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August 16, 2004

VIA HAND DELIVERY

Pat Miller, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37219

Re: Petition of Chattanooga Gas Company for Approval of Adjustment of its Rates and Charges and Revised Tariff
Docket Number 04-00034
Rebuttal Testimony of Chattanooga Gas Company

Dear Chairman Miller:

Enclosed you will find the original and fourteen copies of the rebuttal testimony of Chattanooga Gas Company. This filing includes testimony from Steve Lindsey, Mike Morley, Richard Lonn, Dr. Roger A. Morin, Darilyn Jones and Doug Schantz.

Sincerely,

D. Billye Sanders

D. Billye Sanders
Attorney for Chattanooga Gas Company

DBS/hmd
Enclosures

cc: Archie Hickerson
Steve Lindsey
John Ebert, Esq.
Elizabeth Wade, Esq.

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CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of August 2004, a true and correct copy of the enclosed rebuttal testimony was delivered by hand delivery, email, facsimile or U.S. mail postage prepaid to the other Counsel of Record listed below.

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BEFORE THE

TENNESSEE REGULATORY AUTHORITY

REBUTTAL TESTIMONY

Of

STEVE LINDSEY

IN RE:

CHATTANOOGA GAS COMPANY

DOCKET NO. 04-00034

Q. Please state your name, position and address.

A. Steve Lindsey, Vice President – Operations for Chattanooga Gas Company, and my business address is 2207 Olan Mills Drive, Chattanooga, Tennessee 37421.

Q. Did you file direct testimony in this proceeding?

A. Yes.

Q. What is the purpose of this rebuttal testimony?

A. The purpose of this testimony is to respond to issues raised in the testimony filed on behalf of the Chattanooga Manufacturers Association (CMA) the Consumer Advocate and Protection Division (CAPD) in this proceeding.

Q. On page 12 of his pre-filed testimony Mr. Chalfant states: "In fact, because of the limitation on the amount paid for gas purchased under the present rules it makes money on customer imbalances. Is he correct?

A. No. Chattanooga Gas Company (CGC or the Company) does not make money on customer imbalances. The TRA's Purchased Gas Adjustment Rule (PGA) permits the Company to recover the total cost of gas purchased for delivery to its customers and to assure that the Company does not over-collect or under-collect Gas Costs from its customers. Gas purchased through the imbalance process is recovered through the PGA and the revenue from gas billed to customers through the imbalance process is included as PGA revenue. Mr. Chalfant is mistaken.

Q. Is the cashout process proposed by CGC consistent with those adopted by other distribution companies?

A. Yes. CGC's proposal is very similar to the provision that the TRA has approved for Nashville Gas, a Division of Piedmont Natural Gas. It is also similar to provisions approved for Piedmont Natural Gas in both North and South Carolina.

Similar provisions have been approved for Atmos Energy in Virginia and Kentucky. I have included in my Rebuttal Exhibit RSL-1 a copy of the applicable tariff sheets for Atmos Energy' LDC operations in Georgia, Virginia, Kentucky and Tennessee. I have also provided Piedmont Natural Gas' applicable tariff sheets for its operations in North Carolina, South Carolina, and Tennessee.

Q. Who is responsible for managing the gas supply of a customer that elects to transport gas purchased from a third party instead of purchasing gas from CGC?

A. It is the responsibility of the customer.

Q. Can a customer's imbalance adversely impact CGC's other customers under the current tariff provision?

A. Yes. Under the current provision, if a customer burns more gas than it has delivered to the Company, the customer purchases the deficiency from the Company at the current interruptible PGA rate. If the PGA rate (including any ACA adjustment) is less than the current cost of gas, the result is a shift in cost to the customers who routinely purchase gas from CGC. For example in May of this year, the cost of gas rapidly increased to the point that gas on the open market was greater than the PGA rate in effect. It appears that as a result, several of the transportation customers began to create an adverse effect by burning more gas than they had delivered to the system. The result was a shift in cost from these transportation customers to sales customers. I have included as Rebuttal Exhibit RSL-2 a schedule that shows the actual daily nominations and the corresponding amount of gas actually used by one of CGC's transportation customers during the month of May 2004. As shown for the first seventeen days of the month, this customer had gas delivered to the system (the column titled "SNG Nominated). At that point the customer was out of balance by less than one percent (1%). However beginning on the 18th the customer ceased having gas delivered to the system and began to burn gas purchased by CGC for system supply. By the end of the month this "transportation" customer had consumed 2,926 Mcfs more gas than had been delivered to the system on behalf of the customer. Approximately 58% of the gas that this "transportation" customer used during the month of May was purchased from CGC.

Q. Why would the PGA rate be below the current cost of gas?

A. Under the PGA Rule, the Company must file a proposed change in the PGA thirty days in advance of the effective date. If the price of gas changes during that period, the PGA rate may be materially less than the current cost of gas.

Q. Can the Company request that the thirty day provision be waived?

A. Yes. However, the Company recognizes that the TRA is reluctant to waive the rule, and the Company tries to minimize the frequency in PGA changes.

Q. Mr. Chalfant states: "Transportation service is available to all customers of Atlanta Gas Light Company including small commercial and residential customers." Can a small commercial or residential customer purchase transportation service from Atlanta Gas Light Company as Mr. Chalfant implies?

A. No. He has mischaracterized the Atlanta Gas Light Company (AGLC) operations. AGLC does not provide transportation service directly to end use customers. AGLC provides transportation services only to marketers and poolers. No commercial customer or residential customer purchases transportation services from AGLC.

Mr. Chalfant also left out a few very important facts concerning AGLC's operations. For example:

(1) he failed to mention that AGLC does not sell gas but only transports gas for marketers or poolers;

(2) he failed to mention that the ***only*** way that any customer, including small commercial and residential customers, can purchase gas is to purchase gas from a third party;

(3) he failed to mention that AGLC does not bill the end user for transport, but bills the third party provider;

(4) he failed to mention that AGLC does not manage the gas supply for the marketers or poolers, but that these parties must manage their own gas supply; and most importantly;

(5) he failed to mention that the retail price of gas is not regulated.

Q. In this filing has Chattanooga Gas Company proposed the adoption of the regulatory provisions that apply to AGLC?

A. No.

Q. Mr. Burton raised the issue of the $30.00 per dekatherm "penalty" for unauthorized overrun. When would such an overrun penalty be imposed?

A. As stated in the tariff, such a penalty rate will be imposed only when a customer takes daily gas deliveries in excess of the customer's contract entitlement during a curtailment as directed by the Company. In other words, the penalty rate will apply only when a customer who agrees to be interrupted in exchange for a materially lower rate does not comply with the tariff and continues to take gas after being directed to discontinue or reduce use.

Q. Does an interruptible customer have a right to continue using gas when directed to curtail service?

A No. In exchange for a lower rate, an interruptible customer agrees to discontinue using gas on one-half-hours notice given by the Company by telephone or otherwise. If such a customer desires firm service, such service is offered.

Q. Should a customer that purchases interruptible service be prepared for such an interruption?

A. Yes. The tariff specifies that a customer agrees to install and maintain standby fuel burning facilities to enable the customer, in the event of a curtailment of gas, to continue operations on standby fuel, or to give satisfactory evidence of the ability and willingness to have the delivery of gas interrupted or curtailed.

Q. When the Company directs such a customer to curtail service, is the Company asking the customer to do anything that the customer hasn't already agreed to do?

A. No. The customer should be well aware of the obligation and be prepared to curtail service when directed to do so.

Q. Does the Company have an incentive to needlessly curtail service?

A. Absolutely not. CGC's rates are volume based. Each dekatherm of gas that is curtailed is a reduction in the revenue that the Company collects. The Company is very reluctant to issue curtailment orders. We prefer to keep customers on the system.

Q. Is the $30.00 dektherm overrun charge implemented for the purpose of generating revenue?

A. No. This charge is to encourage customers to comply with the requirements of the tariff and curtailment orders.

Q. Is the proposed overrun charge out of line with the charges for other local distribution companies?

A. No The proposed overrun charge is not out of line. The proposed language provides that gas taken in excess of the contract entitlement or in excess of the curtailment volume will be billed at $30.00 per dekatherm. As shown on my Rebuttal Exhibit RSL-3, Atmos Energy has an overrun penalty of $25.00 per Mcf plus all additional charges in place in Tennessee, Virginia, and Tennessee. Similarly, Piedmont Natural Gas has a $25.00 per dekatherm plus gas cost in North Carolina and South Carolina. I would point out that under CGC's proposed language the customer would be billed $30.00 per dekatherm and would not be billed an additional PGA charge for gas. CGC's proposal is not out of line with other LDCs.

Q. Have you reviewed Mr. Burton's suggested tariff language?

A. Yes.

Q. Would his proposed language be sufficient to maintain the integrity of CGC's system as he contends?

A. No. It appears that under his proposal, customers served under the interruptible rate would not be required to curtail service when such curtailment was required to ensure residential and other firm customers received gas. Mr Burton's proposal would convert interruptible customers to firm customers who would continue to receive gas at a deeply discounted rate.

Q. Have you read the testimony of Mr. Spires?

A. Yes.

Q. Does NA Industries, Mr. Spires' employer, presently have an obligation to balance its gas purchases?

A. Yes

Q. Does the proposed tariff language change that obligation?

A. No

Q. Is CGC obligated to balance NA Industries' purchases?

A. No. As Mr. Spires testifies: "We also prefer to manage our own gas procurement by transporting natural gas through the T-2 Interruptible Transportation Rate." By electing the T-2 tariff, NA Industries assumed the responsibility to manage it own gas procurement. However, it appears that Mr. Spires does not wish to accept that responsibility, but prefers to shift it back to CGC.

Q. Will the proposed balancing provision eliminate the tariff gas supply option if NA Industries elects to transport gas, as Mr. Spires testifies?

A. No. The proposed tariff language does not modify that provision. As provided on Tariff Sheet 31A:

> In the event of curtailment of interruptible transportation service by the Company, the pipeline transporter, or Seller, the Company agrees to supply the contracted quantity of natural gas to the Customer stated in Dth/day pursuant to the terms and conditions of Rate Schedule I-1 and the related gas sales agreement thereto or any amendments thereto. It is the intent that the Customer at all times receives the contracted stated quantity of firm gas supply from interruptible transportation service or from firm natural gas sales purchased from the Company. Service hereunder, however, shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Regulatory Authority.

NA Industries will continue to be able to purchase gas from CGC as it has in the past.

Q. **Will the annual election proposed in Section 5 of the T-2 Rate Schedule prevent NA Industries from purchasing gas as it has in the past?**

A No. The election under Section 5 requires the customer to elect to receive service under the T-2 rate schedule on an annual basis. If NA Industries elects to continue service under Rate Schedule T-2 service will continue as it has in the past. Each year NA Industries will have to recommit to the take service under the T-2 Rate schedule or elect service under one of the other Rate Schedules.

However, if NA Industries determines that it no longer wishes to obtain service under the T-2 Rates Schedule that provides for interruptible transportation with firm back up, but elects to obtain service under the T-1 Rate Schedule, it would remain on the T-1 Rate Schedule for a year.

The annual election does not eliminate the tariff gas supply option as Mr. Spires states.

Q. **Have you read Mr. Childers' testimony?**

A. Yes.

Q. Mr. Childers is asked: "Is it your understanding that a portion of the Company's recent proposal constitutes an effort by the Company to make a profit off of penalties it imposes on customers?" Can you respond to that question?

A. Chattanooga Gas will not make a profit from any penalties. As stated in the tariff, the overrun charge is for gas taken in excess of the contract entitlements during a curtailment. This is PGA revenue that will be flowed directly to the ratepayers Similarly, the balancing (cash out) provision either a purchase from the customer or sale to the customer flows through the PGA and does not benefit the Company.

Q. Have you reviewed Mr. McCormac's testimony concerning the Chattanooga Assisted Rate for Energy Service (CARES) tracker?

A. Yes. I was surprised at Mr. McCormac's position, considering the position of the National Association of State Utility Consumer Advocates (NASUCA) concerning low income assistance programs. For example in 1997 NASUCA adopted a resolution encouraging the adoption of programs to assist low income consumers of electric energy. In that resolution the NASUCA states:

> "Whereas, if low income customers cannot afford their electric bill and are disconnected, they no longer contribute to the fixed cost

> base of the electric supply and delivery system and therefore all customers will be harmed;
>
> Whereas, it is in the best interest of all customers and it is good public policy to keep the customers least able to afford electric service on the system by means of appropriate low income assistance programs available to customers who need them;
>
> - - - - -
>
> Whereas, the concept of affordable rates may include rate designs and explicit funding mechanism that permit residential customers to obtain service at rates that they can afford to pay;
>
> - - - - -
>
> Whereas, NASUCA has long supported low income and other universal service programs;"

The implications concerning the termination of service for low income natural gas customers are the same as for low income electric customers. If low income customers cannot afford their natural gas bill and are disconnected, they no longer contribute to the fixed cost base of the natural gas supply and delivery system and therefore all customers will be harmed. It is in the best interest of all customers and it is good public policy to keep the customers least able to afford natural gas service on the system by means of appropriate low income assistance programs available to customers who need them.

I have attached the NASUCA resolution as Rebuttal Exhibit RSL-4.

Q. Has the NASUCA and/or the Tennessee Consumer Advocate and Protection Division supported the Lifeline program that provide assistance to low income telephone subscribers?

A. Yes. In June 2002, the NASUCA and the National Association of Regulatory Utility Commissioners adopted a joint resolution in support of the Lifeline and Linkup programs (Rebuttal Exhibit RSL-5). I would like to point out that the CARES program is patterned after the Lifeline program presently in place in Tennessee for telephone subscribers. It is more restrictive since it applies only to low income individuals over 65 while the Lifeline program does not have such a minimum age requirement.

Q. Mr. McCormac and Mr. Chrysler discuss the lack of cooperation from the Company in this proceeding as compared to the cooperation of other utilities. Can you address this issue?

A. I can not address the cooperation of the CAPD with other utilities. Contrary to the CAPD's assertions, CGC has been willing to provide assistance and explanation of issues. While the CAPD complains that many telephone calls were made with other companies asking for additional data details in other rate cases, I received no calls from the CAPD staff, and to my knowledge the CAPD staff did not call others who are involved in this case and ask for additional data details.

Q. Do the TRA Rules limit the number of discovery requests that a party can issue in a contested case?

A. Yes. TRA Rule 1220-1-2-.11 (5)(a) provides:

> (5) (a) No party shall serve on any other party **more than forty (40) discovery** requests including subparts **without first having obtained leave of the Authority or a Hearing Officer**. Any motion seeking permission to serve more than forty (40) discovery requests shall set forth the additional requests. The motion shall be accompanied by a memorandum establishing good cause for the service of additional interrogatories or requests for production. If a party is served with more than forty (40) discovery requests without an order authorizing the same, **such party need only respond to the first forty (40) requests.(Emphasis added)**

Q. Did the CAPD issue more than 40 discovery request?

A. Yes.

Q. Did the CAPD comply with the rule by first having obtained leave of the Authority or a Hearing Officer to issue more than forty (40) requests?

A. No. The CAPD did not request or obtain the advance approval from the Hearing Officer to issue more than forty requests.

Q. What action did CGC take relative to the excess data request?

A. At the first pre-hearing conference, CGC notified the CAPD that it would comply with rule TRA Rule 1220-1-2-.11 (5)(a) and respond to the first forty request items.

Q. Is compliance with the TRA Rules being uncooperative or unprofessional?

A. No

Q. Did CGC fail to file the "Minimum Filing Guidelines" (Guidelines) as agreed to in various Gas Forum meetings between the TRA staff, the CAPD staff, and the utilities as asserted by Mr. Chrysler?

A. No. CGC did not violate any agreement between the TRA and CAPD staffs. All parties including the CAPD agreed that as stated in the Guidelines:

> "The provision of information in response to these requests **at the time of filing an application for a rate increase is <u>entirely optional</u>**." (Emphasis added.)

Q. Did the CAPD agree that the filing of the Minimum Filing Guidelines with the petition was "entirely optional"?

A. Yes. It is my understanding that all parties, including the CAPD agreed to the language incorporated into the Minimum Filing Guidelines. I also point out that prior to the CAPD filing a petition to intervene in this docket, CGC had provided all but seven of the 86 items requested in the Minimum Filing Guidelines. Of those seven, two were not provided because a protective order had not been issued The remaining five were not provided because CGC did not have the requested data or had not been included the list of requested items in the TRA Staff's letter of February 6, 2004.

Q. Do you agree with Mr. McCormac that capitalizing carrying cost on stored gas inventory would harm CGC's customers?

A. No. Mr. McCormac is mistaken. With the highly volatile gas prices the value of the stored gas inventory will fluctuate materially from one period to the next. The problem with setting base rates to provide a return on the estimated value of the stored gas inventory as advocated by Mr. McCormac is that there is no adjustment to recognize either a decline in the value or an increase as the result of fluctuation in the natural gas price. For example the projected average value of stored natural in this case is approximately $14 million based on the projected prices of gas during the injection period. If actual value of the stored gas inventory declines the customers may pay more than necessary for carrying charges. Similarly, if the price of gas is greater than projected, the rates may not provide the Company the opportunity to earn a fair and reasonable return on the investment. By capitalizing carrying charges as proposed, both the customer and Company will be protected.

Q. Has the Georgia Public Service Commission (GPSC) adopted service standards for CGC's affiliate, Atlanta Gas Light Company?

A. Yes. The GPSC has adopted service standards for Electing Distribution Companies such as AGLC and gas marketers in Georgia.

I would like to point out that AGLC operates under a Performance Based Ratemaking plan in Georgia coupled with the service standards. The Company agrees that coupling service standards to Performance Based Rates is appropriate. In fact, AGLC proposed the adoption of service standards in its last rate case before the Georgia Public Service Commission.

