

Piedmont Natural Gas Company
South Carolina
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RATE SCHEDULE 201
RESIDENTIAL SERVICE

Applicability and Character of Service

Gas Service under this Rate Schedule is available in the area served by the Company in the State of South Carolina to a residential unit which is individually metered and to governmental housing projects, upon application to and consent by the Company to such Gas Service as provided in the Company's Service Regulations.

The nature of Service provided by the Company under this Rate Schedule is firm 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 Commission. 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.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 25 days after bill date.

Late Payment Charge

A late payment charge of 1½% 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 with 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 Commission Rules and to the Company's Tariff and Service Regulations. Among other things, the Commission Rules and the Company's Tariff and Service Regulations permit the Interruption or Curtailment of Service under certain conditions, including events of Force Majeure and Operating Conditions.

RATE SCHEDULE 202
SMALL GENERAL SERVICE

Applicability and Character of Service

Gas Service under this Rate Schedule is available in the area served by the Company in the State of South Carolina to any non-residential Customer whose average daily usage is less than 20 dekatherms per day, upon application to and consent by the Company to such Gas Service as provided in the Company's Service Regulations. Average daily Gas usage will be based on the Customer's usage during the most recent past calendar year ended on December 31 and adjusted for cycle length. Availability of this Rate Schedule for new Customers or for Customers without at least one full year of usage history will be based on reasonably anticipated usage.

The nature of Service provided by the Company under this Rate Schedule is firm sales Service.

Upon commencement of Gas Service under this Rate Schedule, any reclassification or change in quantity or character of Gas Service to Customer between Rate Schedules shall be subject to the provisions of this Rate Schedule and the procedures set forth in the Company's Service Regulations.

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. 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.

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 1½% 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 with 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 Commission Rules and to the Company's Tariff and Service Regulations. Among other things, the Commission Rules and the Company's Tariff and Service Regulations permit the Interruption or Curtailment of Service under certain conditions, including events of Force Majeure and Operating Conditions.

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RATE SCHEDULE 252
MEDIUM GENERAL SERVICE

Applicability and Character of Service

Gas Service under this Rate Schedule is available in the area served by the Company in the State of South Carolina to any non-residential Customer whose average daily usage is equal to or greater than 20 dekatherms per day but less than 50 dekatherms per day, upon application to and consent by the Company to such Gas Service, as provided in the Company's Service Regulations. Average daily Gas usage will be based on the Customer's usage during the most recent calendar year ended on December 31 and adjusted for cycle length. Availability of this Rate Schedule for new Customers or for Customers without at least one full year of usage history will be based on reasonably anticipated usage.

The nature of service provided by the Company under this Rate Schedule is firm sales Service.

Upon commencement of Gas Service under this Rate Schedule, any Reclassification or change in quantity or character of Gas Service to Customer between Rate Schedules shall be subject to the provisions of this Rate Schedule and the procedures set forth in the Company's Service Regulations.

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. 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.

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 1½% 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 with 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 Commission Rules and to the Company's Tariff and Service Regulations. Among other things, the Commission Rules and the Company's Tariff and Service Regulations permit the Interruption or Curtailment of service under certain conditions, including events of Force Majeure and Operating Conditions.

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RATE SCHEDULE 203
LARGE GENERAL SALES 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 to any full requirements non-residential Customer whose average daily Gas usage is reasonably anticipated to equal or exceed 50 dekatherms per day, upon application to and consent by the Company to such Gas Service, as provided in the Company's Service Regulations. Gas Service under this Rate Schedule is contingent upon the installation by the Company of telemetering equipment that reports daily consumption.

Upon commencement of Gas Service under this Rate Schedule, any reclassification or change in quantity or character of Gas Service to Customer shall be subject to the provisions of this Rate Schedule and the procedures set forth in the Company's Service Regulations.

Character of Service

The nature of Gas Service provided by the Company to the Customer under this Rate Schedule is firm sales Service.

Once a qualified Customer is approved by the Company for Gas Service under this Rate Schedule, all Service 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 213, "Large General Transportation Service", by giving written notice to the Company prior to March 1 of any year. If timely notice is received from the Customer and consent is provided by the Company, 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.

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. 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.

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.

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RATE SCHEDULE 203
LARGE GENERAL SALES SERVICE

For Customers commencing initial Gas Service under this Rate Schedule, the billing demand shall be the highest actual daily consumption to date during that initial partial year, but shall be a minimum of 50 dekatherms. 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 determinant.

The calculation of Customer billing determinants hereunder shall not create any right to Gas Service at a specified level. All changes to character or quantity of Gas Service shall be subject to the Company's consent based on the evaluation and analysis described in the Company's Service Regulations.

Volumetric Charges

The rate per therm shall be billed on the quantity of Gas delivered by Company to Customer. Any adjustments to the quantity of Gas delivered due to meter failure or inaccuracy of measurement shall be determined as provided in the Commission Rules.

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 Commission Rules and to the Company's Tariff and Service Regulations. Among other things, the Commission Rules and the Company's Tariff and Service Regulations permit the interruption or Curtailment of Service under certain conditions, including events of Force Majeure and Operating Conditions.

RATE SCHEDULE 204
INTERRUPTIBLE SALES 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, upon application to and consent by the Company to such Gas Service, as provided in the Company's Service Regulations. Gas Service under this Rate Schedule is contingent upon the installation by the Company of telemetering equipment that reports daily consumption.

Upon commencement of Gas Service under the Rate Schedule, any reclassification or change in quantity or character of Gas Service to Customer shall be subject to the procedures set forth in in this Rate Schedule and the Company's Service Regulations.

Character of Service

The nature of Gas Service provided by Company to Customer under this Rate Schedule is interruptible sales Service.

