision through Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
6. If a Customer desires to phase in the use of CNG as motor fuel and is acquiring and placing into service vehicles fueled by CNG over a period of years, the Monthly Facilities Charge may, in the discretion of Company, be phased-in over the term of the agreement between Customer and Company. However, the net present value of the revenue from the phased-in charges, discounted at the Company's then authorized rate of return, shall be set equal to the net present value of the revenue that would have been generated over the term of the agreement if the Monthly Facilities Charge had not been phased-in. Any such phase-in shall be included in the agreement between Customer and Company.

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RATE SCHEDULES

RESIDENTIAL RATES:

Residential Service (RS)	7.201
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GENERAL SERVICE RATES:

Small General Service (SGS)	7.301
General Service - 1 (GS-1)	7.302
General Service - 2 (GS-2)	7.303
General Service - 3 (GS-3)	7.303-2
General Service - 4 (GS-4)	7.303-4
General Service - 5 (GS-5)	7.304
Commercial Street Lighting Service (CSLS)	7.306

SPECIAL FIRM GAS RATES:

Natural Gas Vehicle Service-1 (NGVS-1)	7.401
Natural Gas Vehicle Service-2 (NGVS-2)	7.401-2
Residential Standby Generator Service (RS-SG)	7.402-1
Commercial Standby Generator Service (CS-SG)	7.403

WHOLESALE RATES:

Wholesale Service - Firm (WHS)	7.501
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INTERRUPTIBLE RATES:

Small Interruptible Service (SIS)	7.601
Interruptible Service (IS)	7.603
Interruptible Service - Large Volume (ISLV)	7.605
Contract Interruptible Service (CIS)	7.607

GENERAL APPLICABILITY PROVISIONS (Continued)

F. TAX AND FEE ADJUSTMENT CLAUSE

The bill for Gas Service computed under the rates in this tariff shall be increased by the appropriate proportionate part of all taxes, licenses, assessments, or fees imposed by any governmental authority based on the production or consumption of natural Gas or on revenues derived from the consumption of Gas. Should franchise fees be included in the basis for determining the amount of the State Regulatory Trust Fund fees, the franchise fee addition reflected in the bill shall be computed at a factor of 1.00503 of such franchise fee. All of the foregoing additions to the bill will be shown separately from the amount billed for Gas.

G. COMPETITIVE RATE ADJUSTMENT CLAUSE

The Distribution Charge for Gas delivered after September 30, 1989 to Customers other than those served under Company's Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission is subject to adjustment in accordance with the following provisions, for prior shortfalls or surpluses in Company's contract interruptible service revenues.

1. For the purposes of this clause, the following definitions shall apply:
 - a. "Actual revenue" means Company's actual non-gas revenue derived from service provided under its Rate Schedule CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission during a determination period.
 - b. "Base revenue" means the non-gas revenue which Company would have derived had all Gas delivered under Company's Rate Schedule CIS and any Rate Schedule NGVS-2 special contract rate during a determination period been billed at the distribution charge established for service under applicable interruptible rate schedules in Company's last base rate proceeding.
 - c. "Surplus" means the amount, if any, by which Company's actual revenue exceeds its base revenue for a determination period.
 - d. "Shortfall" means the amount, if any, by which Company's base revenue exceeds its actual revenue for a determination period.
2. The existence of a shortfall or surplus shall be determined by comparing Company's actual revenue with its base revenue. This determination shall be made each year for the twelve (12) months ending September 30 ("determination period").
3. Adjustments to rates pursuant to this clause shall be implemented during an "adjustment period", which shall be the eleven (11) months ending September 30 in the year following the determination period in the event of a surplus. In the event of a shortfall, any eleven (11) successive months ending on a September 30 within five (5) years following the determination period may be an adjustment period.

**NATURAL GAS VEHICLE SERVICE-1
Rate Schedule NGVS-1**

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer through a separate Meter for compression and delivery (through the use of equipment furnished by Customer) into motor vehicle fuel tanks or other transportation containers. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or ITS Rider. Service under this rate schedule is only available to those Customers receiving service thereunder as of August 1, 2013. Customers seeking natural gas vehicle service after that date shall take service under Rate Schedule NGVS-2.

Monthly Rate:

Customer Charge: \$45.00 per month

Distribution Charge: 0.18392 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Rider NCTS and ITS Rider.

Minimum Bill: The Customer charge.

Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth of Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this rate schedule, unless an extension of facilities or an agreement for payment of a Monthly Facilities Charge pursuant to Rate Schedule NGVS-2 is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension or the Monthly Facilities Charge.
4. The rates set forth above schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

NATURAL GAS VEHICLE SERVICE-1 (Continued)

6. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

NATURAL GAS VEHICLE SERVICE -2
Rate Schedule NGVS-2

Availability:

Throughout the service areas of the Company.

Applicability:

For gas delivered to any Customer for the purpose of compression and delivery into motor vehicle fuel tanks or other transportation containers ("NGV Service") pursuant to Rate Schedules RS, SGS, GS-1, GS-2, GS-3, GS-4, or GS-5. This schedule provides options to Customers with respect to the facilities and equipment required for compression and dispensing of compressed natural gas ("CNG"). It also provides (see Option 3) the terms and conditions for Company's fueling of natural gas vehicles at publicly available fueling stations.

