

INTERRUPTIBLE LARGE VOLUME SERVICE -- GAS SCHEDULE IS

1. AVAILABILITY:

- (a) Where the connected capacity of the Customer’s gas-fired equipment is 250 therms per hour or greater, and
- (b) where the Customer must interrupt their use of gas within 6 hours, or sooner if possible, following receipt of notice by the Company at any time of the day, and during any time of the year, and
- (c) where “interrupt their use of gas” means that the Customer must reduce gas consumption to zero or to contracted Optional Firm Delivery Service (OFDS) levels, if any.

2. RATE TABLE:

Customer Charge	\$1,250 per month, plus
Demand Price	\$ 0.6601 per therm
Delivery Price	\$ 0.0602 per therm
Distribution Interruption Penalty Price.....	\$0.4212 per therm
Excessive Use Distribution Interruption Penalty Price.....	\$0.5616 per therm
AMR Required.....	Estimated Installed Cost
Information Fee.....	\$65 per month
Optional Firm Delivery Service ...OFDS Hourly Volume x 24 hours x Number of Days in Month x Optional Firm Delivery Price. The following rates will apply to OFDS volumes:	
First 10,000 therms per month.....	\$0.2808 per therm
Over 10,000 therms per month.....	\$0.0864 per therm
Comprehensive Balancing Option.	\$0.0006 per therm
Self Balancing Option: The following Imbalance Prices apply:	
<u>Percent of</u>	<u>Imbalance</u>
<u>Imbalance</u>	<u>Price</u>
0 to 3%	No Charge
Greater than 3% to 6%	\$0.00393 per therm
Greater than 6% to 10%	\$0.00524 per therm
Greater than 10% to 15%	\$0.01048 per therm
Greater than 15%	\$0.02096 per therm

3. DELIVERY SERVICE: Interruptible Service transportation of gas through the Company’s distribution system for all Customers served under this Schedule.

3.1 Billing Demand: The Customer’s Billing Demand is the maximum winter day measured demand during the latest 12 month period adjusted to the nearest whole Dth. Measured demand is the Customer’s total metered use of gas during the Gas Day beginning at 10:00 a.m. Eastern time. The winter period is the 5 months of November through March, inclusive.

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3.2 Demand Free Day: For a Customer taking service hereunder, the Company may at its option designate any Gas Day as “demand free.” The designation, if any, will be made no later than 2 p.m., Eastern Time, of the day immediately preceding the Demand Free day. Any gas used during a Demand Free day will not be considered when determining a Customer’s Billing Demand.

3.3 Optional Firm Delivery Service

- (a) The Customer may contract for Optional Firm Delivery Service through meters served under this Schedule. This option allows the Customer to contract for a specific amount of firm distribution service available to interruptible customers during a distribution system interruption. The Company will not maintain interstate gas pipeline capacity to supply the Customer’s OFDS requirements. The Customer must contract for a specific volume of OFDS on an hourly basis. The Company reserves the right to decline a request for new or an increase to OFDS should capacity not be available on the gas distribution system. However, the Customer may request a distribution system upgrade under the terms of Part 2, Section 8 to receive OFDS. The OFDS rates are incremental to all existing IS tariff rates. The OFDS rates represent the effective difference between the existing IS rates and the Schedule C delivery prices.
- (b) An existing Schedule IS Customer desiring OFDS volumes must contract for a specific hourly amount, at a specified meter, with the Company, and revise their request no later than July 31 to be effective November 1 through October 31. The initial term of contract for OFDS is 2 years. During the first year of the initial term, and before July 31, the Customer may revise their OFDS contract volume to no less than 50% of the original contract amount, or as high as needed, providing sufficient distribution capacity is available, to be effective November 1. Upon completion of the initial 2 year contract period, the contract will continue to automatically renew for 1 year unless notified by the Customer by July 31. Following the first initial enrollment period, subsequent enrollment periods will have no limitations on the OFDS volumes, provided there is available distribution system capacity.
- (c) A new Customer to Schedule IS may contract for OFDS upon commencement of interruptible service or at the next Enrollment Period. The 2 year initial contract timeframe will be determined to place the Customer on the November 1 to October 31 contract schedule.
- (d) A Customer who fails two physical interruption tests may also contract for OFDS as described in Section 3.5.
- (e) Schedule IS remains the controlling Schedule when a Customer contracts for OFDS.