In addition, I would also point out that any service standards must be coupled with the cost of achieving the standard. For example if the rates are established based on the cost of the Company having sufficient call center employees to answer all calls within two minutes, and a service standard is established that requires that all calls be answered within one minute, rates must be adjusted to allow the Company the opportunity to recover the cost of employing the additional employees needed to achieve the one minute goal. Also if the TRA elects to initiate a procedure to adopt service standards it should encompass not just CGC and other gas utilities, but should include all utilities.

Q. On page 5, lines 6-7, Mr. Chrysler makes the following statement regarding employee levels:

> **"Continuing forward on the chart [CGC] continued its' manpower constant until preparing for this rate case"**

Is this statement accurate?

A. No. CGC had 55 employees in July 2003, which is substantiated by Mr. Chrysler's Exhibits MDC EL-2 and MDC DR-3, in which CGC had the same level in August 2003. CGC did not decide to apply for a rate increase until September 2003. Furthermore, preparation of the rate case did not begin until October 2003. Therefore, the requirement for 55 employees is based on management's assessment of the operational needs of CGC and not based on inflating payroll costs for a rate case.

Q. Has the CAPD defined "reasonable level" of employees as stated in the testimony of Mr. McCormac?

A. No. CGC requested the "reasonable level" of employees in CGC Discovery Request No. 1. However, the CAPD provided no information supporting its case. The CAPD stated that Mr. McCormac did not determine a reasonable level and simply referred CGC to Mr. Chrysler's testimony. The CAPD also did not provide the basis or support for their calculation in the reduction in expense.

Q. Do you agree with the CAPD's assertion that CGC is inflating payroll costs in conjunction with this rate case?

A. No. Unlike the CAPD's assertions, CGC has no intent of inflating its payroll expense with an unneeded or unnecessary number of employees, only to let people go immediately following finalization of this rate case

Q. What is a reasonable level of full time equivalents for CGC?

A. Based on the operational needs of CGC, 55 is a reasonable level of FTE's. As discussed in the rebuttal testimony of Michael J. Morley, the level of FTE's at CGC has remained fairly constant from 2000 through the attrition period.

Q. Does this conclude your testimony?

A. Yes.

Docket 04-00034
Chattanooga Gas Company
Rebuttal Exhibit RSL-1

Chattanooga Gas Company
Summary of Balancing Provisions
Natural Gas Distribution Companies

Atmos Energy	Georgia	The Company may assess a scheduling fee for any daily transportation imbalance in excess of 10% of the Customer's daily confirmed nomination. The fee will be calculated as follows: ([annual storage demand charge/ MDWQ/365) + (annual storage capacity charges/total capacity) + average injections and withdrawal costs	Rate Schedule 860, Tariff Sheet No. 12
	Virginia	Tiered cashout price depending on level of imbalance: For all parties whose % monthly imbalance is greater than 5% and greater than 1,000 Dth, the actual imbalance volumes shall be "cashed out" according to the following formula. Negative Imbalance Imbalance Tier — Price 0 – 5% — 100% of HP 5% - 10% — 115% of HP 10% - 15% — 130% of HP 15% - 20% — 140% of HP 20% — 150% of HP Positive Imbalance Imbalance Tier — Price 0 – 5% — 100% of LP 5% - 10% — 85% of LP 10% - 15% — 70% of LP 15% - 20% — 60% of LP 20% — 50% of LP	Tariff Sheet 52 & 53
	Kentucky	If the Imbalance is negative, then the customer will be billed for the Imbalance volumes at the Company's applicable sales rate. If the Imbalance is negative, then the customer will "bank", for one billing period, volumes up to 10% of the customer's "MCF $_{Company}$" The Company will purchase the imbalance in volumes, if any, in excess of the banked volumes form the customer at the prices described in the following "Cash Out" method state in item (b) Imbalance Volume — Price First 5% of Mcf $_{Customer}$ — 100% of Index Price Next 5% of Mcf $_{Customer}$ — 90% of Index Price Over 10% of Mcf $_{Customer}$ — 80% of Index Price The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.	Rate T-2 Tariff Sheets No. 47 & 48
	Tennessee	The Company shall enforce the balancing provisions of the respective Connecting Pipeline Company which could result in monthly scheduling/balancing fees and/or penalties being assessed to the Customer. If the Customer Consumes less gas than it has delivered to the Company, the Company will sell the	Rate Schedule 260, Tariff Sheet No. 22

		difference in gas volumes to the Customer based on a price equal to the highest index price for the respective Connecting Pipeline Company for any week beginning in the calendar month as published in *Natural Gas Week.* If the Customer consumers less gas than it has delivered to the Company, the Company will buy the difference in gas volumes from the Customer based on a price equal to the lowest index price for the respective Connecting Pipeline Company for any week beginning in the calendar month as published in *Natural Gas Week* If the Connecting Pipeline Company does not have balancing provisions, the balancing provision shall apply using the balancing provision of the closest Connecting Pipeline Company.	
Piedmont	North Carolina	If the Customer (or Agent) is "short" by more than 2% of the monthly volume, the price paid by the Customer (or Agent) to the Company for each dekatherm of the total deficiency will be equal to the sum of (a) the highest index price for gas that month as posted in Natural Gas Week as stated in the "Gas Price Report" table under "Louisiana, Gulf Coast, Onshore, Spot Delivered to Pipeline" plus (b) the rate under Transcontinental Gas Pipe Line's Rate Schedule IT, including applicable fuel and surcharges, for service from zone 3 to zone 5, for the months of November through March, or the commodity rate under Transcontinental Gas Pipe Line's Rate Schedule FT, including applicable fuel and surcharges, for service from zone 3 to zone 5 plus $0.05, for the months of April through October times the premium percentage corresponding to the percentage of the deficiency listed in the table below. If the Customer (or Agent) is "long" by more than 2% of the monthly volume, the price paid by the Company to the Customer (or Agent) for each dekatherm of the total surplus will be equal to the sum of (a) the lowest index price for gas that month as posted in Natural Gas Week as stated in the "Gas Price Report" table under "Louisiana, Gulf Coast, Onshore, Spot Delivered to Pipeline" plus (b) the rate under Transcontinental Gas Pipe Line's Rate Schedule IT, including applicable fuel and surcharges, for service from zone 3 to zone 5, for the months of November through March, or the commodity rate under Transcontinental Gas Pipe Line's Rate Schedule FT, including applicable fuel and surcharges, for service from zone 3 to zone 5 plus $0.05, for the months of April through October times the discount percentage corresponding to the percentage of the surplus listed in the table below. Percentage of the Short Long (Discount)	Rate Schedule 113

		Imbalance (Premium) Over 2% & equal to or less than 5% — 100% — 100% Over 5% & equal to or less than 10% — 120% — 80% Over 10% & equal to or less than 15% — 130% — 70% Over 15% & equal to or less than 20% — 140% — 60% Over 20% — 150% — 50%	
	South Carolina	If the Customer's imbalance is less than or equal to 2% of the total monthly volume consumed, or if the total aggregated imbalance for the Agent is less than or equal to 2% of the total volume consumed by all of the Agent's Customers in that transportation pool, then the price paid by the Company if the imbalance is long or the price paid by the Customer (or Agent) if the imbalance is short will be the sum of (a) the average of all published indices for the month as published in Natural Gas Week as stated in the "Gas Price Report" table under "Louisiana, Gulf Coast, Onshore, Spot Delivered to Pipeline" plus (b) the rate under Transcontinental Gas Pipe Line's Rate Schedule IT, including applicable fuel and surcharges, for service from zone 3 to zone 5, for the months of November through March, or the commodity rate under Transcontinental Gas Pipe Line's Rate Schedule FT, including applicable fuel and surcharges, for service from zone 3 to zone 5 plus $0 05, for the months of April through October. If the Customer (or Agent) is "short" by more than 2% of the monthly volume, the price paid by the Customer (or Agent) to the Company for each dekatherm of the total deficiency will be equal to the sum of (a) the highest index price for gas that month as posted in Natural Gas Week as stated in the "Gas Price Report" table under "Louisiana, Gulf Coast, Onshore, Spot Delivered to Pipeline" plus (b) the rate under Transcontinental Gas Pipe Line's Rate Schedule IT, including applicable fuel and surcharges, for service from zone 3 to zone 5, for the months of November through March, or the commodity rate under Transcontinental Gas Pipe Line's Rate Schedule FT, including applicable fuel and surcharges, for service from zone 3 to zone 5 plus $0 05, for the months of April through October times the premium percentage corresponding to the percentage of the deficiency listed in the table below. If the Customer (or Agent) is "long" by more than 2% of the monthly volume, the price paid by the	Rate Schedule 214

<table>
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<td>Company to the Customer (or Agent) for each dekatherm of the total surplus will be equal to the sum of (a) the lowest index price for gas that month as posted in Natural Gas Week as stated in the "Gas Price Report" table under "Louisiana, Gulf Coast, Onshore, Spot Delivered to Pipeline" plus (b) the rate under Transcontinental Gas Pipe Line's Rate Schedule IT, including applicable fuel and surcharges, for service from zone 3 to zone 5, for the months of November through March, or the commodity rate under Transcontinental Gas Pipe Line's Rate Schedule FT, including applicable fuel and surcharges, for service from zone 3 to zone 5 plus $0.05, for the months of April through October times the discount percentage corresponding to the percentage of the surplus listed in the table below.
<table>
<tr><th>Percentage of the Imbalance</th><th>Short (Premium)</th><th>Long (Discount)</th></tr>
<tr><td>Over 2% & equal to or less than 5%</td><td>100%</td><td>100%</td></tr>
<tr><td>Over 5% & equal to or less than 10%</td><td>120%</td><td>80%</td></tr>
<tr><td>Over 10% & equal to or less than 15%</td><td>30%</td><td>70%</td></tr>
<tr><td>Over 15% & equal to or less than 20%</td><td>40%</td><td>60%</td></tr>
<tr><td>Over 20%</td><td>150%</td><td>50%</td></tr>
</table>
</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tennessee</td>
<td>Any differences between the quantities delivered to the Company's city gate facilities for the account of the Customer monthly, and the monthly quantities consumed by the Customer as metered, shall be the monthly imbalance. Unless the Company and Customer agree to correct imbalances "in kind," the imbalance shall be resolved monthly by "cashing out" the imbalances as they are known to exist at that time. If the Customer consumes more gas than it has delivered to the Company, the Customer will be deemed to be "short" by the amount of the deficiency, and the Company will sell the amount of the deficiency to the Customer by charging the price as specified below If the Customer consumes less gas than has been delivered to the Company, the Customer will be deemed to be "long" by the amount of the surplus, and the Company will buy the amount of the surplus from the Customer by paying the price as specified below.
If the Customer's imbalance is less than or equal to 2% of the total monthly volume consumed, or if the total aggregated imbalance for the Agent is less than</td>
<td>Rate Schedule 314</td>
</tr>
</table>

or equal to 2% of the total volume consumed by all of the Agent's Customers in that transportation pool, then the price paid by the Company if the imbalance is long or the price paid by the Customer (or Agent) if the imbalance is short will be the sum of (a) the average of the weekly " Weighted Index Price" as defined below " plus (b) the pipelines Rate Schedule IT charges at the applicable pipeline percentages that comprise the "Weighted Index Price", including applicable fuel and surcharges, for delivery to Nashville's city gate, for the months of November through March, or the commodity rate under the applicable pipeline percentages as defined in the "Weighted Index Price", including applicable fuel and surcharges, for delivery to Nashville's city gate, plus $0 05, for the months of April through October.

If the Customer (or Agent) is "short" by more than 2% of the monthly volume, the price paid by the Customer (or Agent) to the Company for each dekatherm of the total deficiency will be equal to the highest "Weighted Index Price" for any week beginning in the calendar month as published in Natural Gas Week, plus the pipelines Rate Schedule IT charges at the applicable pipeline percentages that comprise the "Weighted Index Price" and deliver to Nashville city gate, , times the premium percentage corresponding to the percentage of the deficiency listed in the table below.

If the Customer (or Agent) is "long" by more than 2% of the monthly volume, the price paid by the Company to the Customer (or Agent) for each dekatherm of the total surplus will be equal to the lowest "Weighted Index Price" for any week beginning in the calendar month as published in Natural Gas Week, plus the pipelines FT variable charges at the applicable pipeline percentages that comprise the "Weighted Index Price" and deliver to Nashville city gate, , times the premium percentage corresponding to the percentage of the deficiency listed in the table below

Percentage Short Long of the Imbalance	(Premium)	(Discount)
Over 2% & less than 5%	100%	100%
Over 5% & equal to or less than 10%	120%	80%
Over 10% & equal to or less than 15%	130%	70%
Over 15% & equal to or less than 20%	140%	60%
Over 20%	150%	50%

"The Weighted Index Price" shall be derived from the prices published in *Natural Gas Week* in the table Spot Prices on Interstate Pipeline Systems for the following pipeline designations and weighted by the corresponding percentages set forth below:

Tennessee Gas Pipeline Co Zone 0:South Texas	X	28 36%[1]
+		
Tennessee Gas Pipeline Co Zone 1 South Louisiana	X	65 32%[1]
+		
Columbia Gulf Transmission Co . Rayne, La.	X	6 32% [1]

The Company will collect gross receipts tax on the incremental gross gas related charges

1 These percentages are the ratio of the contracted winter capacity in effect at the time of the Company's most recent general rate case.

Docket No. 04-00034
Rebuttal Testimony
Exhibit - RSL-2

06/03/04 GAS VOLUME WORKSHEET for [redacted]

Billing Month· May 28-9-01150 Daily Firm Contract· .00

09:15 AM

Incremental Customer: N

Day	SNG Nomination	East Tenn Nomination	Total Vol Metered	Firm Volumes	Interrupt Volumes	IDS Volume Used	C O I C C A	CGC Sales Purchased	Penalty Volumes	Potential Increment	Actual Increment	CGC Daily Balance
01	163.53	00	14 00	00	14 00	14 00	N N N	.00	.00	.00	.00	.00
02	163.53	00	172 00	00	172 00	163.53	N N N	8.47	.00	.00	00	00
03	164.18	00	247.00	00	247.00	164 18	N N N	82.82	00	.00	.00	00
04	164.34	00	250 00	.00	250 00	164 34	N N N	85 66	.00	00	.00	.00
05	163 04	00	242 00	.00	242.00	163.04	N N N	78 96	.00	00	.00	.00
06	163 37	00	252 00	.00	252 00	163 37	N N N	88 63	.00	00	.00	.00
07	163 20	00	60 00	.00	60 00	60 00	N N N	00	.00	.00	.00	00
08	163 69	00	16 00	00	16.00	16.00	N N N	.00	.00	.00	00	00
09	164 18	00	198.00	00	198 00	164.18	N N N	33 82	00	00	00	00
10	164 18	00	220.00	00	220 00	164.18	N N N	55 82	00	00	.00	00
11	164 34	00	182 00	00	182.00	164.34	N N N	17 66	00	00	.00	00
12	164 02	00	240 00	00	240.00	164.02	N N N	75.98	.00	.00	.00	.00
13	164 18	00	232 00	00	232.00	164 18	N N N	67.82	00	.00	.00	.00
14	163 69	.00	52.00	00	52 00	52 00	N N N	00	00	.00	.00	.00
15	170 63	00	8 00	00	8.00	8 00	N N N	.00	00	.00	.00	.00
16	169 96	.00	158 00	.00	158 00	158 00	N N N	.00	.00	00	.00	.00
17	170.80	00	246 00	00	246.00	170 80	N N N	75.20	.00	00	.00	.00
18	.00	00	240 00	00	240 00	.00	N N N	240 00	00	.00	00	.00
19	00	00	234.00	00	234 00	00	N N N	234 00	.00	.00	.00	00
20	00	00	202 00	00	202.00	00	N N N	202.00	00	.00	.00	00
21	00	00	42 00	00	42 00	.00	N N N	42 00	00	00	.00	00
22	00	00	6.00	00	6 00	00	N N N	6 00	00	.00	00	.00
23	00	00	162 00	00	162.00	00	N N N	162.00	00	.00	00	.00
24	00	00	252.00	00	252 00	00	N N N	252.00	00	.00	00	.00
25	00	00	250 00	00	250 00	00	N N N	250 00	.00	.00	.00	00
26	.00	00	216 00	00	216 00	00	N N N	216 00	.00	.00	.00	.00
27	00	00	200 00	00	200 00	.00	N N N	200 00	00	00	.00	.00
28	00	00	48 00	00	48 00	00	N N N	48.00	00	00	.00	00
29	00	00	6 00	00	6.00	.00	N N N	6.00	.00	.00	.00	.00
30	00	00	140.00	00	140 00	.00	N N N	140.00	.00	00	.00	00
31	00	.00	258 00	.00	258 00	00	N N N	258.00	00	00	.00	.00
	2804 86	00	5045 00	00	5045.00	2118 16		2926 84	.00	.00	.00	.00
					+	686 70						
						2804.86						

* Total Volumes Transported· 2804 86
* IDS Volumes Used· 2804 86
* CGC Purchases: 2240.14
* Volumes @ Incremental Premium: .00
* Volumes @ Penalty Premium. .00
* Total IDS Cashout: .00

SubTotal of CGC Sales before Monthly Balance: 2926.84 *
Less Volumes subject to Daily Balance: - .00 *
---------- *
Backout Volumes subject to Monthly Balance: 686.70 *
Net CGC Sales 2240.14 *
*

******************************* Average Btu Factor. SNG: 1.008 East Tenn: 0.000 ***************************************

TRANSPORTATION SERVICE

RATE SCHEDULE 860

A. Availability

This rate schedule provides for the transportation of gas received by the Company from the Connecting Pipeline Company for the Customer's account to that Customer's facilities. Service under this rate schedule is available to commercial and industrial customers using 100,000 Ccf annually or customers using 370 Ccf per day during off peak periods. This rate schedule is offered as a companion to the customers existing sales rate schedule.