Once a qualified Customer is approved by the Company for Gas 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 214, "Interruptible Transportation Service", 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 Interruptible Transportation Service under Rate Schedule 214 and (b) the Company is able to provide Service under Rate Schedule 114. If timely notice is received from the Customer and consent is provided by the Company, 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.

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.

Customer at Risk of Interruption or Curtailment of Service

All of the Customer's business, operational, mechanical or other risks associated with the Interruption or Curtailment of Service under this Rate Schedule shall be borne by the Customer.

RATE SCHEDULE 204
INTERRUPTIBLE SALES SERVICE

Such Interruption or Curtailment of Service may be ordered by the Company at any time and for any reason deemed necessary or appropriate by the Company and is an inherent risk of Service provided under this Rate Schedule.

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. 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.

Volumetric Charges

The rate per therm shall be billed on the quantity of Gas delivered by Company to Customer. Any adjustments to the quantity of Gas delivered due to meter failure or inaccuracy of measurement shall be determined as provided in the Commission Rules.

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 Commission Rules and to the Company's Tariff and Service Regulations. Among other things, the Commission Rules and the Company's Tariff and Service Regulations permit the Interruption or Curtailment of Service under certain conditions, including events of Force Majeure and Operating Conditions.

RATE SCHEDULE 205
OUTDOOR GASLIGHT SERVICE

Applicability and Character of Service

This Rate Schedule is available in the area served with natural Gas by the Company in the State of South Carolina to Customers with non-metered Gas in mantle-equipped outdoor gaslights installed and in use prior to November 1, 2002. The nature of Service provided by the Company under this Rate Schedule is interruptible 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 Commission. 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.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 25 days after bill date.

Late Payment Charge

A late payment charge of 1½% 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 with 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 Commission Rules and to the Company's Tariff and Service Regulations. Among other things, the Commission Rules and the Company's Tariff and Service Regulations permit the Interruption or Curtailment of Service under certain conditions, including events of Force Majeure and Operating Conditions.

RATE SCHEDULE 206
SCHEDULE FOR LIMITING AND CURTAILING SERVICE

Applicability and Character of Service

This Service Schedule defines the types of Curtailment, Interruption and penalty charges that the Company may invoke from time to time for Customers receiving firm or interruptible Service due to the occurrence of extreme weather conditions, Operating Conditions, Force Majeure events, or other causes for limitation of Service specified in the Company's Service Regulations and Rate Schedules, and describes the process and procedures to be followed in the implementation of Gas Service restrictions.

Distribution Pressure Curtailments

Due to extreme weather conditions, Operating Conditions or Force Majeure events as defined in the Company's Service Regulations, or the demands of the Company's firm Customers as the same may affect the Company's ability to provide interruptible Service, the Company may experience localized pressure deficiencies. During such times and within the areas affected, the Company will first curtail Service to interruptible Customers served under Rate Schedule 204, Rate Schedule 208 or Rate Schedule 214, by priority of their margin contribution to the Company (curtailing Customers with the lowest margin rate first) until the pressure situation can be alleviated. In the unlikely event that further interruption is required, the Company will proceed with Curtailment by margin contribution considering end use, impact on the local economy, and Commission Rules.

Supply or Capacity Related Curtailments

In situations when supply and capacity services contracted by the Company are not sufficient to meet the full requirements of Customers desiring firm sales Service from the Company, the Company will first curtail Service to interruptible sales Customers receiving Service under Rate Schedule 204, or Rate Schedule 208 by priority of their margin contribution to the Company. The Company reserves the right at the Company's discretion to purchase quantities being delivered to the Company by Customers under Rate Schedule 214 at market prices in order to serve firm Customers without operable alternative fuel capability. In the unlikely event that further interruption is required, the Company will proceed with Curtailment by margin contribution considering end use, impact on the local economy, and Commission Rules.

Emergency Service

The Company will make every reasonable effort to deliver/redeliver plant protection volumes of Gas to industrial and commercial Customers that do not have standby fuel systems sufficient to prevent damage to facilities or danger to personnel, or to Customers that find it impossible to continue operations on the Customer's standby or alternate energy source as a result of a bona fide existing or threatened emergency. This includes the protection of such existing material in process that would otherwise be destroyed, or deliveries required to maintain plant production. All emergency Service is interruptible and is of a discretionary nature on the part of the Company and implies no present or future obligation of the Company to any Customer to provide such Service on either a temporary or continuing basis. Deliveries/Redeliveries of Gas for emergency Service hereunder shall be made pursuant only to advance operating arrangements between the Company's authorized personnel and the Customer and shall be subject to modification, Curtailment or Interruption at any time should the Company deem it necessary.

RATE SCHEDULE 206
SCHEDULE FOR LIMITING AND CURTAILING SERVICE

Rate for Emergency Service

If the Company has authorized the Customer to receive emergency Service as provided in the above paragraph, then all Gas so consumed by the Customer for emergency Service will be at a rate set forth on the Company's "Rates and Charges" tariff sheet, plus the usage rate for Rate Schedule 204 and 214 as applicable, plus the higher of two commodity indices - a "Monthly Contract Price" or a "Daily Price" - for each dekatherm of consumption. "Monthly Contract" shall be defined as the monthly contract index price for the applicable calendar month as first published in Inside F.E.R.C.'s - Gas Market Report in the table titled "Monthly Bidweek Spot Gas Prices" under the heading "Louisiana/Southeast Transco, zone 3" in the column titled "Index", plus Transco's zone 3 to zone 5 IT transportation rate inclusive of all surcharges and fuel. "Daily Price" shall be defined as the daily price for Gas defined by Gas Daily as stated in the "Daily Price Survey", "Northeast", "Transco, zone 6 non-N.Y.", "Midpoint" price. For days of consumption when the "Monthly Contract Price" is not published, the "Monthly Contract Price" shall equal the corresponding "Daily Price" published for the first day of the month of flow. For days of consumption when the "Daily Price" is not published, the "Daily Price" shall equal the average of the corresponding "Daily Price" as published on the nearest preceding and nearest subsequent day. Customers who bring into Piedmont's system authorized quantities of Gas for emergency Service redeliveries shall not be subject to the commodity index billing stated above for such quantities. The Customer's consumption will continue to be billed hereunder until the Company notifies the Customer that either (1) further Gas sales or redeliveries may be made under the Customer's regular Rate Schedule or (2) complete Curtailment is unavoidable and that further Gas sales or redeliveries will be considered unauthorized.

