

1. APPLICABILITY

- (a) These Rules and Regulations apply to all services provided by Public Service Company of North Carolina, Incorporated ("PSNC") under its rate schedules on file with, and subject to the jurisdiction of, the North Carolina Utilities Commission ("Commission") and are adopted for the mutual protection of both the Customer and PSNC. They provide standards for PSNC's practices, promote safe and adequate service to the public, and establish a reasonable basis for meeting the public's demands for natural gas service.
- (b) The rates, terms and other conditions, and rules and regulations stated in this tariff are subject to change upon PSNC's application to the Commission and approval of such application by the Commission, or upon order of the Commission, in the manner prescribed by law at any time. In the event of such change, the new rates, terms and conditions, and rules and regulations prescribed by the Commission will apply to Service received hereunder from the date such change is made effective. Customer agrees to accept and be bound by all such rates, terms and conditions, and rules and regulations in connection with such Service, which are now or may hereafter be filed with, or issued or promulgated by, the Commission or other governmental bodies having jurisdiction thereof.
- (c) If a conflict exists between these Rules and Regulations and the provisions of the applicable currently effective Rate Schedule, the provisions of the Rate Schedule shall govern. The Rules and Regulations of the Commission shall govern in the event of a conflict with these Rules and Regulations.

2. DEFINITIONS

For the purposes of PSNC's Tariff, Rate Schedules, and these Rules and Regulations, the following capitalized terms shall be defined as follows:

- (a) "Account" means Service provided to any Person at a single location on a single Rate Schedule.
- (b) "Applicant" means any Person applying for Service.
- (c) "British Thermal Unit" or "BTU" means the amount of heat required to raise the temperature of one pound of water from 58.5° to 59.5° Fahrenheit at a pressure of 14.73 pounds per square inch absolute.
- (d) "BTU Factor" means the factor used to convert a volume of Gas measured in Cubic Feet into Therms or Dekatherms, as applicable.
- (e) "CIAC" means a non-refundable cash contribution in aid of construction made by a Customer to PSNC to defray the cost of construction of Excess Facilities installed by PSNC to provide Service to that Customer.
- (f) "City Gate" means point(s) where Gas is delivered to PSNC's system.
- (g) "Commission" means the North Carolina Utilities Commission, which regulates gas utilities operating within the State of North Carolina, including PSNC.
- (h) "Cubic Foot" or "Cubic Feet" is the volume of Gas that occupies one cubic foot at a temperature of 60° Fahrenheit at a pressure of 14.73 pounds per square inch absolute.
- (i) "Customer" means any Account being supplied Service by PSNC.
- (j) "Customer Facilities" means any piping, appliances, gas burning devices, regulating, or other gas delivery Facilities located downstream of the Delivery Point.
- (k) "Customer Usage Tracker" is the mechanism in Rider C that tracks and trues up variations in average per customer usage from levels approved in PSNC's last general rate case for residential and commercial Customers receiving service on Rate Schedule Nos. 101, 102, 125, 127, and 140.
- (l) "Dekatherm" or "Dt" means the unit of energy equivalent to 10 Therms, or 1,000,000 British Thermal Units.
- (m) "Delivery Point" means the physical point in the Gas delivery system where Customer Facilities meets the outlet of PSNC's Meter Assembly.

- (n) "Excess Facilities" means Gas Service Lines and Mains totaling in excess of 200 feet or any additional PSNC Facilities required to supply service different from standard service from a high pressure (above 60 pounds per square inch gauge) Main.
- (o) "Facilities" means all infrastructure to deliver natural gas.
- (p) "Facilities Charge" means a fixed amount billed each month to cover the basic cost of providing Service regardless of the amount of Gas used.
- (q) "Farm Tap" means a connection to a high pressure (above 60 pounds per square inch gauge) Main including Facilities to reduce the delivery pressure to supply Service to one or more Customers.
- (r) "Feasibility Test" means an economic test performed by PSNC which compares the net present value of the cost of certain PSNC Facilities to the anticipated net present value of the revenue to be received by PSNC from Service through those same PSNC Facilities.
- (s) "Force Majeure" means any acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, acts of sabotage or terrorism, war, blockades, insurrections, riots, epidemics, landslides, unusual conditions of weather or temperature, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage of or accidents to PSNC Facilities, supplier's or transporter's Facilities, Customer Facilities, lines of pipe, or PSNC's peak shaving plants, freezing of wells or lines of pipe, partial or complete curtailment of deliveries from PSNC's supplier(s) or transporters as a result of force majeure under the supplier(s) Gas purchase contracts, inability to obtain rights of way, franchises, permits, materials, Facilities, supplies, or an inability to obtain an unlimited supply of gas from PSNC's supplier(s), inadequate delivery pressure from PSNC's transporters, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of PSNC and/or its supplier(s), transporters or the Customer and which by the exercise of due diligence either PSNC and/or its supplier(s), transporters or the Customer is unable to prevent or overcome.
- (t) "Gas" means undiluted natural gas, or a substitute for natural gas, or any mixture of natural gas and a substitute for natural gas, as delivered by PSNC.
- (u) "Gas Quality Standards" means the quality standards, specifications, and other requirements pertaining to Renewable Gas as set forth in Appendix B to these Rules and Regulations.
- (v) "Gas Service Line" means the pipeline owned by PSNC that runs between a Main and a Meter.
- (w) "Integrity Management Tracker" means the mechanism in Rider E that tracks capital costs of integrity management projects between rate cases and recovers such costs from residential and commercial Customers receiving service on Rate Schedule Nos. 101, 102, 115, 125, 126, 127, 135, 140, 145, 150, 160, 165, 175, and 180.
- (x) "Main" means a gas pipeline other than a Gas Service Line, owned, operated or maintained by PSNC, which is used for the purpose of transmission or distribution of Gas.
- (y) "Meter" or "Meter Assembly" means any of PSNC's meter, regulator, piping, valves, vents, relief valves, gauges, and/or other apparatus, including automated or remote meter reading devices, used to measure, communicate, and control flow or pressure of Gas.
- (z) "Person" means an individual, partnership, corporation, trust, governmental agency, or other association.
- (aa)"Premises" means the land or real estate, including buildings and other appurtenances thereon, where a Customer receives Service.
- (bb)"PSNC" means Public Service Company of North Carolina, Incorporated, a natural gas utility operating under the jurisdiction of the Commission.
- (cc)"PSNC Facilities" means any piping, Mains, Gas Service Lines, Meters, Meter Assemblies, regulating or other Facilities of whatever nature owned by PSNC.

- (dd) "Rate Schedule" means the portion of PSNC's approved Tariff on file with the Commission describing the rates and charges, and the terms and conditions, for Service.
- (ee) "Renewable Gas" means gas that is capable of combustion in appliances or facilities, that is similar in heat content and chemical characteristics to natural gas produced from traditional underground well sources, and that is intended to act as a substitute for natural gas. Renewable Gas includes but is not limited to, biogas, biomethane, landfill gas, and any other type of natural gas equivalent produced or manufactured from sources other than traditional underground well sources.
- (ff) "Residence" means any single or multiple family residence, condominium, townhouse, mobile or modular home, or apartment that is individually metered and has Gas used for any domestic usage such as space heating, air conditioning, water heating, cooking, or any other residential usage.
- (gg) "Service" means the delivery, and all other activities incidental to the delivery, of Gas by PSNC to a Customer at its Delivery Point.
- (hh) "Therm" means the unit of energy equivalent to 100,000 BTUs.
- (ii) "Transportation Pooling Agreement" means an agreement executed by PSNC and a Customer or a Customer's agent that details the procedures to be followed when a Customer obtains an independent supply of Gas and arranges to have the Gas delivered to the City Gate. The required form of the Transportation Pooling Agreement is Appendix A to these Rules and Regulations.

3. AGREEMENT

- (a) PSNC shall not be required to provide Service unless and until application for Service has been made and any charges for Excess Facilities have been paid by Customer to PSNC. When no charges for Excess Facilities are involved, an Applicant's application for Service and PSNC's acceptance may be oral. In the absence of a written agreement, such agreement shall be conclusively presumed to exist if Gas is made available by PSNC for use by Customer or on the Customer's Premises. Service will be supplied pursuant to PSNC's standard service agreement, the applicable Rate Schedule(s), these Rules and Regulations, and the rules, regulations, and orders of the Commission.
- (b) PSNC's obligations to provide Service and the Customer's obligations upon receipt of Service are set forth in the applicable provisions of Chapter 62 of the North Carolina General Statutes; the applicable Commission Rules and Regulations; the applicable Rate Schedule(s); these Rules and Regulations; and any written application or other document approved in form by the Commission and executed by PSNC and Customer pertaining to such Service.
- (c) Copies of the Rate Schedules and these Rules and Regulations are available from PSNC. Upon Customer request, PSNC will provide Customer with a copy of the applicable Rate Schedule(s), these Rules and Regulations, any written application for Service, and all or other documents executed by PSNC and Customer pertaining to such Service. No promise, statement, or representation by any PSNC employee, agent, or representative, or by any other Person, shall bind PSNC to provide Service, or to change the terms and conditions upon which Service will be provided, unless the same is in writing and is executed by an authorized PSNC representative and Customer; no amendment, change, or modification to any such document shall be effective unless in writing and signed by an authorized PSNC representative and Customer.