B. Definitions

For purposes hereof:

(i) "Connecting Pipeline Company" means a pipeline supplier to the Company whose facilities in the sole judgment of the Company can be utilized to transport gas to the Company for delivery by the Company to the Customer under this rate schedule.

(ii) "Transportation Imbalance" occurs when more or less gas is received by the Company from the Connecting Pipeline Company for the customer's account, less the unaccounted for gas adjustment, than is delivered to that customer's facilities for the month

(iii) "PGA Rider" means the Company's Purchased Gas Adjustment Rider, as amended and approved by the Commission from time to time.

C. Terms and Provisions of Service Under This Rate Schedule

(i) The Company at its option may require a contract for a specified period of time in rendering transportation service.

(ii) Except as expressly modified by the provisions of this rate schedule all of the terms, provisions, and conditions of the companion rate schedule (as made effective by the Commission from time to time) applicable to Customer shall also apply to service by the Company to Customer under this rate schedule.

(iii) Customer shall notify Company in writing a least ten (10) working days in advance of each billing month of the volume of gas to be delivered into the Company's system for the account of the Customer during the billing month and the daily rate of delivery. The quantity of gas delivered into the Company's facilities for the account of the Customer shall be based on the transportation allocation for that month by the Connecting Pipeline Company. Adjustments will be made if the Connecting Pipeline Company's reported volumes vary from the nominated volume.

TRANSPORTATION SERVICE

RATE SCHEDULE 860 (Continued)

C Terms and Provisions of Service Under This Rate Schedule

(iv) The Customer is responsible for making all arrangements for transporting the gas from its source of supply to the Company's interconnection with the Connecting Pipeline Company unless other written arrangements have been made between the Customer and the Company.

(v) The Customer shall warrant that they have good and legal title to all gas which Customer causes to be delivered into the Company's facilities and Customer shall hold the Company harmless from any loss or claim in regard to the same.

(vi) The Company may enforce the balancing provisions of the respective Connecting Pipeline Company which could result in cash out, scheduling/balancing fees and/or penalties being assessed to the Customer.

The Company may assess a scheduling fee for any daily transportation imbalance in excess of 10% of the Customer's daily confirmed nomination. The fee will be calculated as follows:

([annual storage demand charges/MDWQ]/365) + (annual storage capacity charges/total capacity) + average injection and withdrawal costs.

Costs for all storages used in providing for balancing will be included.

(vii) The Company shall not be obligated to provide delivery service hereunder, in excess of the levels specified in the Rate Schedule 850 Firm Contract.

(viii) A two percent (2%) adjustment for unaccounted gas shall be made to the volumes of gas delivered into the Company's facilities for the Customer's account, and the volumes of gas delivered to the Customer under this rate schedule shall be reduced by such percentage.

(ix) The Company reserves the right to refuse to accept gas for the account of the Customer into Company's facilities if the same would reduce the volume of gas otherwise available to Company from the Connecting Pipeline Company.

(x) All volumes transported under the terms of this rate schedule shall be included in the Purchased Gas Adjustment computations at the regular commodity rate used in such computations, and included in the sales volumes of the Purchased Gas Adjustment and Franchise Tax Recovery computations.

(xi) Customers served under this Rate Schedule shall be required to pay for the cost and installation of measurement data collection and verification equipment. Customers shall also be required to pay the cost of installation, maintenance and any monthly usage charges associated with telephone, power or other utilities or energy sources required for the operation of the data collection and verification equipment Customers shall also be required to provide adequate space in new or existent facilities for the installation of the data collection equipment.

TRANSPORTATION SERVICE

RATE SCHEDULE 860 (Continued)

D. Rate

Customer Charge

A monthly customer charge of $100.00 per meter is payable regardless of the usage of gas.

Demand Charge

The monthly demand charge shall be the daily firm demand quantity contracted for by the customer multiplied by $.456 per Ccf.

Commodity Charge

The Customer shall be billed at the companion rate schedule plus an adjusted Purchased Gas Adjustment factor, multiplied by the quantity of gas delivered under this rate schedule.

Minimum Bill

The minimum monthly bill shall be the customer charge and the demand charge, if any.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of one and one-half percent (1.5%) may be added to the amount of any balance in excess of $20 remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

GENERAL RULES AND REGULATIONS (Continued)

Applicability

Transportation Service:

(i) The customer has demonstrated to the Company's satisfaction that the Customer has made appropriate contractual arrangements with a supplier or suppliers for the delivery of volumes of gas sufficient for the Customer's daily delivery service requirements.

(ii) The customer has demonstrated to the Company's satisfaction that all volumes to be delivered into the Company's facilities for the account of the customer are of the same quality, both as to heating content and physical characteristics, as the gas sold and delivered by the connecting pipeline company to the Company

(iii) The Customer has contracted in writing with Company for service under this rate schedule which agreement shall specify the daily volumes of gas Customer agrees to tender to Company for transportation and delivery and the point of delivery to Customer.

(iv) The Company has determined that it has gas delivery capacity to serve the contracted for volumes in (iii) above for customers who elect stand-by service. Customers not electing stand-by service shall demonstrate that the customer has made appropriate contractual arrangements with the applicable interstate pipeline supplier for capacity to deliver the contracted for firm volumes in (iii) above.

Definitions

(i) "Connecting Pipeline" means a pipeline supplier to the Company whose facilities, in the sole judgment of the Company, can be feasibly utilized to transport customer-owned gas to the Company for delivery by the Company to the Customer.

(ii) "Underage in Delivered Volumes" means the difference between the volumes of customer-owned gas received into the Company's system for the account of the Customer and the volumes delivered by the Company to the Customer when the volumes received by the Company are greater than volumes delivered to the Customer. An "underage in delivered volumes" shall be considered a positive imbalance.

(iii) "Overage in Delivered Volumes" means the difference between the volumes of customer-owned gas received into the Company's system for the account of the Customer and the volumes delivered by the Company to the Customer when the volumes received by the Company are less than volumes delivered to the Customer. An "overage in delivered volumes" shall be considered a negative imbalance.

GENERAL RULES AND REGULATIONS (Continued)

Terms and Provisions of Service for Transportation Customers

(i) Except as expressly modified by the provision of the applicable rate schedule, all terms, provisions, and conditions within Company's approved general rules and regulations shall also apply to transportation service rendered under this rate schedule.

(ii) Gas transported by Company shall remain the sole property of the Customer but the Company reserved the right to commingle such gas with company-owned gas.

(iii) Customer shall notify Company in writing at least ten (10) working days in advance of each billing month of the volume of gas to be delivered into the Company's system for the account of the Customer during the billing month and the daily rate of delivery. The quantity of gas delivered into the Company's facilities for the account of the Customer shall be determined by the monthly billing records of the connecting pipeline company.

(iv) The Customer shall warrant that Customer has good and legal title to all gas which Customer causes to be delivered into the Company's facilities and Customer shall hold the Company harmless from any loss or claim in regard to same.

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

For all Parties whose % monthly imbalance is less than or equal to 5% or whose monthly imbalance (either actual or operational) is less than or equal to 1,000 Dth, the following definitions shall apply to the formula under which the Parties' actual imbalance volumes are "cashed out":

- "Total Positive Imbalance" or "P" shall mean the absolute value ("abv") of the sum of all actual positive imbalances as defined in Definitions (ii).
- "Total Negative Imbalance" or "N" shall mean the abv of the sum of all actual negative imbalances as defined in Definitions (iii).
- "Net Pipeline Imbalance" or "I" shall mean the difference between the Total Positive Imbalances and the Total Negative Imbalances (I=P–N).
- Each of the imbalances (P, N, and I) shall be calculated once, no later than the first billing of cash outs after the close of the month.

GENERAL RULES AND REGULATIONS (Continued)

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

(A) If I > or = zero then:

- Price for negative imbalances and imbalances less than or equal to 1,000 Dth = AP

- Price for positive imbalances =

$$\frac{(abv(I) \times LP)}{P} + \frac{(N \times AP)}{P}$$

(B) If I < zero then.

- Price for negative imbalances =

$$\frac{(abv(I) \times HP)}{N} + \frac{(P \times AP)}{N}$$

- Price for positive imbalances and imbalances less than or equal to 1,000 Dth = AP

For all parties whose % monthly imbalance is greater than 5% and greater than 1,000 Dth, the actual negative imbalance volumes shall be "cashed out" according to the following formula:

Negative Imbalance

	Imbalance Tier	Price
	0 – 5%	100% of HP
➢	5% - 10%	115% of HP
➢	10% - 15%	130% of HP
➢	15% - 20%	140% of HP
➢	20%	150% of HP

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

GENERAL RULES AND REGULATIONS (Continued)

For all parties whose % monthly imbalance is greater than 5% and greater than 1,000 Dth, the actual positive imbalance volumes shall be "cashed out" according to the following formula:

Positive Imbalance

Imbalance Tier	Price
0 – 5%	100% of LP
➢ 5% - 10%	85% of LP
➢ 10% - 15%	70% of LP
➢ 15% - 20%	60% of LP
➢ 20%	50% of LP

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

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

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

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

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

GENERAL RULES AND REGULATIONS (Continued)

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

(vii) Customer shall make a contribution in aid of construction to the Company (prior to construction) for the cost of any modification to the Company's existing facilities or any new facilities that may be required to provide service, and the amount of such contribution shall be specified in the service contract.

(viii) All volumes transported under this rate schedule shall be excluded from the Purchased Gas Adjustment Computation.

(ix) New customers choosing to transport after November 1, 1995 shall be required to pay for the cost and installation of measurement data collection and verification equipment. All customers shall also be required to pay the cost of installation, maintenance and any monthly usage charges associated with telephone, power or other utilities or energy sources required for the operation of the data collection and verification equipment. All customers shall also be required to provide adequate space in new or existing facilities for the installation of the data collection equipment.

ATMOS ENERGY CORPORATION

General Transportation Service
Rate T-2

1. Applicable

Entire service area of the Company to any customer receiving service under the General Sales Service (G-1) and/or Interruptible Sales Service (G-2).

2. Availability of Service

Available to any customer with an expected consumption of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require transportation by the Company to the customer's facilities subject to suitable service being available from existing facilities.

3. Net Monthly Rate

In addition to any and all charges assessed by other parties, there will be applied.

a) Transportation Administration Fee - $50.00 per customer per month

b) Distribution Charge for High Priority Service

First[1]	300	Mcf	@	$ 1.1900	per	Mcf
Next[1]	14,700	Mcf	@	0.6590	per	Mcf
Over	15,000	Mcf	@	0.4300	per	Mcf

c) Distribution Charge for Low Priority Service

First[1]	15,000	Mcf	@	$ 0.5300	per	Mcf
Over	15,000	Mcf	@	0.3591	per	Mcf

d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing

e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 68).

[1] All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

General Transportation Service

Rate T-2

4. **Net Monthly Bill**

The Net Monthly Bill, for T-2 Service, shall be equal to the sum of the Transportation Administration Fee and the appropriate Transportation Charge (Distribution Charge plus Non-commodity component) applied to the customer's transported volumes and any applicable Electronic Flow Measurement ("EFM") facilities charges (see Subsection 7 "Special Provisions" of this tariff). The customer will also be billed for purchases and the applicable Base Charge and High Load Factor (HLF) demand charge under Rates G-1 and G-2.

5. **Nominated Volume**

Definition: "Nominated Volume" or "Nomination" – The Level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter. Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

ATMOS ENERGY CORPORATION

General Transportation Service
Rate T-2

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

$$\text{Imbalance} = [\,\text{Mcf}_{\text{Customer}} \text{ X } (1 - \text{L\&U\%})\,] - \text{Mcf}_{\text{Company}}$$

Where:

1. "Mcf $_{\text{Customer}}$" are the volumes that the customer had delivered to the Company's facilities.

2. "Mcf $_{\text{Company}}$" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company facilities.

3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance will be resolved by use of the following procedure:

a) If the Imbalance is negative, then the customer will be billed for the Imbalance volumes at the Company's applicable sales rate.

If the imbalance is positive, then the Company will "bank", for one billing period, volumes up to 10% of the customer's "MCF $_{\text{Company}}$". The Company will purchase the imbalance in volumes, if any, in excess of the banked volumes from the customer at the prices described in the following "Cash Out" method stated in item (b).

ISSUED: August 9, 2002 **EFFECTIVE:** October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No 95-010 dated October 20, 1995).

ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

General Transportation Service
Rate T-2

b) "Cash out" Method

Imbalance volumes		**Cash out Price**
First 5%[1] of Mcf Customer	@	100% of Index Price [2]
Next 5%[1] of Mcf Customer	@	90% of Index Price [2]
Over 10%[1] of Mcf Customer	@	80% of Index Price [2]

[1] Not to exceed the Imbalance volumes

[2] The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered into the Company's facilities with volumes the Company delivered into customer's facilities.

e) Banked positive imbalance volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account. Banked volumes may be used by the Company for system supply or stored during the interim period.

7. **Special Provisions**

a) Service under this Rate Schedule entitles the customer to purchase sales gas from the Company at the applicable tariff rates when its supply requirements exceed the nominated volume. The customer is entitled to purchase natural gas from the Company consistent with the applicable Sales Rate Schedule.

General Transportation Service

Rate T-2

b) It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving transportation under this Transportation Tariff Rate (additional facilities may be required to allow for changing from weekly or monthly meter readings to daily meter record for the billing period). Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 68). EFM equipment is not required for customers whose contractual requirements with the Company are less than 300 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above

8. **Terms and Conditions**

a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.

b) Gas transported under this Transportation Tariff Rate is subject to the provisions of the Company's curtailment order.

c) The Company will not be obligated to deliver a total supply of gas to the customer in excess if the customer's maximum contracted volumes.

d) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas transported under this Transportation Tariff Rate to the facilities of the Company.

e) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.

f) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Transportation Tariff Rates and all contracts and amendments thereunder.

General Transportation Service
Rate T-2

9. **Alternative Fuel Responsive Flex Provision**

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

TRANSPORTATION SERVICE

Schedule 260: All Service Areas

A. Availability

This rate schedule provides for the transportation of gas received by the Company from the Connecting Pipeline Company for the Customer's account to that Customer's facilities. Service under this rate schedule is available to commercial and industrial customers using 100,000 Ccf or more per year. This rate schedule is offered as a companion to the customers existing sales rate schedule.

B. Definitions

For purposes hereof:

(i) "Connecting Pipeline Company" means a pipeline supplier to the Company whose facilities in the sole judgment of the Company can be utilized to transport gas to the Company for delivery by the Company to the Customer under this rate schedule.

(ii) "Transportation Imbalance" occurs when more gas is received by the Company from the Connecting Pipeline Company for the Customer's account, less the unaccounted for gas adjustment, than is delivered to that customer's facilities for the month.

(iii) "PGA Rider" means the Company's Purchased Gas Adjustment Rider, as amended and approved by the Tennessee Regulatory Authority from time to time.

C. Terms and Provisions of Service Under This Rate Schedule

(i) Except as expressly modified by the provisions of this rate schedule, all of the terms, provisions, and conditions of the rate schedule (as made effective by the Tennessee Regulatory Authority from time to time) applicable to Customer shall also apply to service by the Company to Customer under this rate schedule.

TRANSPORTATION SERVICE (Continued)

Schedule 260· All Service Areas

C Terms and Provisions of Service Under This Rate Schedule (Continued)

(ii) Customer shall notify Company in writing at least ten (10) working days in advance of each billing month of the volume of gas to be delivered into the Company's system for the account of the Customer during the billing month and the daily rate of delivery. The quantity of gas delivered into the Company's facilities for the account of the Customer shall be based on the transportation nomination for that month. Adjustments will be made if the Connecting Pipeline Company's reported volumes vary from the nominated volume. The Company shall enforce the balancing provisions of the respective upstream pipeline supplier.

(iii) The Customer is responsible for making all arrangements for transporting the gas from its source of supply to the Company's interconnection with the Connecting Pipeline Company unless other arrangements have been made between the Customer and the Company.

(iv) The Customer shall warrant that they have good and legal title to all gas which Customer causes to be delivered into the Company's facilities and Customer shall hold the Company harmless from any loss or claim in regard to the same.

(v) The Company shall enforce the balancing provisions of the respective Connecting Pipeline Company which could result in monthly scheduling/balancing fees and/or penalties being assessed to the Customer. If the Customer consumes more gas than it has delivered to the Company, the Company will sell the difference in gas volumes to the Customer based on a price equal to the highest index price for the respective Connecting Pipeline Company for any week beginning in the calendar month as published in *Natural Gas Week*. If the Customer consumes less gas than it has delivered to the Company, the Company will buy the difference in gas volumes from the Customer based on a price equal to the lowest index price for the respective Connecting Pipeline Company for any week beginning in the calendar month as published in *Natural Gas Week*

(vi) If the respective Connecting Pipeline Company does not have balancing provisions, subsection (v) shall apply using the balancing provisions of the closest Connecting Pipeline Company.

TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

C. Terms and Provisions of Service Under This Rate Schedule (Continued)

(vii) The Company shall not be obligated to provide delivery service hereunder, whether for the purpose of delivering a previous transportation imbalance, or otherwise, during an hourly, daily, or monthly period in excess of the levels specified in the Firm Contract.

(viii) A percentage adjustment for unaccounted for gas shall be made to the volumes of gas delivered into the Company's facilities for the Customer's account, and the volumes of gas deliverable to the Customer under this rate schedule shall be reduced by such percentage. Such percentage shall be equal to the percent that unaccounted-for gas bore to total sendout as recorded by the Company during its most recent 12 months ending June.