Penalty for Unauthorized Gas

If at any time a Customer fails to discontinue the consumption of Gas limited by the Company pursuant to an Operational Order, fails to abide by imbalance restrictions imposed by the Company through the issuance of an Operational Order or otherwise takes Gas or delivers Gas to the Company at levels in excess of the quantities specified by the Company, any such quantities shall constitute "Unauthorized Gas". For each dekatherm of such Unauthorized Gas, Customer shall pay to the Company a rate set forth on the Company's "Rates and Charges" tariff sheet, plus the usage rate for Rate Schedule 204 (sales) or Rate Schedule 214 (transportation), plus the higher of two Gas commodity indices - a "Monthly Contract Price" or a "Daily Price" as both are defined above. Such three-part rate shall constitute the Unauthorized Gas penalty charge applicable except in instances of Customer's failure to abide by restrictions on long imbalances which shall be subject to the standalone rate set forth on the Company's "Rates and Charges" tariff sheet. Customers causing Unauthorized Gas shall be further subject to immediate termination of Service or disconnection from the Company's system. In the event of such termination of Service or disconnection, Service shall not be restored until the Commission-approved reconnection fee has been paid by Customer to Company.

The Customer's consumption and/or Gas deliveries to the Company will continue to be unauthorized until the Company notifies the Customer that either (1) the Curtailment event, Operational Order or other restriction imposed by the Company has been lifted, thereby enabling further Gas sales or redelivery Service to be made under the Customer's regular Rate Schedule, or (2) the Company agrees to provide emergency Service under this Rate Schedule.

RATE SCHEDULE 206
SCHEDULE FOR LIMITING AND CURTAILING SERVICE

The Customer shall be liable for the Unauthorized Gas penalty charge together with and in addition to any incremental charges or assessments (including, but not limited to penalties) by the upstream interstate pipeline during the time of the unauthorized usage by such Customer. The payment of a penalty for Unauthorized Gas shall not under any circumstances be considered as giving any such Customer the right to fail to comply with the Company's Operational Orders or other imposed restrictions, nor shall such payment be considered as a substitute for any other remedies available to the Company or any other Customer against the offending Customer for failure to adhere to its obligations under the provisions of this Rate Schedule.

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 one-half percent (1½%) per month will be applied to all customers' balances not paid prior to the next month's billing date.

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this Rate Schedule is subject to Commission Rules and to the Company's Tariff and Service Regulations. Among other things, the Commission Rules and the Company's Tariff and Service Regulations permit the Interruption or Curtailment of Service under certain conditions, including events of Force Majeure and Operating Conditions.

RATE SCHEDULE 207
BALANCING, CASH-OUT, AND AGENCY AUTHORIZATION

Applicability

The provisions of this Rate Schedule 207 shall apply to all Transportation Service provided by the Company under Rate Schedules 213 and 214, as well as all Transportation Special Contracts, unless expressly provided otherwise therein.

Limitations on Intra-month Imbalances

Receipts and deliveries of Gas hereunder shall be at uniform rates of flow with no significant fluctuations or imbalances. Customer (or its Agent) is responsible to match daily Gas deliveries into the Company's system with daily Gas consumption by Customer as closely as possible. Any imbalances shall be corrected by the Customer (or its Agent), insofar as practicable, during the month in which they occur. Customer (or its Agent) is expected to proactively manage intra-month imbalances. Customer (or its Agent) 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, comply with balancing requirements of the upstream pipeline(s), and to mitigate the need to acquire additional daily supply at prices that would adversely affect sales customers. The Customer (or its Agent) 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.

In the event Customer (or its Agent) fails to abide by the requirements set forth above, the Company shall have the right to curtail deliveries to Customer (Customers in a transportation pool operated by a single Agent will be curtailed on a pro rata basis based on nominated quantities) if an imbalance is negative or reducing Customer's nominated quantities if an imbalance is positive. The Customer will be responsible for any imbalance charges assessed by upstream pipeline(s) in connection with any Gas transported by the Customer. The Company reserves the right to take other reasonable action to mitigate system operational problems. The Company will use its reasonable efforts to notify the Customer or the Customer's Agent before proceeding with a unilateral nomination reduction or delivery Curtailment and will notify Customer of any reduction to Customer's nomination that has been instituted by the Company.

No later than one-hour prior to the NAESB deadline for the timely nomination cycle 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. No later than one-hour prior to the NAESB deadline for the timely nomination cycle 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 to the Company no later than one-hour prior to the NAESB deadline for the timely nomination cycle on the day prior to Gas flow. Company will have no obligation to accommodate intraday nomination changes.

RATE SCHEDULE 207
BALANCING, CASH-OUT, AND AGENCY AUTHORIZATION

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 or its Agent if the Customer has had an imbalance with the Company during the period for which the penalty was assessed.