4. ESTABLISHMENT AND REESTABLISHMENT OF CREDIT; DEPOSITS

- (a) Establishment and Reestablishment of Credit:
- (1) Before the commencement of Service, the Applicant (whether a former Customer or not) must satisfactorily establish credit in accordance with Commission Rule R12-2. An Applicant for residential Service shall not be denied Service for failure to pay bills for any non-residential Service.
 - (2) If the conditions of Service or the basis on which credit was originally established have materially changed, PSNC may require a Customer to reestablish credit in accordance with Commission Rule R12-2.
 - (3) If a disagreement arises with respect to the establishment or reestablishment of credit with PSNC it shall be the Applicant's or Customer's right to have this problem reviewed and acted upon by PSNC's supervisory

personnel. If unresolved after that review, then the Applicant or Customer shall have the right to have the problem reviewed by the Commission pursuant to Commission Rule R12-7.

(b) Deposits:

- (1) PSNC may require payment of a cash deposit prior to establishing or reestablishing Service to an Applicant or a Customer in accordance with the provisions of Commission Rule R12-2 through R12-4.
- (2) Interest on deposits will be paid in accordance with Commission Rule R12-4.
- (3) Deposits will be refunded in accordance with Commission Rule R12-5.

5. DENYING OR DISCONTINUING SERVICE

(a) PSNC shall have the right to discontinue Service or to deny Service for any of the following reasons:

- (1) PSNC determines that a hazardous condition exists;
- (2) Service to Customer adversely affects PSNC Facilities or PSNC's Service to others;
- (3) PSNC Facilities have been tampered with;
- (4) The unauthorized use of Gas by Customer;
- (5) Any material misrepresentation made by Customer or refusal to provide identification in connection with the application for Service;
- (6) Any material breach of these Rules and Regulations or any terms and conditions of the applicable Rate Schedule(s) or service agreement(s), or any violation of any statute, or any order, regulation, or rule of the Commission or any governmental agency;
- (7) Customer's failure to fulfill Customer's agreements and contractual obligations for Service subject to regulation by the Commission;
- (8) Customer's failure either to establish or reestablish satisfactory credit pursuant to Commission Rule R12-2;
- (9) Customer's failure to permit PSNC reasonable access to PSNC Facilities and/or Customer Facilities;
- (10) Nonpayment of bill pursuant to Commission Rules R12-8 and R12-10;
- (11) Customer's failure to furnish such Customer Facilities, permits, certificates, and/or rights-of-way as required by PSNC as a condition to obtaining or continuing Service; or
- (12) Customer Facilities are installed or are in use on Customer's Premises which permits the Gas to be used without passing through the Meter(s), which prevents or interferes with the measuring of the Gas by the Meter(s), or which interconnects fuel systems supplied on separate Rate Schedules.

(b) Prior Indebtedness: PSNC reserves the right to deny service to any Applicant who is found to be indebted to PSNC for Service previously furnished to that Applicant at any Premises served by PSNC until satisfactory arrangements have been made for the payment of all such indebtedness. Further, where the Service has been discontinued to a Premises for nonpayment, PSNC shall have the right to refuse Service at the same Premises where there is clear, documented evidence of action taken by the Applicant with the intent to evade payment for utility services. PSNC may require reasonable proof of identity of the Applicant as a condition to providing Service.

(c) Discontinuing Service:

- (1) PSNC may discontinue or suspend Service without notice to Customer under the following circumstances:
 - i. In the event of a condition determined by PSNC to be hazardous;
 - ii. In the event of Customer use of equipment in such a manner as to adversely affect PSNC equipment or PSNC service to others;

- iii. In the event of tampering with the equipment furnished and owned by PSNC; or
- iv. In the event of unauthorized use.

(2) For any reason not listed in 5(c)(1) above and not otherwise addressed in Commission Rules R12-8 and R12-10, PSNC shall give Customer at least 10 days written notice that Service is subject to termination. This notice of proposed termination shall, at a minimum, contain the following:

- i. A clear explanation of the reasons which underlie the proposed termination;
- ii. The date of the proposed termination, which shall not be less than 10 days from the date of issuance of such notice;
- iii. Statements advising how Customer can avoid termination; and
- iv. Statements advising Customer that Customer should first contact PSNC with any questions, and that in cases of dispute, a proposed termination action may thereafter be appealed informally to the Commission either by calling the Public Staff-North Carolina Utilities Commission, Consumer Services Division at (919) 733-9277 or toll free at 1-866-380-9816 or by appearing in person or by writing the Public Staff-North Carolina Utilities Commission, Consumer Services Division, 4326 Mail Service Center, Raleigh, NC 27699-4326.

(3) Customer is entitled to personal contact prior to termination as detailed in Commission Rule R12-10(i), and Customer retains all rights as detailed in the Commission Rules, with special attention to Rules R6-16, R6-17, R12-8, and R12-10.

(d) No Liability for Discontinuing or Denying Service: PSNC shall have no liability to Customer or to any other Person for any damages incurred as a result of the discontinuance or denial of Service to the Premises such as, but not limited to, frozen water pipes, damaged Facilities, damages to any building or structure, or any other damage or injury of any type.

6. RECONNECTION TERMS AND FEES

(a) Where Service has been discontinued at Customer's request and reconnection of Service is requested by the same Customer at the same Premises within one (1) year after the date of discontinuance, a reconnection fee shown in the Summary of Rates and Charges of PSNC's Tariff shall be charged.

(b) All reconnections that require more than one hour to complete will be billed the applicable reconnection rate per hour shown in the Summary of Rates and Charges of PSNC's Tariff.

(c) In cases where Service is discontinued for nonpayment of bills, Customer shall do the following before PSNC is obligated to restore Service:

- (1) pay the arrears portion of the bill in full;
- (2) reestablish credit in accordance with Commission Rule R12-3;
- (3) pay the applicable reconnection fee.

7. ACCESS TO CUSTOMER PREMISES

Customer shall grant to PSNC the right of ingress and egress to, over, across, and through Customer Premises, for any and all purposes associated with the Service or the exercise of any and all rights under the Rate Schedule, service agreement, or these Rules and Regulations. Customer authorizes PSNC's representatives to enter Customer Premises to inspect Customer lines and appliances that use Gas, and to install, read, inspect, test, maintain, repair, or remove any or all of PSNC Facilities. Customer agrees that if a condition exists on Customer Premises, which, in PSNC's sole opinion, is dangerous to PSNC's representatives or PSNC Facilities, and/or prevents reasonable access to PSNC Facilities, PSNC may remove or relocate PSNC Facilities at Customer's sole expense.

8. RIGHT-OF-WAY

(a) PSNC shall not be required to extend its Facilities for the purpose of rendering Service to the Customer until satisfactory rights-of-way, easements, or permits have been obtained from government agencies and property owners, at Customer expense, to permit the installation, operation, and maintenance of PSNC Facilities. Customer

in requesting or accepting Service thereby grants PSNC, without charge, necessary rights-of-way and privileges for PSNC Facilities on, along, across, and under property controlled by Customer to the extent that such rights-of-way required or necessary to enable PSNC to supply Service to the Customer and Customer also grants PSNC the right to continue or extend PSNC Facilities on, along, across, or under property, with necessary rights to serve other Customers. Customer shall maintain such right-of-way so as to grant PSNC continued access to PSNC Facilities by PSNC personnel, vehicles, and other power-operated equipment. Customer's application for Service and acceptance of such Service from PSNC shall be deemed to grant to PSNC an implied right-of-way on, along, across, and under the Premises, if Customer has not executed a written right-of-way agreement as requested by PSNC. PSNC shall not be liable to Customer for any failure to provide Service because of PSNC's inability to secure or retain such rights-of-way.

- (b) Customer may make full use and enjoyment of the Premises included within the right-of-way granted by this Section 8 in any manner not inconsistent with the use and purposes of the Premises by PSNC; provided, however, that Customer, its heirs, successors, and assigns, shall not construct, nor permit to be constructed, any house, structure, or obstruction, nor impound any water, nor permit any water to be impounded, on or over the right-of-way, and Customer, its heirs, successors, and assigns, further agrees that Customer, and its heirs, successors, and assigns, will not change the grade over the pipeline(s) in any manner which will reduce or increase the depth of the pipeline(s). Customer shall also furnish suitable space and satisfactory protection for PSNC Facilities installed on the Premises.

9. VACATED PREMISES

Customer shall notify PSNC at least twenty-four (24) hours before vacating the Premises served and will pay upon presentation all bills due for Service provided to the Premises. PSNC shall have no liability to Customer or to any other Person for any damages incurred as a result of Customer vacating the Premises such as, but not limited to, frozen water pipes, damaged Facilities, damages to any building or structure, or any other damage or injury of any type.

10. NON-ASSIGNABILITY

Customer's rights to Service and rights provided under any service agreement are personal and shall not be transferred or assigned by Customer without the prior written consent of PSNC, which PSNC, in its sole discretion, may refuse to grant.

