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Chairman Herbert H. Hilliard
Tennessee Public Utility Commission
C/o Tory Lawless, Docket Room
502 Deadrick Street,
4th Floor
Nashville, TN 37243-0505

Re: Chattanooga Gas Company's Petition for Approval of Tariff Amendments to its F-1,
T-1, T-2, T-3 and TPS Tariffs Pursuant to Docket 22-00004.

Dear Chairman Hilliard,

The attached Chattanooga Gas Company revised tariff sheets are being submitted in compliance with the Commission's November 7, 2022 decision in Docket 22-00004. Included is both a redline and clean version of the following tariff sheets:

	Sheet No.
F-1 Commercial and Industrial Large Volume Firm Sales Service	20
T-1 Interruptible Transportation Service	30
T-2 Interruptible Transportation Service with Firm Gas Supply Backup	31
T-3 Low Volume Transport	33
TPS Third Party Supplier	38

Revisions were made to Schedules F-1 and TPS in addition to Schedules T-1, T-2 and T-3 in order to ensure consistent language throughout the tariff. Additionally, language requested to be included in Schedules T-1, T-2 and T-3 by the Consumer Advocate and approved in the decision in Docket 22-00004 was added to the TPS rate schedule to provide consistency throughout the tariff in describing Chattanooga Gas Company's rights in scenarios involving daily balancing orders.

Should you have any questions, please contact me at avette@southernco.com.

Sincerely,

Ashley Vette
Manager, Rates & Tariffs Admin.

RATE SCHEDULE F-1 (Continued)
Commercial and Industrial Large Volume Firm Sales Service

SPECIAL TERMS AND CONDITIONS

In the event a Customer does not comply with a curtailment order issued by the Company as provided in the "Schedule for Limiting and Curtailing Gas Service," such daily volumes taken in excess of the allowed curtailment volumes shall be paid for by the Customer at the greater of the rate of (1.) \$15.00 per Dth or (2.) the average daily index on curtailment days plus \$5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Schedule.

The payment of a charge for unauthorized or excess use shall not under any circumstances be considered as giving any such Customer the right to take unauthorized or excess volumes, or to purchase such unauthorized or excess volumes of gas on any of the Company's other rate schedules, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect Customer's obligations to adhere to the provisions of Customer's contract with the Company.

Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

BILLING ADJUSTMENTS

Bills for gas service hereunder shall be subject to adjustment for changes in the cost of purchased gas in accordance with the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission.

Bills for gas service hereunder shall be subject to the provisions of the Interruptible Margin Credit Rider as approved by the Tennessee Public Utility Commission.

LIMITING AND CURTAILING GAS SERVICE

Gas service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission.

GENERAL TERMS AND CONDITIONS

Gas service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE F-1 (Continued)
Commercial and Industrial Large Volume Firm Sales Service

SPECIAL TERMS AND CONDITIONS

~~In the event Customer does not comply with a curtailment order issued by the Company as provided in the "Schedule for Limiting and Curtailing Gas Service," such daily volumes taken in excess of the allowed curtailment volumes shall be paid for by the Customer at the greater of the rate of (1.) \$15.00 per Dth or (2.) the average daily index on curtailment days plus \$5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment order as directed by the Company. takes daily gas deliveries in excess of Customer's daily contract entitlement where such consumption is measured and recorded on a daily basis, or in the event Customer does not comply with a curtailment order as directed by the Company and takes gas in excess of the daily volume allowed by the Company in the curtailment order, such gas taken in excess of Customer's daily contract entitlement or such daily volumes taken in excess of curtailment volumes shall be paid for by the Customer at the greater of the rate of (1.) \$15.00 per Dth or (2.) the average daily index on curtailment days plus \$5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Schedule. If the Customer has gas delivered in excess of a daily balancing order volumes, all applicable pipeline penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company shall be billed to the Customer.~~

The payment of a charge for unauthorized or excess use shall not under any circumstances be considered as giving any such Customer the right to take unauthorized or excess volumes, or to purchase such unauthorized or excess volumes of gas on any of the Company's other rate schedules, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect Customer's obligations to adhere to the provisions of Customer's contract with the Company.

Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

BILLING ADJUSTMENTS

Bills for gas service hereunder shall be subject to adjustment for changes in the cost of purchased gas in accordance with the Tennessee Public Utility Commission Administrative Rule 1220-4-7 (Purchased Gas Adjustment) and shall be subject to other adjustments, charges and/or credits as determined to be applicable by the Tennessee Public Utility Commission.

Bills for gas service hereunder shall be subject to the provisions of the Interruptible Margin Credit Rider as approved by the Tennessee Public Utility Commission.

LIMITING AND CURTAILING GAS SERVICE

Gas service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission.

GENERAL TERMS AND CONDITIONS

Gas service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE T-1 (Continued)
Interruptible Transportation Service

LIMITING AND CURTAILING GAS SERVICE

Transportation Service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission.

SPECIAL TERMS AND CONDITIONS

This schedule is subject to interruption on one-half-hour's notice given by the Company by telephone or otherwise. The Company will curtail transportation gas service to the Customers under this schedule in order to prevent a shortage of gas for the use of Customers under the Company's other rate schedules.