Monthly Rate:

NGV Service is available under any rate schedule referenced under "Applicability" above based on Customer's annual consumption in Therms as determined by Company. The charges, terms and conditions of the applicable rate schedule shall apply notwithstanding Customer's election of one or more of the options available under this schedule. This schedule provides three options available to a Customer or Customers, and provides for monthly charges in addition to those provided by the rate schedule pursuant to which the Customer is receiving service from Company.

Monthly Facilities Charge when Company Provides Equipment Necessary for NGV Service:

The Monthly Facilities Charge, if applicable, shall be equal to 1.6% multiplied by the Company's Gross Investment in facilities, as determined by the Company, required to provide NGV Service to the Customer. As used in this schedule, "Gross Investment" means the total installed cost of such facilities, as determined by the Company, which facilities may include but are not limited to dryers, compressors, storage vessels, controls, piping, metering, dispensers, and any other related appurtenances including any redundancy necessary to provide reliable NGV Service and land and land rights, before any adjustment for accumulated depreciation, a contribution in aid of construction, etc. The 1.6% factor is subject to adjustment if Customer makes a contribution in aid of construction and will be reduced based on the percentage of Company-provided Gross Investment to the total installed Gross Investment. The adjusted factor will be set forth in Company's agreement for NGV Service provided pursuant to this schedule. If such NGV Service is provided to more than one Customer, the Monthly Facilities Charge applicable to each Customer shall be set forth in the agreement with such Customer. The agreement may require a commitment by a Customer to purchase NGV Service for a minimum period of time, to take or pay for a minimum amount of NGV Service, a contribution in aid of construction, a guarantee, such as a surety bond, letter of credit, other means of establishing credit, and/or other provisions as determined appropriate by the Company.

NATURAL GAS VEHICLE SERVICE -2 (continued)

OPTION 1: COMPANY-PROVIDED FACILITIES ON CUSTOMER'S PREMISES

If Customer elects for Company to provide and maintain the necessary facilities for the provision of NGV Service on Customer's premises, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company.

Under this option, the Company's provision and maintenance of the facilities required to provide NGV Service does not include the physical dispensing of CNG into vehicles, or the provision of electricity required to operate such facilities. The physical dispensing of CNG into vehicles, the collection and remittance of any federal, state or local tax imposed on CNG dispensed for use as a motor fuel, and the payment for electricity used to operate such facilities, shall be the sole responsibility of the Customer receiving NGV Service. Company-provided facilities could be those constituting a residential compression and fueling station.

OPTION 2: LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES

If Customer elects for Company, pursuant to agreement(s) with Customer and/or one or more other Customers, to provide and maintain, on Company premises, facilities for the provision of NGV Service, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company. In addition, Customer shall also pay a CNG Dispensing Fee, the amount of which fee shall permit the Company to recover all costs related to dispensing CNG and be provided in the agreement between Company and Customer.

Under this option, Company shall collect from the Customer and remit to the applicable authority any motor fuel tax on CNG or the dispensing thereof. Any service provided pursuant to this Option 2 shall be provided at the times and on terms and conditions determined by Company and specified in the Company's agreement(s) with the Customer(s). The agreement(s) may require a Customer commitment to purchase service for a minimum period of time, to take or pay for a minimum amount of service, to make a contribution in aid of construction, to furnish a guarantee, surety bond or other means of establishing credit, and/or other provisions determined appropriate by Company.

OPTION 3: PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES

If Company offers service to Customer from facilities located on the Company's premises, the following charges shall apply in lieu of the charges otherwise applicable under this, or any other Company rate schedule or rider:

Distribution and Dispensing Charge: \$0.50 per Therm,
Plus Company's Gas Cost (as determined by Company),
Plus taxes applicable to CNG or the sale or dispensing of CNG for use as motor fuel

NATURAL GAS VEHICLE SERVICE-2 (continued)

The total charge, consisting of the Distribution and Dispensing Charge, Company's Gas Cost, and taxes, shall be as determined by Company; provided, however, that the Company's Gas Cost component of the charge shall not be less than Company's monthly Purchased Gas Adjustment ("PGA") factor in effect at the time of the sale to Customer. The total charge to the Customer, (less the Distribution and Dispensing Charge and applicable taxes) will be accounted for by Company as recovery of gas cost in Docket No. 130003-GU (the annual PGA docket) and successor dockets.

Any service provided by Company pursuant to this Option 3 shall be provided at the times and on terms and conditions determined by Company.

Special Conditions:

1. A separate meter or sub-meter may be requested by the Customer or required by Company; in which case the Customer will pay the cost of the meter (which shall remain the property of the Company) and its installation.
2. The collection and remittance of any federal or state or local tax imposed on CNG or the dispensing thereof for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provided for in Customer's agreement with Company.
3. NGV service is not available for resale by a residential customer.
4. If Customer has elected Option 2 or Option 3, Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.
5. If the Company, alone or in partnership with another entity, responds to a competitive situation of a government agency or commercial customer that will consume quantities greater than 100,000 Therms per year, the Company has the option to provide NGV service, equipment, facilities, and distribution at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved special contract rate under this rate provision through Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
6. If a Customer desires to phase in the use of CNG as motor fuel and is acquiring and placing into service vehicles fueled by CNG over a period of years, the Monthly Facilities Charge may, in the discretion of Company, be phased-in over the term of the agreement between Customer and Company. However, the net present value of the revenue from the phased-in charges, discounted at the Company's then authorized rate of return, shall be set equal to the net present value of the revenue that would have been generated over the term of the agreement if the Monthly Facilities Charge had not been phased-in. Any such phase-in shall be included in the agreement between Customer and Company.