11. INTERRUPTIONS

Except where interruptions of Service are permitted by PSNC's Tariff or in accordance with Commission Rule R6-19.2, PSNC shall make reasonable efforts to avoid interruptions of Service. If interruptions occur for any reason, PSNC shall restore Service within the shortest time practical under the conditions. PSNC shall not be liable, in any manner to Customer or any other Person, for any loss or damage resulting from such failure or interruptions of Service.

12. ACTION TO MAINTAIN SYSTEM INTEGRITY

If PSNC, in its sole discretion, determines that it is necessary to curtail or interrupt Service to maintain the integrity of its system or to provide for its or the public's safety, PSNC shall have the right to curtail or interrupt delivery of Gas to any Customer. PSNC shall not be liable, in any manner to Customer or any other Person, for any loss or damage resulting from such curtailment or interruptions of Service.

13. EMERGENCY USES

It is expressly understood and agreed that PSNC does not furnish uninterruptible Service for pumping water, emergency power generation, or any other emergency use. If Customer uses Gas for emergency uses, Customer, at all times, shall maintain a standby supply of energy so that it shall not be necessary to rely on Gas during a time of emergency. PSNC shall not be liable, in any event, to any Customer, any inhabitants of any municipal Customer, or any other Person, for any loss or injury of or to property or persons occasioned by, or resulting directly or indirectly from, the failure of any fire protection or other emergency apparatus to operate, whether said failure shall be due to any act or omission of PSNC or otherwise.

14. INTERCONNECTIONS

If PSNC supplies Service to Customer under more than one of the Rate Schedules in this Tariff, Customer shall not use the higher priority Service as a standby for any lower priority Service, nor shall Customer install, or permit to be installed, any interconnection between the fuel lines supplying Gas delivered under separate Accounts.

15. PRESSURE

PSNC will generally provide Gas at a pressure of approximately 0.25 pounds per square inch gauge ("psig"). PSNC and Customer, however, may mutually agree upon a higher pressure at which Gas may be provided. PSNC shall supply only one delivery pressure per Account. In no event shall PSNC be required to furnish Gas to Customer at a pressure exceeding two (2) psig for residential Service, or five (5) psig for all other classes of Service, except to the extent that PSNC has agreed to do so in writing.

16. METERS AND OTHER PSNC FACILITIES; RELOCATION OF PSNC METERS AND FACILITIES; INTERFERENCE OR TAMPERING WITH PSNC PROPERTY

- (a) **Meters:** PSNC shall furnish, install, and maintain on Customer's Premises a Meter or Meters of suitable capacity and design to measure the quantity of Gas used by Customer, and such Meter or Meters shall be and remain the property of PSNC. Customer shall (i) provide suitable space for Meters and other PSNC Facilities, (ii) protect all of PSNC Facilities from damage or injury, and (iii) permit no Person other than PSNC's representative or agent, or a person otherwise lawfully authorized, to disturb or remove the same; and PSNC's representatives are hereby expressly authorized to enter Customer Premises at all hours to inspect Customer lines and appliances that use Gas, and to read, inspect, maintain, repair, or remove Meters and other Facilities. References to Meters do not apply to Rate Schedule No. 115, Unmetered Lighting Service.
- (b) **Other Facilities:** PSNC shall also furnish, install, and maintain all other PSNC Facilities required to provide Service. PSNC shall have the right, at its option and at its own expense, to place additional PSNC Facilities on the Premises for billing, testing, system monitoring, or other purposes related to the provision of Service. If PSNC elects to install remote or automated Meter reading devices, Customer shall cooperate with PSNC to effect installation of any power, phone, or other service to the Meter site. Customer shall also provide suitable site(s) for any required communication antennas, batteries, and/or solar panels. If PSNC installs an excess flow valve at the Customer's request, all costs of installation shall be borne by the Customer. All PSNC Facilities shall be and remain the sole property and sole responsibility of PSNC, regardless of whether the Customer was required to make a CIAC and regardless of whether the Customer is responsible for the cost of installing such facilities.
- (c) **Meter Tests:** PSNC shall have the right to test its Meters and PSNC Facilities periodically. Customer shall provide adequate access, including vehicle access, to allow for testing of Facilities.
- (d) **Failure or Inaccuracy of Meter:** In case of any failure, inaccuracy or nonregistering of a Meter, Customer's bills for the period of such failure or inaccuracy shall be calculated as provided in Commission Rule R6-15.
- (e) **Relocation of PSNC Facilities and Rights-of-Way:** PSNC may change the location of PSNC Facilities and rights-of-way upon Customer's request, but Customer shall bear the expense of the change; provided, however, no change will be made where it will interfere with or jeopardize PSNC's Service, either to Customer requesting the change or to any other Customer(s). All privileges of PSNC incident to the original location shall apply to the new location. When a Meter is relocated at PSNC's option, all expense in connection with such change shall be borne by PSNC. If the relocation is made at Customer's request, all expense will be borne by Customer. If a change in the right-of-way is made, Customer shall be subject to the restrictions set forth in Section 8 of these Rules and Regulations with respect to the new right-of-way.
- (f) If Service is discontinued, PSNC shall have the right to remove all PSNC Facilities from Customer's Premises. Such removal shall be at PSNC's sole expense.

17. INTERFERENCE WITH PSNC PROPERTY

Customer shall not interfere with, alter, or remove PSNC Facilities, or permit the same to be done by others unless authorized in writing by PSNC. Damage or loss to PSNC Facilities caused or permitted by Customer shall be paid by Customer. When unauthorized use of Service is discovered, PSNC may discontinue Service and Customer shall be

required to pay for the estimated unauthorized usage and the costs of inspection, investigation, disconnection, and reconnection before Service is restored.

18. UNSAFE CONDITIONS

If Customer creates an unsafe condition for PSNC's Facilities, all expenses to correct the condition shall be borne by Customer. Unsafe conditions include, but are not limited to, erecting structures, and planting trees or bushes over or in close proximity to PSNC Facilities.

19. BILLING

- (a) **Bills:** Bills for Service shall be rendered and paid monthly. PSNC or its agent shall read Meters, and PSNC shall render bills monthly on a cycle basis of approximately thirty (30) days. Facilities Charges shall not be prorated unless a billing adjustment is being made that covers more than forty-five (45) days of Service that has been previously provided and billed. Rate changes occurring from general rate cases and purchased gas adjustment proceedings shall be implemented on a "service rendered" or prorated basis.
- (b) **Payment:** All bills are due when rendered and are payable by mail, bank draft, other electronic means, or at authorized payment centers. Residential bills become past due twenty-five (25) days after the billing date. All other bills become past due fifteen (15) days after the billing date. If any bill is not paid before becoming past due, a late payment charge of 1% per month will be applied at the next billing date to the balance in arrears and thereafter until the amount due is paid. This charge is applicable to all Customers and all classes of Service.
- (c) **Returned Check Charge:** A charge equal to the approved state charge for returned items set forth in North Carolina General Statutes § 25-3-506 and shown in the Summary of Rates and Charges of PSNC's Tariff shall be imposed for checks or drafts tendered on Customer's account and returned to PSNC.
- (d) **Valid Billing Address:** PSNC will deliver to Customer a monthly bill of the amount due to PSNC by mailing the bill by first class mail to the mailing address furnished by Customer or by electronic billing when agreed to by PSNC and Customer. Customer will be responsible for keeping PSNC informed of the proper billing address. If Customer fails to do so, delivery to the Premises address shall be deemed delivery to Customer. Failure to receive a bill will not entitle Customer to any extension of time for payment beyond the past due date. For a Customer that receives bills electronically, notices regarding rate or Service changes, account status, or other matters shall also be provided electronically.
- (e) **Past Due Balance:** If PSNC, with good cause, determines a likelihood that Customer cannot pay the outstanding Gas bill, and Customer's deposit, if one has been provided, does not provide PSNC with adequate security, PSNC may accelerate the past due or delinquent date and proceed with disconnect procedures under Commission Rule R12-8 by issuing a written statement of cause to Customer and filing a copy of such statement with the Commission.
- (f) **Estimate:** If a Meter is not read for any reason at the regular reading date, PSNC may estimate the amount of Service used by Customer to that date by referring, where possible, to Customer's consumption for a similar prior period. PSNC will bill Customer on the basis of that estimated use and will make any necessary adjustment on the bill when the Meter is next read.
- (g) **Multiple Meters:** PSNC does not allow the combining of Meters for purposes of billing unless the design of the metering facilities requires the use of multiple Meters. PSNC will set an additional Meter when requested to do so by Customer, and Customer bears all costs of such installation. When PSNC provides an additional Meter, it establishes a separate Account, and Customer is responsible for paying a separate Facilities Charge and separate billing through the steps of the Rate Schedule, if applicable. Some current Customers receiving Service as of October 7, 1994, have been allowed to combine Meters for billing purposes. PSNC will grandfather these Accounts by coding them in its Customer database to allow them to remain as combined Accounts at their current locations and in their present configurations. If, in the future, additional Meters are set for these Customers, new Accounts will be established for such additional Meters and Customer will not be allowed to combine Service provided by such Meters with the existing Accounts.
- (h) **Offsets Against Bills:** No claim which Customer has, or may claim to have, against PSNC shall be offset or counterclaimed against the payment of any sum of money due PSNC by Customer for Service(s) provided. All

sums due PSNC shall be paid in accordance with the terms of the bill, these Rules and Regulations, and the service agreement regardless of such claim.