Customer shall immediately discontinue the use of transported gas service, to the extent of curtailment ordered, when and as directed by the Company; and authorized representatives of the Company shall have at all times the right of ingress and egress to the Customer's premises. Upon determination by the Company that the necessity for curtailment has ceased the Company shall so notify the Customer by telephone or otherwise and the Customer shall not resume service until so notified.

The Company may issue a daily balancing order when an OFO order has been issued, when in the judgment of the Company it is required to maintain the operational integrity of the distribution system, or during periods of significant price volatility. Significant price volatility is defined as daily pricing that exceeds the most recent first of month as identified *Gas Daily* at the Henry Hub by a minimum of 20%.

In the event Customer

- a. does not comply with daily balancing order as directed by the Company and takes gas in excess of the Customer gas nominations for the balancing day daily volumes taken in excess of Customer's nomination shall be paid for by the Customer at the average daily index on the daily balancing days plus \$5.00 per Dth. and all applicable pipeline and/or gas supplier penalties and/or charges that are the result of the Customer's failure to comply with a daily balancing order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Schedule. Imbalances for days that a balancing order is in effect may not be offset by over-deliveries on days that a balancing order is not in effect and are not subject to end of month imbalance trading;
- b. does not comply with a curtailment order issued by the Company as provided in the "Schedule for Limiting and Curtailing Gas Service," such daily volumes taken in excess of the allowed curtailment volumes shall be paid for by the Customer at the greater of the rate of (1.) \$15.00 per Dth or (2.) the average daily index on curtailment days plus \$5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Schedule. Imbalances for days that a curtailment order is in effect may not be offset by over-deliveries on days that a curtailment or balancing order is not in effect and are not subject to end of month imbalance trading
- c. does not comply with a daily balancing order as directed by the Company and has gas delivered in excess of its actual daily consumption, a penalty of \$15.00 for each Dth of excess gas delivered that exceeds 5% of the daily consumption will be billed to the Customer in addition to all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company. If the Customer's gas delivered does not exceed the Customer's actual daily consumption by more than 5% and such excess gas does not result in pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company, the \$15.00 charge will be waived. Imbalances for days that balancing

RATE SCHEDULE T-1 (Continued)
Interruptible Transportation Service

order is in effect shall not be offset by under-deliveries on days a balancing order is not in effect and are not subject to end of month imbalance trading.

The payment of a charge for unauthorized over-run shall not under any circumstances be considered as giving any such Customer the right to take unauthorized over-run volumes, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect its obligations to adhere to the provisions of its contract with the Company.

The curtailment of interruptible transportation service deliveries in whole or in part under this schedule shall not be the basis for claims against the Company for any damages sustained by the Customers. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

GENERAL TERMS AND CONDITIONS

Transportation Service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE T-1 (Continued)
Interruptible Transportation Service

LIMITING AND CURTAILING GAS SERVICE

Transportation Service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission.

SPECIAL TERMS AND CONDITIONS

This schedule is subject to interruption on one-half-hour's notice given by the Company by telephone or otherwise. The Company will curtail transportation gas service to the Customers under this schedule in order to prevent a shortage of gas for the use of Customers under the Company's other rate schedules.

Customer shall immediately discontinue the use of transported gas service, to the extent of curtailment ordered, when and as directed by the Company; and authorized representatives of the Company shall have at all times the right of ingress and egress to the Customer's premises. Upon determination by the Company that the necessity for curtailment has ceased the Company shall so notify the Customer by telephone or otherwise and the Customer shall not resume service until so notified.

The Company may issue a daily balancing order when an OFO order has been issued, when in the judgment of the Company it is required to maintain the operational integrity of the distribution system, or during periods of significant price volatility. Significant price volatility is defined as daily pricing that exceeds the most recent first of month as identified *Gas Daily* at the Henry Hub by a minimum of 20%.

In the event Customer

- a. ~~takes daily gas deliveries in excess of Customer's daily contract entitlement where such consumption is measured and recorded on a daily basis, or in the event Customer does not comply with a curtailment or~~ takes daily gas deliveries in excess of Customer's daily contract entitlement where such consumption is measured and recorded on a daily basis, or in the event Customer does not comply with a curtailment or daily balancing order as directed by the Company and takes gas in excess of the Customer gas nominations for the balancing day daily volume allowed by the Company in the curtailment or a daily balancing order, such gas daily volumes taken in excess of Customer's nomination daily contract entitlement or such daily volumes taken in excess of curtailment or daily balancing order volumes shall be paid for by the Customer at the greater of the rate of (1.)\$15.00 per Dth or (2.) the average daily index on curtailment or the daily balancing days plus \$5.00 per Dth. and all applicable pipeline and/or gas supplier penalties and/or charges that are the result of the Customer's failure to comply with a ~~curtailment or~~ daily balancing order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Schedule. ~~If the Customer has gas delivered in excess of a daily balancing order volumes, all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company shall be billed to the Customer. Imbalances for days that a balancing order is in effect may not be offset by over-deliveries on days that a balancing order is not in effect and are not subject to end of month imbalance trading;~~
- b. does not comply with a curtailment order issued by the Company as provided in the "Schedule for Limiting and Curtailing Gas Service," such daily volumes taken in excess of the allowed curtailment volumes shall be paid for by the Customer at the greater of the rate of (1.) \$15.00 per Dth or (2.) the average daily index on curtailment days plus \$5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Schedule. Imbalances for days that a curtailment order is in effect may not be offset by over-deliveries on days that a curtailment or balancing order is not in effect and are not subject to end of month imbalance trading;