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GENERAL APPLICABILITY PROVISIONS (Continued)

4. In the event of a surplus, Company shall reduce rates to Customers (other than Customers served under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to credit them with revenues equal to the surplus.
5. In the event of a shortfall, Company may increase rates to Customers (other than Customers served under Rate Schedules ISLV and CIS, and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to recover an amount not to exceed the amount of the shortfall.
6. A surplus refund or shortfall recovery shall be implemented during an adjustment period by reducing or increasing the distribution charge prescribed in each rate schedule of this tariff (except Rate Schedules ISLV and CIS and any Rate Schedule NGVS-2 special contract rate approved by the Commission) by an adjustment factor computed as follows and rounded to the nearest .001 cent per Therm:

In event of a surplus, subtract: Surplus Refund
to Customers
PTS

In event of a shortfall, add: Shortfall
Recovery
PTS

Where PTS is the projected Therm consumption for Customers (excluding Customers serviced under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) during the adjustment period.

Any variation between the actual refund to Customers and the amount calculated pursuant to the preceding paragraph, or between the actual shortfall recovery and the amount which Company elected to recover in an adjustment period, shall be "trued-up" during the succeeding adjustment period pursuant to methodology approved by the Commission.

7. Company may defer all or any portion of a shortfall recovery to a subsequent adjustment period or portion thereof.

**NATURAL GAS VEHICLE SERVICE-1
Rate Schedule NGVS-1**

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer through a separate Meter for compression and delivery (through the use of equipment furnished by Customer) into motor vehicle fuel tanks or other transportation containers. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or ITS Rider. Service under this rate schedule is only available to those Customers receiving service thereunder as of August 1, 2013. Customers seeking natural gas vehicle service after that date shall take service under Rate Schedule NGVS-2.

Monthly Rate:

Customer Charge: \$45.00 per month

Distribution Charge: 0.18392 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Rider NCTS and ITS Rider.

Minimum Bill: The Customer charge.

Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth of Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this rate schedule, unless an extension of facilities or an agreement for payment of a Monthly Facilities Charge pursuant to Rate Schedule NGVS-2 is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension or the Monthly Facilities Charge.
4. The rates set forth above schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

NATURAL GAS VEHICLE SERVICE-1 (Continued)

6. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

NATURAL GAS VEHICLE SERVICE -2
Rate Schedule NGVS-2

Availability:

Throughout the service areas of the Company.

Applicability:

For gas delivered to any Customer for the purpose of compression and delivery into motor vehicle fuel tanks or other transportation containers ("NGV Service") pursuant to Rate Schedules RS, SGS, GS-1, GS-2, GS-3, GS-4, or GS-5. This schedule provides options to Customers with respect to the facilities and equipment required for compression and dispensing of compressed natural gas ("CNG"). It also provides (see Option 3) the terms and conditions for Company's fueling of natural gas vehicles at publicly available fueling stations.

Monthly Rate:

NGV Service is available under any rate schedule referenced under "Applicability" above based on Customer's annual consumption in Therms as determined by Company. The charges, terms and conditions of the applicable rate schedule shall apply notwithstanding Customer's election of one or more of the options available under this schedule. This schedule provides three options available to a Customer or Customers, and provides for monthly charges in addition to those provided by the rate schedule pursuant to which the Customer is receiving service from Company.

Monthly Facilities Charge when Company Provides Equipment Necessary for NGV Service:

The Monthly Facilities Charge, if applicable, shall be equal to 1.6% multiplied by the Company's Gross Investment in facilities, as determined by the Company, required to provide NGV Service to the Customer. As used in this schedule, "Gross Investment" means the total installed cost of such facilities, as determined by the Company, which facilities may include but are not limited to dryers, compressors, storage vessels, controls, piping, metering, dispensers, and any other related appurtenances including any redundancy necessary to provide reliable NGV Service and land and land rights, before any adjustment for accumulated depreciation, a contribution in aid of construction, etc. The 1.6% factor is subject to adjustment if Customer makes a contribution in aid of construction and will be reduced based on the percentage of Company-provided Gross Investment to the total installed Gross Investment. The adjusted factor will be set forth in Company's agreement for NGV Service provided pursuant to this schedule. If such NGV Service is provided to more than one Customer, the Monthly Facilities Charge applicable to each Customer shall be set forth in the agreement with such Customer. The agreement may require a commitment by a Customer to purchase NGV Service for a minimum period of time, to take or pay for a minimum amount of NGV Service, a contribution in aid of construction, a guarantee, such as a surety bond, letter of credit, other means of establishing credit, and/or other provisions as determined appropriate by the Company.