(i) Equal Payment Plans for Residential and Commercial Customers:

- (1) An equal payment plan is available to any Customer receiving residential or commercial Service whose Account has not been removed from an equal payment plan for late payment of a bill within the previous three (3) months.
- (2) At the request of an eligible Customer, PSNC will estimate Customer's bills for the next twelve (12) months based on actual consumption during the previous twelve (12) months (adjusted for normal weather), PSNC's currently approved margin rates, an estimated purchased gas adjustment factor for the upcoming twelve (12)-month period, and applicable fees and taxes. If Customer has an outstanding balance, the balance will be added to the estimated annual amount. Customer's monthly payment under the equal payment plan will be calculated by dividing the estimated annual billing amount by twelve (12).
- (3) At the end of the twelve-(12) month period, Customer's bill will be recalculated based on actual consumption during the period and compared to Customer's payments under the equal payment plan. Any underage may be paid by Customer or added to the estimated annual amount used to calculate Customer's monthly payments for the next twelve (12) months, at Customer's election, and any overage will be deducted from the estimated annual amount. Unless otherwise requested, Customer will remain on the equal payment plan during the next annual period with a new monthly payment based upon the factors set forth above.
- (4) PSNC may adjust Customer's monthly payment under the equal payment plan as necessary to avoid a large balance in Customer's Account.

20. FORCE MAJEURE

In the event either PSNC or its transporter or supplier or Customer is unable, wholly or in part, by reason of Force Majeure to carry out its obligations, other than to make payments for the Service received, it is agreed that on giving notice of such Force Majeure as soon as possible after the occurrence of the cause relied on, then the obligations of PSNC or Customer so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch.

It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Person affected, and the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the Person affected thereby.

21. POSSESSION OF GAS; GAS QUALITY AND MEASUREMENT

- (a) Customer agrees that PSNC is responsible only for Service to the Delivery Point, and PSNC shall not be liable to Customer or any of Customer's agents, contractors or employees, or to any Person(s) whomever, for any loss, damage, or injury to any Person(s) or property resulting from the Gas or its use after it leaves Delivery Point. Customer shall assume all risks downstream of the Delivery Point, except when caused by the exclusive gross negligence or willful acts of the employees of PSNC.
- (b) PSNC shall not be responsible for the transmission, use, or control of Gas beyond the Delivery Point. PSNC shall not be liable for any loss, damage, or injury to Person(s) or property whatsoever, accruing or resulting in any manner, from the receipt, use, or discontinuance of the use of the Gas beyond the Delivery Point, defective Customer Facilities, or any cause not resulting from the direct, exclusive gross negligence or willful acts of PSNC.
- (c) All Gas delivered to PSNC's system is subject to the quality specifications of the interstate transporter's Federal Energy Regulatory Commission-approved tariff, except that Renewable Gas shall be subject to the Gas Quality Standards. As such, PSNC shall have no liability for damages of any kind related to or arising from the quality or constituent characteristics of Gas delivered or sold to Customer. **ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE THAT MIGHT OTHERWISE ATTACH OR BE APPLICABLE TO THE SALE OF GAS FOR RESALE IS HEREBY DISCLAIMED AND WAIVED.** PSNC shall further have no responsibility to process, condition, or otherwise modify Gas delivered to its system for transmission

or sale to Customers. It is Customer's sole responsibility to install, adjust, maintain, and operate its Gas burning equipment in a manner consistent with the prevailing quality of Gas delivered to PSNC.

- (d) PSNC shall measure all Gas in Cubic Feet and convert the volume of gas measured to Therms or Dekatherms, as applicable, for billing purposes by multiplying such volume by the BTU Factor. The BTU Factor shall be based on the weighted average BTU content of Gas entering PSNC's system for the days of Customer's billing cycle.

22. REPORTS OF LEAKS

Customer shall give immediate notice to PSNC when any leakage of Gas is discovered or suspected. Customer agrees not to use any potential source of ignition such as flame, electrical source, or other igniting medium, in the proximity of escaping Gas, which could ignite such Gas. PSNC shall not be liable for any leakage of Gas, or any damage or loss arising out of, or caused by, any leakage of Gas, except when due to the exclusive gross negligence or willful acts of the employees of PSNC.

23. EXTENSION OF SERVICE; CIAC

- (a) PSNC will extend Mains along the route selected by PSNC in streets that are at an established final grade and will install Gas Service Lines (measured from the Premises' property line to the Meter on Customer's Premises) for distances totaling up to 200 feet without charge to Customer. PSNC will perform a Feasibility Test and may require a CIAC to reimburse PSNC for the cost of a Main extension/Gas Service Line installation totaling in excess of 200 feet and any other Excess Facilities necessary to extend service if the anticipated revenue does not produce a reasonable return on the total cost of such Excess Facilities.
- (b) If Excess Facilities are required, PSNC shall perform a Feasibility Test to determine whether or not these additional facilities will require Customer to pay a CIAC.
- (c) A CIAC may be required for Facilities located at a point other than that selected by PSNC or deviating from the route selected by PSNC.
- (d) If a Feasibility Test is required, PSNC shall also calculate the estimated cost of the Main and Service Line in excess of the 200 feet for which no CIAC is required for new Customers occupying existing structures. For proposed new sub-divisions, the allowance for extensions of Mains and Service Lines will be considered only for existing structures that plan to use Gas at the time the Main is to be extended. Any CIAC shall be the lesser of (i) the CIAC calculated in the Feasibility Test, or (ii) the full cost of extending the lines beyond the initial 200-foot Main and Service Line allowance. The Feasibility Test shall include all costs directly associated with the Service extension.
- (e) Notwithstanding Paragraphs (a) and (d) above, PSNC shall perform a Feasibility Test to determine whether a CIAC is required for all extensions of Service when the Applicant's/Customer's request for Service does not include the use of Gas for either central space heating or water heating. Failure to install or utilize Gas Facilities as agreed upon within ninety (90) days of the time of Facilities extension may result in the Customer being charged for the cost of PSNC Facilities and installation, if Customer has been given written notice that such Customer may be charged for the cost of PSNC Facilities and installation if Gas is not used within ninety (90) days.
- (f) Location of Privately Owned Structures. Customer shall locate privately owned structures such as septic tanks, drain lines, water lines, and sprinkler systems prior to PSNC installing a Gas Service Line to Customer's Premises. PSNC and its contractors, if any, are not responsible for damages to privately owned facilities that are not adequately located.

24. FARM TAP SERVICE

- (a) Whenever an Applicant requests Service which can only be supplied from a high pressure (above 60 pounds per square inch gauge) Main, PSNC, subject to the results of a Feasibility Test, may tap the Main, install regulating Facilities, and extend its Facilities to the Delivery Point on Customer's Premises. Customer will provide PSNC with all necessary rights-of-way (including a station site) on its Premises at no expense to PSNC as set forth in Section 8 and shall execute a written right-of-way as requested by PSNC. Whether a CIAC is required of Customer prior to the installation of such Facilities shall be determined by the results of the Feasibility Test.
- (b) For a Farm Tap Customer, a Feasibility Test shall be performed which includes all costs less an allowance for Main and Gas Service Line required to serve Customer as provided in Section 23 of these Rules and Regulations.

- (c) Charges for Service shall be billed on the applicable PSNC Rate Schedule. All other terms and conditions of the applicable PSNC Rate Schedule(s) apply to Customers using Farm Tap service.

25. CUSTOMER FACILITIES

- (a) An Applicant shall supply PSNC a list of Customer Facilities located on the Premises which may increase Customer's load to enable PSNC to determine the feasibility of providing Service. PSNC shall provide information concerning the availability of Service (including whether PSNC can serve the increased load), delivery pressure, Meter location and size, and other information which may be pertinent to the installation.
- (b) Customer Facilities must be installed and maintained in accordance with the manufacturer's instructions, approved installation standards, and the requirements of applicable local, state, and federal agencies. All Customer Facilities shall be maintained by, and be the sole responsibility of, Customer and/or the owner of the Premises.
- (c) If Customer Facilities have the potential to create a vacuum, back pressure, or any other condition, which, in PSNC's sole opinion, could cause operating difficulties on PSNC's system, a device meeting PSNC's specifications must be installed and maintained by Customer at Customer's sole expense to protect fully and completely PSNC's system.
- (d) Customer shall not introduce and/or store any flammable or combustible material within close proximity to a Gas appliance or other Facilities.