e.—does not comply with a daily balancing order as directed by the Company and has gas delivered in excess of its actual daily consumption, a penalty of \$15.00 for each Dth of excess gas delivered that exceeds 5% of the daily consumption will be billed to the Customer in addition to all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company. If the Customer's gas delivered does not exceed the Customer's actual daily consumption by more than 5% and such excess gas does not result in pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company, the \$15.00 charge will be waived. Imbalances for days that a balancing order is in effect shall not be offset by under-deliveries on days a balancing order is not in effect and are not subject to end of month imbalance trading.

The payment of a charge for unauthorized over-run shall not under any circumstances be considered as giving any such Customer the right to take unauthorized over-run volumes, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect its obligations to adhere to the provisions of its contract with the Company.

The curtailment of interruptible transportation service deliveries in whole or in part under this schedule shall not be the basis for claims against the Company for any damages sustained by the Customers. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

GENERAL TERMS AND CONDITIONS

Transportation Service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE T-2 (Continued)
Interruptible Transportation Service With Firm Gas Supply Backup

SPECIAL TERMS AND CONDITIONS

This schedule is subject to interruption on one-half-hour's notice given by the Company by telephone or otherwise. The Company will curtail transportation gas service to the Customers under this schedule in order to prevent a shortage of gas for the use of Customers under the Company's other rate schedules.

Customer shall immediately discontinue the use of transportation gas service, to the extent of curtailment ordered, when and as directed by the Company; and authorized representatives of the Company shall have at all times the right of ingress and egress to the Customer's premises. Upon determination by the Company that the necessity for curtailment has ceased the Company shall so notify the Customer by telephone or otherwise and the Customer shall not resume service until so notified.

The Company may issue a daily balancing order when an OFO order has been issued, when in the judgment of the Company it is required to maintain the operational integrity of the distribution system, or during periods of significant price volatility. Significant price volatility is defined as daily pricing that exceeds the most recent first of month as identified *Gas Daily* at the Henry Hub by a minimum of 20%.

In the event Customer

- a. takes gas in excess of the Customer's gas nominations on the day that a balancing order is in effect, the gas in excess of the Customer's nomination shall be paid for by the Customer at the Rate Schedule F-1 rate. If a Customer has the billing demand volume established in the gas sale agreement, as provided in Rate Schedule F-1, gas taken in excess of the Customer's gas volume nominated plus the Customer's billing demand volume on a day a balancing order is in effect shall be paid for by the Customer at the average daily index on the daily balancing days plus \$5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges that are the result of the Customer's failure to comply with a daily balancing order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Schedule. Imbalances for days that a balancing order is in effect may not be offset by over-deliveries on days that a balancing order is no in effect and are not subject to end of month imbalance trading;
- b. does not comply with a curtailment order issued by the Company as provided in the "Schedule for Limiting and Curtailing Gas Service," such daily volumes taken in excess of the allowed curtailment volumes shall be paid for by the Customer at the greater of the rate of (1.) \$15.00 per Dth or (2.) the average daily index on curtailment days plus \$5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Schedule. Imbalances for days that a curtailment order is in effect may not be offset by over-deliveries on days that a curtailment or balancing order is not in effect and are not subject to end of month imbalance trading;
- c. does not comply with a daily balancing order as directed by the Company and has gas delivered in excess of its actual daily consumption, a penalty of \$15.00 for each Dth of excess gas delivered that exceeds 5% of the daily consumption will be billed to the Customer in addition to all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to

RATE SCHEDULE T-2 (Continued)
Interruptible Transportation Service With Firm Gas Supply Backup

comply with the daily balancing order as directed by the Company. If the Customer's gas delivered does not exceed the Customer's actual daily consumption by more than 5% and such excess gas does not result in pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company, the \$15.00 charge will be waived. Imbalances for days that a balancing order is in effect shall not be offset by under-deliveries on days a balancing order is not in effect and are not subject to end of month balancing trading.

The payment of a charge for unauthorized over-run shall not under any circumstances be considered as giving any such Customer the right to take unauthorized over-run volumes, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect its obligations to adhere to the provisions of its contract with the Company.

The curtailment of interruptible gas deliveries in whole or in part under this schedule shall not be the basis for claims against the Company for any damages sustained by the Customers. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

GENERAL TERMS AND CONDITIONS

Transportation service hereunder shall be subject to the company's rules and regulations as filed with the Tennessee Public Utility Commission. The effectiveness of this tariff sheet will terminate should it be determined by the Tennessee Public Utility Commission that the limiting provisions contained in paragraph 2 of the availability section of this rate schedule are required to be implemented.

RATE SCHEDULE T-2 (Continued)
Interruptible Transportation Service With Firm Gas Supply Backup

SPECIAL TERMS AND CONDITIONS

This schedule is subject to interruption on one-half-hour's notice given by the Company by telephone or otherwise. The Company will curtail transportation gas service to the Customers under this schedule in order to prevent a shortage of gas for the use of Customers under the Company's other rate schedules.