3.4 Use of Gas During an Interruption:

- (a) If a Customer does not contract for OFDS, the Customer must reduce their gas usage to zero during a distribution system interruption. OFDS, subject to Section 3.3 of this Schedule, is available during an interruption for distribution system reasons. Except as described below, if a Customer fails to reduce to zero usage or to OFDS levels

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during an interruption for distribution system reasons, the monthly Distribution Interruption Penalty will be assessed as follows: the average of the hourly non-compliant therms x 24 hours x number of days in the month x Distribution Interruption Penalty Price. The monthly Distribution Interruption Penalty will begin billing in May for a total of 12 months.

Customer's non-compliant usage is considered Excessive Use if, during any hour of a distribution system interruption, non-compliant usage exceeds 575 therms. The monthly Excessive Use Distribution Interruption Penalty will be assessed as follows: all non-compliant therms for that event x the number of days in the month x the Excessive Use Distribution Interruption Penalty Price. However, in the event a distribution system interruption is less than 24 hours, and the Customer's non-compliant usage is Excessive Use, the monthly Excessive Use Distribution Interruption Penalty will be calculated as the higher of:

(The average hourly non-compliant therms) x (24 hours) x (the number of days in the month) x (the Excessive Use Distribution Interruption Penalty Price)

Or

(All non-compliant therms) x (the number of days in the month) x (the Excessive Use Distribution Interruption Penalty Price).

The monthly Excessive Use Interruption Penalty will begin billing in May for a total of 12 months. Each interruption will be evaluated individually.

When multiple distribution interruptions occur during the 12 month period from May to April, the average hourly non-compliant therms from each interruption are billed cumulatively over the 12 months beginning in May. All revenue collected from the application of the Distribution Interruption Penalty Price and Excessive Use Distribution Interruption Penalty Price will be applied as a credit in the determination of the Rider 8 Monthly Rate Adjustment.

- (b) The Public Service Commission, upon the request of BGE or a Customer served under this Schedule, may choose to reduce or waive entirely the duration of the Distribution Interruption Penalty or the Excessive Use Distribution Interruption Penalty in Paragraph 3.4(a) for a Customer who demonstrates that a good faith effort was made to interrupt its gas usage as required under this Schedule and substantially reduced its usage during an interruption. The demonstration of a good faith effort shall include (1) efforts made prior to the interruption to be fully compliant; (2) the reason why full compliance was not attained, such as sudden failure of alternative fuel equipment; (3) efforts to correct non-compliance during the interruption; and (4) customer actions after the interruption to be fully compliant in the future. Usage above hourly OFDS levels during an interruption of more than 5% of the Customer's billing demand, for the specified meter, effective during the month of the interruption shall be prima facie evidence that the Customer did not make a good faith effort to comply with the interruption. However, any waiver or reduction of the Distribution Interruption Penalty or the Excessive Use Distribution Interruption Penalty shall consider the Customer's good faith efforts to interrupt its gas usage and may not be based solely on the extent to which the Customer actually reduced its gas usage. Any credits granted to Customers through the waiver process will also result in similar debits to Rider 8 – Monthly Rate Adjustment.

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- (c) All OFDS gas used by the Customer during an interruption for distribution system reasons, without a Gas Production Day, except the Customer's Transportation Gas, is billed at the higher of the Gas Commodity Price, or 110% of the highest Transco Zone 6 (non-New York) price for the current month. All OFDS gas used by the Customer during an interruption for distribution system reasons and a Gas Production Day, except the Customer's Transportation Gas, a \$0.50 per therm penalty is added to the higher of the Gas Commodity Price, or 110% of the highest Transco Zone 6 (non-New York) price for the current month. Any penalty revenue will be treated as gas commodity revenue. For all gas used by the Customer, during an interruption, in excess of the OFDS volumes, even if the Customer's Transportation Gas arrives at BGE's City Gate, a \$1.50 per therm penalty is added to the higher of the Gas Commodity Price or 110% of the highest Transco Zone 6 (non-New York) price for the current month. This penalty revenue will be allocated as follows: One-third of the penalty revenue will be treated as gas commodity revenue while the remaining two-thirds of the penalty will be applied as a credit in the determination of the Rider 8 – Monthly Rate Adjustment.
- (d) If a Customer fails to interrupt its use of gas, and the Customer is unable to demonstrate items (1)-(4) as described in Paragraph 3.4(b), the Company, at its discretion, may take actions to ensure the future reliability of its distribution system.