26. REQUESTS TO INCREASE LOAD OR PRESSURE

Customer shall make a request to PSNC and receive PSNC's permission before increasing Gas loads or pressure and before changing the purpose for which Customer uses Gas. The request shall specify, at a minimum, the name of Customer, type of Service needed, estimated monthly Gas consumption, required delivery pressure, and the date needed. If, in PSNC's sole opinion, it has the capability to provide the additional or changed Service without interfering with its ability to provide Service to its other Customers, PSNC shall allow Customer to increase Customer's load and/or pressure or to change the purpose for which Customer uses Gas. A CIAC may be required depending on the nature of the request.

27. EXCAVATION NEAR PSNC FACILITIES

Customer shall inform PSNC of any excavation activities near PSNC Facilities located on Customer's Premises by calling North Carolina 811, Inc. at 811 or 1-800-632-4949 not less than three (3) working days nor more than twelve (12) working days prior to such activities. Customer will give a similar notice to PSNC prior to any additions or changes in Customer's Premises over, under, or near PSNC Facilities. Any damages incurred or losses of Gas resulting from any such activity shall be billed to, and paid by, Customer.

28. PROHIBITION AGAINST RESALE OF GAS

Customer shall not directly or indirectly sell, resell, assign, or otherwise transfer Gas to any Person unless such transfer is pursuant to a contract or franchise acceptable to PSNC and, if required, approved by the Commission. This prohibition against resale shall not apply to sales of Gas: (i) to housing authorities which, on October 1, 1996, purchased Gas from PSNC for resale to the residents of such housing authorities; (ii) to any housing authority which, after October 1, 1996, received authorization to purchase Gas from PSNC for resale to the residents of such housing authority; (iii) resold as a vehicular fuel; (iv) to providers authorized to resell Gas pursuant to Chapter 24 of the Commission's Rules and Regulations; or (v) as otherwise authorized by the Commission.

29. TAXES

Customer is responsible for payment of all taxes or tax liabilities attributable to or due in connection with the provision of Service by PSNC to the Customer, including any excise or sales tax. Customer is also responsible for the payment of any local, state, or federal tax, charge, or fee attributable to or arising out of the utilization of Gas delivered by the Company as a motor vehicle fuel.

30. NON-WAIVER

No delay or failure of PSNC to exercise any right or remedy provided by these Rules and Regulations, the Rate Schedules, the service agreement, or other documents controlling the terms of Service shall impair any such right or remedy, nor shall it be construed to be a waiver of any breach or default, or an acquiescence therein of any similar breach or default subsequently occurring. No waiver shall be valid unless it is in writing and signed by the party against which it is sought to be enforced. Any written waiver will be effective only to the extent specifically set forth.

TRANSPORTATION POOLING AGREEMENT

THIS AGREEMENT ("Agreement") is made this ____ day of _____, by and between PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INCORPORATED, a South Carolina corporation, hereinafter called "PSNC," with its main office at 800 Gaston Road, Gastonia, North Carolina 28056, and _____ (hereinafter "Pooler"), a _____ corporation, with its main office at _____.

WHEREAS, PSNC is willing to permit its Customers or their agents, which obtain transportation on a Pipeline or Renewable Gas from a supplier to deliver Gas into PSNC's system for the purpose of enabling PSNC's Customers to satisfy all of their Gas requirements through the use of transportation Services provided by PSNC; and

WHEREAS, Pooling will permit PSNC's Customers or their agents to accumulate various privileges accorded individual transportation Customers for the benefit of a group of transportation Customers; and

WHEREAS, Pooling will benefit all of PSNC's transportation Customers.

NOW, THEREFORE, for and in consideration of mutual covenants and promises contained herein, PSNC agrees to permit Pooling, and Pooler agrees to pool Gas supplies hereunder, in accordance with the following terms and conditions:

ARTICLE I **Definitions**

For the purposes of this Agreement, the following definitions shall apply:

1. "Customers" means any recipient of transportation Service provided by PSNC that procures its supply of Gas from a Pooler's Pool.
2. "Gas" means undiluted natural gas, or a substitute for natural gas, or any mixture of natural gas and a substitute for natural gas, as delivered by PSNC.
3. "Gas Day" means a period of twenty-four (24) consecutive hours as defined by NAESB.
4. "NAESB" means the North American Energy Standards Board, or its successor.
5. "Operational Order" means an order issued by PSNC when, in its sole discretion, PSNC anticipates that an imbalance between Gas quantities delivered by Pooler into a Pool and deliveries to Customers out of the Pool during a Gas Day may threaten the integrity of PSNC's system or operations or may impair service to firm customers.
6. "Pipeline" means any interstate pipeline, including Transco, which establishes a physical interconnection with PSNC's pipeline system.
7. "Pool" shall mean an aggregation of Gas quantities for one or more PSNC transportation Customers which Pooler establishes under this Agreement.
8. "Pooling" is a service provided by PSNC whereby a broker, marketer, producer, or any consumer of Gas qualifying for transportation Service under PSNC's tariffs, which obtains transportation on a Pipeline or Renewable Gas from a supplier and aggregates Gas supplies needed to satisfy the full requirements of one or more transportation Customers of PSNC, and such Customer or Customers have assigned its rights to Pooler as agent, or such Customer is acting on its own behalf, for the purpose of delivering Gas to PSNC.
9. "Transco" means Transcontinental Gas Pipe Line Company, LLC, or its successor.

Any capitalized terms used herein, which are not defined herein, shall have the meanings set forth in PSNC's Rules and Regulations.

ARTICLE II
Applicability

All persons and entities that obtain transportation on a Pipeline or Renewable Gas from a supplier for the purpose of delivering Gas to an interconnection with PSNC shall be required to execute a Transportation Pooling Agreement. Unless PSNC agrees otherwise, only a single pooler may sell Gas to a Customer Account in one calendar month.

ARTICLE III
Term

This Agreement shall commence on the first day of _____, 20____, and shall continue thereafter for twelve (12) calendar months; provided, however, that the term shall be extended from year to year thereafter, subject to cancellation by either party upon expiration of the primary term or any subsequent one (1) year period upon at least thirty (30) days written notice given prior to expiration of the primary term or prior to the expiration of any one year period occurring thereafter. Notwithstanding the foregoing, PSNC may cancel or discontinue service under this Agreement as provided in Articles VIII, IX, and X below.

ARTICLE IV
Transportation Nomination Procedures

For each month that this Agreement is in effect, Pooler must submit its nomination for each month's transportation to PSNC using PSNC's electronic bulletin board or such other means authorized by PSNC no later than the NAESB deadline for the timely nomination cycle on the fourth business day prior to the beginning of each month.

Changes to nominations within the month must be submitted to PSNC using PSNC's electronic bulletin board or such other means authorized by PSNC no later than the NAESB deadline for the timely nomination cycle on the day prior to the day of Gas flow. Nominations should reflect anticipated demand of the Customers to be served by Pooler. PSNC will have no obligation to accommodate intraday nomination changes.

ARTICLE V
Pooling Procedures

For each month that this Agreement is in effect, PSNC will allow Pooler to create a Pool in which Pooler shall aggregate all Gas quantities delivered to PSNC by Pooler for delivery to PSNC's Customers or Pooler pursuant to Article IV above. Pooler agrees to make deliveries into its Pool at daily rates that are reasonably even and constant. Pooler may increase or decrease daily Gas deliveries to PSNC provided that any such change does not impair PSNC's operating ability, as determined by PSNC, in its sole discretion.

Notwithstanding the foregoing, PSNC may from time to time issue an Operational Order notifying Pooler to comply with any restrictions specified by PSNC in the Operational Order. PSNC will provide Pooler at least four (4) hours' advance notice of the effective time of any restrictions in an Operational Order. Pooler shall provide PSNC with the names, titles, telephone numbers, and email addresses of at least two representatives authorized by Pooler to receive such notices and shall promptly notify PSNC of any changes to such information.

When an Operational Order specifies that a Pooler take appropriate actions for any Gas Day to prevent deliveries to Customers out of its Pool from exceeding quantities delivered by Pooler into the Pool ("Under-Delivery"), upon Pooler's failure to comply with the Operational Order, Pooler shall pay PSNC a penalty for each Dekatherm that Pooler's Under-Delivery is greater than the percentage tolerance specified in the Operational Order of Pooler's approved nomination, such penalty equal to the higher of (i) \$50 per Dekatherm or (ii) three times the "Transco, zone 5 del." Midpoint price published in Platts Gas Daily, "Daily price survey" for the flow date on which the Under-Delivery occurred. For days of consumption when Gas Daily is not published, the daily price published by Gas Daily on the nearest subsequent day shall be used.

When an Operational Order specifies that a Pooler take appropriate actions for any Gas Day to prevent Gas quantities delivered by Pooler into its Pool from exceeding deliveries to Customers out of the Pool ("Over-Delivery"), upon Pooler's failure to comply with the Operational Order, Pooler shall pay PSNC a penalty for each Dekatherm that Pooler's Over-Delivery is greater than the percentage tolerance specified in the Operational Order of Pooler's approved nomination, such penalty equal to the higher of (i) \$50 per Dekatherm or (ii) three times the "Transco, zone 5 del." Midpoint price published in Platts Gas Daily, "Daily price survey" for the flow date on which the Over-Delivery occurred. For days of consumption when Gas Daily is not published, the daily price published by Gas Daily on the nearest subsequent day shall be used.