Customer shall immediately discontinue the use of transportation gas service, to the extent of curtailment ordered, when and as directed by the Company; and authorized representatives of the Company shall have at all times the right of ingress and egress to the Customer's premises. Upon determination by the Company that the necessity for curtailment has ceased the Company shall so notify the Customer by telephone or otherwise and the Customer shall not resume service until so notified.

The Company may issue a daily balancing order when an OFO order has been issued, when in the judgment of the Company it is required to maintain the operational integrity of the distribution system, or during periods of significant price volatility. Significant price volatility is defined as daily pricing that exceeds the most recent first of month as identified *Gas Daily* at the Henry Hub by a minimum of 20%.

In the event a Customer

- a. takes gas ~~deliveries~~ in excess of Customer's gas nominations on the day that a balancing order is in effect, the gas in excess of the Customer's nomination daily contract entitlement where such consumption is measured and recorded on a daily basis, or in the event Customer does not comply with a curtailment or daily balancing order as directed by the Company and takes gas in excess of the daily volume allowed by the Company in the curtailment or daily balancing order, such gas taken in excess of Customer's daily contract entitlement or such daily volumes taken in excess of curtailment or daily balancing volumes shall be paid for by the Customer at the Rate Schedule F-1 rate. If a Customer has the billing demand volume established in the gas sale agreement, as provided in Rate Schedule F-1, gas taken in excess of the Customer's gas volume nominated plus the Customer's billing demand volume on a day a balancing order is in effect shall be paid for by the Customer at greater of the rate of (1.) \$15.00 per Dth or (2.) the average daily index on curtailment days the daily balancing days plus \$5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges that are the result of the Customer's failure to comply with a curtailment order or daily balancing order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Schedule. If the Customer has gas delivered in excess of a daily balancing order volumes, all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company shall be billed to the Customer. Imbalances for days that a balancing order is in effect may not be offset by over-deliveries on days that a balancing order is no in effect and are not subject to end of month imbalance trading;
- b. does not comply with a curtailment order issued by the Company as provided in the "Schedule for Limiting and Curtailing Gas Service," such daily volumes taken in excess of the allowed curtailment volumes shall be paid for by the Customer at the greater of the rate of (1.) \$15.00 per Dth or (2.) the average daily index on curtailment days plus \$5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Schedule. Imbalances for days that a curtailment order is in effect may not be offset by over-deliveries on days that a curtailment or balancing order is not in effect and are not subject to end of month imbalance trading;
- c. does not comply with a daily balancing order as directed by the Company and has gas delivered in excess of its actual daily consumption, a penalty of \$15.00 for each Dth of excess gas delivered that exceeds 5% of the daily consumption will be billed to the Customer in addition to all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to

comply with the daily balancing order as directed by the Company. If the Customer's gas delivered does not exceed the Customer's actual daily consumption by more than 5% and such excess gas does not result in pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company, the \$15.00 charge will be waived. Imbalances for days that a balancing order is in effect shall not be offset by under-deliveries on days a balancing order is not in effect and are not subject to end of month balancing trading.

The payment of a charge for unauthorized over-run shall not under any circumstances be considered as giving any such Customer the right to take unauthorized over-run volumes, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect its obligations to adhere to the provisions of its contract with the Company.

The curtailment of interruptible gas deliveries in whole or in part under this schedule shall not be the basis for claims against the Company for any damages sustained by the Customers. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

GENERAL TERMS AND CONDITIONS

Transportation service hereunder shall be subject to the company's rules and regulations as filed with the Tennessee Public Utility Commission. The effectiveness of this tariff sheet will terminate should it be determined by the Tennessee Public Utility Commission that the limiting provisions contained in paragraph 2 of the availability section of this rate schedule are required to be implemented.

RATE SCHEDULE T-3 (Continued)
Low Volume Transport

- v) The summer daily baseload is multiplied by the days in the winter period to produce a winter baseload.
- vi) The winter baseload is subtracted from the total load in the winter period to isolate the heat sensitive load.
- vii) The heat sensitive load is divided by the heating degree days in the winter period to produce a heat sensitive factor.
- viii) The heat sensitive factor is multiplied by the peak day heating degree days to produce the peak heat sensitive load.
- ix) The peak heat sensitive load is added to the winter baseload to produce the initial billing demand
- x) The initial billing demand is verified and estimation techniques are employed as necessary where actual data produces unacceptable results.

New Premises:

For new Premises, the billing demand is estimated based upon the construction matrix prepared by the Company. The BTU rating of the gas fired equipment and the expected hours of operation on the peak day are used to calculate the Demand Unit. After each new Premises has been receiving service for one year, the Premises is no longer considered a new Premises and the billing demand will be recalculated based upon actual consumption using the billing demand calculation method for existing Premises.

SPECIAL TERMS & CONDITIONS

The Company may issue a daily balancing order when an OFO order has been issued, when in the judgment of the Company it is required to maintain the operational integrity of the distribution system, or during periods of significant price volatility. Significant price volatility is defined as daily pricing that exceeds the most recent first of month as identified *Gas Daily* at the Henry Hub by a minimum of 20%.