NATURAL GAS VEHICLE SERVICE -2 (continued)

OPTION 1: COMPANY-PROVIDED FACILITIES ON CUSTOMER'S PREMISES

If Customer elects for Company to provide and maintain the necessary facilities for the provision of NGV Service on Customer's premises, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company.

Under this option, the Company's provision and maintenance of the facilities required to provide NGV Service does not include the physical dispensing of CNG into vehicles, or the provision of electricity required to operate such facilities. The physical dispensing of CNG into vehicles, the collection and remittance of any federal, state or local tax imposed on CNG dispensed for use as a motor fuel, and the payment for electricity used to operate such facilities, shall be the sole responsibility of the Customer receiving NGV Service. Company-provided facilities could be those constituting a residential compression and fueling station.

OPTION 2: LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES

If Customer elects for Company, pursuant to agreement(s) with Customer and/or one or more other Customers, to provide and maintain, on Company premises, facilities for the provision of NGV Service, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company. In addition, Customer shall also pay a CNG Dispensing Fee, the amount of which fee shall permit the Company to recover all costs related to dispensing CNG and be provided in the agreement between Company and Customer.

Under this option, Company shall collect from the Customer and remit to the applicable authority any motor fuel tax on CNG or the dispensing thereof. Any service provided pursuant to this Option 2 shall be provided at the times and on terms and conditions determined by Company and specified in the Company's agreement(s) with the Customer(s). The agreement(s) may require a Customer commitment to purchase service for a minimum period of time, to take or pay for a minimum amount of service, to make a contribution in aid of construction, to furnish a guarantee, surety bond or other means of establishing credit, and/or other provisions determined appropriate by Company.

OPTION 3: PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES

If Company offers service to Customer from facilities located on the Company's premises, the following charges shall apply in lieu of the charges otherwise applicable under this, or any other Company rate schedule or rider:

Distribution and Dispensing Charge: \$0.50 per Therm,
Plus Company's Gas Cost (as determined by Company),
Plus taxes applicable to CNG or the sale or dispensing of CNG for use as motor fuel

NATURAL GAS VEHICLE SERVICE-2 (continued)

The total charge, consisting of the Distribution and Dispensing Charge, Company's Gas Cost, and taxes, shall be as determined by Company; provided, however, that the Company's Gas Cost component of the charge shall not be less than Company's monthly Purchased Gas Adjustment ("PGA") factor in effect at the time of the sale to Customer. The total charge to the Customer, (less the Distribution and Dispensing Charge and applicable taxes) will be accounted for by Company as recovery of gas cost in Docket No. 130003-GU (the annual PGA docket) and successor dockets.

Any service provided by Company pursuant to this Option 3 shall be provided at the times and on terms and conditions determined by Company.

Special Conditions:

1. A separate meter or sub-meter may be requested by the Customer or required by Company; in which case the Customer will pay the cost of the meter (which shall remain the property of the Company) and its installation.
2. The collection and remittance of any federal or state or local tax imposed on CNG or the dispensing thereof for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provided for in Customer's agreement with Company.
3. NGV service is not available for resale by a residential customer.
4. If Customer has elected Option 2 or Option 3, Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.
5. If the Company, alone or in partnership with another entity, responds to a competitive situation of a government agency or commercial customer that will consume quantities greater than 100,000 Therms per year, the Company has the option to provide NGV service, equipment, facilities, and distribution at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved special contract rate under this rate provision through Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
6. If a Customer desires to phase in the use of CNG as motor fuel and is acquiring and placing into service vehicles fueled by CNG over a period of years, the Monthly Facilities Charge may, in the discretion of Company, be phased-in over the term of the agreement between Customer and Company. However, the net present value of the revenue from the phased-in charges, discounted at the Company's then authorized rate of return, shall be set equal to the net present value of the revenue that would have been generated over the term of the agreement if the Monthly Facilities Charge had not been phased-in. Any such phase-in shall be included in the agreement between Customer and Company.

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RATE SCHEDULES

RESIDENTIAL RATES:	
Residential Service (RS)	7.201

GENERAL SERVICE RATES:	
Small General Service (SGS)	7.301
General Service - 1 (GS-1)	7.302
General Service - 2 (GS-2)	7.303
General Service - 3 (GS-3)	7.303-2
General Service - 4 (GS-4)	7.303-4
General Service - 5 (GS-5)	7.304
Commercial Street Lighting Service (CSLS)	7.306

SPECIAL FIRM GAS RATES:	
Natural Gas Vehicle Service-1 (NGVS-1)	7.401
Natural Gas Vehicle Service-2 (NGVS-2)	7.401-2
Residential Standby Generator Service (RS-SG)	7.402-1
Commercial Standby Generator Service (CS-SG)	7.403

WHOLESALE RATES:	
Wholesale Service - Firm (WHS)	7.501

INTERRUPTIBLE RATES:	
Small Interruptible Service (SIS)	7.601
Interruptible Service (IS)	7.603
Interruptible Service - Large Volume (ISLV)	7.605
Contract Interruptible Service (CIS)	7.607

GENERAL APPLICABILITY PROVISIONS (Continued)

F. TAX AND FEE ADJUSTMENT CLAUSE

The bill for Gas Service computed under the rates in this tariff shall be increased by the appropriate proportionate part of all taxes, licenses, assessments, or fees imposed by any governmental authority based on the production or consumption of natural Gas or on revenues derived from the consumption of Gas. Should franchise fees be included in the basis for determining the amount of the State Regulatory Trust Fund fees, the franchise fee addition reflected in the bill shall be computed at a factor of 1.00503 of such franchise fee. All of the foregoing additions to the bill will be shown separately from the amount billed for Gas.