However, the Company may also take such actions if a Customer fails to interrupt its use of gas during two or more interruption events which are initiated within a period of 36 months. Such actions may include, but are not limited to, the termination of service to the Customer under this Schedule. Prior to the termination of service to the Customer under this Schedule becoming effective, BGE shall provide at least thirty (30) calendar days written notice to both the Customer and the Commission. In addition, the Company has the right to deny the Customer's request for interruptible service under any other schedule.

This provision is not applicable during an actual gas interruption event during which a Customer has failed to interrupt as required under this Schedule. BGE may employ any actions necessary to address such failure to interrupt to ensure the continued reliability of the distribution system (see Paragraph 3.4(e)).

- (e) Failure to interrupt may result in the immediate discontinuance of service without notice, under Part 2, Section 2.4 (k). If the Customer is disconnected from the distribution system, reconnection will be made when the cause for the interruption no longer exists subject to the Customer satisfying all requirements of the Gas Service Tariff.
- (f) In the event that a curtailment of supply is implemented under Part 2, Section 2.3, all gas used will be billed in accordance with Appendix A – Natural Gas Curtailment Plan, even if the Customer's Transportation Gas arrives at BGE's City Gate.

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3.5 Interruption Capability Verification Program: BGE will test the Customer's ability to interrupt. The test will consist of two parts. Part one will test the Customer's communication systems. BGE will perform this portion of the test annually.

Part two will test the ability of the Customer to interrupt with at least six hours notice for at least four hours. The Customer can satisfy this portion of the test by either 1) enlisting the services of a licensed Professional Engineer to certify that the equipment and/or procedures are in place to reduce gas usage to zero, or to contracted hourly OFDS volumes; or 2) actively participate in a physical test interruption. The Physical Interruption Test and/or Professional Engineer certification will be required every year. Should BGE call a Distribution System Interruption, any customer that complies with the interruption will not be required to participate in the Physical Interruption Test or provide a Professional Engineer certification for the next 12 months from the date of the interruption. Customers must instead provide certification from the Authorized Facility Manager indicating that no material changes and/or additions have been made to the equipment or production process, and that the Customer would comply with the requirements of an interruption. A Customer who fails to provide an annual Authorized Facility Manager Certificate will be required to complete a Physical Interruption Test early in the next winter heating season. If a Customer fails to reduce to zero usage or to contracted OFDS amounts during an interruption for distribution reasons, the Customer will be required to participate in a Physical Interruption Test.

A new Customer will be required to complete a Physical Interruption Test early in the next winter heating season. In addition, a new Customer will also be required to complete Part one of the Interruption Capability Verification Program.

Penalties associated with the Use of Gas During an Interruption provisions of this rate schedule will be waived the first time the Customer fails the Physical Interruption Test. If the Customer fails the Physical Interruption Test a second time, all penalties under Section 3.4 (a) of this Schedule will apply until such time that the Customer becomes compliant. A Customer who fails a second Physical Interruption Test has the option of immediately contracting for 2 years of OFDS, if available, effective November 1 of the current heating season. 12 months of penalty billing for a second failed Physical Interruption Test will commence immediately unless the Customer contracts for OFDS. In addition, the Customer will be subject to disconnection from the gas distribution system under Section 2.4(k), and may be reconnected after they have demonstrated, to BGE's satisfaction, that they have made the necessary improvements and can complete the Physical Interruption Test.

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3.6 Extension Provision:

- (a) The Customer pays the Company in advance, or at the completion of installation upon credit approval, the estimated installed cost of additional Main and Service Line facilities required to provide service under this Schedule.
- (b) Upon request by the Customer, the contribution required from the Customer will be determined under the provisions of Part 2, Sec 8.

4. GAS COMMODITY SERVICE:

4.1 BGE Gas Commodity Service: The Company does not offer Gas Commodity Service under this Schedule. However, gas may be provided from month-to-month on a best efforts basis provided the Customer makes a request for such gas prior to the first day of the delivery month. This gas is priced at the Gas Commodity Price (Riders 2 and 12).

Even if the Company approves the Customer's request for gas supply, the Gas Commodity Price is not applicable for any gas used during a Gas Production Day, a Distribution System Interruption or a curtailment under Appendix A. During a Gas Production Day, a Distribution System Interruption or a curtailment under Appendix A, the pricing provisions governing those situations will apply.