(ix) Company reserves the right to refuse to accept gas for the account of the Customer into Company's facilities if the same would reduce the volumes of the gas otherwise available to Company from the Connecting Pipeline Company.

(x) If the rendition of service to Customer under this rate schedule causes the Company to incur additional charges from the Connecting Pipeline Company, Customer shall reimburse Company for all such charges.

(xi) All volumes transported under the terms of this rate schedule shall be included in the Purchased Gas Adjustment computations and included in the sales volumes of the Purchased Gas Adjustment computations.

(xii) Customers served under this Rate Schedule shall be required to pay for the cost and installation of measurement data collection and verification equipment, including applicable income taxes. Customers shall also be required to pay the cost of installation, maintenance and any monthly usage charges associated with telephone, power or other utilities or energy sources required for the operation of the data collection and verification equipment, including applicable income taxes. Customers shall also be required to provide adequate space in new or existing facilities for the installation of the data collection equipment.

TRANSPORTATION SERVICE (Continued)

Schedule 260: All Service Areas

C. Terms and Provisions of Service Under This Rate Schedule (Continued)

(xiii) Once a customer elects and has qualified for service under this rate schedule, all services will be provided under the terms and conditions of this rate schedule for a term of no less than 12 months. At any time following the first six months of service under this rate schedule, service may be terminated by either party following at least six months written notice to the other party.

D. Rate

Customer Charge

A monthly customer charge of $310.00 per meter is payable regardless of the usage of gas.

Monthly Demand Charge

Customers eligible to receive sales service under Rate Schedule 240 shall be billed the applicable Monthly Demand Charge.

Commodity Charge

The Customer shall be billed for the quantity of gas delivered under this rate schedule at the companion rate schedule less the Connecting Pipeline Company's commodity cost of gas, plus an adjusted Purchased Gas Adjustment factor, multiplied by the quantity of gas delivered under this rate schedule.

Minimum Bill

The minimum monthly bill shall be the Customer Charge plus the Monthly Demand Charge, if any, as described above.

Rate Schedule 113
Large General Transportation Service

Availability

For new customers, gas service under this Rate Schedule is available in the area served by the Company in the State of North Carolina to any full requirements non-residential Customer whose average daily gas usage is reasonably anticipated to equal or exceed 50 dekatherms per day.

Reclassification of customers between rate schedules will be based upon procedures set forth in the Company's Service Regulations as approved by the North Carolina Utilities Commission.

Once a qualified Customer elects service under this Rate Schedule, all services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may, subject to the consent of the Company, elect to discontinue service under this Rate Schedule and receive service under Rate Schedule 103 by giving written notice to the Company prior to March 1 of any year. The Company will not withhold such consent provided a) the Company continues to offer firm sales service under Rate Schedule 103 and b) the Company is able to acquire firm gas supplies and capacity under commercially reasonable terms and conditions. Proper notice having been provided and written consent received from the Company within 30 days thereafter, the Customer shall discontinue service under this Rate Schedule effective the first June 1 following the notice.

All gas delivered pursuant to this Rate Schedule shall be metered separately from any gas delivered under any of the Company's other rate schedules.

Applicability and Character of Service

The Company will redeliver gas received by the Company from upstream connecting pipeline(s) for the Customer's account under this Rate Schedule on a day to day basis in accordance with the Customer's scheduled and confirmed nominations and subject to such maximum allowable daily deliveries and other operational conditions as may be specified in a service agreement between the Company and the Customer. The Company reserves the right to suspend transportation service on any day, when in the Company's sole opinion, its operating conditions are such that suspension of service is necessary Receipts and deliveries of gas hereunder shall be at uniform rates of flow with no significant fluctuations or imbalances. Any imbalances shall be corrected by the Customer, insofar as practicable, during the month in which they occur. Customer may adjust its daily nominations during a month in order to correct any accumulated imbalance and maintain a monthly balance, subject to the operating limitations of the Company. The Company reserves the right to limit the amount of such imbalances to avoid operating problems and to comply with balancing requirements of the upstream pipeline(s). The Customer will be responsible for any imbalance charges assessed by upstream pipeline(s) in connection with any gas transported by the Customer under this Rate Schedule. The Company reserves the right to take reasonable action to mitigate system operational problems. The Company will use its best efforts to notify the Customer or the Customer's Agent before proceeding with a unilateral nomination reduction and will notify Customer of any reduction to Customer's nomination that has been instituted by the Company. The Company reserves the right to initiate Standby Sales Service if elected by the Customer, as described below, when, in the judgement of the Company, such action is necessary to reduce or eliminate operational problems resulting from the gas imbalances of the Customer. The Company will use reasonable efforts to notify the Customer or the Customers' Agent before initiating Standby Sales Service hereunder.

By 11:30 am Eastern Time on the fifth business day prior to the beginning of each month, the Customer must inform the Company of the nominating Agent for gas to be transported. If no notification to the contrary is provided, the Agent providing service during the prior month shall be deemed to be the nominating Agent by default. By 11:30 am Eastern Time on the fourth business day prior to the beginning of each month, the Customer shall submit a timely and valid nomination for transportation. Changes to nominations for gas transportation within the month are due by 11:30 am Eastern Time on the day prior to gas flow.

Balancing On Upstream Pipeline(s)
It shall be the Customer's responsibility to remain in balance on a daily and monthly basis with upstream pipeline(s) to avoid any assessment of penalties by such pipeline(s) against the Company. If the Company is assessed a penalty by an upstream pipeline, the Company shall have the right to pass-through all such penalties to the Customer to the extent the Customer is responsible for causing the Company to be assessed such penalties.

Monthly Imbalance Resolution
Any differences between the quantities delivered to the Company's city gate facilities for the account of the Customer monthly, and the monthly quantities consumed by the Customer as metered, shall be the monthly imbalance Unless the Company and Customer agree to correct imbalances "in kind," the imbalance shall be resolved monthly by "cashing out" the imbalances as they are known to exist at that time If the Customer consumes more gas than it has delivered to the Company, the Customer will be deemed to be "short" by the amount of the deficiency, and the Company will sell

the amount of the deficiency to the Customer by charging the price as specified below. If the Customer consumes less gas than has been delivered to the Company, the Customer will be deemed to be "long" by the amount of the surplus, and the Company will buy the amount of the surplus from the Customer by paying the price as specified below.

If the Customer's imbalance is less than or equal to 2% of the total monthly volume consumed, or if the total aggregated imbalance for the Agent is less than or equal to 2% of the total volume consumed by all of the Agent's Customers in that transportation pool, then the price paid by the Company if the imbalance is long or the price paid by the Customer (or Agent) if the imbalance is short will be the sum of (a) the average of all published indices for the month as published in Natural Gas Week as stated in the "Gas Price Report" table under "Louisiana, Gulf Coast, Onshore, Spot Delivered to Pipeline" plus (b) the rate under Transcontinental Gas Pipe Line's Rate Schedule IT, including applicable fuel and surcharges, for service from zone 3 to zone 5, for the months of November through March, or the commodity rate under Transcontinental Gas Pipe Line's Rate Schedule FT, including applicable fuel and surcharges, for service from zone 3 to zone 5 plus $0.05, for the months of April through October.

If the Customer (or Agent) is "short" by more than 2% of the monthly volume, the price paid by the Customer (or Agent) to the Company for each dekatherm of the total deficiency will be equal to the sum of (a) the highest index price for gas that month as posted in Natural Gas Week as stated in the "Gas Price Report" table under "Louisiana, Gulf Coast, Onshore, Spot Delivered to Pipeline" plus (b) the rate under Transcontinental Gas Pipe Line's Rate Schedule IT, including applicable fuel and surcharges, for service from zone 3 to zone 5, for the months of November through March, or the commodity rate under Transcontinental Gas Pipe Line's Rate Schedule FT, including applicable fuel and surcharges, for service from zone 3 to zone 5 plus $0.05, for the months of April through October times the premium percentage corresponding to the percentage of the deficiency listed in the table below.

If the Customer (or Agent) is "long" by more than 2% of the monthly volume, the price paid by the Company to the Customer (or Agent) for each dekatherm of the total surplus will be equal to the sum of (a) the lowest index price for gas that month as posted in Natural Gas Week as stated in the "Gas Price Report" table under "Louisiana, Gulf Coast, Onshore, Spot Delivered to Pipeline" plus (b) the rate under Transcontinental Gas Pipe Line's Rate Schedule IT, including applicable fuel and surcharges, for service from zone 3 to zone 5, for the months of November through March, or the commodity rate under Transcontinental Gas Pipe Line's Rate Schedule FT, including applicable fuel and surcharges, for service from zone 3 to zone 5 plus $0.05, for the months of April through October times the discount percentage corresponding to the percentage of the surplus listed in the table below.

Percentage of the	**Short** (Premium)	**Long** (Discount)

Imbalance		
Over 2% & equal to or less than 5%	100%	100%
Over 5% & equal to or less than 10%	120%	80%
Over 10% & equal to or less than 15%	130%	70%
Over 15% & equal to or less than 20%	140%	60%
Over 20%	150%	50%

Agency Authorization Form

A Customer may authorize an Agent to act on its behalf with respect to the nominations, imbalance resolution, and/or billing under this Rate Schedule by executing an Agency Authorization Form in the form attached to this Rate Schedule. To the extent that the Agent appointed by the Customer is common to other Customers of the Company, the Company will permit such Agent to aggregate all such qualifying Customers' transportation quantities for purposes of administering service to such Agent. Once a Customer has designated an Agent, the Agent is then authorized to act on behalf of that Customer and as such, the Agent will be considered as the Customer in all corresponding references contained within this Rate Schedule. The Customer may not change Agents within the calendar month without the permission of the Company. All Agents must utilize the electronic means made available by the Company in order to submit nominations. The Company may recover from the Agent all costs incurred in providing the Agent access to the electronic bulletin board.

Standby Sales Service

The Customer may elect by written notice to the Company prior to March 1 of any year to purchase Standby Sales Service from the Company under this Rate Schedule for an annual period commencing the first June 1 following the notice. Customers that have purchased transportation service under this Rate Schedule without Standby Sales Service may elect such service in future annual periods only with the written consent of the Company received within 30 days of Customer's notice. Having made this election, the Customer may nominate gas supplies from third party providers or nominate gas supplies from the Company for delivery to the Customer at the Company's city gate. The Customer may activate the Standby Sales Service during any month by giving notice to the Company during the normal nomination process described above, or by default, if the Customer (or the Customer's Agent) fails to submit a timely and valid nomination for transportation service. In addition to paying the Standby Sales Service Charge each month and the Monthly Standby Index Price set forth below for quantities actually purchased hereunder, the Customer will utilize the transportation services and incur the charges otherwise applicable under this

Rate Schedule to cause such gas supplies to be transported and delivered to the Customer's meter. The gas supply commodity price which the Customer shall pay for the gas supplied under this paragraph will be the Monthly Standby Index Price defined as follows:

"The index price each month as first published in that month in Inside FERC's - Gas Market Report in the table titled "Prices of Spot Gas Delivered to Pipelines" under the heading "Transcontinental Gas Pipe Line Corp. - Zone 3 (pooling points)" in the column titled "Index". Applicable firm transportation part 284 tariff commodity charges, fuel and any other surcharges as defined in Transco's FERC approved tariffs from Transco's zone 3 to zone 5 will be added to the above index price.

If the Customer has made the annual election to receive Standby Sales Service, and the Customer (or Agent) properly submits a timely and valid nomination for transportation service, and, for whatever reason, the Customer (or Agent) fails to deliver to the Company adequate quantities of gas for the Customer's account, then the Company shall have the right, at its sole discretion, to initiate Standby Sales Service to the Customer. The price for such service shall be the same as set forth above except when the Company is required by such imbalance shortfall to purchase incremental volumes of gas supplies. In this case the Customer receiving Standby Sales Service will pay the higher of (on a daily basis) the Monthly Standby Index Price or the Daily Standby Index Price defined as the absolute high index price as published in Gas Daily for the day of consumption as stated in the "Daily Price Survey", "Louisiana - Onshore South", for "Transco, St. 65" in the column titled "Absolute". Applicable firm transportation part 284 tariff commodity charges, fuel and any other surcharges as defined in Transco's FERC approved tariffs from Transco's zone 3 to zone 5 will be added to the above index price. For days of consumption when the Gas Daily is not published, the Gas Daily price shall equal the price as published on the nearest subsequent day by Gas Daily.

The Customer shall also pay all applicable taxes, fees and assessments levied by governmental authorities having jurisdiction.

During the month that the Customer receives Standby Sales Service under this provision, the Company shall perform the necessary balancing activities related to such sales and therefore the monthly imbalance resolution provisions will not be applicable.

Gas cost variances related to the Standby Sales Service will be recorded in compliance with the Company's N.C.U.C. Service Regulations Appendix A (Procedure for Rate Adjustments Under G.S. 62-133.4), except that the "benchmark" cost of gas will be the adjusted Monthly or Daily Standby index price as billed. Increments or decrements which may result from the procedures under G S 62-133.4 shall not apply to Standby Sales Service. Any increments or decrements applicable to Rate Schedule 113 shall be applicable to all quantities delivered under

Rate Schedule 113, whether purchased from third parties or the Company as Standby Sales Service.

Rates and Charges
The rates to be charged for gas service pursuant to this Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the North Carolina Utilities Commission and at each of the district offices of the Company. Rates are subject to adjustment from time to time with the approval of the North Carolina Utilities Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company's Web Site.

Billing Demand
A Customer's billing demand determinant shall be the highest daily usage during the period from November 1 to March 31 of the previous winter period as metered and reported to the Company by the telemetering equipment installed by the Company. Changes to the Customer's billing demand determinant will become effective June 1 of each year.

For Customers commencing initial gas service under this Rate Schedule, the billing demand shall be the highest actual daily consumption to date during the partial year, but shall be a minimum of 500 therms. If a Customer has received gas service from the Company prior to receiving service under this Rate Schedule but does not have daily telemetered records to determine peak day usage as described above, the Company shall use 6% of that Customer's highest previous winter month's consumption for the billing demand determinate.

Volumetric Charges
The rate per therm shall be billed on the quantity of gas delivered by Company to Customer. Any adjustment to the quantity of gas delivered due to meter failure or inaccuracy of measurement shall be determined as approved in Rule R6-15 of the North Carolina Service Regulations of the North Carolina Utilities Commission.

Payment of Bills
Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge
A late payment charge of 1% per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment
Gas service under this Rate Schedule is subject to the provisions contained within Rate Schedule 106, "Schedule for Limiting and Curtailing Service."

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this Rate Schedule is subject to the Rules and Regulations of the North Carolina Utilities Commission (the "Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Commission's Chief Clerk at the North Carolina Utilities Commission, 430 North Salisbury Street, Raleigh, North Carolina, 27603, upon payment of the applicable fee or at the Commission's Web Site at www.ncuc.commerce.state.nc.us/. The Company's Service Regulations may be obtained at each of the district offices of the Company. Download unofficial copies of the Company's Service Regulations (PDF).

Go to the Agency Authorization Form.

Service Regulations are available in Portable Document Format (PDF) and require Adobe Acrobat Reader to view.

Get Acrobat Reader

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Rate Schedule 214
Interruptible Transportation Service

Availability

For new Customers, gas service under this Rate Schedule is available in the area served by the Company in the State of South Carolina on an interruptible basis to any full requirements non-residential Customer whose average daily gas usage is reasonably anticipated to equal or exceed 50 dekatherms per day.

Reclassification of Customers between rate schedules will be based upon procedures set forth in the Company's Service Regulations as approved by the Public Service Commission of South Carolina (the "Commission").

Once a qualified Customer elects service under this Rate Schedule, all services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Subject to the requirements set forth above, a Customer may elect to discontinue service under this Rate Schedule and receive service under Rate Schedule 204 by giving written notice to the Company prior to April 1 of any year. Proper notice having been provided, the Customer shall discontinue service under this Rate Schedule effective the first June 1 following the notice.

All gas received pursuant to this Rate Schedule shall be metered separately from any gas received under any of the Company's other rate schedules.

Standby Alternate Fuel Capability

Customers purchasing gas pursuant to this Rate Schedule shall maintain, in useable condition, alternate fuel facilities with ample on-site alternate fuel capability for supplying 100% of the establishment's gas requirements during periods of gas interruption or curtailment. Such interruption or curtailment shall be immediately effective upon verbal or written notification by the Company and Customer shall refrain from using gas until permitted to do so by the Company. It is understood and agreed that the Company will have the right to suspend gas service without further notice to the Customer in the event Customer fails to curtail Customer's use of gas in accordance with the

Company's notice of curtailment.

Applicability and Character of Service
The Company will redeliver gas received by the Company from upstream pipeline(s) for the Customer's account under this Rate Schedule in accordance with the Customer's scheduled and confirmed nominations and subject to the Company's operational conditions. The Company reserves the right to suspend service on any day, when in the Company's sole opinion; its operating conditions are such that suspension of service is necessary.

Receipts and deliveries of gas hereunder shall be at uniform rates of flow with no significant fluctuations or imbalances. Any imbalances shall be corrected by the Customer, insofar as practicable, during the month in which they occur. Customer may adjust its daily nominations during a month in order to correct any accumulated imbalance and maintain a monthly balance, subject to the operating limitations of the Company. The Company reserves the right to limit the amount of such imbalances to avoid operating problems and to comply with balancing requirements of the upstream pipeline(s). The Customer will be responsible for any imbalance charges assessed by upstream pipeline(s) in connection with any gas transported by the Customer under this Rate Schedule. The Company reserves the right to take reasonable action to mitigate system operational problems. The Company will use its best efforts to notify the Customer or the Customer's Agent before proceeding with a unilateral nomination reduction and will notify the Customer of any reduction to Customer's nomination that has been instituted by the Company.