G. COMPETITIVE RATE ADJUSTMENT CLAUSE

The Distribution Charge for Gas delivered after September 30, 1989 to Customers other than those served under Company's Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission is subject to adjustment in accordance with the following provisions, for prior shortfalls or surpluses in Company's contract interruptible service revenues.

1. For the purposes of this clause, the following definitions shall apply:
 - a. "Actual revenue" means Company's actual non-gas revenue derived from service provided under its Rate Schedule CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission during a determination period.
 - b. "Base revenue" means the non-gas revenue which Company would have derived had all Gas delivered under Company's Rate Schedule CIS and any Rate Schedule NGVS-2 special contract rate during a determination period been billed at the distribution charge established for service under applicable interruptible rate schedules in Company's last base rate proceeding.
 - c. "Surplus" means the amount, if any, by which Company's actual revenue exceeds its base revenue for a determination period.
 - d. "Shortfall" means the amount, if any, by which Company's base revenue exceeds its actual revenue for a determination period.
2. The existence of a shortfall or surplus shall be determined by comparing Company's actual revenue with its base revenue. This determination shall be made each year for the twelve (12) months ending September 30 ("determination period").
3. Adjustments to rates pursuant to this clause shall be implemented during an "adjustment period", which shall be the eleven (11) months ending September 30 in the year following the determination period in the event of a surplus. In the event of a shortfall, any eleven (11) successive months ending on a September 30 within five (5) years following the determination period may be an adjustment period.

GENERAL APPLICABILITY PROVISIONS (Continued)

4. In the event of a surplus, Company shall reduce rates to Customers (other than Customers served under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to credit them with revenues equal to the surplus.
5. In the event of a shortfall, Company may increase rates to Customers (other than Customers served under Rate Schedules ISLV and CIS, and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to recover an amount not to exceed the amount of the shortfall.
6. A surplus refund or shortfall recovery shall be implemented during an adjustment period by reducing or increasing the distribution charge prescribed in each rate schedule of this tariff (except Rate Schedules ISLV and CIS and any Rate Schedule NGVS-2 special contract rate approved by the Commission) by an adjustment factor computed as follows and rounded to the nearest .001 cent per Therm:

In event of a surplus, subtract:
$$\frac{\text{Surplus Refund to Customers}}{\text{PTS}}$$

In event of a shortfall, add:
$$\frac{\text{Shortfall Recovery}}{\text{PTS}}$$

Where PTS is the projected Therm consumption for Customers (excluding Customers serviced under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) during the adjustment period.

Any variation between the actual refund to Customers and the amount calculated pursuant to the preceding paragraph, or between the actual shortfall recovery and the amount which Company elected to recover in an adjustment period, shall be "trued-up" during the succeeding adjustment period pursuant to methodology approved by the Commission.

7. Company may defer all or any portion of a shortfall recovery to a subsequent adjustment period or portion thereof.

NATURAL GAS VEHICLE SERVICE-1 (Continued)

6. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

**NATURAL GAS VEHICLE SERVICE -2
Rate Schedule NGVS-2**

Availability:

Throughout the service areas of the Company.

Applicability:

For gas delivered to any Customer for the purpose of compression and delivery into motor vehicle fuel tanks or other transportation containers ("NGV Service") pursuant to Rate Schedules RS, SGS, GS-1, GS-2, GS-3, GS-4, or GS-5. This schedule provides options to Customers with respect to the facilities and equipment required for compression and dispensing of compressed natural gas ("CNG"). It also provides (see Option 3) the terms and conditions for Company's fueling of natural gas vehicles at publicly available fueling stations.

Monthly Rate:

NGV Service is available under any rate schedule referenced under "Applicability" above based on Customer's annual consumption in Therms as determined by Company. The charges, terms and conditions of the applicable rate schedule shall apply notwithstanding Customer's election of one or more of the options available under this schedule. This schedule provides three options available to a Customer or Customers, and provides for monthly charges in addition to those provided by the rate schedule pursuant to which the Customer is receiving service from Company.

Monthly Facilities Charge when Company Provides Equipment Necessary for NGV Service:

The Monthly Facilities Charge, if applicable, shall be equal to 1.6% multiplied by the Company's Gross Investment in facilities, as determined by the Company, required to provide NGV Service to the Customer. As used in this schedule, "Gross Investment" means the total installed cost of such facilities, as determined by the Company, which facilities may include but are not limited to dryers, compressors, storage vessels, controls, piping, metering, dispensers, and any other related appurtenances including any redundancy necessary to provide reliable NGV Service and land and land rights, before any adjustment for accumulated depreciation, a contribution in aid of construction, etc. The 1.6% factor is subject to adjustment if Customer makes a contribution in aid of construction and will be reduced based on the percentage of Company-provided Gross Investment to the total installed Gross Investment. The adjusted factor will be set forth in Company's agreement for NGV Service provided pursuant to this schedule. If such NGV Service is provided to more than one Customer, the Monthly Facilities Charge applicable to each Customer shall be set forth in the agreement with such Customer. The agreement may require a commitment by a Customer to purchase NGV Service for a minimum period of time, to take or pay for a minimum amount of NGV Service, a contribution in aid of construction, a guarantee, such as a surety bond, letter of credit, other means of establishing credit, and/or other provisions as determined appropriate by the Company.