In the event Customer

- a. takes gas in excess of Customer's gas volumes nominated on a day that a daily balancing order is in effect, the gas in excess of Customer's gas nomination for the day shall be paid for by the Customer at the Rate Schedule C-2 rate. Imbalances for days that a balancing order is in effect shall not be offset by over-deliveries on days that a balancing order is not in effect and are not subject to end of month imbalance trading;
- b. does not comply with a curtailment order issued by the Company as provided in the "Schedule for Limiting and Curtailing Gas Service" such daily volumes taken in excess of the allowed curtailment volumes shall be paid for by the Customer at the greater of (1.) the rate of \$15.00 per Dth or (2.) the average daily index on curtailment days plus \$5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Schedule. Imbalances for days that a curtailment order is in effect shall not be offset by over-deliveries on days that a curtailment order is not in effect and are not subject to end of month imbalance trading; or
- c. does not comply with a daily balancing order as directed by the Company and has gas delivered in excess of its actual daily consumption, a penalty of \$15.00 for each Dth of excess gas delivered that exceeds 5% of the daily consumption will be billed to the Customer in addition to all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to

RATE SCHEDULE T-3 (Continued)
Low Volume Transport

comply with the daily balancing order as directed by the Company. If the Customer's gas delivered does not exceed the Customer's actual daily consumption by more than 5% and such excess gas does not result in pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company, the \$15.00 charge will be waived. Imbalances for days that a balancing order is in effect shall not be offset by under-deliveries on days a balancing order is not in effect and are not subject to end of month imbalance trading.

These additional charges shall be in addition to all other charges payable under this Rate Schedule.

The payment of a charge for unauthorized or excess use shall not under any circumstances be considered as giving any such Customer the right to take unauthorized or excess volumes, or to purchase such unauthorized or excess volumes of gas on any of the Company's other rate schedules, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect Customer's obligations to adhere to the provisions of Customer's contract with the Company. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with Tennessee Public Utility Commission Administrative Rule 1220-4-7.

CASH OUT OF MONTHLY IMBALANCES

Any difference between the quantities delivered to the Company's city gate facilities for the account of the Customer for the month, and the quantities consumed by the Customer as metered for the month, shall be the monthly imbalance. This imbalance shall be resolved monthly by "cashing out" the imbalance as it is known at that time. If the Customer consumes more gas than the Customer has delivered to the Company, the Customer will be deemed to be "short" by the amount of the deficiency and will buy an amount of gas equal to the deficiency from the Company in under Rate Schedule C-2. 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 by paying the Customer a price equal to the lowest Daily Index Cost of Gas, as determined from S&P Global Platts Gas Daily in the table titled "Final Daily Price Survey-Platts Locations" denoted in the column labeled "Midpoint", in the first issue of such publication following the date of the transaction, applicable surcharges and fuel on the relevant pipeline times the discount percentage corresponding to the percentage of the deficiency listed in the table below plus the 100% load factor FT transportation rate:

Percentage of the Imbalance	Long Discount
Equal to or less than 10%	100%
Over 10% & equal to or less than 15%	80%
Over 15% & equal to or less than 20%	60%

RATE SCHEDULE T-3 (Continued)
Low Volume Transport

Over 20%

50%

The Weighted Index Price" shall be derived from the prices published in Gas Daily from the Daily Price Survey.

Southern Natural, La	X 43%
	+
Tennessee, zone 0	X 17%
	+
Tennessee, La, 500 Leg	X 20%
	+
Tennessee, La, 800 Leg	X 20%

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

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 in a manner consistent with TPUC Administrative Rule 1220-4-7. Increments or decrements which may result for the PGA will not apply to the cash-out mechanism. LIMITING AND CURTAILING GAS SERVICE Gas service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission

GENERAL TERMS AND CONDITIONS

Gas service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE T-3 (Continued)
Low Volume Transport

- v) The summer daily baseload is multiplied by the days in the winter period to produce a winter baseload.
- vi) The winter baseload is subtracted from the total load in the winter period to isolate the heat sensitive load.
- vii) The heat sensitive load is divided by the heating degree days in the winter period to produce a heat sensitive factor.
- viii) The heat sensitive factor is multiplied by the peak day heating degree days to produce the peak heat sensitive load.
- ix) The peak heat sensitive load is added to the winter baseload to produce the initial billing demand
- x) The initial billing demand is verified and estimation techniques are employed as necessary where actual data produces unacceptable results.

New Premises:

For new Premises, the billing demand is estimated based upon the construction matrix prepared by the Company. The BTU rating of the gas fired equipment and the expected hours of operation on the peak day are used to calculate the Demand Unit. After each new Premises has been receiving service for one year, the Premises is no longer considered a new Premises and the billing demand will be recalculated based upon actual consumption using the billing demand calculation method for existing Premises.

SPECIAL TERMS & CONDITIONS

The Company may issue a daily balancing order when an OFO order has been issued, when in the judgment of the Company it is required to maintain the operational integrity of the distribution system, or during periods of significant price volatility. Significant price volatility is defined as daily pricing that exceeds the most recent first of month as identified Gas Daily at the Henry Hub by a minimum of 20%.