ARTICLE VI
Gas Measurement

The quantity and heating value of the Gas delivered by Pooler to PSNC shall be determined by the transporting Pipeline(s) in the manner provided in its (their) tariff(s) or, for Renewable Gas, by PSNC in the manner provided in its Rules and Regulations.

ARTICLE VII
Full Requirements Service

For each month that this Agreement is in effect, Pooler agrees to satisfy the full requirements for Gas for each PSNC Customer Account on Pooler's designated list provided pursuant to Article IV for each such month. Pooler's ability to satisfy all such requirements for Gas in any month shall be determined by subtracting the Customers' actual consumption for the listed Customer Accounts in that month from the total actual deliveries received in that month on the Pooler's account. Any imbalance resulting from an adjustment to actual consumption or deliveries due to meter inaccuracy, billing error, or otherwise, after the month in which such Gas requirements were determined, shall be cashed out under the procedure provided in Article VIII with all adjusted quantities cashed out under either paragraph 1 for shortage quantities or paragraph 1 for excess quantities, as applicable.

ARTICLE VIII
Pool Balancing Procedures

In the event that Pooler's Pool has insufficient Gas available to satisfy the actual needs of the Customer Account(s) to be served from the Pool in any month, the cashout procedure shall be as follows:

1. If such shortage is less than or equal to two percent (2%) of the Customers' actual usage, for each Dekatherm of such shortage, PSNC shall sell to Pooler Gas required to cover such shortage quantities at a rate equal to the first of the month price for the month in which such shortage occurred for Transco Station 65 as published in Natural Gas Week, plus (a) for the months of November through March, the one hundred percent (100%) load factor rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, plus applicable fuel retention and all applicable surcharges, or (b) for the months of April through October, the commodity rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, including applicable fuel retention and surcharges, plus \$.05.
2. If such shortage is greater than two percent (2%) of the Customers' actual usage, for each Dekatherm of such shortage, PSNC shall sell to Pooler Gas required to cover such shortage quantities at a rate equal to the higher of the first of the month price or the highest weekly price for any subsequent week for the month in which such shortage occurred for Transco Station 65 as published in Natural Gas Week, multiplied by the premium percentage shown below corresponding to the percentage of the shortage, plus (a) for the months of November through March, the one hundred percent (100%) load factor rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, plus applicable fuel retention and all applicable surcharges, or (b) for the months of April through October, the commodity rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, including applicable fuel retention and surcharges, plus \$.05.

Shortage Percentage	Premium Percentage
Over 2% & equal to or less than 5%	110%
Over 5% & equal to or less than 10%	120%
Over 10% & equal to or less than 15%	130%
Over 15%	150%

In the event that Pooler's Pool has Gas in excess of the actual needs of the Customer Account(s) in any month, the cashout procedure shall be as follows:

1. If such excess is less than or equal to two percent (2%) of the Customers' actual usage, for each Dekatherm of such overage, PSNC shall purchase from Pooler such excess quantities of Gas at a rate equal to the first of the month price for the month in which the excess accumulated for Transco Station 65 as published in Natural Gas Week, plus (a) for the months of November through March, the one hundred percent (100%) load factor rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, plus applicable fuel retention and all applicable surcharges, or (b) for the months of April through October, the commodity rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, including applicable fuel retention and surcharges, plus \$.05.

2. If such excess is greater than two percent of the Customers' actual usage, for each Dekatherm of such overage, PSNC shall purchase from Pooler such excess quantities of Gas at a rate equal to the lower of the first of the month price or lowest weekly price for any subsequent week for the month in which the excess accumulated for Transco Station 65 as published in Natural Gas Week, multiplied by the discount percentage shown below corresponding to the percentage of the excess, plus (a) for the months of November through March, the one hundred percent (100%) load factor rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, plus applicable fuel retention and all applicable surcharges, or (b) for the months of April through October, the commodity rate under Transco's currently effective Rate Schedule FT for deliveries from Transco's Zone 3 to Zone 5, including applicable fuel retention and surcharges, plus \$.05.

Excess Percentage	Discount Percentage
Over 2% & equal to or less than 5%	90%
Over 5% & equal to or less than 10%	80%
Over 10% & equal to or less than 15%	70%
Over 15%	50%

If, for any month, the imbalance in Pooler's Pool exceeds twenty-five percent (25%), either positive or negative, PSNC shall have the right, in its sole discretion, to cancel this Agreement and to suspend the Pooler's right to establish a Pool for delivery to Customers that transport on PSNC's system for twelve (12) months.

ARTICLE IX **Creditworthiness**

PSNC shall not commence service to Pooler, and has the right to discontinue service upon five (5) days' written notice to Pooler, if Pooler fails to meet PSNC's creditworthiness criteria. PSNC shall apply consistent evaluative practices to determine the acceptability of Pooler's overall financial condition, working capital, and profitability trends. Acceptable creditworthiness is demonstrated by meeting the following criteria:

1. At PSNC's request, Pooler shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss the Pooler's financial status, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available.
2. At PSNC's request, Pooler shall provide a bank reference and at least two trade references. Pooler authorizes PSNC to obtain a current credit report on Pooler to determine whether to extend credit and releases generally all creditors to disclose otherwise confidential information. The results of reference checks and any credit reports submitted must show that Pooler's obligations are being paid on a prompt basis.
3. At PSNC's request, Pooler shall provide a guarantee by a person or another entity acceptable to PSNC that satisfies the credit appraisal, or a standby irrevocable letter of credit drawn upon a bank acceptable to PSNC.
4. Pooler must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws such as an assignment for the benefit of creditors, or any informal creditors' committee agreement.
5. Pooler shall not be subject to the uncertainty of pending liquidation or regulatory proceedings in state or federal courts or before other governmental or regulatory bodies having jurisdiction, which could cause a substantial deterioration in its financial condition, a condition of insolvency, or an impairment of Pooler's ability to exist as an ongoing business entity.
6. Pooler shall have no significant collection lawsuits or judgments outstanding that might affect Pooler's ability to remain solvent.
7. If any of the events or actions described in paragraphs 4, 5, and 6 above shall be initiated or imposed during the terms of service under this Agreement, Pooler shall provide notification thereof to PSNC within two (2) working days of any such initiated or imposed event or action.
8. If Pooler has an ongoing business relationship with PSNC, no delinquent balances shall be consistently outstanding for undisputed billings made previously by PSNC, and Pooler must have paid its account in the past according to the established terms and not made deductions or withheld payment for claims other than for disputed billings.

ARTICLE X
Billing and Payment

No later than three (3) business days following PSNC's end-of-the-month meter reading date for the month of delivery, PSNC will provide Pooler with a statement detailing the total quantities delivered by Pooler into its Pool for the preceding month as well as the total metered consumption in Dekatherms for each individual PSNC Customer Account served by Pooler. Pooler is responsible for billing each of PSNC's Customer(s) served from Pooler's Pool for all Gas consumed by such Customers determined pursuant to Article VII above with the exception of unauthorized quantities or other penalties assessed directly to a Customer by PSNC. PSNC shall continue to bill its applicable transportation and Facilities Charges directly to the Customer.

If the total quantities present in Pooler's Pool fail to cover the total accumulated usage for PSNC's Customer(s) served by Pooler's Pool in any month, PSNC shall bill Pooler for any shortage quantities pursuant to the procedures described in Article VIII above. Such statement shall be furnished to Pooler by PSNC no later than the fifth (5th) business day following PSNC's end-of-the-month meter reading date for the month of delivery and is due and payable within ten (10) days after the statement date. A bill shall be deemed delinquent when it remains unpaid after the due date set forth on the bill. If Pooler fails to remit the full amount when due, interest on the unpaid portion shall accrue at a rate of one percent (1%) per month. If a Pooler withholds any portion of any amount billed by PSNC as a disputed amount and any portion or all of the amount so withheld is determined to have been properly billed, then interest (as set forth above) shall accrue on the withheld amount that was properly billed from the date due until the date that PSNC receives it. PSNC may terminate this Agreement when any bill becomes delinquent.

If the total quantities present in Pooler's Pool exceed the total accumulated usage for the Customer(s) served from Pooler's Pool in any month, PSNC shall purchase such Gas pursuant to the procedures described in Article VIII above. PSNC shall furnish Pooler with a statement identifying the quantities purchased from Pooler no later than the fifth (5th) business day following PSNC's end-of-the-month meter reading date for the month of delivery and shall pay Pooler no later than ten (10) days after the statement date.

ARTICLE XI
Force Majeure

The term "Force Majeure," as used herein, and as applied to PSNC or Pooler, shall mean acts of law including governmental bodies acting pursuant to law, acts of God, strikes, lockouts or other disturbances, acts of a public enemy, war, blockades, insurrections, riots, epidemics, lightning, fires, floods, washouts, arrests, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, freezing of wells or pipelines, or any other cause, whether of the kind enumerated or otherwise, not reasonably within the control of the affected party. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party affected.