NATURAL GAS VEHICLE SERVICE -2 (continued)

OPTION 1: COMPANY-PROVIDED FACILITIES ON CUSTOMER'S PREMISES

If Customer elects for Company to provide and maintain the necessary facilities for the provision of NGV Service on Customer's premises, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company.

Under this option, the Company's provision and maintenance of the facilities required to provide NGV Service does not include the physical dispensing of CNG into vehicles, or the provision of electricity required to operate such facilities. The physical dispensing of CNG into vehicles, the collection and remittance of any federal, state or local tax imposed on CNG dispensed for use as a motor fuel, and the payment for electricity used to operate such facilities, shall be the sole responsibility of the Customer receiving NGV Service. Company-provided facilities could be those constituting a residential compression and fueling station.

OPTION 2: LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES

If Customer elects for Company, pursuant to agreement(s) with Customer and/or one or more other Customers, to provide and maintain, on Company premises, facilities for the provision of NGV Service, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company. In addition, Customer shall also pay a CNG Dispensing Fee, the amount of which fee shall permit the Company to recover all costs related to dispensing CNG and be provided in the agreement between Company and Customer.

Under this option, Company shall collect from the Customer and remit to the applicable authority any motor fuel tax on CNG or the dispensing thereof. Any service provided pursuant to this Option 2 shall be provided at the times and on terms and conditions determined by Company and specified in the Company's agreement(s) with the Customer(s). The agreement(s) may require a Customer commitment to purchase service for a minimum period of time, to take or pay for a minimum amount of service, to make a contribution in aid of construction, to furnish a guarantee, surety bond or other means of establishing credit, and/or other provisions determined appropriate by Company.

OPTION 3: PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES

If Company offers service to Customer from facilities located on the Company's premises, the following charges shall apply in lieu of the charges otherwise applicable under this, or any other Company rate schedule or rider:

Distribution and Dispensing Charge: \$0.50 per Therm,
Plus Company's Gas Cost (as determined by Company),
Plus taxes applicable to CNG or the sale or dispensing of CNG for use as motor fuel

NATURAL GAS VEHICLE SERVICE-2 (continued)

The total charge, consisting of the Distribution and Dispensing Charge, Company's Gas Cost, and taxes, shall be as determined by Company; provided, however, that the Company's Gas Cost component of the charge shall not be less than Company's monthly Purchased Gas Adjustment ("PGA") factor in effect at the time of the sale to Customer. The total charge to the Customer, (less the Distribution and Dispensing Charge and applicable taxes) will be accounted for by Company as recovery of gas cost in Docket No. 130003-GU (the annual PGA docket) and successor dockets.

Any service provided by Company pursuant to this Option 3 shall be provided at the times and on terms and conditions determined by Company.

Special Conditions:

1. A separate meter or sub-meter may be requested by the Customer or required by Company; in which case the Customer will pay the cost of the meter (which shall remain the property of the Company) and its installation.
2. The collection and remittance of any federal or state or local tax imposed on CNG or the dispensing thereof for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provided for in Customer's agreement with Company.
3. NGV service is not available for resale by a residential customer.
4. If Customer has elected Option 2 or Option 3, Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.
5. If the Company, alone or in partnership with another entity, responds to a competitive situation of a government agency or commercial customer that will consume quantities greater than 100,000 Therms per year, the Company has the option to provide NGV service, equipment, facilities, and distribution at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved special contract rate under this rate provision through Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
6. If a Customer desires to phase in the use of CNG as motor fuel and is acquiring and placing into service vehicles fueled by CNG over a period of years, the Monthly Facilities Charge may, in the discretion of Company, be phased-in over the term of the agreement between Customer and Company. However, the net present value of the revenue from the phased-in charges, discounted at the Company's then authorized rate of return, shall be set equal to the net present value of the revenue that would have been generated over the term of the agreement if the Monthly Facilities Charge had not been phased-in. Any such phase-in shall be included in the agreement between Customer and Company.

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GENERAL APPLICABILITY PROVISIONS (Continued)

F. TAX AND FEE ADJUSTMENT CLAUSE

The bill for Gas Service computed under the rates in this tariff shall be increased by the appropriate proportionate part of all taxes, licenses, assessments, or fees imposed by any governmental authority based on the production or consumption of natural Gas or on revenues derived from the consumption of Gas. Should franchise fees be included in the basis for determining the amount of the State Regulatory Trust Fund fees, the franchise fee addition reflected in the bill shall be computed at a factor of 1.00503 of such franchise fee. All of the foregoing additions to the bill will be shown separately from the amount billed for Gas.