In the event Customer

- a. takes ~~daily gas deliveries~~ in excess of Customer's ~~daily contract entitlement where such consumption is measured and recorded on a daily basis, or in the event Customer does not comply with a curtailment or daily balancing order as directed by the Company and takes gas in excess of the daily volume allowed by the Company in the curtailment or daily balancing order, such gas volumes nominated on a day that a daily balancing order is in effect, the gas taken in excess of Customer's gas nomination for the day~~ shall be paid for by the Customer at the Rate Schedule C-2 rate. Imbalances for days that a balancing order is in effect shall not be offset by over-deliveries on days that a balancing order is not in effect and are not subject to end of month imbalance trading; greater of (1.) the rate of \$15.00 per Dth or (2.) the average daily index on curtailment or daily balancing days plus \$5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment order as directed by the Company. tall applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company
- a.b. does not comply with a curtailment order issued by the Company as provided in the "Schedule for Limiting and Curtailing Gas Service" such daily volumes taken in excess of the allowed curtailment volumes shall be paid for by the Customer at the greater of (1.) the rate of \$15.00 per Dth or (2.) the average daily index on curtailment days plus \$5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to

comply with a curtailment order as directed by the Company. These additional charges shall be in addition to all other charges payable under this Rate Schedule. Imbalances for days that a curtailment order is in effect shall not be offset by over-deliveries on days that a curtailment order is not in effect and are not subject to end of month imbalance trading; or

b-c. does not comply with a daily balancing order as directed by the Company and has gas delivered in excess of its actual daily consumption, a penalty of \$15.00 for each Dth of excess gas delivered that exceeds 5% of the daily consumption will be billed to the Customer in addition to all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company. If the Customer's gas delivered does not exceed the Customer's actual daily consumption by more than 5% and such excess gas does not result in pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company, the \$15.00 charge will be waived. Imbalances for days that a balancing order is in effect shall not be offset by under-deliveries on days a balancing order is not in effect and are not subject to end of month imbalance trading.

These additional charges shall be in addition to all other charges payable under this Rate Schedule.

The payment of a charge for unauthorized or excess use shall not under any circumstances be considered as giving any such Customer the right to take unauthorized or excess volumes, or to purchase such unauthorized or excess volumes of gas on any of the Company's other rate schedules, nor shall such payment be considered as a substitute for any other remedies available to Company against Customer for failure to respect Customer's obligations to adhere to the provisions of Customer's contract with the Company. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with Tennessee Public Utility Commission Administrative Rule 1220-4-7.

CASH OUT OF MONTHLY IMBALANCES

Any difference between the quantities delivered to the Company's city gate facilities for the account of the Customer for the month, and the quantities consumed by the Customer as metered for the month, shall be the monthly imbalance. This imbalance shall be resolved monthly by "cashing out" the imbalance as it is known at that time. If the Customer consumes more gas than the Customer has delivered to the Company, the Customer will be deemed to be "short" by the amount of the deficiency and will buy an amount of gas equal to the deficiency from the Company in under Rate Schedule C-2. 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 by paying the Customer a price equal to the lowest Daily Index Cost of Gas, as determined from S&P Global Platts Gas Daily in the table titled "Final Daily Price Survey-Platts Locations" denoted in the column labeled "Midpoint", in the first issue of such publication following the date of the transaction, applicable surcharges and fuel on the relevant pipeline times the discount percentage corresponding to the percentage of the deficiency listed in the table below plus the 100% load factor FT transportation rate:

Percentage of the Imbalance	Long Discount
Equal to or less than 10%	100%
Over 10% & equal to or less than 15%	80%
Over 15% & equal to or less than 20%	60%

Over 20%

50%

The Weighted Index Price” shall be derived from the prices published in Gas Daily from the Daily Price Survey.

Southern Natural, La	X 43%
	+
Tennessee, zone 0	X 17%
	+
Tennessee, La, 500 Leg	X 20%
	+
Tennessee, La, 800 Leg	X 20%

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

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 in a manner consistent with TPUC Administrative Rule 1220-4-7. Increments or decrements which may result for the PGA will not apply to the cash-out mechanism. LIMITING AND CURTAILING GAS SERVICE Gas service hereunder shall be subject to the Company's Schedule for Limiting and Curtailing Gas Service as filed with the Tennessee Public Utility Commission

GENERAL TERMS AND CONDITIONS

Gas service hereunder shall be subject to the Company's Rules and Regulations as filed with the Tennessee Public Utility Commission.

RATE SCHEDULE TPS (continued)

If Customer's TPS fails to comply with provisions 1 through 6 above, the Company may elect not to schedule the commencement of service or allow the TPS's Customers to participate in Monthly Imbalance Trading. The Company shall, as soon as reasonably practicable, provide notice to the Customers of such a TPS of the TPS' failure to comply with these provisions that result in the Company not scheduling service or the prohibition of the Customers' participation in Monthly Imbalance Trading. Customers whose designated TPS is prohibited from scheduling service may receive service and purchase gas from the Company under the applicable corresponding Rate Schedule for the remainder of the month. Beginning with the next month the Customer must notify the Company that the Customer will act as its own gas supplier, or designate another TPS.

INDEMNIFICATION

As between the Company and TPS, TPS warrants that it has clear title to any gas delivered into the Company's system, and TPS shall be deemed to be in exclusive control and possession of gas prior to its delivery into the Company's system for redelivery to Customer. TPS agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries to the City Gate on behalf of a transporting Customer.