By 11:30 am Eastern Time on the fifth business day prior to the beginning of each month, the Customer must inform the Company of the nominating Agent for gas to be transported. If no notification to the contrary is provided, the Agent providing service during the prior month shall be deemed to be the nominating Agent by default. By 11:30 am Eastern Time on the fourth business day prior to the beginning of each month, the Customer shall submit a timely and valid nomination for transportation. Changes to nominations for gas transportation within the month are due by 11:30 am Eastern Time on the day prior to gas flow.

Balancing On Upstream Pipeline(s)
It shall be the Customer's responsibility to remain in balance on a daily and monthly basis with upstream pipeline (s) to avoid any assessment of penalties by such pipeline(s) against the Company. If the Company is assessed a penalty by an upstream pipeline, the Company shall have the right to pass-through all such penalties to the Customer to the extent the Customer is responsible for causing the Company to be assessed such penalties.

Monthly Imbalance Resolution

Any differences between the quantities delivered to the Company's city gate facilities for the account of the Customer monthly, and the monthly quantities consumed by the Customer as metered, shall be the monthly imbalance. Unless the Company and Customer agree to correct imbalances "in kind," the imbalance shall be resolved monthly by "cashing out" the imbalances as they are known to exist at that time. If the Customer consumes more gas than it has delivered to the Company, the Customer will be deemed to be "short" by the amount of the deficiency, and the Company will sell the amount of the deficiency to the Customer by charging the price as specified below. If the Customer consumes less gas than it has delivered to the Company, the Customer will be deemed to be "long" by the amount of the surplus, and the Company will buy the amount of the surplus from the Customer by paying the price as specified below.

If the Customer's imbalance is less than or equal to 2% of the total monthly volume consumed, or if the total aggregated imbalance for the Agent is less than or equal to 2% of the total volume consumed by all of the Agent's Customers in that transportation pool, then the price paid by the Company if the imbalance is long or the price paid by the Customer (or Agent) if the imbalance is short will be the sum of (a) the average of all published indices for the month as published in Natural Gas Week as stated in the "Gas Price Report" table under "Louisiana, Gulf Coast, Onshore, Spot Delivered to Pipeline" plus (b) the rate under Transcontinental Gas Pipe Line's Rate Schedule IT, including applicable fuel and surcharges, for service from zone 3 to zone 5, for the months of November through March, or the commodity rate under Transcontinental Gas Pipe Line's Rate Schedule FT, including applicable fuel and surcharges, for service from zone 3 to zone 5 plus $0.05, for the months of April through October.

If the Customer (or Agent) is "short" by more than 2% of the monthly volume, the price paid by the Customer (or Agent) to the Company for each dekatherm of the total deficiency will be equal to the sum of (a) the highest index price for gas that month as posted in Natural Gas Week as stated in the "Gas Price Report" table under "Louisiana, Gulf Coast, Onshore, Spot Delivered to Pipeline" plus (b) the rate under Transcontinental Gas Pipe Line's Rate Schedule IT, including applicable fuel and surcharges, for service from zone 3 to zone 5, for the months of November through March, or the commodity rate under Transcontinental Gas Pipe Line's Rate Schedule FT, including applicable fuel and surcharges, for service from zone 3 to zone 5 plus $0.05, for the months of April through October times the premium percentage corresponding to the percentage of the deficiency listed in the table below.

If the Customer (or Agent) is "long" by more than 2% of the monthly volume, the price paid by the Company to the

Customer (or Agent) for each dekatherm of the total surplus will be equal to the sum of (a) the lowest index price for gas that month as posted in Natural Gas Week as stated in the "Gas Price Report" table under "Louisiana, Gulf Coast, Onshore, Spot Delivered to Pipeline" plus (b) the rate under Transcontinental Gas Pipe Line's Rate Schedule IT, including applicable fuel and surcharges, for service from zone 3 to zone 5, for the months of November through March, or the commodity rate under Transcontinental Gas Pipe Line's Rate Schedule FT, including applicable fuel and surcharges, for service from zone 3 to zone 5 plus $0.05, for the months of April through October times the discount percentage corresponding to the percentage of the surplus listed in the table below.

Percentage of the Imbalance	**Short (Premium)**	**Long (Discount)**
Over 2% & equal to or less than 5%	100%	100%
Over 5% & equal to or less than 10%	120%	80%
Over 10% & equal to or less than 15%	30%	70%
Over 15% & equal to or less than 20%	40%	60%
Over 20%	150%	50%

Agency Authorization Form

A Customer may authorize an Agent to act on its behalf with respect to the nominations, imbalance resolution, and/or billing under this Rate Schedule by executing an Agency Authorization Form in the form attached to this Rate Schedule. To the extent that the Agent appointed by the Customer is common to other Customers of the Company, the Company will permit such Agent to aggregate all such qualifying Customers' transportation quantities for purposes of administering service to such Agent. Once a Customer has designated an Agent, the Agent is then authorized to act on behalf of that Customer and as such, the Agent will be considered as the Customer in all corresponding references contained within this Rate Schedule. The Customer may not change Agents within the calendar month without the permission of the Company. All Agents must utilize the electronic means made available by the Company in order to submit Nominations. The Company may recover from the Agent all costs incurred in providing the Agent access to the electronic bulletin board.
View the Agency Authorization Form.

Rates and Charges

The rates to be charged for gas service pursuant to this

Rate Schedule are set forth on the Company's "Rates and Charges" tariff sheet and may be viewed at the Company's Web Site at www.piedmontng.com. A copy of the "Rates and Charges" tariff sheet is also on file with the Commission and at each of the district offices of the Company. Rates are subject to adjustment from time to time with the approval of the Commission. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company's Web Site. The rates on file with the Commission shall prevail in the event of conflict with those rates viewed on the Company's Web Site.

Volumetric Charges
The rate per therm shall be billed on the quantity of gas delivered by Company to Customer. Any adjustment to the quantity of gas delivered due to meter failure or inaccuracy of measurement shall be determined as approved in the Rule and Regulations of the Public Service Commission of South Carolina.

Payment of Bills
Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge
A late payment charge of one and a half percent (1 ½%) per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment
Gas service under this Rate Schedule is subject to the provisions contained within Rate Schedule 206, "Schedule for Limiting and Curtailing Service".

Applicable Documents Defining Obligations of the Company and Its Customers
Service under this Rate Schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina (the "Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including events of force majeure and operating conditions. A copy of the Commission's Rules may be obtained from the Commission's Chief Clerk at the Public Service Commission of South Carolina, Koger Executive Center, Saluda Building, 101 Executive Center Drive, Columbia, SC 29210 upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Download unofficial copies of the Company's Service Regulations (PDF).

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RATE SCHEDULE NO. 314
Interruptible Transportation Service

AVAILABILITY
Gas service under this Rate Schedule is available in the area served by the Company in the State of Tennessee **ON AN INTERRUPTIBLE BASIS** to any full requirements non-residential Customer whose usage during any month of the 12-month period ended the 31st day of December was in excess of 500 therms per day. Availability under this Rate Schedule for new Customers will be based on reasonably anticipated usage. An existing Customer may also qualify for service under this Rate Schedule based upon reasonably anticipated usage by adding incremental load either by the installation of additional equipment or by increasing hours of operation. Service under this Rate Schedule is contingent upon the installation by the Company of telemetering equipment that reports daily consumption.

Once a qualified Customer elects service under this Rate Schedule, all services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Upon meeting the qualifications contained therein, a Customer may receive service under Rate Schedule No 309 concurrent with service provided under this Rate Schedule. Subject to the requirements set forth above, a Customer may elect to discontinue service under this Rate Schedule and receive service under Rate Schedule No.304 and/or 310 by giving written notice to the Company prior to April 1 of any year. Proper notice having been provided, the Customer may discontinue service under this Rate Schedule effective the first June 1 following the notice.

Customers receiving services under this Rate Schedule shall maintain, in useable condition, alternate-fuel facilities with ample on-site alternate fuel capability for supplying 100% of the establishment's gas requirements during periods of gas interruption or curtailment. Such interruption or curtailment shall be immediately effective upon verbal or written notification by the Company, and Customer shall refrain from using gas until permitted to do so by the Company. It is understood and agreed that the Company will have the right to suspend gas service without further notice to the Customer in the event Customer fails to curtail Customer's use of gas in accordance with the Company's notice of curtailment.

Reclassification of customers between rate schedules will be based upon procedures set forth in the Company's Service Regulations as approved by the Tennessee Regulatory Authority.

APPLICABILITY AND CHARACTER OF SERVICE
Transportation service is available under this Rate Schedule to any qualified Customer connected to the Company's system who has obtained an independent supply of natural gas and has arranged to have this supply delivered to one of the Company's existing delivery points for transportation by the Company to the Customer's facilities.

The Company will deliver **ON AN INTERRUPTIBLE BASIS** gas previously transported by a connected pipeline for the Customer's account under this Rate Schedule on a day-to-day basis in accordance with the Customer's scheduled and confirmed nominations. The Company reserves the right to suspend service on any day when, in the Company's sole opinion, its operating conditions are such that suspension of service is necessary. The Company reserves the right to limit, allocate, or direct third party gas nominations among the interstate pipelines serving the Company's distribution system, when, in the Company's sole opinion, such action is necessary to maintain the operational integrity of the system.

Receipts and deliveries of gas hereunder shall be at uniform rates of flow with no significant fluctuations or imbalance. Any imbalances shall be corrected by the Customer, insofar as practicable, during the month in which they occur Customer may adjust its daily nominations during a month in order to correct any accumulated imbalance and maintain a monthly balance, subject to the operating limitations of the Company The Company reserves the right to limit the amount of such imbalances to avoid operating problems and to comply with balancing requirements of any pipeline transporting gas hereunder. Customer will be responsible for any imbalance charges assessed by the pipeline in connection with any gas transported by the Company under this Rate Schedule. The Company reserves the right to reduce nominations when, in the judgment of the Company, such action is necessary to reduce or eliminate operational problems. Company will use its best efforts to notify the Customer or the Customer's agent before proceeding with a unilateral reduction and will notify Customer of any reduction to Customer's nomination that has been instituted by the Company.

By 10:30am central time four business days prior to the beginning of each month, the Customer shall inform the Company of its a) nomination of the daily quantity of gas to be transported for such month, and b) choice of pipeline for transportation for such month. If the Customer does not provide a timely nomination to transport gas , the Customer will not be entitled to receive gas service. By 10:30am central time five business days prior to the beginning of each month, the Customer must inform the Company of the nominating agent for gas to be transported.

Changes to nominations for gas transportation within the month are due by 10:30am central time on the day prior to gas flow.

Notwithstanding the above, if a supplier interrupts its sales service to Customer being transported hereunder, and such interruptions by the supplier occur within a month, Customer may reschedule alternative gas supplies which may be available to Customer subject to. a) normal daily nomination and confirmation deadlines and procedures b) any operational limitations of the Company and c) the availability of interruptible transportation service hereunder.

BALANCING

It shall be the Customer's responsibility to maintain a daily and monthly balance with its transporting pipelines to avoid any assessment of penalties against the Company. If the Company is assessed a penalty by a Customer's transporting pipeline, the Company shall have the right to pass-through all such penalties to the Customer to the extent the Customer or Customer's agent is responsible for causing the Company to be assessed such penalties.

MONTHLY IMBALANCE RESOLUTION

Any differences between the quantities delivered to the Company's city gate facilities for the account of the Customer monthly, and the monthly quantities consumed by the Customer as metered, shall be the monthly imbalance. Unless the Company and Customer agree to correct imbalances "in kind," the imbalance shall be resolved monthly by "cashing out" the imbalances as they are known to exist at that time. If the Customer consumes more gas than it has delivered to the Company, the Customer will be deemed to be "short" by the amount of the deficiency, and the Company will sell the amount of the deficiency to the Customer by charging the price as specified below. If the Customer consumes less gas than has been delivered to the Company, the Customer will be deemed to be "long" by the amount of the surplus, and the Company will buy the amount of the surplus from the Customer by paying the price as specified below.

If the Customer's imbalance is less than or equal to 2% of the total monthly volume consumed, or if the total aggregated imbalance for the Agent is less than or equal to 2% of the total volume consumed by all of the Agent's Customers in that transportation pool, then the price paid by the Company if the imbalance is long or the price paid by the Customer (or Agent) if the imbalance is short will be the sum of (a) the average of the weekly " Weighted Index Price" as defined below " plus (b) the pipelines Rate Schedule IT charges at the applicable pipeline percentages that comprise the "Weighted Index Price", including applicable fuel and surcharges, for delivery to Nashville's city gate, for the months of November through March, or the commodity rate under the applicable pipeline percentages as defined in the "Weighted Index Price", including applicable fuel and surcharges, for delivery to Nashville's city gate, plus $0.05, for the months of April through October.

If the Customer (or Agent) is "short" by more than 2% of the monthly volume, the price paid by the Customer (or Agent) to the Company for each dekatherm of the total deficiency will be equal to the highest "Weighted Index Price" for any week beginning in the calendar month as published in Natural Gas Week, plus the pipelines Rate Schedule IT charges at the applicable pipeline percentages that comprise the "Weighted Index Price" and deliver to Nashville city gate, , times the premium percentage corresponding to the percentage of the deficiency listed in the table below.

If the Customer (or Agent) is "long" by more than 2% of the monthly volume, the price paid by the Company to the Customer (or Agent) for each dekatherm of the total surplus will be equal to the lowest "Weighted Index Price" for any week beginning in the calendar month as published in Natural Gas Week, plus the pipelines FT variable charges at the applicable pipeline percentages that comprise the "Weighted Index Price" and deliver to Nashville city gate, , times the premium percentage corresponding to the percentage of the deficiency listed in the table below.

Percentage of the Imbalance	Short (Premium)	Long (Discount)
Over 2% & less than 5%	100%	100%
Over 5% & equal to or less than 10%	120%	80%
Over 10% & equal to or less than 15%	130%	70%
Over 15% & equal to or less than 20%	140%	60%
Over 20%	150%	50%

"The Weighted Index Price" shall be derived from the prices published in *Natural Gas Week* in the table Spot Prices on Interstate Pipeline Systems for the following pipeline designations and weighted by the corresponding percentages set forth below:

Tennessee Gas Pipeline Co Zone 0:South Texas	X	28.36%[1]
+		
Tennessee Gas Pipeline Co. Zone 1· South Louisiana	X	65.32%[1]
+		
Columbia Gulf Transmission Co.· Rayne, La.	X	6.32%[1]

The Company will collect gross receipts tax on the incremental gross gas related charges

1 These percentages are the ratio of the contracted winter capacity in effect at the time of the Company's most recent general rate case.

Any difference between the actual cost of gas incurred by the Company and the Index prices defined above will be accounted for in the Actual Cost Adjustment account in a manner consistent with Rule No. 1220-4-1-.12 of the TRA Rules and Regulations. Increments or decrements which may result from the PGA adjustments will not apply to the cash-out mechanism.

AGENCY AUTHORIZATION FORM

A Customer may authorize an agent to act on its behalf with respect to the nominations, imbalance resolution, and/or billing under this Rate Schedule by executing an Agency Authorization Form in the form attached to this Rate Schedule. To the extent that the Agent appointed by the Customer is common to other Customers of the Company, the Company will permit such Agent to aggregate all such qualifying Customers' transportation quantities for purposes of administering service to such Agent. Once a Customer has designated an agent, the agent is then authorized to act on behalf of that Customer and as such, the agent can be considered as the Customer in all references contained within this Rate Schedule. The Customer may not change agents within the calendar month without the permission of the Company All agents must utilize the electronic means made available by the Company in order to submit nominations The Company may recover all costs incurred in providing the agent access to the electronic bulletin board.

MARGIN RATE

Customer Charge (per month)	$300.00
Commodity Charge (per therm)	
1st Step (0-15,000 therms)	$ 09742
2nd Step (15,001-40,000 therms)	$ 08953
3rd Step (40,001-90,000 therms)	$.06450
4th Step (Over 90,000 therms)	$.02764

MONTHLY MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

MONTHLY CUSTOMER CHARGE

A charge will be billed monthly to all Customers for the availability of gas service. This charge will be in addition to the commodity charge.

SERVICE AGREEMENTS

All Customers receiving service pursuant to this Rate Schedule shall be required to execute the Company's standard contracts and/or service applications and shall be subject to the Company's Rules and Regulations as filed with and approved by the Tennessee Regulatory Authority (TRA).

PAYMENT TERMS

All bills for service are due upon presentation and the net rates are applicable if payment is made on or before the last date of payment stated on the bill. Payments made after that date shall be for the gross amount which is greater by five percent (5%) than the net billing.

RETURNED CHECK CHARGE

In the event a Customer's check for payment is returned to the Company marked NSF (Non Sufficient Funds) the Customer will be assessed a charge of $20.00.

ADJUSTMENTS

Bills for transportation service are subject to adjustment caused by changes in the cost of purchased gas in accordance with Rule No. 1220-4-1-.12 of the TRA Rules and Regulations.

Purchase gas adjustments and all applicable taxes and fees are in addition to the above stated margin rates in accordance with the Rules, Regulations and Orders of the TRA and the Laws of the State of Tennessee.

SERVICE AVAILABILITY

All requests for new or additional service or the transfer of existing service to a higher priority end use will be considered based upon the Company's judgement as to the available gas supply, Customer's load factor or use pattern, end use, impact on the local economy, the TRA Rules and Regulations, the Orders of the TRA, and the Laws of the State of Tennessee.

SERVICE INTERRUPTION AND CURTAILMENT

Gas service under this schedule is interruptible and is subject to the provisions contained within TRA Schedule No. 306, "Schedule for Limiting and Curtailing Service".