Monthly Imbalance Resolution

Any differences between the monthly quantities delivered to the Company's city gate facilities for the account of the Customer, and the monthly quantities consumed by the Customer as metered by the Company, shall be the monthly imbalance. The Percentage of Imbalance is defined as the monthly imbalance divided by the monthly quantities consumed by the customer. 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.

If the Customer's Percentage of Imbalance is more than 2%, or if the total aggregated Percentage of Imbalance for the Agent is more than 2% for all of the Agent's Customers in that transportation pool, then the price paid by the Company if the imbalance is long is the lower of the monthly index price listed in Platts Inside FERC's Gas Market Report for Transcontinental Gas Pipe Line Zone 3 deliveries plus applicable fuel and FT variable charges under Transcontinental Gas Pipe Line's Rate Schedule FT for service from Zone 3 to Zone 5 or the lowest weekly index price listed in Natural Gas Week's Gas Price Report "Delivered to Pipeline" for volumes listed under Louisiana – Gulf Coast, Onshore plus applicable fuel and FT variable charges under Transcontinental Gas Pipe Line's Rate Schedule FT for service from Zone 3 to Zone 5. If Customer (or Agent) imbalance is short, then the price paid by the Customer (or Agent) will be the higher of the monthly index price listed in Platts Inside FERC's Gas Market Report for Transcontinental Gas Pipe Line Zone 3 deliveries plus applicable fuel and IT variable charges under Transcontinental Gas Pipe Line's Rate Schedule IT for service from Zone 3 to Zone 5 or the highest weekly index price listed in Natural Gas Week's Gas Price Report "Delivered to Pipeline" for volumes listed under Louisiana -- Gulf Coast, Onshore plus applicable fuel and IT

RATE SCHEDULE 207
BALANCING, CASH-OUT, AND AGENCY AUTHORIZATION

variable charges under Transcontinental Gas Pipe Line's Rate Schedule IT for service from Zone 3 to Zone 5.

If the Percentage of Imbalance for the Customer (or Agent) is "short" by more than 2%, the price paid by the Customer (or Agent) to the Company for each dekatherm of the total deficiency will be equal to the price listed above for short imbalances times the premium percentage corresponding to the percentage of the deficiency listed in the table below.

If the Percentage of Imbalance for the Customer (or Agent) is "long" by more than 2%, the price paid by the Company to the Customer (or Agent) for each dekatherm of the total surplus will be equal to the price listed above for long imbalances 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%	110%	90%
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

Certain Rate Schedules permit a Customer to appoint a Customer's Agent to act on its behalf with respect to nominations, imbalance resolution, and/or billing. Customer shall authorize a Customer's Agent by executing an Agency Authorization Form in the form attached to this Rate Schedule. In order to be considered a Customer's Agent, a third party must execute and be in compliance with all of the terms of the Customer Agent Agreement form set forth in Appendix B to the Company's Service Regulations. 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, unless the Agent's right to conduct business has been suspended by the Company, in which case, the Customer may act without an Agent or may provide written notice to the Company of the new Customer's Agent designated by the Customer. The Company will provide reasonable notice to Customer in the event of any suspension of Customer's Agent and will provide copies to Customer, on an expeditious basis and by electronic or other means, of any formal notices issued to the Customer's Agent. 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.

RATE SCHEDULE 207
BALANCING, CASH-OUT, AND AGENCY AUTHORIZATION

Applicable Documents Defining Obligations of the Company and Its Customers

Gas Service under this Rate Schedule is subject to Commission Rules and to the Company's Tariff and Service Regulations. Among other things, the Commission Rules and the Company's Tariff and Service Regulations permit the interruption or Curtailment of Service under certain conditions, including events of Force Majeure and Operating Conditions.

RATE SCHEDULE 207
BALANCING, CASH-OUT, AND AGENCY AUTHORIZATION

AGENCY AUTHORIZATION FORM

EFFECTIVE DATE _____

CUSTOMER _____

NAME OF FACILITY _____

ACCOUNT NUMBER(S) _____

AGENT _____

AGENT CONTACT _____

AGENT PHONE# _____

This is to advise Piedmont Natural 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). Piedmont Natural Gas Company is hereby authorized to deal with the Agent directly, and the **CUSTOMER AND THE AGENT UNDERSTAND THAT THEY ARE RESPONSIBLE, JOINTLY AND SEVERALLY, FOR ANY AMOUNTS DUE PIEDMONT NATURAL GAS COMPANY ARISING UNDER THIS RATE SCHEDULE, PIEDMONT'S SOUTH CAROLINA SERVICE REGULATIONS, OR AGENT'S CUSTOMER AGENT AGREEMENT** which are not paid on these accounts. Customer will provide Piedmont Natural Gas Company with a revised "AGENCY AUTHORIZATION FORM" at least five (5) business days prior to the beginning of the month for the accounts designated, unless the Agent's right to conduct business has been suspended by Piedmont Natural Gas Company without prior notice.

CUSTOMER AUTHORIZED SIGNATURE

AGENT AUTHORIZED SIGNATURE

Please Print:
AGENT'S NAME _____

TITLE _____

RATE SCHEDULE 207
BALANCING, CASH-OUT, AND AGENCY AUTHORIZATION

EMAIL _____

PHONE# _____

Please submit completed form to:

CommercialOperations@duke-energy.com

Citygate Operations
Piedmont Natural Gas Company
P. O. Box 33068
Charlotte, N.C. 28233

RATE SCHEDULE 208
NEGOTIATED SERVICE

Applicability and Character of Service

On occasions, the Company may have Gas that it cannot sell or Transportation Service that it cannot provide pursuant to its Rate Schedules because its maximum rates are not competitive with alternate fuels or energy sources. On such occasions, a Service opportunity is lost to the Company and to its Customers. This Rate Schedule is designed to permit the Company to provide Services at negotiated rates.