4.2 Supplier Gas Commodity Service: The Customer must obtain Gas Commodity Service from a third party gas supplier subject to the following Terms and Conditions:

4.21 Terms and Conditions:

- (a) the Customer must arrange for the transport and delivery of gas into the Company's distribution system at its interstate pipeline gate station(s); and
- (b) the Customer may only contract with a gas supplier that has separately contracted with the Company under the provisions of the Gas Supplier Tariff. In the event that the Customer's gas supplier becomes disqualified under the Gas Supplier Tariff, the Customer must obtain Gas Commodity Service from another qualified gas supplier. The Customer shall select only one gas supplier for any period; and
- (c) the Customer takes title to the gas at or before the Company's City Gate; and
- (d) the transported gas must be for the Customer's burner tip use and shall not be resold except as an Accumulated Imbalance Corrective Measure as provided for in this Schedule; and
- (e) the Customer shall be responsible for the payment of any tax or assessment levied by any jurisdiction related to the acquisition, transportation or use of Transportation Gas.

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4.22 Failure of the Customer’s Transportation Gas to arrive at the City Gate:

Where all or part of the Customer’s Transportation Gas fails to arrive at the Company’s City Gate the Customer is subject to Sec. 4.23(d) - Accumulated Imbalance Corrective Measures of this Schedule.

4.23 City Gate Balancing Service: The Company balances daily gas deliveries at the City Gate with unaccounted-for gas adjusted, burner tip use. The Customer must select one of the Balancing Service Options. The prices for the components of Balancing Service are in addition to the monthly rates for Delivery Service and apply to the Customer’s metered use.

(a) Balancing Service Options:

1. Comprehensive Balancing Service: Balancing of the gas delivered to the Company’s City Gate on behalf of the Customer with the Customer’s use of gas on a daily basis is performed by the Company. A Comprehensive Balancing Service Price is applied to all therms of gas used by the Customer adjusted to the Company’s City Gate. The Customer also pays a pro rata share of any interstate gas pipeline penalties incurred based on the Customer’s Daily Imbalance in the same direction as the Imbalance for which the penalty was incurred, unless the Customer is part of a Selective Group, and that Group is in balance.

At any time that the Customer’s accumulated imbalance exceeds 2 times the Customer’s average daily nomination for the 5 highest of the preceding 7 days nominations or 1,000 Dth, whichever is smaller, the Accumulated Imbalance Corrective Measures of Sec. 4.23(d) may be required.

2. Self Balancing Option: Balancing of gas delivered to the Company’s City Gate on behalf of the Customer with the Customer’s use of gas on a daily basis is the responsibility of the Customer. An Imbalance Price based on the percentage of the Daily Imbalance to the Customer’s average daily nomination is applied to the Daily Imbalance. The Customer also pays a pro rata share of any interstate gas pipeline penalties incurred based on the Customer’s Daily Imbalance in the same direction as the Imbalance for which the penalty was incurred, unless the Customer is part of a Selective Group, and that Group is in balance.

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The Imbalance Prices are determined as a percentage of the weighted average cost for the Company to correct an imbalance. The resultant Imbalance Prices are revised when the calculated weighted average cost of correcting an imbalance changes by more than 5 percent from the currently effective cost of correcting an imbalance. Details of the calculation of the weighted average cost of correcting an imbalance and the resultant Imbalance Prices are filed with the Public Service Commission.

At any time that the Customer's accumulated imbalance exceeds 20 percent of the Customer's average daily nomination for the 5 highest of the preceding 7 days nominations, the Accumulated Imbalance Corrective Measures of Sec. 4.23(d) may be required.

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- (b) **Selective Grouping:** Under either the Comprehensive Balancing Service or the Self Balancing Option, the Customer may join other customers in forming a Group for Daily Balancing purposes only. Where the Customer participates in a Group under the Self Balancing Option, a Group Administrator is required. The Group Administrator shall separately contract with the Company under the Gas Supplier Tariff and shall be responsible for payment of all Imbalance Prices and penalties. A Group Administrator is permitted for Groups under the Comprehensive Balancing Service. The Customer may revise his selection of Group membership on a monthly basis.
- (c) **Daily Balancing Revenue:** The revenue collected through the application of the Comprehensive Balancing Service Price and the Imbalance Price is recorded as Gas Commodity Price revenue.
- (d) **Accumulated Imbalance Corrective Measures:**
1. **Over-Tendered Accumulated Imbalance:** When the Customer's accumulated imbalance exceeds the applicable limit, the Company will purchase the total accumulated over-tendered imbalance at the lower of the Gas Commodity Price, or 90% of the lowest Transcontinental Gas Pipeline Corporation (Transco) Zone 6(non-New York) price for the current month. On Gas Production Days, Balancing Service provisions are suspended. When Gas Production Days cease, the Company will provide a period of time for the Customer to reduce the amount of any over-tendered imbalance. At the conclusion of this time period, if the accumulated imbalance exceeds the applicable limit, the Company will purchase the total accumulated imbalance at the above stated price.
 2. **Under-Tendered Accumulated Imbalance:** When the Customer's accumulated imbalance exceeds the applicable limit, the Customer will purchase all gas used in excess of delivered Transportation Gas at the following rates:
 - (i) During periods other than an interruption for system distribution reasons or Gas Production Days, all gas used will be billed at the higher of the Gas Commodity Price or 110% of the highest Transco Zone 6 (non-New York) price for the current month.
 - (ii) On Gas Production Days, Balancing Service provisions are suspended. A tolerance of 3% is permitted on under-deliveries. When the 3% tolerance is exceeded, the following corrective measures become effective. For all gas used in excess of the Customer's Transportation Gas arriving at the Company's City Gate, including the 3%