AGENCY AUTHORIZATION FORM
RATE SCHEDULE NO.314

DATE

CUSTOMER
NAME OF FACILITY

ACCOUNT NUMBER(S)

AGENT

AGENT CONTACT________________________PHONE #

This is to advise **Nashville Gas Company** that ______________________**(Customer)** has authorized ________________________________**(Agent)** to act on its behalf for the following transactions

_____nominations, _______imbalance resolution, _______ billing,

of gas for the above listed account(s). Nashville Gas Company is hereby authorized to deal with the Agent directly, and by signature below, the Customer and the Agent understand that they are responsible, jointly and severally for any amounts due Nashville Gas Company under this Rate Schedule which are not paid by agent on these accounts. Customer will provide Nashville Gas Company with a revised "AGENCY AUTHORIZATION FORM" at least six (6) business days prior to changing Agents of the accounts designated.

AUTHORIZED
SIGNATURE______________
FOR THE CUSTOMER

AUTHORIZED
SIGNATURE______________
FOR THE AGENT

Please Print
AGENT'S NAME______________________TITLE
PHONE #__________________FAX #
MAILING ADDRESS

Please submit to: End User Transportation
Nashville Gas Company
A Division of Piedmont Natural Gas Company
P O Box 33068
Charlotte, NC 28233
Fax # __704-365-8740

Docket 04-00034
Chattanooga Gas Company
Rebuttal Exhibit RSL-3

Chattanooga Gas Company
Summary of Over Run Penalty Provision
Natural Gas Distribution Companies

		Over Run Penalty	
Atmos Energy	Georgia	$25 00 per Mcf + normal billed rate	Rate Schedule 850 Tariff Sheet 8
	Virginia	$25.00 per Mcf + all additional charges	Rate Schedule 640 Tariff Sheet No.11
	Tennessee	$25.00 per Mcf + all over charges	Rate Schedule 250 Tariff Sheet No 20
	Kentucky	$15.00 per Mcf + other charges and any penalty imposed on utility by pipeline	Rate Schedule G-2 Tariff Sheet No. 15 Rate ScheduleLVS-1, KVS-2 Tariff Sheet No. 20 Rate Schedule T-3 Tariff Sheet 53 Rate Schedule T-4 Tariff Sheet 61 Rules & Regulations Tariff Sheet 97
Piedmont Natural Gas	North Carolina	$25.00 per Dth + gas cost	North Carolina Filing No. Docket G-9, Sub 490
	South Carolina	$25.00 per Dth + gas cost	South Carolina Filing No. GCRM 109
	Tennessee	$15.00 per Dth + gas cost	Schedule 306

OPTIONAL GAS SERVICE

RATE SCHEDULE 850

Availability

This schedule is available at the Company's option to any large volume user using 270,000 Ccf annually or customers using 1000 Ccf per day during off peak periods; whose premises shall adjoin gas mains designated by Company for optional service and customer shall have adequate standby facilities and fuel in order that gas deliveries may be curtailed at any time upon thirty minutes notice. Educational institutions, governmental agencies, hospitals, or other medical facilities shall be eligible for service under this schedule.

Gas service under this schedule is for the use of only one person, or single entity through a single point of delivery unless otherwise agreed upon and such gas shall not be resold.

Character of Service

Natural gas, with a heating value of approximately 100,000 Btu per Ccf, supplied through a single meter, at standard equipment utilization pressure, or such higher delivery pressure as approved by Company.

"Optional Gas" is the quantity of gas Customer agrees to purchase and Company agrees to deliver in any one day when Company has gas available and when Company's distribution system is suitable for such delivery.

"Firm Gas" is the daily quantity of gas delivered to a customer within that Customer's contract demand quantity, if any. Customers electing to receive firm gas under this rate schedule shall contract for a minimum of 500 Ccf per day. Firm gas is not subject to curtailment, except as described under the Priority of Service section of this rate schedule, and only then if all optional gas service has been curtailed first.

Company is also relieved of its obligation to deliver any gas under this schedule in the event of force majeure. Any curtailments which may be necessary under this rate schedule shall be made only after having given at least 30 minutes notice by telephone or otherwise unless due to reasons of force majeure.

OPTIONAL GAS SERVICE (Continued)

RATE SCHEDULE 850

Interruption and Curtailment of Optional Service

Optional gas deliveries to customers served on this schedule may be interrupted or curtailed at any time such interruption or curtailment is necessary in order for Company to continue to supply the gas requirements of its other customers at such time. The company will endeavor to notify in advance customers served on this schedule whenever a curtailment or interruption is required, and each such customer shall curtail his use of gas at the time and to the extent requested by the Company. Interruptions and curtailments may very from time to time among customers, but shall be as equally apportioned as practicable.

"Unauthorized Use" is defined as the taking of any volume of optional gas by Customer during any period when the use of optional gas is curtailed in accordance with notice given by Company. Company shall bill, and Customer shall pay $2.50 per Ccf for all volumes of unauthorized use gas in addition to the rate billed under this schedule.

Contract

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

A day, as used herein, shall be defined as a period of 24 consecutive hours designated by Company to coincide with applicable pipeline contract.

Rate

Customer Charge

A monthly customer charge of $100.00 per meter is payable regardless of the usage of gas.

OPTIONAL GAS SERVICE (Continued)

RATE SCHEDULE 850

Demand Charge

The monthly demand charge shall be the daily firm demand quantity contracted for by the customer multiplied by $.456 per Ccf.

Commodity Charge

First 20,000 Ccf	$.0788
Next 80,000 Ccf	$.0672
100,000 Ccf or more	$.0576

Minimum Bill

The minimum monthly bill shall be the customer charge and the demand charge, if any.

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of one and one-half percent (1.5%) may be added to the amount of any balance in excess of $20 remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

Service Regulations

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

If any sales, excise or other new or additional taxes are hereafter imposed against Company and/or the Company from whom they purchase the gas, or transportation or sale of gas deliverable hereunder, such tax or taxes are to be reimbursed by Customer to Company. However, if Customer does not pay such tax or taxes, this contract may be cancelled by Company as of date such tax or taxes first apply.

Purchased Gas Adjustment

Bills for service are subject to adjustment for changes in the cost of purchased gas in accordance with the provisions of the Purchased Gas Adjustment Rider filed as part of each of the rate schedules of the Company with the Georgia Public Service Commission and approved by such Commission.

OPTIONAL GAS SERVICE (Continued)

RATE SCHEDULE 850

Priority of Service Provision

Service under this schedule may be curtailed in whole, or in part, by Company at any time when necessary in the judgment of Company to protect service for essential human needs such as hospitals, schools, institutions, residences and essential businesses, or by reason of an event of force majeure, or to facilitate Company's Compliance with curtailment or load control plans approved by the Georgia Public Service Commission or by any governmental body or agency having jurisdiction with respect to Company or to Company's suppliers.

INDUSTRIAL FIRM AND OPTIONAL GAS SERVICE

Schedule 640

Applicability

This schedule is available at the Company's option within the Company's service area to any customer, to the extent gas supply delivery capacity is available, who has contracted for a firm daily demand of at least 2,500 Ccf. Service under this schedule shall be at a single point of delivery. Gas purchased under this rate schedule may not be resold

Character of Service

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

Customer Charge

A monthly customer charge of $375 00 is payable regardless of the usage of gas

Demand Charge

The monthly demand charge shall be the daily firm demand quantity, contracted for by the customer, multiplied by $1.2786 per C
The $1.2786 is comprised of a Demand Component of 0103 plus a Gas Cost Component of $1.2683.

Monthly Rate

Commodity Rate·	All Gas Consumption, Per Ccf	$0.0388

Overrun Penalty

Volumes of gas taken at any time in excess of the amount stipulated by the Company in the curtailment notice as being available to customer shall constitute overrun gas A penalty of $2.50 per Ccf for such overrun volumes shall be paid by customer in additio to all other charges payable hereunder provided, however, Company has the right to waive any portion of the overrun penalty on a non-discriminatory basis for good cause.

Payment

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

Issued by: Thomas R Blose, Jr., President Effective Date: August 1, 2004

Date Issued: July 27, 2004

OPTIONAL GAS SERVICE

Schedule 250: All Service Areas

Availability

To any commercial or industrial customer using 270,000 Ccf or more per year, or 1,000 Ccf per day during off-peak periods, provided the Customer has and maintains adequate standby facilities and an alternate fuel supply in order that gas deliveries hereunder may be interrupted at any time.

Customers that will utilize natural gas during off-peak periods only do not need to meet this annual requirement for eligibility under this schedule. Examples of customers utilizing natural gas during off-peak periods only would include, but is not limited to the following: asphalt plants, electric generating facilities, grain drying facilities, and farm irrigation systems. The Company recommends an adequate standby facility and alternate fuel supply for off-peak customers served under this schedule. However, the Company requires an adequate standby facility and alternate fuel supply for all other customers served under this schedule.

Deliveries to such customers shall be subject to curtailment at any time. Deliveries to such customers shall be subject to curtailment in whole or in part upon one-half (1/2) hour's notice.

Character of Service

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

Customer Charge

A monthly customer charge of $310.00 is payable regardless of the usage of gas.

Monthly Rate

First	20,000	Ccf used per month	$.0996
Next	480,000	Ccf used per month	$.0671
Over	500,000	Ccf used per month	$.0329

Minimum Bill

The minimum net monthly bill shall be $310.00

Payment

Each monthly bill for service is due and payable on the date it is issued. A charge of five percent (5%) may be added to the amount of any bill remaining unpaid at the close of the first business day after fifteen (15) days following such date of issue.

OPTIONAL GAS SERVICE

Schedule 250: All Service Areas (Continued)

Purchased Gas Adjustment

Bills for service are subject to the cost of purchased gas in accordance with the Purchased Gas Adjustment (PGA) Rider approved by the Tennessee Regulatory Authority

Curtailment Procedures

Notice of curtailment of service hereunder shall be given by the Company by telephone or otherwise not less than one-half (1/2) hour from time of curtailment. Upon receipt of such notice, the Customer shall immediately proceed to discontinue the use of service at the time and to the extent of the order. The Company shall notify the Customer by telephone or otherwise when service hereunder is to be restored and the Customer shall not resume service until such time as stated in the restoration notice.

Overrun Penalty

Volumes of gas taken at any time in excess of the amount stipulated by the Company in the curtailment notice as being available to Customer shall constitute overrun gas. A penalty of $2.50 per Ccf of such overrun volumes shall be paid by Customer in addition to all over charges payable hereunder provided; however, Company has the right to waive any portion of the overrun penalty on a non-discriminatory basis for good cause.

Terms of Contract

Customer shall contract for service hereunder for a term of not less than one (1) year. Upon the expiration of any contract term, the contract shall be automatically renewed for a period of one (1) year. At any time following the first contract year, service may be terminated by either party following at least twelve (12) months notice to the other party.

Service Regulations

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

ATMOS ENERGY CORPORATION

Interruptible Sales Service
Rate G-2

1. **Applicable**

Entire Service Area of the Company.
(See list of towns – Sheet No. 3)

2. **Availability of Service**

a) Available on an individually metered service basis to commercial and industrial customers for any use as approved by the Company on a strictly interruptible basis, subject to suitable service being available from the existing transmission and/or distribution facilities and when an adequate supply of gas is available to the Company under its purchase contracts with its pipeline supplier.

b) The supply of gas provided for herein shall be sold primarily on an interruptible basis, however, in certain cases and under certain conditions the contract may include High Priority service to be billed under "General Sales Service Rate G-1" limited to use and volume which, in the Company's judgement, requires and justifies such combination service.

c) The contract for service under this rate schedule shall include interruptible service or a combination of High Priority service and Interruptible service, however, the Company reserves the right to limit the volume of High Priority service available to any one customer.

3. **Delivery Volumes**

a) The volume of gas to be sold and purchases under this rate schedule shall be set forth in a written contract, specifying a maximum daily interruptible sales service volume and shall be subject to revision in accordance with the Company's approved curtailment plan.

ATMOS ENERGY CORPORATION

Interruptible Sales Service
Rate G-2

b) High Priority Service
The volume for High Priority service shall be established on a High Priority Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive in any one day, subject to other provisions of this rate schedule and the related contract.

c) Interruptible Service
The volume for Interruptible service shall be established on an Interruptible Daily Contract Demand basis which shall be the maximum quantity the Company is obligated to deliver and which the customer may receive subject to other provisions of this rate schedule and the related contract.

d) Revision of Delivery Volumes
The Daily Contract Demand for High Priority service and the Daily Contract Demand for Interruptible service shall be subject to revision as necessary so as to coincide with the customer's normal operating conditions and actual load with consideration given to any anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved.

4. Net Monthly Rate

a) Base Charge: $220.00 per delivery point per month
Minimum Charge: The Base Charge plus any Transportation Fee and EFM facilities charge

b) Distribution Charge:

High Priority Service
The volume of gas used each day up to, but not exceeding the effective High Priority Daily Contract Demand shall be totaled for the month and billed at the "General Firm Sales Service Rate G-1".

ATMOS ENERGY CORPORATION

Interruptible Sales Service

Rate G-2

Interruptible Service

Gas used per month in excess of the High Priority Service shall be billed as follows:

First 15,000 Mcf	$0.5300 per 1,000 cubic feet
Over 15,000 Mcf	0.3591 per 1,000 cubic feet

c) Gas Cost Adjustment (GCA) Rider, referenced on Sheet No. 23.

d) Margin Loss Recovery Rider, referenced on Sheet No. 38.

e) Gas Research Institute R&D Rider, referenced on Sheet No. 42.

[1] All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ATMOS ENERGY CORPORATION

Interruptible Sales Service
Rate G-2

5. **Standby or Auxiliary Equipment and Fuel**

It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.

6. **Alternative Fuel Responsive Flex Provision**

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable rate on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ISSUED: August 9, 2002 **EFFECTIVE:** October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No 99-070 dated December 21, 1999)

ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Interruptible Sales Service
Rate G-2

7. **Curtailment**

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

8. **Penalty for Unauthorized Overruns**

a) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to $15.00 per Mcf.

b) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.

c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

ATMOS ENERGY CORPORATION

Interruptible Sales Service

Rate G-2

9. Special Provisions

a) A written contract with a minimum term of one year shall be required.

b) The Rules and Regulations and Orders of the Public Service Commission and of the Company and the Company's general terms and conditions applicable to industrial and commercial sales, shall apply to this rate schedule and all contracts thereunder.

c) No gas delivered under this rate schedule and applicable contract shall be available for resale.

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

ATMOS ENERGY CORPORATION

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

1. Applicable

Entire Service Area of the Company.
(See list of towns – Sheet No. 3)

2. Availability of Service

Available to any customer (with an expected demand of at least 36,500 Mcf per year) where usage is individually metered at locations where suitable service is available from the existing distribution system and an adequate supply of gas to render service is assured by the supplier(s) of natural gas to the Company. Except as provided in the service agreement, LVS service is not available in conjunction with any other tariffed gas service.

3. Net Monthly Rate

a) Base Charge:

LVS-1 Service	$ 20.00 per Meter
LVS-2 Service	220.00 per Meter
Combined Service	220.00 per Meter

b) Distribution Charge for LVS-1 Service

First[1]	300 Mcf	@	$1.1900 per Mcf
Next[1]	14,700 Mcf	@	0.6590 per Mcf
Over	15,000 Mcf	@	0.4300 per Mcf

c) Distribution Charge for LVS-2 Service

First[1]	15,000 Mcf	@	$0.5300 per Mcf
Over	15,000 Mcf	@	0.3591 per Mcf

[1] All gas consumed by the customer (Sales, Transportation, and Carriage; firm, high, load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ATMOS ENERGY CORPORATION

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

d) The Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) The Weighted Average Commodity Gas Cost is based on current purchase costs including all related variable delivery costs for the billing period for which the gas was delivered.

f) The True-Up Adjustment shall be customer account specific and shall include all prior period adjustments known at time of billing.

g) Notice of the Weighted Average Commodity Gas Cost and True-Up Adjustment will be filed with the Commission prior to billing.

h) Margin Loss Recovery Rider, referenced on Sheet No. 38.

4. **Net Monthly Bill**

The Net Monthly Bill shall be equal to the sum of the Base Charge, the High Load Factor demand charge, the Distribution Charge, the Non-Commodity Component, the Weighted Average Commodity Gas Cost and the True-Up Adjustment.

5. **Minimum Monthly Bill**

The Base Charge and High Load Factor demand charge, if applicable.

ATMOS ENERGY CORPORATION

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

6. **Standby or Auxiliary Equipment and Fuel**

It shall be the responsibility of the customer to provide and maintain such stand-by, auxiliary equipment and fuel, as the customer may, in its discretion, require to protect its fuel requirements and best interest and to assure continuous operation during any period of interruption of gas deliveries.

7. **Alternative Fuel Responsive Flex Provision (LVS-2 Service Only)**

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the otherwise applicable distribution charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the applicable Distribution Charge to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component and weighted average commodity gas cost of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ATMOS ENERGY CORPORATION

Large Volume Sales
Rates LVS-1 (High Priority), LVS-2 (Low Priority)

8. Curtailment

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

9. Penalty for Unauthorized Overruns

a) In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to $15.00 per Mcf.

b) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.

c) The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

10. Service Agreement

The Company will require a written contract for a minimum term of twelve months. This contract shall include provisions for load limitations and for curtailment or interruptions as necessary, at the discretion of the Company, to prevent the load adversely affecting service of equal or higher priority customers in the area.

A customer with an unexpired contract for other services may subscribe to LVS service by contract amendment provided the contract, as amended, has a remaining term of at least twelve months.