DAILY AND MONTHLY CONTRACT BALANCING

All TPS Customers will automatically be placed in a non-discriminatory monthly balancing pool. The Company will aggregate the deliveries and receipts of gas of all TPS Customers participating in the pool for the purpose of determining whether imbalance premiums as set forth in the applicable Rate Schedule will apply. In the event that charges are nonetheless assessed to certain TPSs, such charges will be no greater than the charges that otherwise would have been assessed if the Company did not have a monthly balancing pool.

a) Daily Balancing

The Company may issue a daily balancing order when an OFO order has been issued, when in the judgment of the Company it is required to maintain the operational integrity of the distribution system, or during periods of significant price volatility. Significant price volatility is defined as daily pricing that exceeds the most recent first of month as identified by *Gas Daily* at the Henry Hub by a minimum of 20%.

The Company will provide the TPS in all instances notice that daily balancing will be imposed. It is the responsibility of the TPS to notify its Customers that daily balancing is in effect or that the Customer must comply with a curtailment order as directed by the Company.

In the event that daily balancing is imposed in accordance with this section, TPSs shall be required to notify their Customers that daily balancing is in effect, and that if a Customer takes daily gas deliveries in excess of the Customers' daily contract entitlement where such consumption is measured and recorded on a daily basis, or in the event any of TPS's Customers do not comply with a curtailment or daily balancing order as directed by the Company and takes gas in excess of the daily volume allowed by the Company in the curtailment or daily balancing order, in accordance with the provisions of the Rate Schedule under which the Customer is served, such daily volumes taken in excess of curtailment or daily balancing order volumes shall be paid for by the Customer

RATE SCHEDULE TPS (continued)

at the rate specified in the Special Terms and Conditions of the applicable Rate Schedule: T-1, T-2, or T-3 under which the Customer is served, and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment or daily balancing order as directed by the Company. These charges shall be in addition to all other charges payable by the Customer under the Rate Schedule under which service is provided. The payment of a charge for gas taken in excess of the daily volume allowed by the curtailment order shall not under any circumstances be considered as giving any such TPS Customer the right to take over-run gas, nor shall such payment be considered as a substitute for any other remedies available to Company against the TPS Customer for failure to respect its obligations to adhere to the provisions of its contract with the Company. If the Customer has gas delivered in excess of a daily balancing order volumes, the Customer shall be billed as specified in the Terms and Conditions of the applicable Rate Schedule: T-1, T-2, or T-3 under which the Customer is served.

The Company shall, within the existing limitations of its system, provide for balancing between gas requirements and actual gas deliveries received by the Company for the account of the Customers served by the TPS that day. The Company shall not be obligated to provide gas service during an hourly, daily or monthly period in excess of the levels specified in the Rate Schedules under which Customers are served.

The curtailment of interruptible gas deliveries in whole or in part in compliance with the interruption provisions of the Rate Schedule under which the Customer receives service shall not be the basis for claims against the Company for any damages sustained by the Customers. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

b) Monthly Imbalance Trading

Any difference between the quantities delivered to the Company's City Gate facilities for the account of a TPS Customer for the month, and the quantities consumed by the TPS Customer as metered for the month, shall be the monthly imbalance. This imbalance shall be resolved monthly by "cashing out" the imbalance as it is known at that time. If a TPS Customer consumes more gas than it has delivered to the Company, the TPS's Customer will be deemed to be "short" by the amount of the deficiency and will buy an amount of gas equal to the deficiency from the Company. If the TPS's Customer consumes less gas than it has delivered to the Company, the TPS's Customer will be deemed to be "long" by the amount of the surplus, and the Company will buy the amount of the surplus by paying the Customer a price in accordance with the provisions of this tariff under the Rate Schedule in the Customer receives service. Within two business days after the end of the month the Company shall inform participating TPSs of their Customers' respective monthly cash out position. From three to five business days after the end of the month the Customer imbalances may be traded. At the end of the fifth business day the TPSs who have agreed to trades on behalf of Customers shall notify the Company of their trades through the Company's EBB. Nonetheless, TPSs trading imbalances will, have to set their own prices or methods by which over or under balances will be traded among individual Customers.

STANDARDS OF CONDUCT

In addition to the above terms and conditions, TPS and TPS Customers must agree to comply with any standards of conduct or other requirements set forth by the TPUC.

RATE SCHEDULE TPS (continued)

If Customer's TPS fails to comply with provisions 1 through 6 above, the Company may elect not to schedule the commencement of service or allow the TPS's Customers to participate in Monthly Imbalance Trading. The Company shall, as soon as reasonably practicable, provide notice to the Customers of such a TPS of the TPS' failure to comply with these provisions that result in the Company not scheduling service or the prohibition of the Customers' participation in Monthly Imbalance Trading. Customers whose designated TPS is prohibited from scheduling service may receive service and purchase gas from the Company under the applicable corresponding Rate Schedule for the remainder of the month. Beginning with the next month the Customer must notify the Company that the Customer will act as its own gas supplier, or designate another TPS.