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tolerance, a \$0.50 per therm penalty will be added to the higher of the Gas Commodity Price or 110% of the highest Transco Zone 6 (Non-New York) price for the current month. Any penalty revenue will be treated as gas commodity revenue.

- (iii) During periods of an interruption for system distribution reasons, the Use of Gas During an Interruption provisions of this Schedule apply.

- (e) **Interruption of Transportation Gas for Distribution System Reasons:** Where the Company interrupts the Customer's Transportation Gas for Distribution System reasons, the Imbalance Fees will not apply during the period of the interruption.

5. GENERAL TERMS:

5.1 MINIMUM CHARGE: Customer Charge

5.2 LATE PAYMENT CHARGE: Standard (Part 2, Sec. 7.5)

5.3 PAYMENT TERMS: Standard (Part 2, Sec. 7)

5.4 TERM OF CONTRACT WITH BGE: The initial term of contract is 1 year or as required for allowance under the Extension Provisions above. The contract continues thereafter from year to year until terminated at the expiration of any such term by at least 30 days notice from either party to the other.

5.5 GENERAL:

- (a) "Connected capacity" as used in this Schedule is the therms estimated to be used when the gas-fired equipment is operated for 1 hour under optimum load conditions.
- (b) The supply of both interruptible service under this Schedule and firm service under Schedule C is permitted upon separation of facilities by the Customer.
- (c) The supply of interruptible service to a Customer under this Schedule for his requirements at two or more locations on property comprising single or contiguous land parcels, as defined in Part 2, Sec. 2.2, may be combined in billing on a single application of this Schedule where the Customer installs, operates and maintains at his expense, all additional Service Line installations required for supply at other than the initial location, provided the capacity of specific gas-fired equipment connected

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thereto is not less than 50 therms per hour at any such location. Additional metering installations used for less than 1 year are subject to charges for installation and removal, less salvage, upon removal by the Company.

5.6 DEFINITIONS:

- (a) Transportation Gas: All gas to which the Customer takes title at or before the Company's City Gate.
- (b) Daily Imbalance: The difference between the Customer's daily use and daily delivery of Gas to the Company's City Gate.
- (c) AMR: – an automated meter reading device suitable for daily interface between a Customer and the Company's data collection and processing system.
- (d) Gas Production Day: A Gas Day when the Company anticipates engaging in peak shaving activities. The Company will endeavor to notify the Customer of expected peak shaving activity.
- (e) Gas Day: A 24-hour period beginning at 10:00 a.m. Eastern Time.
- (f) Non-Compliant Therms: Gas usage above contracted hourly OFDS volumes, if any, or all gas usage during a distribution system interruption if no contracted OFDS.
- (g) Enrollment Period: The timeframe when a Customer may request an hourly volume for OFDS or cancel existing OFDS, which always ends on July 31.

5.7 METERING EQUIPMENT:

An AMR owned and maintained by the Company suitable for daily interface with the Company's data collection and processing system is required. The Customer pays the estimated installed cost of the AMR, plus any additional facilities necessary, under the provisions of Part 2, Sec. 8.5. Sixty (60) days notice is required for installation of the AMR. Service under this Option will commence upon installation of the AMR.

5.8 INFORMATION FEE:

All Customers served under this Schedule shall pay a monthly Information Fee of \$65.

6. RIDERS APPLICABLE: This Schedule is subject to Riders applicable as listed below:

- 9. Demonstration and Trial Installations
- 10. Billing in Event of Service Interruption
- 11. Unaccounted - For Gas Factor
- 14. Economic Development
- 16. STRIDE (Strategic Infrastructure Development and Enhancement) Surcharge

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