Gas Service under this Rate Schedule is available on a limited term basis to all non-residential Customers in the area served by the Company in the State of South Carolina who receive Services under the Company's Rate Schedules 202, 252, 242, 203, 213, 204 or 214. The Company may provide negotiated Transportation and Sales Service to Customers who receive Service under Rate Schedule 214 in order to compete with alternate fuels or energy sources. Unless otherwise agreed to by the Company, Service under this Rate Schedule is interruptible and the Company has the right to discontinue such Service on one hour's notice.

Rate

The rate to be charged for Gas Service pursuant to this Rate Schedule is subject to negotiation between the Customer and the Company.

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 Commission Rules and to the Company's Tariff and Service Regulations. Among other things, the Commission Rules and the Company's Tariff and Service Regulations permit the Interruption or Curtailment of Service under certain conditions, including events of Force Majeure and Operating Conditions.

RATE SCHEDULE 213
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 South Carolina to any full requirements non-residential Customer whose average daily Gas usage is reasonably anticipated to equal or exceed 50 dekatherms per day, upon application to and consent by the Company to such Gas Service, as provided in the Company's Service Regulations. Gas Service under this Rate Schedule is contingent upon the installation by the Company of telemetering equipment that reports daily consumption.

Upon commencement of Gas Service under this Rate Schedule, any reclassification or change in quantity or character of Gas Service to Customer shall be subject to the provisions of this Rate Schedule and the procedures set forth in the Company's Service Regulations.

Character of Service

The nature of Gas Service provided by the Company to the Customer under this Rate Schedule is firm Transportation Service.

Once a qualified Customer is approved by the Company for Gas Service under this Rate Schedule, all Service 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 203, "Large General Sales Service," 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 203 and (b) the Company is able to acquire firm Gas supplies and capacity under commercially reasonable terms and conditions. If timely notice is received from the Customer and consent is provided by the Company, 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.

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

Balancing, Cash-Out and Agency Authorization

Service Under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 207, "Balancing, Cash-Out, and Agency Authorization."

RATE SCHEDULE 213
LARGE GENERAL TRANSPORTATION 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 Commission. 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.

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 50 dekatherms. 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 determinant.

The calculation of Customer billing determinants hereunder shall not create any right to Gas Service at a specified level. All changes to character or quantity of Gas Service shall be subject to the Company's consent based on the evaluation and analysis described in the Company's Service Regulations.

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 Commission Rules.

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 (1½%) 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".

RATE SCHEDULE 213
LARGE GENERAL TRANSPORTATION SERVICE

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this Rate Schedule is subject to Commission Rules and to the Company's Tariff and Service Regulations. Among other things, the Commission Rules and the Company's Tariff and Service Regulations permit the Interruption or Curtailment of Service under certain conditions, including events of Force Majeure and Operating Conditions.

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, upon application to and consent by the Company to such Gas Service, as provided in the Company's Service Regulations. Gas Service under this Rate Schedule is contingent upon the installation by the Company of telemetering equipment that reports daily consumption.

Upon commencement of Gas Service under the Rate Schedule, any reclassification or change in quantity or character of Gas Service to Customer shall be subject to the procedures set forth in this Rate Schedule and the Company's Service Regulations.

Character of Service

The nature of Gas Service provided by Company to Customer under this Rate Schedule is interruptible Transportation Service.

Once a qualified Customer is approved by the Company for Gas 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, "Large General Interruptible Sales Service," 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 204 and (b) the Company is able to acquire firm Gas supplies and capacity under commercially reasonable terms and conditions. If timely notice is received from the Customer and consent is provided by the Company, 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.

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 Operating 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.

Standby Alternate Fuel Capability

Customers provided Gas Service 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 Service Interruption or

RATE SCHEDULE 214
INTERRUPTIBLE TRANSPORTATION SERVICE

Curtailement. Such Interruption or Curtailement 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 Curtailement.

Customer at Risk of Interruption or Curtailement of Service

All of the Customer's business, operational, mechanical or other risks associated with the interruption or Curtailement of Service under this Rate Schedule shall be borne by the Customer. Such interruption or Curtailement of Service may be ordered by the Company at any time and for any reason deemed necessary or appropriate by the Company and is an inherent risk of Service provided under this Rate Schedule.

Balancing, Cash-Out and Agency Authorization

Service Under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 207, "Balancing, Cash-Out, and Agency Authorization."

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. 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.

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 Commission Rules.

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 Curtailement

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

RATE SCHEDULE 214
INTERRUPTIBLE TRANSPORTATION SERVICE

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this Rate Schedule is subject to Commission Rules and to the Company's Tariff and Service Regulations. Among other things, the Commission Rules and the Company's Tariff and Service Regulations permit the Interruption or Curtailment of Service under certain conditions, including events of Force Majeure and Operating Conditions.

RATE SCHEDULE 242
NATURAL GAS VEHICLE FUEL

Applicability and Character of Service

Gas Service under this Rate Schedule is available at Company-operated public stations to Customers seeking to obtain Compressed Natural Gas for dispensing into the fuel tank of a motor vehicle.

The nature of Service provided by Company to Customer under this Rate Schedule is interruptible 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 Commission. Rates applicable to Service hereunder shall be billed at a maximum rate of \$.50 per therm in addition to the base rate for Service under this Rate Schedule 242 as set forth on the Company's "Rates and Charges" tariff sheet. The per therm charge is designed to recover the costs associated with compression and related equipment necessary to provide this Service. 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.