Such causes or contingencies affecting the performance of this Agreement by PSNC or the Pooler shall not relieve the affected party of liability unless such party shall give notice and full particulars of such cause or contingency in writing or by facsimile to the other party as soon as reasonably practical after the occurrence of the cause relied upon, nor shall such causes or contingencies affecting this Agreement by either party relieve it of liability in the event of its concurring negligence, nor shall such causes or contingencies affecting the performance of this Agreement relieve either party from its obligations to make payments of amounts due under the Agreement for Gas already allocated to the Customers served by Pooler.

ARTICLE XII
Miscellaneous

1. No modification of the terms and provisions of this Agreement shall be or become effective except by the execution of a written agreement or by modification of PSNC's Tariff.
2. No waiver by any party of any one or more defaults by any other party in the performance of any provisions of this Agreement shall operate or be construed as a waiver or any other default or defaults, whether of a like or of a different character.
3. Any company, which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of PSNC or of Pooler, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Without relieving itself of its obligations under this Agreement, any party may assign any of its rights hereunder to a company with which it is affiliated, but otherwise no assignment of this Agreement or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party, provided that such consent

will not be unreasonably withheld.

4. Except as otherwise provided, any notice, request, demand, statement, or bill provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when delivered to the United States Postal Service to be sent by registered or certified mail to the Post Office address of the parties hereto, as the case may be, or at such address as either party shall designate by formal written notice, as follows:

Notices to PSNC:

PSNC
Attention: Transportation & Administration
220 Operation Way MC E31
Cayce, South Carolina 29033-3701
Telephone: (803) 217-5307
E-mail: PSNCTransAdmin@scana.com

Payments to PSNC:

PSNC Treasurer's Account
Wells Fargo Bank NA
Minneapolis, MN 55702
ABA No: *call to request*
Account. No: *call to request*

Notices to Pooler: (Enter Applicable Information)

Pooler Name

Address

City / State/ Zip Code

Telephone Number

Fax Number

Payments to Pooler: (Enter Applicable Information)

Pooler Name

Pooler Bank Name

ABA Number

Account Number

6. The subject headings of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.
7. The construction, interpretation, and performance of this Agreement shall be in accordance with the laws of the State of North Carolina, excluding any conflicts-of-law rule or principle which might refer the construction, interpretation, or performance of this Agreement to the law of another jurisdiction.
8. In the event of a conflict between the provisions of this Agreement and PSNC's Tariff, PSNC's Tariff shall control.
9. This Agreement supersedes all preexisting agreements for Pooling between PSNC and Pooler.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as indicated below.

PSNC

POOLER

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Type or Print)

Name: _____
(Type or Print)

Title: _____

Title: _____

GAS QUALITY STANDARDS FOR RENEWABLE GAS

These Gas Quality Standards set forth the terms and conditions under which PSNC will accept "Renewable Gas" onto its system and pursuant to which it will continue to accept and redeliver such gas to customers receiving service from PSNC. The terms of these Gas Quality Standards may be modified from time-to-time, with the approval of the North Carolina Utilities Commission, based upon PSNC's actual operating experience with Renewable Gas and/or any threats to PSNC's ability to provide safe, reliable, and economic natural gas service to the public.

For purposes of these Gas Quality Standards, "Renewable Gas" shall mean gas capable of combustion in customer appliances or facilities which is similar in heat content and chemical characteristics to natural gas produced from traditional underground well sources and which is intended to act as a substitute or replacement for natural gas. Renewable Gas shall include but not be limited to biogas, biomethane, and landfill gas, as well as any other type of natural gas equivalent produced or manufactured from sources other than traditional underground well sources. For purposes of the application of PSNC's rate schedules and its Rules and Regulations, Renewable Gas shall be treated in a manner equivalent to "Gas" (as that term is defined in PSNC's Rules and Regulations) except to the extent that these Gas Quality Standards specify more restrictive obligations applicable to Renewable Gas, in which case the provisions of these Gas Quality Standards shall control.

Receipt of Renewable Gas

PSNC's obligation to receive and accept Renewable Gas shall be limited as set forth below and to situations where PSNC is able to physically receive the Renewable Gas into its system without materially impacting its ability to provide service to its customers, meet its legal, contractual, and regulatory obligations, or safely and reliably operate its system. Construction of facilities needed to receive and accept Renewable Gas shall be governed by PSNC's standard feasibility analyses and PSNC shall have no obligation to construct economically infeasible facilities to enable receipt of Renewable Gas. PSNC may require prospective suppliers of Renewable Gas to enter into interconnection and facilities reimbursement agreements, as discussed below, as a condition to receipt and acceptance of Renewable Gas.

Testing Requirements

Initial Testing. Prior to the initial receipt of Renewable Gas by PSNC, any supplier thereof shall provide the results of an independent laboratory test demonstrating that supplier's Renewable Gas is in conformance with the Gas Quality Standards set forth herein. Supplier shall also provide PSNC with the results of an additional laboratory test on a second sample of its Renewable Gas taken at least seven (but no more than fourteen) days after the initial test sample, confirming the continuing conformance of supplier's Renewable Gas with the standards set forth herein. After the initial receipt of Renewable Gas by PSNC, any supplier thereof shall provide the results of three consecutive independent laboratory tests, performed no less than thirty days (or more than 45 days) apart, demonstrating that supplier's Renewable Gas is in conformance with the Gas Quality Standards set forth herein. Such testing shall be performed by an independent third-party laboratory satisfactory to PSNC at supplier's sole cost and expense.

Subsequent Testing. If receipt of supplier's Renewable Gas is interrupted or suspended by PSNC pursuant to the terms hereof, then prior to resumption of acceptance of deliveries of Renewable Gas from such supplier, and at the reasonable discretion of PSNC, that supplier may be required to provide the results of an independent laboratory test, demonstrating that supplier's Renewable Gas continues to be or has been restored to be in conformance with the Gas Quality Standards set forth herein. If such subsequent independent laboratory testing is required by PSNC, Supplier shall also provide PSNC with the results of an additional laboratory test on its Renewable Gas conducted within seven days of the initial test, confirming the conformance of supplier's Renewable Gas with the standards set forth herein. These provisions for Subsequent Testing shall not apply to (i) simple disruptions in the flow or production of Renewable Gas that occur in the normal course of supplier's business operations and which do not otherwise involve circumstances that would authorize PSNC to curtail the receipt of such supplies hereunder, or (ii) to non-material and/or incidental deviations from the specific Renewable Gas Quality Standards set forth below related to Temperature, Methane Content, CHDP, Nitrogen, Oxygen, Carbon Monoxide, Total Inerts, Heating Value, Interchangeability, Total Sulfur, Carbon Dioxide, Water, or Hydrogen Sulfide, so long as any such deviations are not recurring in nature and do not pose a threat to PSNC's equipment or facilities, the equipment or facilities of PSNC's customers, or to PSNC's ability to provide continuous, safe, and reliable service to the public.

Quarterly Testing. In addition to the other testing requirements set forth herein, and on no less than a quarterly basis, supplier shall provide to PSNC the results from independent laboratory testing, satisfactory to PSNC and at supplier's sole cost and expense, demonstrating that supplier's Renewable Gas continues to conform to the Gas Quality

Standards set forth herein. PSNC may waive the quarterly testing requirement if, in the reasonable exercise of PSNC's discretion, it concludes that the percentage of Renewable Gas to be received at a specific interconnect point is immaterial in relation to the amount of geologic natural gas flowing through PSNC's system at that point such that the receipt of Renewable Gas at that point will not have a detrimental impact on PSNC's system, its operations, or services provided to customers.

Supplemental Testing. PSNC reserves the right to request supplier, at supplier's sole expense, to perform additional testing for constituent or contaminant compounds in addition to those expressly listed herein, should (i) the presence of such compounds be determined by PSNC to be reasonably possible in supplier's Renewable Gas stream, and (ii) should such constituents or compounds pose an actual or prospective threat to PSNC's system or the provision of safe and reliable natural gas service to PSNC's customers.

Renewable Gas Source. In the event a supplier flowing Renewable Gas onto PSNC's system determines to alter its source of production of Renewable Gas or to take action that might otherwise be expected to change the characteristics or constituent components of its gas stream, supplier shall promptly notify PSNC, in advance, of such prospective change and PSNC shall have no obligation to receive Renewable Gas from such supplier until it has been provided with the results of two consecutive independent laboratory tests, performed no less than seven days apart, demonstrating that supplier's modified Renewable Gas is in conformance with the Gas Quality Standards set forth herein. Such testing shall be performed by an independent third-party laboratory satisfactory to PSNC at supplier's sole cost and expense.

With regard to any of the testing provided for above, PSNC shall be provided reasonable advance notice of such testing and shall have the right to observe the samples being taken. Test results shall be promptly shared between PSNC and supplier upon receipt of such results from the testing laboratory. With regard to any of the testing provided for above, and upon request of a supplier and in the reasonable exercise of PSNC's discretion, PSNC will waive the requirement for laboratory testing for one or more constituent components, on a not unduly discriminatory basis, where certified field testing equipment satisfactory to PSNC is available to test for those components.