G. COMPETITIVE RATE ADJUSTMENT CLAUSE

The Distribution Charge for Gas delivered after September 30, 1989 to Customers other than those served under Company's Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission is subject to adjustment in accordance with the following provisions, for prior shortfalls or surpluses in Company's contract interruptible service revenues.

1. For the purposes of this clause, the following definitions shall apply:
 - a. "Actual revenue" means Company's actual non-gas revenue derived from service provided under its Rate Schedule CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission during a determination period.
 - b. "Base revenue" means the non-gas revenue which Company would have derived had all Gas delivered under Company's Rate Schedule CIS and any Rate Schedule NGVS-2 special contract rate during a determination period been billed at the distribution charge established for service under applicable interruptible rate schedules in Company's last base rate proceeding.
 - c. "Surplus" means the amount, if any, by which Company's actual revenue exceeds its base revenue for a determination period.
 - d. "Shortfall" means the amount, if any, by which Company's base revenue exceeds its actual revenue for a determination period.
2. The existence of a shortfall or surplus shall be determined by comparing Company's actual revenue with its base revenue. This determination shall be made each year for the twelve (12) months ending September 30 ("determination period").
3. Adjustments to rates pursuant to this clause shall be implemented during an "adjustment period", which shall be the eleven (11) months ending September 30 in the year following the determination period in the event of a surplus. In the event of a shortfall, any eleven (11) successive months ending on a September 30 within five (5) years following the determination period may be an adjustment period.

GENERAL APPLICABILITY PROVISIONS (Continued)

4. In the event of a surplus, Company shall reduce rates to Customers (other than Customers served under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to credit them with revenues equal to the surplus.
5. In the event of a shortfall, Company may increase rates to Customers (other than Customers served under Rate Schedules ISLV and CIS, and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) to recover an amount not to exceed the amount of the shortfall.
6. A surplus refund or shortfall recovery shall be implemented during an adjustment period by reducing or increasing the distribution charge prescribed in each rate schedule of this tariff (except Rate Schedules ISLV and CIS and any Rate Schedule NGVS-2 special contract rate approved by the Commission) by an adjustment factor computed as follows and rounded to the nearest .001 cent per Therm:

In event of a surplus, subtract:
$$\frac{\text{Surplus Refund to Customers}}{\text{PTS}}$$

In event of a shortfall, add:
$$\frac{\text{Shortfall Recovery}}{\text{PTS}}$$

Where PTS is the projected Therm consumption for Customers (excluding Customers serviced under Rate Schedules ISLV and CIS and those Customers receiving a discount under a Rate Schedule NGVS-2 special contract rate approved by the Commission) during the adjustment period.

Any variation between the actual refund to Customers and the amount calculated pursuant to the preceding paragraph, or between the actual shortfall recovery and the amount which Company elected to recover in an adjustment period, shall be "trued-up" during the succeeding adjustment period pursuant to methodology approved by the Commission.

7. Company may defer all or any portion of a shortfall recovery to a subsequent adjustment period or portion thereof.

**NATURAL GAS VEHICLE SERVICE-1
Rate Schedule NGVS-1**

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer through a separate Meter for compression and delivery (through the use of equipment furnished by Customer) into motor vehicle fuel tanks or other transportation containers. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or ITS Rider. Service under this rate schedule is only available to those Customers receiving service thereunder as of August 1, 2013. Customers seeking natural gas vehicle service after that date shall take service under Rate Schedule NGVS-2.

Monthly Rate:

Customer Charge: \$45.00 per month

Distribution Charge: 0.18392 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Rider NCTS and ITS Rider.

Minimum Bill: The Customer charge.

Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth of Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this rate schedule, unless an extension of facilities or an agreement for payment of a Monthly Facilities Charge pursuant to Rate Schedule NGVS-2 is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension or the Monthly Facilities Charge.
4. The rates set forth above schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

NATURAL GAS VEHICLE SERVICE-1 (Continued)

6. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
7. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

NATURAL GAS VEHICLE SERVICE -2
Rate Schedule NGVS-2

Availability:

Throughout the service areas of the Company.

Applicability:

For gas delivered to any Customer for the purpose of compression and delivery into motor vehicle fuel tanks or other transportation containers ("NGV Service") pursuant to Rate Schedules RS, SGS, GS-1, GS-2, GS-3, GS-4, or GS-5. This schedule provides options to Customers with respect to the facilities and equipment required for compression and dispensing of compressed natural gas ("CNG"). It also provides (see Option 3) the terms and conditions for Company's fueling of natural gas vehicles at publicly available fueling stations.

Monthly Rate:

NGV Service is available under any rate schedule referenced under "Applicability" above based on Customer's annual consumption in Therms as determined by Company. The charges, terms and conditions of the applicable rate schedule shall apply notwithstanding Customer's election of one or more of the options available under this schedule. This schedule provides three options available to a Customer or Customers, and provides for monthly charges in addition to those provided by the rate schedule pursuant to which the Customer is receiving service from Company.