Motor Fuels and Road Taxes and Fees

The rates to be charged for Service pursuant to this Rate Schedule do not include applicable federal, state and/or local motor fuel or road taxes or fees. Such taxes and fees shall be added to Company's approved rates when calculating total Customer charges for Service under this Rate Schedule.

Payment of Bills

Bills for Service provided pursuant to this Rate Schedule shall be paid at the time of Service with a valid credit or debit card accepted by the Company.

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 Commission Rules and to the Company's Tariff and Service Regulations. Among other things, the Commission Rules and the Company's Tariff and Service Regulations permit the Interruption or Curtailment of Service under certain conditions, including events of Force Majeure and Operating Conditions.

RATE SCHEDULE 243
EXPERIMENTAL MOTOR VEHICLE FUEL SERVICE

Availability

Gas Service under this Rate Schedule is available, on an experimental basis, in the area served by the Company in the State of South Carolina to all existing and qualified potential customers under Rate Schedules 201, 202, 252, 203, 204, 213 and 214 seeking to purchase or transport Gas for use as a motor vehicle fuel. All requests for Service under this Rate Schedule shall be subject to application to and consent by the Company to such Service, as provided in the Company's Service Regulations.

This Rate Schedule is experimental in nature and designed to (a) determine the relative need for sales/transportation Service to meet the Gas motor vehicle fuel needs of Customers qualified for and/or receiving Service under the applicable Rate Schedules identified above, and (b) to determine whether Company's existing facilities and structures can accommodate the provision of such Service. Company reserves the right, upon reasonable notice to the Commission, to suspend Service to new Customers under this Rate Schedule in the event further Service under this Rate Schedule would threaten, interfere with, or impede Piedmont's ability to meet its other contractual obligations or efficiently operate its system and/or facilities. Absent such suspension by Piedmont, this Rate Schedule shall remain in effect for a period of two (2) years after which Service hereunder may continue to be provided subject to any proposal by Piedmont or any other interested party to terminate, extend, modify or adjust the provision of such Service.

Character of Service

The nature of Service provided by Company to Customer under this Rate Schedule shall be commensurate with the nature of Service for which Customer is qualified under the applicable Rate Schedule identified above. Gas received under the provisions of this Rate Schedule shall be used for motor vehicle fuel purposes only.

All Gas delivered pursuant to this Rate Schedule shall be metered and billed by the Company separately from any Gas delivered to Customer under any other Rate Schedule and utilized for non-motor vehicle fuel purposes.

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."

Balancing, Cash-Out, and Agency Authorization

Service under this Rate Schedule shall be subject to all of the provisions and requirements of Rate Schedule 207, "Balancing, Cash-Out, and Agency Authorization."

Rates and Charges

The rates to be charged for Gas Service pursuant to this Rate Schedule shall be those rates and charges (and components thereof) applicable to the corresponding individual Rate Schedule under which Customer qualifies for Service. These rates and charges 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. Rates applicable to Service

RATE SCHEDULE 243
EXPERIMENTAL MOTOR VEHICLE FUEL SERVICE

hereunder may, to the extent such Service includes compression of Gas for utilization as a motor vehicle fuel, include a per therm compression charge designed to recover the costs associated with such compression and related equipment. The maximum compression charge to be included is \$.50 per therm. 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.

Payment of Bills

Bills for Service rendered pursuant to this Rate Schedule shall be due and payable as provided under the individual Rate Schedules identified above under which Customer is qualified for Service.

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this Rate Schedule is subject to Commission Rules and to the Company's Tariff and Service Regulations. Among other things, the Commission Rules and the Company's Tariff and Service Regulations permit the Interruption or Curtailment of Service under certain conditions, including events of Force Majeure and Operating Conditions. .

Resale

Gas delivered to Customer under the provisions and authority of this Rate Schedule, except for Customers receiving Gas for motor vehicle fuel purposes under Rate Schedule 201, may be resold solely for use as a motor fuel.

Taxes

Customer shall be solely and exclusively responsible for the payment of any local, state, or federal road tax, motor fuel tax, or similar tax, fee, or charge attributable to or arising out of the utilization of Gas delivered hereunder as a motor vehicle fuel.

Treatment of Gas Quantities Received Pursuant to this Rate Schedule

All quantities of Gas delivered to Customer for use as a motor fuel pursuant to this Rate Schedule 243 during any Annual Review Period shall be aggregated with quantities of Gas received by Customer under any of the Rate Schedules identified above solely for the purpose of establishing Customer's eligibility for continued Service from Company as provided in Paragraphs 34 and 35 of Piedmont's Service Regulations.

**PIEDMONT NATURAL GAS COMPANY
SOUTH CAROLINA SERVICE REGULATIONS**

1. Foreword. Piedmont Natural Gas Company, Inc. (the “Company”) is a natural gas distribution company and is engaged in the business of selling and transporting natural gas for various Customers. The purpose of these Service Regulations is to set forth the respective obligations of the Company and its South Carolina Customers.

2. Definitions. As used in these Service Regulations, the following terms shall have the meanings assigned below:

- (a) The “Commission” shall mean the Public Service Commission of South Carolina, which regulates gas utilities operating within the State of South Carolina.
- (b) “Commission Rules” shall mean the Rules and Regulations of the Commission.
- (c) The “Company” shall mean Piedmont Natural Gas Company, Inc.
- (d) “Curtailement” or “Interruption” is the interruption or cessation of gas service as permitted by the Commission rules and the terms of the Company’s Rate Schedules, Special Contracts, or Service Regulations.
- (e) “Customer” shall mean any person, firm, association, or corporation, or any agency of the Federal, State or local government receiving Gas Service from the Company.
- (f) “Dekatherm” is the basic energy unit purchased by the Company and shall mean the unit of energy equivalent to 1,000,000 BTU.
- (g) “Force Majeure” shall mean acts of God, extreme weather conditions, strikes, lockouts, or other industrial disturbances, acts of the public enemy, war, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakages or accidents to machinery, lines of pipe or the Company's peak shaving plants, freezing of wells or lines of pipe, partial or complete Curtailement of deliveries to the Company by its suppliers, reduction in Gas pressure by its suppliers, inability to obtain rights-of-way or permits or materials, equipment or supplies for use in the Company's peak shaving plants, and any other causes, whether of the kind herein enumerated or otherwise, not within the control of the Company and which by the exercise of due diligence the Company is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Company, and the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the Company.