ATMOS ENERGY CORPORATION

Large Volume Sales

Rates LVS-1 (High Priority), LVS-2 (Low Priority)

The volume of gas to be sold and purchased under this rate schedule and the related contract shall be established on a daily, monthly and seasonal basis. The priority of contract volumes shall be subject to revision in accordance with the Company's approved curtailment plan

The contract volumes (or service mix) shall be subject to revision by the Company as appropriate so as to coincide with the customer's normal operating conditions and actual load with consideration give to any reasonably anticipated changes in customer's utilization, subject to the Company's contractual obligations with other customers or its suppliers, and subject to system capacity and availability of the gas if an increased volume is involved

11. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

12. Exit Fee

When service under this schedule is discontinued, the customer is responsible for (or entitled to) an exit fee (or refund) equal to the lagging true-up adjustments related to the customer's service period.

13. Rules and Regulations

Service furnished under this schedule and applicable contracts are subject to the Company's Rules and Regulations and to applicable rate and rider schedules.

ATMOS ENERGY CORPORATION

Interruptible Carriage Service
Rate T-3

1. **Applicable**

Entire service area of the Company to any customer for that portion of the customer's interruptible requirements not included under one of the Company's sales tariffs.

2. **Availability of Service**

a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require interruptible carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.

b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. **Net Monthly Rate**

In addition to any and all charges assessed by other parties, there will be applied:

a) Base Charge	-	$220.00 per delivery point
b) Transportation Administration Fee	-	50.00 per customer per month

c) Distribution Charge for Interruptible Service

First	15,000 Mcf	@	$0.5300 per Mcf
Over	15,000 Mcf	@	0.3591 per Mcf

d) Applicable Non-Commodity Components (Sheet No 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 68).

All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

ISSUED: August 9, 2002 EFFECTIVE: October 1, 2002

(Issued by Authority of an Order of the Public Service Commission in Case No. 99-070 dated December 21, 1999).

ISSUED BY: William J. Senter Vice President – Rates & Regulatory Affairs/Kentucky Division

ATMOS ENERGY CORPORATION

Interruptible Carriage Service

Rate T-3

4. **Net Monthly Bill**

The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administratic Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicab Electronic Flow Measurement ("EFM") facilities charges (see Subsection 8 "Special Provisions" of th tariff.)

5. **Nominated Volume**

Definition: "Nominated Volume" or "Nomination" – The level of daily volume in Mcf as requested t the customer to be transported and delivered by the Company. Such volume nominated by th Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentag as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volume delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced t cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to th nomination deadline of the respective interstate transporter. Such nomination may be adjuste prospectively from time to time during the billing period as may become necessary. However, th Company retains the right to limit the number of nomination adjustments during the billing period.

ATMOS ENERGY CORPORATION

Interruptible Carriage Service

Rate T-3

6. **Imbalances**

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

Imbalance = [$Mcf_{Customer}$ X (1 – L&U%)] – $Mcf_{Company}$

Where.

1. "$Mcf_{Customer}$" are the total volumes that the customer had delivered to the Company's facilities
2. "$Mcf_{Company}$" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.
3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer-will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-2). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and the Company may, at its sole discretion, apply a penalty rate of up to $15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.

   If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b).

ATMOS ENERGY CORPORATION

Interruptible Carriage Service
Rate T-3

b) "Cash out" Method

Imbalance volumes			**Cash-out Price**
First [1]	5% of Mcf Customer	@	100% of Index Price [2]
Next [1]	5% of Mcf Customer	@	90% of Index Price [2]
Over [1]	10% of Mcf Customer	@	80% of Index Price [2]

[1] Not to exceed the Imbalance volumes

[2] The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.

e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF Company", on a monthly basis at .10/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.

ATMOS ENERGY CORPORATION

Interruptible Carriage Service
Rate T-3

7. Curtailment

a) The Company shall have the right at any time without liability to the customer to curtail or to discontinue the delivery of gas entirely to the customer for any period of time when such curtailment or discontinuance is necessary to protect the requirements of domestic and commercial customers; to avoid an increased maximum daily demand in the Company's gas purchases; to avoid excessive peak load and demands upon the gas transmission or distribution system; to relieve system capacity constraints; to comply with any restriction or curtailment of any governmental agency having jurisdiction over the Company or its supplier or to comply with any restriction or curtailment as may be imposed by the Company's supplier; to protect and insure the operation of the Company's underground storage system; for any causes due to force majeure (which includes acts of God; strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

b) All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission.

8. Special Provisions

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Interruptible Carriage Service Rate T-3. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charge (Sheet No 68). EFM equipment is not required for customers whose contractual requirements with the Company are less than 100 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

ATMOS ENERGY CORPORATION

Interruptible Carriage Service

Rate T-3

9. **Terms and Conditions**

a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.

b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.

c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Interruptible Carriage Service Rate to the facilities of the Company.

d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.

e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.

f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.

A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.

ATMOS ENERGY CORPORATION

Interruptible Carriage Service

Rate T-3

g) The customer will be solely responsible to correct, any imbalances it has caused on the applicable pipeline's system.

10. **Late Payment Charge**

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges

Interruptible Carriage Service
Rate T-3

11. Alternative Fuel Responsive Flex Provisions

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel. The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ATMOS ENERGY CORPORATION

Firm Carriage Service
Rate T-4

1. **Applicable**

Entire service area of the Company to any customer for that portion of the customer's firm requirements not included under one of the Company's sales tariffs.

2. **Availability of Service**

a) Available to any customer with an expected demand of at least 9,000 Mcf per year, on an individual service at the same premise, who has purchased its own supply of natural gas and require firm carriage service by the Company to customer's facilities subject to suitable service being available from existing facilities.

b) The Company may decline to initiate service to a customer under this tariff or to allow a customer receiving service under this tariff to elect any other service provided by the Company, if in the Company's sole judgment, the performance of such service would be contrary to good operating practice or would have a detrimental impact on other customers serviced by the Company.

3. **Net Monthly Rate**

In addition to any and all charges assessed by other parties, there will be applied:

a) Base Charge - $220.00 per delivery point
b) Transportation Administration Fee - 50.00 per customer per month

c) Distribution Charge for Firm Service

First	300 Mcf	@	$1.1900 per Mcf
Next	14,700 Mcf	@	0.6590 per Mcf
Over	15,000 Mcf	@	0.4300 per Mcf

d) Applicable Non-Commodity Components (Sheet No. 6) as calculated in the Company's Gas Cost Adjustment (GCA) filing.

e) Electronic Flow Measurement ("EFM") facilities charge, if applicable (Sheet No. 68).

All gas consumed by the customer (Sales, transportation, and carriage; firm, high load factor, interruptible) will be considered for the purpose of determining whether the volume requirement of 15,000 Mcf has been achieved.

Firm Carriage Service

Rate T-4

4. Net Monthly Bill

The Net Monthly Bill shall be equal to the sum of the Base Charge, the Transportation Administration Fee, and applicable Distribution Charge and Non-Commodity Component, and any applicable Electronic Flow Measurement ("EFM") facilities charges (see subsection 8 "Special Provisions" of this tariff.)

5. Nominated Volume

Definition "Nominated Volume" or "Nomination" – The level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company. Such volume nominated by the Customer shall include an allowance for the Company's system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6. The volumes delivered by the Customer to the Company for redelivery to the Customer's facilities will be reduced to cover the related system Lost and Unaccounted gas quantities.

Such nomination request shall be made by the customer to the Company on a periodic basis prior to the nomination deadline of the respective interstate transporter Such nomination may be adjusted prospectively from time to time during the billing period as may become necessary. However, the Company retains the right to limit the number of nomination adjustments during the billing period.

ATMOS ENERGY CORPORATION

Firm Carriage Service
Rate T-4

6. Imbalances

The Company will calculate, on a monthly basis, the customer's Imbalance resulting from the differences that occur between the volume that the customer had delivered into the Company's facilities and the volume the Company delivered to the customer's facilities plus an allowance for system Lost and Unaccounted gas quantities.

Imbalance = [$Mcf_{Customer}$ X (1-L&U%)] - $Mcf_{Company}$

Where:

1. "$Mcf_{Customer}$" are the total volumes that the customer had delivered to the Company's facilities.

2. "$Mcf_{Company}$" are the volumes the Company delivered into customer's facilities, however, the Company will adjust the Imbalance, if at the Company's request, the customer did not take deliveries of the volumes the customer had delivered to the Company's facilities.

3. "L&U%" is the system Lost and Unaccounted gas percentage as stated in the Company's current Transportation and Carriage tariff Sheet No. 6.

The Imbalance volumes will be resolved by use of the following procedure:

a) If the Imbalance is negative and Imbalance volumes were approved by the Company, then the customer will be billed for the Imbalance volumes at a rate equal to 110% of the Company's sales rate (G-1). However, if the Imbalance volumes were not approved by the Company, then the Imbalance volumes shall be deemed as an overrun and may be billed up to $15.00 per Mcf. The Company has no obligation to provide gas supply to a customer electing service under this tariff.

If the Imbalance is positive, then the Company will purchase the Imbalance volumes in excess of "parked" volumes from the customer at the rates described in the following "Cash out" method in item (b)

ATMOS ENERGY CORPORATION

Firm Carriage Service
Rate T-4

b) "Cash out" Method

Imbalance volumes			**Cash-out Price**
First [1]	5% of Mcf Customer	@	100% of Index Price [2]
Next [1]	5% of Mcf Customer	@	90% of Index Price [2]
Over [1]	10% of Mcf Customer	@	80% of Index Price [2]

[1] Not to exceed the Imbalance volumes

[2] The index price will equal the effective "Cash out" index price in effect for the transporting pipeline or as filed with the Commission by the Company.

c) Customer will be reimbursed for all pipeline transportation commodity charges applying to cash out volumes. However, the reimbursement will not exceed pipeline transportation commodity charges the Company would have incurred to transport the "Cash Out" volumes.

d) In addition to other tariff penalty provisions, the customer shall be responsible for any penalty (s) assessed by the pipeline (s) resulting from the customer's failure to match volumes that the customer had delivered to the Company's facilities with volumes the Company delivered into customer's facilities.

e) Customer may, by written agreement with the Company, arrange to "park" positive imbalance volumes, up to 10% of "MCF Company ", on a monthly basis at .10/MCF per month. The parking service will be provided on a "best efforts" basis by the Company. Parked volumes will be deemed "first through the meter" delivered to the Customer in the month following delivery to the Company on the Customer's account.

Firm Carriage Service

Rate T-4

7. **Curtailment**

All curtailments or interruptions shall be in accordance with and subject to the Company's "Curtailment Order" as contained in Section 33 of its Rules and Regulations as filed with and approved by the Public Service Commission and for any causes due to force majeure (which includes acts of God, strikes, lockouts, civil commotion, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, etc.); and for any other necessary or expedient reason at the discretion of the Company.

8. **Special Provisions**

It will be the responsibility of the customer to pay all costs for additional facilities and/or equipment which will be required as a result of receiving service under this Firm Carriage Service Rate T-4. Electronic flow measurement ("EFM") equipment is required to be installed, maintained, and operated by the Company to obtain transportation service. The customer is responsible for providing the electric and communications support services related to the EFM equipment. Customers required to install EFM may elect the optional monthly EFM facilities charges (Sheet No. 68). EFM equipment is not required for customers whose contractual requirements with the Company are less than 100 Mcf/day; however, such customers may, at their option, elect to install EFM equipment under the same provisions set forth above.

No gas delivered under this rate schedule and applicable contract shall be available for resale to anyone other than an end-user for use as a motor vehicle fuel.

Firm Carriage Service

Rate T-4

9. Terms and Conditions

a) Specific details relating to volume, delivery point and similar matters shall be covered by a separate written contract or amendment with the customer.

b) The Company will not be obligated to deliver a total supply of gas to the customer in excess of the customer's maximum daily carriage volumes. The Company has no obligation under this tariff to provide any sales gas to the customer.

c) It shall be the customer's responsibility to make all necessary arrangements, including obtaining any regulatory approval required, to deliver gas under this Firm Carriage Service Rate to the facilities of the Company.

d) The Company reserves the right to refuse to accept gas that does not meet the Company's quality specifications.

e) The Rules and Regulations and Orders of the Kentucky Public Service Commission and of the Company and the Company's General Terms and Conditions applicable to the Company's Sales Tariff Rates shall likewise apply to these Carriage Service Rates and all contracts and amendments thereunder.

f) In the event the customer loses its gas supply, it may be allowed a reasonable time in which to secure replacement volumes (up to the contract daily carriage quantity), subject to provisions of Section 5 of this tariff.

A "reasonable time" will be, except when precluded by operational constraints, matched to the make-up grace period by the respective interstate pipeline transporter.

g) The customer will be solely responsible to correct, or cause to be corrected, any imbalances it has caused on the applicable pipeline's system.

Firm Carriage Service

Rate T-4

10. Late Payment Charge

A penalty may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

11. Alternative Fuel Responsive Flex Provision

Notwithstanding any other provision of this tariff, the Company may, periodically, flex the applicable Distribution Charge on a customer specific basis if, a customer presents sufficient reliable and persuasive information to satisfactorily prove to the Company that alternative fuel, usable by the customer's facility, is readily available, in both advantageous price and adequate quantity, to completely or materially displace the gas service that would otherwise be facilitated by this tariff. The customer shall submit the appropriate information by affidavit on a form on file with the Commission and provided by the Company. The Company may require additional information to evaluate the merit of the flex request.

Pursuant to this Section, the Company may flex the otherwise applicable transportation rate to allow the delivered cost of gas to approximate the customer's total cost, including handling and storage charges, of available alternative fuel The minimum flexed rate shall be the non-commodity component of the customer's otherwise applicable rate.

The Company will not flex for volumes which, if delivered, would exceed either (1) the current operable alternative fuel fired capability of the customer's facilities, or (2) the energy equivalent of the quantity of alternative fuel available to the customer, whichever is less. The Company reserves the right to confirm, to its satisfaction, the customer's alternative fuel capability and the reasonableness of the represented price and quantity of available alternative fuel.

ATMOS ENERGY CORPORATION

Rules and Regulations

c) Penalty for Unauthorized Overruns

In the event a customer fails in part or in whole to comply with a Company Curtailment Order either as to time or volume of gas used or uses a greater quantity of gas than its allowed volume under terms of the Curtailment Order, the Company may, at its sole discretion, apply a penalty rate of up to $15.00 per Mcf.

In addition to other tariff penalty provisions, the customer shall be responsible for any penalty(s) assessed by the interstate pipeline(s) or suppliers resulting from the customer's failure to comply with terms of a Company Curtailment Order.

The payment of penalty charges shall not be considered as giving any customer the right to take unauthorized volumes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to the Company.

d) Discontinuance of Service

The Company shall have the right, after reasonable notice to discontinue the gas supply of any customer that fails to comply with a valid curtailment order.

>> Residential

NORTH CAROLINA
Filing No: Docket G-9, Sub 490
Effective: August 1, 2004

101 - Residential Service - Value Rate

	November/March	April/October
Facility Charge	12 00	10 00
Rate/Therm	1 00467	0 95737

121 - Residential Service - Standard Rate

	November/March	April/October
Facility Charge	12 00	10 00
Rate/Therm	1.05230	1 00742

102 - Small General Service - Standard Rate

Facility Charge	Rate/Therm November/March	Rate/Therm April/October
$22 00	0 98969	0 93607

132 - Small General Service - Value Rate

Facility Charge	Units	Rate/Therm November/March	Units	Rate/Therm April/October
$22 00	First 2,000	0 98246	First 2,000	0 89343
	Over 2,000	0 96878	Over 2,000	0 87079

152 - Medium General Service - Standard Rate

Facility Charge	Rate/Therm November/March	Rate/Therm April/October
$75 00	0 98892	0 91561

162 - Medium General Service - Value Rate

Facility Charge	Units	Rate/Therm November/March	Units	Rate/Therm April/October
$75 00	First 5,000	0.96872	First 5,000	0 87241
	Over 5,000	0 95264	Over 5,000	0 81462

142 - Small General Service - Motor Fuel

Facility	Rate/Therm	Rate/Therm

Charge	November/March	April/October
$22 00	0 85712	0 85712

103 - Large General Sales Service

Rate Classification	Facility Charge	Units	Rate/Therm Nov./Mar.	Units	Rate/Therm April/October
	$250 00	First 15,000	0 78705	First 15,000	0 73908
Demand (Therm)	1 22022	Next 30,000	0 74469	Next 30,000	0 71473
		Next 90,000	0 71663	Next 90,000	0 69924
		Next 465,000	0 68681	Next 165,000	0 68436
		Over 600,000	0 66180	Next 300,000	0 66661
				Over 600,000	0 64886

104 - Interruptible Sales Service

Facility Charge	Units	Rate/Therm Nov./Mar	Units	Rate/Therm April/October
$250 00	First 15,000	0 82695	First 15,000	0 74833
	Next 30,000	0 78494	Next 30,000	0 72426
	Next 90,000	0 75691	Next 90,000	0 70827
	Next 465,000	0 72952	Next 165,000	0 69030
	Over 600,000	0 71184	Next 300,000	0 67790
			Over 600,000	0.66015

105 - Outdoor Gaslight Service

Facility Charge		Rate/Therm Nov /Mar	Rate/Therm April/October
$12 00	(Per Fixture)	N/A	N/A

106 - Limiting and Curtailing Service

	Rate/Therm November/March	Rate/Therm April/October
Emergency Service	$1 00 + gas cost	$1 00 + gas cost
Unauthorized Over Run Penalty	$2 50 + gas cost	$2 50 + gas cost

108 - Negotiated Service

See Rate Code 02, 03 and 04 for maximum rates and facilities charges. Actual rates are negotiated

113 - Large General Transportation Service

Rate Classification	Facility Charge	Units	Rate/Therm Nov./Mar	Units	Rate/Therm April/October
	$250 00	First 15,000	0 15001	First 15,000	0 10226
Demand (Therm)	0 25990	Next 30,000	0 10805	Next 30,000	0 07820
Standby Sales		Next 90,000	0 08001	Next 90,000	0 06272
Demand (Therm)	1 20000	Next 465,000	0 05276	Next 165,000	0 04523
		Over 600,000	0 02496	Next 300,000	0 02971
				Over 600,000	0 01196