INDEMNIFICATION

As between the Company and TPS, TPS warrants that it has clear title to any gas delivered into the Company's system, and TPS shall be deemed to be in exclusive control and possession of gas prior to its delivery into the Company's system for redelivery to Customer. TPS agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries to the City Gate on behalf of a transporting Customer.

DAILY AND MONTHLY CONTRACT BALANCING

All TPS Customers will automatically be placed in a non-discriminatory monthly balancing pool. The Company will aggregate the deliveries and receipts of gas of all TPS Customers participating in the pool for the purpose of determining whether imbalance premiums as set forth in the applicable Rate Schedule will apply. In the event that charges are nonetheless assessed to certain TPSs, such charges will be no greater than the charges that otherwise would have been assessed if the Company did not have a monthly balancing pool.

a) Daily Balancing

The Company may issue a daily balancing order when an OFO order has been issued, when in the judgment of the Company it is required to maintain the operational integrity of the distribution system, or during periods of significant price volatility. Significant price volatility is defined as daily pricing that exceeds the most recent first of month as identified by Gas Daily at the Henry Hub by a minimum of 20%. The Company reserves the right to require daily balancing on any day in which the Company, in the exercise of its reasonable judgment, determines that such balancing is necessary for operational reasons.

The Company will provide the TPS in all instances notice that daily balancing will be imposed. It is the responsibility of the TPS to notify its Customers that daily balancing is in effect or that the Customer must comply with a curtailment order as directed by the Company.

In the event that daily balancing is imposed in accordance with this section, TPSs shall be required to notify their Customers that daily balancing is in effect, and that if a Customer takes daily gas deliveries in excess of the Customers' daily contract entitlement where such consumption is measured and recorded on a daily basis, or in the event any of TPS's Customers do not comply with a curtailment or daily balancing order as directed by the Company and takes gas in excess of the daily volume allowed by the Company in the curtailment or daily balancing order, in accordance with the provisions of the Rate Schedule under which the Customer is served, such daily volumes taken in excess of curtailment or daily balancing order volumes shall be paid for by the Customer

RATE SCHEDULE TPS (continued)

at the rate specified in the Special Terms and Conditions of the applicable Rate Schedule: T-1, T-2, or T-3 under which the Customer is served, greater of the rate of (1.) \$15.00 per Dth or (2.) the average daily index on curtailment or daily balancing days plus \$5.00 per Dth and all applicable pipeline and/or gas supplier penalties and/or charges because of the Customer's failure to comply with a curtailment or daily balancing order as directed by the Company. These charges shall be in addition to all other charges payable by the Customer under the Rate Schedule under which service is provided. The payment of a charge for gas taken in excess of the daily volume allowed by the curtailment order shall not under any circumstances be considered as giving any such TPS Customer the right to take over-run gas, nor shall such payment be considered as a substitute for any other remedies available to Company against the TPS Customer for failure to respect its obligations to adhere to the provisions of its contract with the Company. If the Customer has gas delivered in excess of a daily balancing order volumes, the Customer shall be billed as specified in the Terms and Conditions of the applicable Rate Schedule: T-1, T-2, or T-3 under which the Customer is served.~~all applicable pipeline and/or gas supplier penalties and/or charges that result from the Customer's failure to comply with the daily balancing order as directed by the Company shall be billed to the Customer.~~

~~If the Company determines that deliveries in excess of the gas consumed by the Customer are beneficial to the systems operation, the Company may waive the "long discounts" as specified in the Rate Schedule under which the customer is served.~~

The Company shall, within the existing limitations of its system, provide for balancing between gas requirements and actual gas deliveries received by the Company for the account of the Customers served by the TPS that day. The Company shall not be obligated to provide gas service during an hourly, daily or monthly period in excess of the levels specified in the Rate Schedules under which Customers are served.

The curtailment of interruptible gas deliveries in whole or in part in compliance with the interruption provisions of the Rate Schedule under which the Customer receives service shall not be the basis for claims against the Company for any damages sustained by the Customers. Unauthorized over-run collections will be accounted for in the Actual Cost Adjustment in a manner consistent with TPUC Administrative Rule 1220-4-7.

b) Monthly Imbalance Trading

Any difference between the quantities delivered to the Company's City Gate facilities for the account of a TPS Customer for the month, and the quantities consumed by the TPS Customer as metered for the month, shall be the monthly imbalance. This imbalance shall be resolved monthly by "cashing out" the imbalance as it is known at that time. If a TPS Customer consumes more gas than it has delivered to the Company, the TPS's Customer will be deemed to be "short" by the amount of the deficiency and will buy an amount of gas equal to the deficiency from the Company. If the TPS's Customer consumes less gas than it has delivered to the Company, the TPS's Customer will be deemed to be "long" by the amount of the surplus, and the Company will buy the amount of the surplus by paying the Customer a price in accordance with the provisions of this tariff under the Rate Schedule in the Customer receives service. Within two business days after the end of the month the Company shall inform participating TPSs of their Customers' respective monthly cash out position. From three to five business days after the end of the month the Customer imbalances may be traded. At the end of the fifth business day the TPSs who have agreed to trades on behalf of Customers shall notify the Company of their trades through the Company's EBB. Nonetheless, TPSs

trading imbalances will, have to set their own prices or methods by which over or under balances will be traded among individual Customers.

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