**PIEDMONT NATURAL GAS COMPANY
SOUTH CAROLINA SERVICE REGULATIONS**

- (h) "Gas" shall mean undiluted natural gas, or a substitute for or mixture thereof, as delivered by the Company.
- (i) "Gas Service Line" shall mean the pipe that runs between a Main or a pipeline and a Customer's Meter.
- (j) "Main" shall mean a Gas pipe, owned, operated or maintained by the Company, which is used for the purpose of transmission or distribution of gas, but does not include "Gas Service Line".
- (k) "Margin" for Curtailment purposes shall mean the filed tariff rate per unit of Gas or negotiated rate per unit of Gas for a Customer, less the per unit cost of Gas, where applicable, as determined in the Company's last general rate case or Purchased Gas Adjustment proceeding, adjusted for any temporary decrements or increments in the filed tariff rate.
- (l) "Meter", without other qualification, shall mean any device, or instrument which is used by the Company in measuring a quantity of Gas.
- (m) "Meter assembly" shall mean the Company's meters, regulator, piping, valves, vents, relief valves, gauges and/or other apparatus required to meter and control flow or pressure of Gas.
- (n) "Operating Conditions" shall mean any modification, test or scheduled or unscheduled repair to the Company's distribution system which in the Company's discretion is necessary to maintain the integrity of the Company's distribution system or to provide for the safety of the Company or the public.
- (o) "Operational Order" shall mean a written order by the Company's dispatcher, or other Company representative acting on behalf of the Company's dispatcher, to limit, modify, curtail or interrupt the use of Gas as required or permitted by the Commission Rules and the Company's Service Regulations, Special Contracts, and Rate Schedules.
- (p) "Premise(s)" shall mean a piece of land or real estate, including buildings and other appurtenances thereon.
- (q) "Rate Schedule(s)" shall mean any of the Company's various rate schedules approved by and on file with the Commission, as the same may be changed or amended from time to time.
- (r) "Service(s)" shall mean any sales, Transportation, redelivery or other service provided by the Company to a Customer pursuant to the provisions of the Company's filed and approved Rate Schedules, Special Contracts, or Service Regulations.

**PIEDMONT NATURAL GAS COMPANY
SOUTH CAROLINA SERVICE REGULATIONS**

- (s) “Special Contract” shall mean any contract for Services entered into between the Company and a Customer that provides for rates, terms or conditions of Service that vary from those set forth in the Company’s tariffs, Rate Schedules or Service Regulations.
- (t) “Therm” is the basic billing unit of the Company and shall mean the unit of energy equivalent to 100,000 BTU.
- (u) “Transportation” shall mean the receipt of Gas supplies that have been arranged by the Customer for delivery to the Company’s city gate and the redelivery of such Gas supplies to the Customer’s premise.
- (v) “Unauthorized Gas” shall have the meaning set forth in Rate Schedule 206.

3. Applicable Documents Defining Obligations of the Company and its Customers. The obligations of the Company to provide Service and the obligations of the Customer upon receipt of Service are set forth in (a) the applicable statutes as set forth in Section 58 of the Code of Laws of South Carolina, (b) the applicable Commission Rules and Regulations , (c) the applicable Rate Schedule(s), (d) these Service Regulations and (e) any written application or other document executed by the Company and the Customer pertaining to such Service. Upon request of the Customer, the Company will provide the Customer with a copy of the applicable Rate Schedule(s), these Service Regulations and any written application for Service or other documents executed by the Company and the Customer pertaining to such Service. No promise, statement or representation by an employee or agent of the Company or by any other person shall bind the Company to provide Service or to change the terms and conditions upon which Service will be rendered unless the same is in writing and is executed by an authorized representative of the Company. In no event shall the Customer be relieved from its obligation to pay in full the amount due for Service received from the Company by the Customer. In the event there is a conflict between these Service Regulations and the provision of the applicable currently effective Rate Schedule, the provisions of the Rate Schedule shall govern.

4. Delivery Pressure. The Company will provide to residential Customers a delivery pressure of either 7 inches water column (approximately 1/4 psig) or 2 psig. Commercial and Industrial Customers can be provided a delivery pressure of up to 5 psig. Delivery pressures of higher than 5 psig will be considered only if 1) requested in writing 2) justified by requirements of the fuel burning equipment. Documentation of such requirements must also be provided. Approval will be conditioned on the Company's distribution system pressure availability. Exceptions are subject to the approval of the Company.

5. Applicable Documents Subject to Change. All of the documents defining the obligations of the Company to provide Service and the obligations of the Customer upon the receipt of Service are subject to change from time to time upon approval of the

**PIEDMONT NATURAL GAS COMPANY
SOUTH CAROLINA SERVICE REGULATIONS**

Commission and by other duly constituted governmental authorities. The Company does not undertake to advise the Customer of any such change except as may be required by the Commission or other duly constituted governmental authority.

6. Non-Waiver. The failure of the Company to enforce any provision of any applicable documents defining the obligations of the Company and its Customers shall not be deemed to be a continuing waiver of such provisions for the Customer or a waiver of any other provision of any of the applicable documents.