The Renewable Gas testing requirements set forth above shall include tests for and reportable levels of each of the constituent elements set forth below. To the extent that two consecutive laboratory tests demonstrate non-detectable levels of one or more of the constituent compounds set out below from a supplier's Renewable Gas stream at a specific interconnect point, PSNC will consider, in the reasonable exercise of its discretion, written requests for waiver of the requirement to continue testing for such constituent compounds at that specific interconnect point. PSNC may grant or deny such petition in the reasonable exercise of its discretion subject only to the requirement that any decision to deny a petition for a waiver or to revoke a waiver once granted shall state the basis for the decision in sufficient detail to facilitate further discussions and/or review of the decision by the Commission. Any such waiver shall be revocable in the reasonable exercise of PSNC's discretion subject to the requirements of the foregoing sentence.

Renewable Gas Quality Standards

All Renewable Gas delivered to PSNC shall fully comply with the quality standards and specifications set forth below.

Renewable Gas delivered to PSNC shall be free of components which might interfere with its merchantability or cause damage to the operation of PSNC's system or equipment or those of its customers. All such Renewable Gas delivered to PSNC shall specifically conform to the following minimum Gas Quality Standards:

Delivery Temperature: Minimum of 40°F and maximum of 120°F.

Methane: Minimum methane content of 94%.

Heating Value: Between 980 and 1100 Btu/SCF at dry gas conditions (14.73 psia at 60°F).

Interchangeability: All Renewable Gas delivered by any single supplier thereof shall fall within a WOBBE range of 1290 to 1370.

Hydrogen Sulfide (H₂S): Less than or equal to 0.25 grain/100 SCF.

Mercaptan: Shall not exceed 0.5 grain/100 SCF.

Total Sulfur: Less than or equal to 10 grain/100 SCF, including sulfur from hydrogen sulfide and mercaptan.

Water: Less than or equal to 7 pounds/MMSCF at dry gas conditions (14.73 psia at 60°F).

CHDP: Not greater than 20°F.

Carbon Dioxide (CO₂): Not more than 2% by volumetric basis.

Nitrogen: Not more than 2% by volumetric basis.

Oxygen: Not more than 0.2% by volumetric basis.

Carbon Monoxide (CO): Not more than 0.1% by volume.

Total Inerts: Not more than 3.2% by volumetric basis. For purposes of this provision, Total Inerts are defined as Oxygen, Nitrogen, and Carbon Dioxide.

Hydrogen: No more than 600 ppm.

Solid Particle Size: Gas filtration is required and shall be sufficient to remove 99.99% of solid particles 3 microns or larger.

Dust, Gums & Solid Matter: The gas shall be free of dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the gas in the course of transportation through pipelines.

Biologicals: Gas, including any associated liquids, shall not contain any micro-biological organisms exceeding 4 x 10⁴/scf (qPCR per APB, SRB, IOB group), active bacteria or bacterial agents > 0.2 microns.

Organic Silicon (Siloxanes): Total Organic Silicon (siloxanes) shall not be greater than 0.40 mg of Si/Nm³.

Odorization Masking/Fading Agents (VOC): Gas shall be free of agents, compounds, or the like which will interfere with the process of the human olfactory process in the recognition of odorized natural gas through bonding with the odorant or causing interference with the human olfactory senses.

VOC: Renewable Gas shall be free from any halogenated compounds that when, through the process of combustion, form dioxins.

The following Constituents of Concern shall be limited as indicated:

Constituent	Limit mg/m ³ (ppmv)
Arsenic	0.48 (0.15)
p-Dichlorobenzene	140 (24)
Ethylbenzene	650 (150)
n-Nitroso-di-n-propylamine	0.81 (0.15)
Vinyl Chloride	21 (8.3)
Antimony	30 (6.1)
Copper	3.0 (1.2)
Lead	3.8 (0.44)
Methacrolein	53 (18)
Alkyl thiols (mercaptans)	N/A (610)
Toluene	45,000 (12,000)

If additional equipment is required to ensure consistent compliance of supplier's Renewable Gas to the Gas Quality Standards set forth above, PSNC may require supplier to purchase, and promptly install, any additional equipment necessary to meet the referenced gas quality specifications at supplier's expense. The unreasonable refusal to do so shall be a violation of supplier's obligations hereunder.

Termination of Obligation to Receive Gas

Except as otherwise provided below, if Renewable Gas proffered for delivery to PSNC fails to meet the specifications of the Gas Quality Standards set forth herein, or is otherwise out of conformance with the provisions of these Gas Quality Standards, PSNC may interrupt or suspend its receipt and acceptance of such Renewable Gas until such Renewable Gas is in conformity with these Gas Quality Standards and such conformity is verified by an independent certified third-party laboratory satisfactory to PSNC as provided above; except in circumstances where field testing for such compliance is permitted under the provisions of Subsequent Testing set forth above. Notwithstanding PSNC's right to terminate its receipt of Renewable Gas for non-compliance with the Gas Quality Standards set forth herein, PSNC will not terminate such receipt for minor non-compliance with such standards applicable to the enumerated constituent component measurements of a producer's Renewable Gas stream listed under Subsequent Testing above (except Temperature), where:

- (a) Such constituent components can be measured in real time by field equipment operated or monitored by PSNC;
- (b) Variances for one or more of the constituent component measurements listed under Subsequent Testing (except Temperature) do not exceed standards by more than ten percent (10%);
- (c) Variances for one or more of the constituent component measurements listed under Subsequent Testing (except Temperature) do not exceed four hours in duration; and
- (d) No operational problems or continuity of service issues are created for PSNC by the variance, as determined in the reasonable exercise of PSNC's discretion.

PSNC shall provide electronic notice to any producer of variations from standards found in such producer's Renewable Gas stream. The four-hour limit on the duration of any variances for the constituent component measurements identified above (except Temperature) shall commence upon the issuance of such notice.

PSNC shall also have the right to interrupt or suspend the receipt of Renewable Gas at any time from any supplier in the event that: (i) constituent compounds or components of supplier's Renewable Gas are determined to pose an actual or potential health risk to the public or to PSNC's employees that is different in degree or nature from the risks normally attendant upon the use and transportation of natural gas; (ii) testing or other evidence reasonably indicates that supplier's Renewable Gas contains constituent compounds or components reasonably likely to cause or actually causing harm to PSNC's facilities or equipment (including corrosion damage); (iii) testing or other evidence reasonably indicates that supplier's Renewable Gas contains constituent compounds or components reasonably likely to cause or actually causing harm to the facilities or equipment of PSNC's other customers (including corrosion damage); or (iv) the chemical characteristics or physical properties of supplier's Renewable Gas are impeding PSNC's ability to provide safe and reliable service to PSNC's other customers.

In the event of such interruption or suspension of service, PSNC shall have no obligation to resume receipt of Renewable Gas from supplier until the correction or remediation of the problem prompting such interruption or suspension of service has occurred as determined by PSNC in the exercise of its reasonable discretion.

Interconnection Agreement

Prior to and as a condition of delivering Renewable Gas to PSNC and PSNC's acceptance thereof, any proposed supplier must enter into an interconnection and facilities reimbursement agreement with PSNC addressing, to PSNC's reasonable satisfaction, the terms and conditions applicable to construction and payment for any needed incremental facilities required to accept or receive supplier's Renewable Gas. PSNC shall have no obligation to accept or receive Renewable Gas until such agreement is executed and its obligations to accept and receive Renewable Gas following such execution shall be governed by the interconnection and reimbursement agreement and these Gas Quality Standards. In the event of a conflict between the provisions set forth in these Gas Quality Standards and the terms and conditions of an interconnection and reimbursement agreement, the provisions of these Gas Quality Standards shall control.

Measurement Requirements

PSNC will measure, or receive data from the supplier to measure, on a daily or continuous basis, the quantity, heat content, WOBBE value, and specific gravity of all Renewable Gas delivered to PSNC at each point of delivery into PSNC's system utilized by Renewable Gas suppliers.

Indemnity/Liability

As a condition to the receipt and acceptance of Renewable Gas by PSNC, all suppliers of Renewable Gas shall indemnify and hold PSNC harmless from any and all claims, suits, actions, debts, accounts, damages, costs, losses, and expenses, including reasonable attorney fees, (i) arising from or related to the delivery to PSNC by supplier of any Renewable Gas that fails to meet the Gas Quality Standards set forth herein or otherwise is not in compliance with these Gas Quality Standards, or (ii) arising from or related to damage to PSNC's equipment or facilities or the equipment or facilities of PSNC's customers from receipt of supplier's Renewable Gas.

PSNC SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO SUPPLIER, SUPPLIER'S CUSTOMER, OR ANY THIRD-PARTY ASSOCIATED WITH ITS EXERCISE OF THE RIGHT TO INTERRUPT OR SUSPEND RECEIPT OF RENEWABLE GAS AS PROVIDED FOR ABOVE AND IN NO EVENT SHALL BE LIABLE FOR ANY PUNITIVE, CONSEQUENTIAL, OR EXEMPLARY DAMAGES ARISING FROM ITS RECEIPT OR ACCEPTANCE (OR FAILURE TO RECEIVE OR ACCEPT) RENEWABLE GAS UNDER THE TERMS HEREOF OR OTHERWISE.