114- Interruptible Transportation Service

Facility Charge	Units	Rate/Therm Nov./Mar	Units	Rate/Therm April/October
$250 00	First 15,000	0 14999	First 15,000	0 10228
	Next 30,000	0 10811	Next 30,000	0 07823
	Next 90,000	0 08006	Next 90,000	0 06264
	Next 465,000	0 05264	Next 165,000	0 04425
	Over 600,000	0.02496	Next 300,000	0 02897
			Over 600,000	0 01196

Important Notice

Piedmont Natural Gas Company is required by law to charge the rates on file with and approved by the North Carolina Utilities Commission Although the rates herein are believed to be an accurate representation of the approved rates as of the dates indicated on the rate schedules, no representation is made as to the accuracy or completeness of the rates shown above The official rates can be reviewed at the office of the North Carolina Utilities Commission

Excise Tax Notice

North Carolina Session Law 1998-2 authorized an excise tax effective July 1, 1999, for piped natural gas deliveries This Session Law requires Piedmont to bill and collect excise taxes for remittance to the North Carolina Department of Revenue The applicable excise tax rates based on monthly deliveries to each customer are as follows

First 200 therms	$0 047 per therm
201 to 15,000 therms	$0 035 per therm
15,001 to 60,000 therms	$0.024 per therm
60,001 to 500,000 therms	$0 015 per therm
Over 500,000 therms	$0 003 per therm

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>> Residential

SOUTH CAROLINA
Filing No: GCRM 109
Effective: August 1, 2004

201 - Residential Service - Value Rate

	November/March	April/October
Facility Charge	10 00	8 00
Rate/Therm	1 02131	0 97913

221 - Residential Service - Standard Rate

	November/March	April/October
Facility Charge	10 00	8 00
Rate/Therm	1 19780	1 19574

202 - Small General Service - Standard Rate

Facility Charge	Rate/Therm November/March	Rate/Therm April/October
$22 00	1 12231	1 09440

232 - Small General Service - Value Rate

Facility Charge	Units	Rate/Therm November/March	Units	Rate/Therm April/October
$22 00	First 2,000	1 06856	First 2,000	0 98002
	Over 2,000	1 04156	Over 2,000	0 95301

252 - Medium General Service - Standard Rate

Facility Charge	Rate/Therm November/March	Rate/Therm April/October
$75 00	1 11974	1 07463

262 - Medium General Service - Value Rate

Facility Charge	Units	Rate/Therm November/March	Units	Rate/Therm April/October
$75 00	First 5,000	1 04233	First 5,000	0 95336
	Over 5,000	1 00879	Over 5,000	0 93014

242 - Small General Service - Motor Fuel

Facility	Rate/Therm	Rate/Therm

Charge	November/March	April/October
$22 00	0 82468	0 82468

203 - Large General Sales Service

Rate Classification	Facility Charge	Units	Rate/Therm November/March	Units	Rate/Therm April/October
	250 00	First 15,000	0 87419	First 15,000	0 79991
Demand (Therm)	1 90	Next 15,000	0 80848	Next 15,000	0 75278
		Next 75,000	0 76135	Next 75,000	0 72421
		Next 165,000	0 71421	Next 165,000	0 69564
		Next 330,000	0 66707	Next 330,000	0 66207
		Over 600,000	0 63850	Over 600,000	0 63850

204 - Interruptible Sales Service

Facility Charge	Units	Rate/Therm November/March	Units	Rate/Therm April/October
$250.00	First 15,000	0 92419	First 15,000	0 80991
	Next 15,000	0 85958	Next 15,000	0 76278
	Next 75,000	0 81215	Next 75,000	0.73421
	Next 165,000	0 76430	Next 165,000	0 70564
	Next 330,000	0 71707	Next 330,000	0 67707
	Over 600,000	0 67850	Over 600,000	0 64850

205 - Gas Lights (unmetered)

Facility Charge	Rate/Therm November/March	Rate/Therm April/October
$15 00 (Per Fixture)	N/A	N/A

206 - Emergency Service

	Rate/Therm November/March	Rate/Therm April/October
Emergency Service	$1 00 + gas cost	$1 00 + gas cost
Unauthorized Over Run Penalty	$2 50 + gas cost	$2 50 + gas cost

208 - Negotiated Rates

See Rate Code 02, 03 and 04 for maximum rates and facilities charges Actual rates are negotiated

213 - Large General Transportation Service

Rate Classification	Facility Charge	Units	Rate/Therm November/March	Units	Rate/Therm April/October
	250 00	First 15,000	0.24919	First 15,000	0 17491
Demand (Therm)	0 60	Next 15,000	0 18348	Next 15,000	0 12778
Standby Sales		Next 75,000	0 13635	Next 75,000	0 09921
Demand (Therm)	1 30	Next 165,000	0 08921	Next 165,000	0 07064
		Next 330,000	0.04207	Next 330,000	0 03707
		Over 600,000	0 01350	Over 600,000	0 01350

214- Interruptible Transportation Service

Facility Charge	Units	Rate/Therm November/March	Units	Rate/Therm April/October
$250 00	First 15,000	0 24919	First 15,000	0 17491
	Next 15,000	0 18348	Next 15,000	0 12778
	Next 75,000	0 13635	Next 75,000	0 09921
	Next 165,000	0 08921	Next 165,000	0 07064
	Next 330,000	0 04207	Next 330,000	0 03707
	Over 600,000	0 01350	Over 600,000	0 01350

Important Notice:

Piedmont Natural Gas Company is required by law to charge the rates on file with and approved by the South Carolina Public Service Commission Although the rates herein are believed to be an accurate representation of the approved rates as of the dates indicated on the rate schedules, no representation is made as to the accuracy or completeness of the rates shown above The official rates can be reviewed at the office of the South Carolina Public Service Commission

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NASHVILLE GAS DIVISION

Effective: July 1, 2004

301 - Residential Service - Value Rate

	November/March	April/October
Facility Charge	13 00	10 00
Rate/Therm	1 06933	1 01933

321 - Residential Service - Standard Rate

	November/March	April/October
Facility Charge	13 00	10 00
Rate/Therm	1 09916	1.04916

302 - Small General Service - Standard Rate

Facility Charge	Rate/Therm November/March	Rate/Therm April/October
29 00	1 13394	1 08264

332 - Small General Service - Value Rate

Facility Charge	Units	Rate/Therm November/March	Units	Rate/Therm April/October
29 00	First 2,000	1 10266	First 2,000	1 05166
	Over 2,000	1 09486	Over 2,000	1 04386

352 - Medium General Service - Standard Rate

Facility Charge	Rate/Therm November/March	Rate/Therm April/October
75 00	1 01333	1 05233

362 - Medium General Service - Value Rate

Facility Charge	Units	Rate/Therm November/March	Units	Rate/Therm April/October
75 00	First 5,000	1.10229	First 5,000	1 05129
	Over 5,000	1 09473	Over 5,000	1 04373

303 - Large General Sales Service

Rate Facility

Classification	Charge	Units	Rate/Therm
	300 00	First 15,000	0 84984
Demand (Therm)	1 034810	Next 25,000	0 84043
		Next 50,000	0 81490
		Over 90,000	0 74637

304 - Interruptible General Sales Service

Facility Charge	Units	Rate/Therm
300 00	First 15,000	0 87943
	Next 25,000	0 85493
	Next 50,000	0 82692
	Over 90,000	0 75656

306 - Schedule for Limiting and Curtailing Service

	Rate/Therm	
	November/March	April/October
Emergency Service	$1 00 + gas cost	$1 00 + gas cost
Unauthorized Over Run Penalty	$1 50 + gas cost	$1 50 + gas cost

309 - Special Availability Service

See Rate Code 03 and 04 for maximum rates and facilities charges. Actual rates are negotiated

313 - Firm Transportation Service

Rate Classification	Facility Charge	Units	Rate/Therm
	300 00	First 15,000	0 09883
Demand (Therm)	1 034810	Next 25,000	0 09003
		Next 50,000	0 06429
		Over 90,000	0 02764

314- Interruptible Transportation Service

Rate Classification	Facility Charge	Units	Rate/Therm
	300 00	First 15,000	0 09903
		Next 25,000	0 09020
		Next 50,000	0 06435
		Over 90,000	0 02764

310- Resale Service

Rate Classification		Rate/Therm
Demand (Therm)	1 03491	0 84082

Important Notice:

Piedmont Natural Gas Company is required by law to charge the rates on file with and approved by the Tennessee Regulatory Authority Although the rates herein are believed to be an accurate representation of the approved rates as of the dates indicated on the rate schedules, no representation is made as to the accuracy or completeness of the rates shown above The official rates can be reviewed at the office of the Tennessee Regulatory Authority

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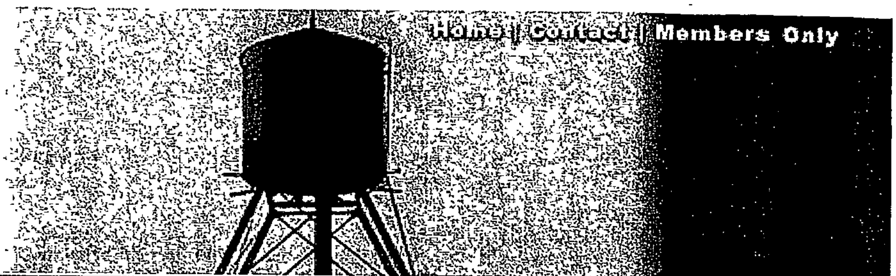


NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES
RESOLUTION

Supporting the Establishment of a Federal Fund
to Use in Providing Low-Income Assistance

WHEREAS, electric service is a basic necessity of modern life. Universal electric service therefore must be a key component of our public policy;

WHEREAS, universal electric service, means, at a minimum, access to and availability of firm, reliable power supply, which includes generation, transmission, and distribution services, at affordable rates, to all who desire those services;

WHEREAS, there are Congressional measures introduced which would either permit or require states to offer customers retail electric choice;

WHEREAS, if the electric industry is restructured, the most economically vulnerable customers may be placed at risk because market forces and other factors could cause such customers to no longer receive service or to have their service terminated;

WHEREAS, if low income customers cannot afford their electric bills and are disconnected, they no longer contribute to the fixed cost base of the electric supply and delivery system, and therefore all customers may be harmed;

WHEREAS, it is in the best interest of all customers and it is good public policy to keep the customers least able to afford electric service on the system by means of appropriate low income assistance programs available for customers who need them;

WHEREAS, currently, programs such as percentage of income or equal payment plans, low income or lifeline rates, LIHEAP and Weatherization help to serve some of this universal electric service goal;

WHEREAS, if the electric utility industry is restructured, lawmakers should assure that programs to implement universal electric service are adequately funded and are in keeping with the competitive framework in order to protect all consumers from harms in a restructured electric market;

WHEREAS, in a competitive market, costs and related charges for low income energy assistance programs must be designed to be recovered from all utility customers and electric service providers or the even broader base of all taxpayers in a non-bypassable and competitively neutral manner;

WHEREAS, the concept of affordable rates may include rate designs and explicit funding mechanisms that permit residential customers to obtain service at rates that they can afford to pay;

WHEREAS, such an approach should allow low-income consumers to obtain adequate services in a competitive market at affordable rates and prices,

WHEREAS, low income assistance is just one part of universal service. Other consumer protections are also necessary;

WHEREAS, the National Association of State Utility Consumer Advocates (NASUCA) has previously supported low income and other universal service programs;

WHEREAS, NASUCA supports the adoption of universal service protections that would include programs for making adequate electric service available at rates and prices which are affordable in any electric restructuring legislation or regulations;

WHEREAS, most states currently have programs designed to protect and/or assist low income customers;

THEREFORE, BE IT RESOLVED, that if federal restructuring legislation is enacted NASUCA supports the establishment of a federal fund to be used to provide low income assistance (such as low income weatherization, bill reduction techniques and education) apart from, and in addition to federal LIHEAP and Weatherization; and,

BE IT FURTHER RESOLVED, that the fund may be augmented by efforts at the state level and that states should have primary control over the programs and the distribution of all such funds;

BE IT FURTHER RESOLVED, that NASUCA authorizes its Executive Committee to develop specific positions and to take appropriate actions consistent with the terms of this resolution. The Executive Committee shall advise the membership of any proposed action prior to taking action if possible In any event the Executive Committee shall notify the membership of any action pursuant to this resolution.

Approved by NASUCA:

Submitted by:

Seattle, WA
Place

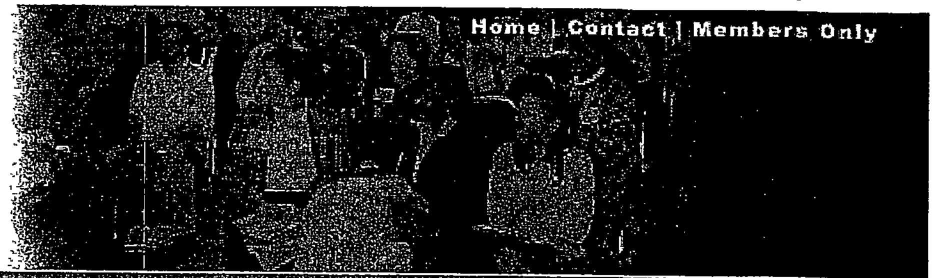
NASUCA Electricity Committee

June 10, 1998
Date

Larry Frimerman (OH), Chair
Thomas Brocato (TX)
Scott Cauchois (CA)
Barry Cohen (OH)
John P. Cook (IN)
Nancy Vaughn Coombs (SC)
Steve Corneli (MN)
Anne Curtin (NY)
George Dean (MA)
William Fields (MD)
Margaret Force (NC)
Brian Gallagher (DE)
Walker Hendrix (KS)
Jim Hurt (GA)
Bruce Johnson (CT)
Robert Kelter
Angela Kennedy (DC)
Eugene Koss (CT)
Ryan Kind (MO)
Thomas Nicholson (VA)
Charles Noble (NM)
Gerald Norlander (NY)
Blossom Peretz (NJ)
William Perkins (ME)
Irwin Popowsky (PA)
Fred Schmidt (NV)
Ben Stead (IA)
Kenneth Traum (NH)

National Association of State Utility Consumer Advocates
8380 Colesville Road, Suite 101, Silver Spring, MD 20910
Phone: (301) 589-6313 Fax: 589-6380
e-mail: nasuca@nasuca.org

NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES NASUCA



National Association of Regulatory Utility Commissioners
National Association of State Utility Consumer Advocates

JOINT RESOLUTION

Requesting the Joint Board on Universal Service and the FCC to Increase Subscription to Lifeline and Linkup by Changing the Eligibility Standards and Subscription Process

WHEREAS, The National Association of State Utility Consumer Advocates (NASUCA) and the National Association of Regulatory Utility Commissioners (NARUC) recognize the national goal of universal telephone service;

WHEREAS, Many low-income families, including the elderly and many working poor Americans, do not have basic local telephone service due to such factors as the cost of service, the overall cost of living, and the availability and level of financial assistance programs other than Lifeline;

WHEREAS, NASUCA and NARUC strongly support the Lifeline and Link-Up programs, which are intended to enable low income customers to obtain telephone service through federal and state subsidies that make telephone service more affordable;

WHEREAS, the FCC in 1997 in its Universal Service Order ruled that under the federal regulations a consumer would be eligible for Lifeline and Linkup benefits only if the customer participated in Medicaid, food stamps, Supplementary Security Income (SSI), federal public housing assistance or Section 8, or Low Income Home Energy Assistance Program (LIHEAP);

WHEREAS, it is commonly accepted that some low income persons, particularly the elderly, are unwilling to participate in the public assistance programs that would make them eligible for Lifeline and Linkup programs;

WHEREAS, the shrinking rolls of public assistance programs due to welfare reform are reducing the number of consumers eligible for Lifelıne and Linkup;

WHEREAS, consumer participation in Lifeline and Linkup, as well as overall telephone subscribership rates, would increase by adding level of income as an independent criterion for eligibility, independent of participation in other public assistance programs;

WHEREAS, a reasonable level of income standard is 150% of federal poverty guidelines;

WHEREAS, states that provide state support in addition to the federal assistance for the Lifeline and Linkup programs may establish their own eligibility standards;

WHEREAS, existing eligibility standards for this federal program vary widely among the states and Lifeline subscription is especially low in some states with narrow eligibility standards;

WHEREAS, a minimum federal eligibility standard applicable to the federal program support, with a waiver for good cause, would increase subscription to Lifeline and Linkup as well as overall telephone subscribership;

WHEREAS, the enrollment in Lifeline and Linkup programs would be increased by establishing automatic enrollment, whereby customers are automatically enrolled in Lifeline and Linkup when they participate in the public assistance programs that make them eligible for Lifeline and Linkup, with such persons being given the option of declining such enrollment and while establishing mechanisms for protecting consumer privacy;

THEREFORE, BE IT RESOLVED that NARUC and NASUCA urge the Joint Board on Universal Service ("Joint Board") and the Federal Communications Commission

(AFCC@) to adopt rules for the Lifeline and Linkup programs that establish a federal minimum income eligibility standard set at 150% of federal poverty guidelines, which

standard would be the minimum for federal program support and with temporary waivers for good cause; and,

BE IT FURTHER RESOLVED, that NARUC and NASUCA urge the Joint Board and the FCC to adopt rules requiring telecommunications providers to use automatic enrollment, with privacy protections and the option to decline participation, for Lifeline and Linkup.

Approved by NASUCA: Submitted by:

June 19, 2002 NASUCA Consumer Protection Committee And
NARUC Utility Consumer Affairs Committee

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