Monthly Facilities Charge when Company Provides Equipment Necessary for NGV Service:

The Monthly Facilities Charge, if applicable, shall be equal to 1.6% multiplied by the Company's Gross Investment in facilities, as determined by the Company, required to provide NGV Service to the Customer. As used in this schedule, "Gross Investment" means the total installed cost of such facilities, as determined by the Company, which facilities may include but are not limited to dryers, compressors, storage vessels, controls, piping, metering, dispensers, and any other related appurtenances including any redundancy necessary to provide reliable NGV Service and land and land rights, before any adjustment for accumulated depreciation, a contribution in aid of construction, etc. The 1.6% factor is subject to adjustment if Customer makes a contribution in aid of construction and will be reduced based on the percentage of Company-provided Gross Investment to the total installed Gross Investment. The adjusted factor will be set forth in Company's agreement for NGV Service provided pursuant to this schedule. If such NGV Service is provided to more than one Customer, the Monthly Facilities Charge applicable to each Customer shall be set forth in the agreement with such Customer. The agreement may require a commitment by a Customer to purchase NGV Service for a minimum period of time, to take or pay for a minimum amount of NGV Service, a contribution in aid of construction, a guarantee, such as a surety bond, letter of credit, other means of establishing credit, and/or other provisions as determined appropriate by the Company.

NATURAL GAS VEHICLE SERVICE -2 (continued)

OPTION 1: COMPANY-PROVIDED FACILITIES ON CUSTOMER'S PREMISES

If Customer elects for Company to provide and maintain the necessary facilities for the provision of NGV Service on Customer's premises, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company.

Under this option, the Company's provision and maintenance of the facilities required to provide NGV Service does not include the physical dispensing of CNG into vehicles, or the provision of electricity required to operate such facilities. The physical dispensing of CNG into vehicles, the collection and remittance of any federal, state or local tax imposed on CNG dispensed for use as a motor fuel, and the payment for electricity used to operate such facilities, shall be the sole responsibility of the Customer receiving NGV Service. Company-provided facilities could be those constituting a residential compression and fueling station.

OPTION 2: LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES

If Customer elects for Company, pursuant to agreement(s) with Customer and/or one or more other Customers, to provide and maintain, on Company premises, facilities for the provision of NGV Service, the Monthly Facilities Charge shall apply and be billed by Company pursuant to the agreement with Customer, in addition to any other charges payable by Customer pursuant to the rate schedule pursuant to which Customer receives service from Company. In addition, Customer shall also pay a CNG Dispensing Fee, the amount of which fee shall permit the Company to recover all costs related to dispensing CNG and be provided in the agreement between Company and Customer.

Under this option, Company shall collect from the Customer and remit to the applicable authority any motor fuel tax on CNG or the dispensing thereof. Any service provided pursuant to this Option 2 shall be provided at the times and on terms and conditions determined by Company and specified in the Company's agreement(s) with the Customer(s). The agreement(s) may require a Customer commitment to purchase service for a minimum period of time, to take or pay for a minimum amount of service, to make a contribution in aid of construction, to furnish a guarantee, surety bond or other means of establishing credit, and/or other provisions determined appropriate by Company.

OPTION 3: PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES

If Company offers service to Customer from facilities located on the Company's premises, the following charges shall apply in lieu of the charges otherwise applicable under this, or any other Company rate schedule or rider:

Distribution and Dispensing Charge: \$0.50 per Therm,
Plus Company's Gas Cost (as determined by Company),
Plus taxes applicable to CNG or the sale or dispensing of CNG for use as motor fuel

NATURAL GAS VEHICLE SERVICE-2 (continued)

The total charge, consisting of the Distribution and Dispensing Charge, Company's Gas Cost, and taxes, shall be as determined by Company; provided, however, that the Company's Gas Cost component of the charge shall not be less than Company's monthly Purchased Gas Adjustment ("PGA") factor in effect at the time of the sale to Customer. The total charge to the Customer, (less the Distribution and Dispensing Charge and applicable taxes) will be accounted for by Company as recovery of gas cost in Docket No. 130003-GU (the annual PGA docket) and successor dockets.

Any service provided by Company pursuant to this Option 3 shall be provided at the times and on terms and conditions determined by Company.

Special Conditions:

1. A separate meter or sub-meter may be requested by the Customer or required by Company; in which case the Customer will pay the cost of the meter (which shall remain the property of the Company) and its installation.
2. The collection and remittance of any federal or state or local tax imposed on CNG or the dispensing thereof for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provided for in Customer's agreement with Company.
3. NGV service is not available for resale by a residential customer.
4. If Customer has elected Option 2 or Option 3, Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.
5. If the Company, alone or in partnership with another entity, responds to a competitive situation of a government agency or commercial customer that will consume quantities greater than 100,000 Therms per year, the Company has the option to provide NGV service, equipment, facilities, and distribution at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved special contract rate under this rate provision through Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.
6. If a Customer desires to phase in the use of CNG as motor fuel and is acquiring and placing into service vehicles fueled by CNG over a period of years, the Monthly Facilities Charge may, in the discretion of Company, be phased-in over the term of the agreement between Customer and Company. However, the net present value of the revenue from the phased-in charges, discounted at the Company's then authorized rate of return, shall be set equal to the net present value of the revenue that would have been generated over the term of the agreement if the Monthly Facilities Charge had not been phased-in. Any such phase-in shall be included in the agreement between Customer and Company.