RIDER TO GAS RATES **DEMAND SIDE MANAGEMENT COMPONENT**

APPLICABILITY

Service supplied under the Company's residential and commercial gas rate schedules, as set forth below, is subject to approved Demand Side Management (DSM) program cost adjustments. The rates shown below are applicable to and a part of the Company's South Carolina gas rate schedules and included in the monthly rate provision of the applicable schedule used in billing and shall therefore be added to customer's monthly bill statement:

DSM RATES BY CLASS ($/therm)

Customer Class	DSM Factors
Residential	**0.00373** per therm
Commercial	**0.00036** per therm

DERIVATION OF FACTORS

Demand Side Management costs to be recovered in an amount rounded to the nearest one-thousandth of a cent per therm will be determined by the following formula:

A = D / S

A = Customer Class Specific DSM Program Costs Rate Adjustment per therm applied to base rates rounded to the nearest one-thousandth of a cent.

D = DSM revenue requirement for the period calculated as (C + R)

Where:

C = One year of Amortization Expense (based upon the balance of DSM Program Costs at the end of the annual review period) plus associated Carrying Costs (calculated using the Company's Weighted Average Cost of Debt)

R = DSM Program Incentive to be calculated by multiplying the estimated Net Present Value Benefit of each gas efficiency program as determined by the Total Resource Cost Test times 8.14%.

S = Projected customer class specific sales, defined as gas therm sales from each class of customers for the current period.

The appropriate revenue-related tax factor is to be included in these calculations.

DEFINITIONS

1. Annual Review Period - The period of time between June 1 and May 31.
2. Amortization Period - The period of time which the Company's DSM program costs are deferred and amortized.
3. Customer Class - The Company's classification of customers based on similar therm usage characteristics. These are defined as follows:

Residential:

Rate 32S - Residential Standard Service, Rate 32V - Residential Value Service

Commercial

Rate 31 - Small Firm General Service, Rate 33 - Medium General Service

WEATHER NORMALIZATION ADJUSTMENT

An adjustment to commodity charges for the billing months of November-April will be made in accordance with the Weather Normalization Adjustment.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

The contract terms will be the same as those incorporated in the rate tariff under which customer receives gas service.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and form a part of this rider.