7. Application for Initial Service. The Company shall not be required to supply Service to the Customer unless and until the Customer has executed an application for Service which, among other things, contains the date of the application, the name of the applicant, the location of the premises for which Service is requested, the type of Service applied for and estimated Gas consumption. The Company may, at its sole option, waive the requirement for a written application, in which event the obligations of the Company to provide Service and the obligations of the Customer upon receipt of Service shall be controlled by the other applicable documents defining the obligations of the Company and its Customers.

8. Application to Increase Gas Load. Residential Customers receiving Gas Service from the Company will be permitted to increase their residential Gas loads at the same premises without application to the Company. All other Customers shall make application to the Company before increasing their Gas load and before changing the purpose for which they use Gas. The application will contain, among other things, the date of the application, the name of the applicant, the location of the premises for which Service is requested, the type Service applied for and estimated monthly Gas consumption. If, in the Company's opinion, the Company has the capability to provide the additional or changed Gas Service without interfering with the Company's ability to provide Service to its other Customers, the Company will permit the Customer to increase its load or to change the purpose for which it uses Gas.

9. Non-Assignability of Right to Service. Any rights which accrue to the Customer under any of the applicable documents defining the obligations of the Company and its Customers are personal and may not be transferred or assigned without the written consent of the Company.

10. Vacated Premises. The Customer will notify the Company before quitting or vacating the premises served and will pay upon presentation all bills due the Company.

11. Right-of-Way. The Customer shall at all times furnish the Company a satisfactory and lawful right-of-way, at no cost to the Company, over the Customer's premises for the Company's Mains, Service Lines, and apparatus necessary or incidental to the furnishing of Service. The obligation of the Company to provide Service is dependent upon the Company securing and retaining all necessary rights-of-way, privileges, franchises or permits, for the delivery of such Service, and the Company shall

**PIEDMONT NATURAL GAS COMPANY
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not be liable to the Customer for any failure to deliver Service because of the Company's inability to secure or retain such rights-of-way, privileges, franchises or permits.

12. Access to Customer's Premises. The Company shall at all reasonable times have the right of ingress to and egress from the premises of the Customer for any and all purposes connected with the provision of Service. The Company shall have the right, at its option and at its own expense, to place demand Meters, pressure gauges, or other instruments on the premises of the Customer for billing, testing, or other purposes with respect to the Customer's Service.

13. Installation and Maintenance of Facilities. The Company will install and maintain the necessary Mains, Gas Service Lines, valves, regulators, Meters, over-pressure devices, indexes, gauges, and/or other equipment or facilities required to provide Service. All facilities from the point of connection at the outlet of the Meter assembly shall be installed and maintained by and at the expense of the Customer. The Company may specify the content and pressure of the Gas to be furnished, the location of the Meter and the point where the Service connection shall be made.

14. Service Line Policy. The facilities to be installed by the Company in accordance with the foregoing paragraph will be at no cost to the Residential Customer if (1) at a minimum the Customer will be installing central Gas heating, (2) the Gas Service Line extends along the route selected by the Company and (3) the Gas Service Line is no more than 100 feet. In the event that the above conditions are not met, the Service rendered to the Customer must provide a reasonable return to the Company. If the Customer wishes the facilities to be constructed along a route other than the route selected by the Company and/or if the Gas Service line is more than 100 feet and/or the Service to be rendered to the Customer will not produce a reasonable return to the Company, the Company may require the Customer to pay the excess cost of constructing the facilities along the alternate route or in excess of 100 feet and/or to make a contribution which will permit the Company to earn a reasonable return.

15. Relocation of Facilities and Placement of Excess Flow Valves.

- (a) After a Service connection has been made, it may be relocated on the Customer's premises by the Company upon request of the Customer, but the Customer must bear the expense of the relocation, and the relocation will not be made where it will interfere with or jeopardize the Company's Service either to the Customer desiring the change or to any other Customer or Customers. The Customer must also agree to change the location of the right-of-way and to bear the expense of the change. In no event, however, will the Company be required to relocate facilities if the relocation would interfere with or jeopardize the Company's Service, either to the Customer requesting the change or to any other Customer or Customers. All privileges of the Company incident to the original location shall apply to the new location.

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- (b) The Customer has the right to request the placement of an Excess Flow Valve (“EFV”) on any Gas Service Line that does not already have such a valve installed. The Company shall work with the Customer to reasonably determine the date of such installation. The installation will not be made where it will interfere with or jeopardize the Company’s Service either to the Customer desiring the installation or to any other Customer or Customers. As a precondition to installation of an EFV, the Customer shall be required to enter into a written agreement with the Company reflecting the terms of such installation and assuming responsibility for all of the actual costs of such installation. The Company shall be entitled to collect a deposit on such costs prior to initiating installation of the EFV in the amount of the estimated cost of installation.

16. Title to the Facilities. The title to all facilities including Mains, Gas Service Lines, Meters and accessory equipment up to and including the outlet of the Meter assembly shall be vested in the Company, notwithstanding any charge which may be made to the Customer for extending Service.

17. Responsibility Beyond Delivery Point.

- (a) Before installing Gas pipes or appurtenant facilities and before purchasing Gas equipment, the Customer shall give the Company notice, and shall ascertain the character of Service available at such premise. The Company may specify the content and pressure of Gas to be furnished, consistent with Commission rules.
- (b) Before permitting the initial use of Gas at any location, a certificate of inspections and tests of the Customer owned piping shall be furnished to the Company by the Customer or by the local inspecting authority.
- (c) All piping and equipment installed by or on behalf of the Customer must be installed and maintained in accordance with the requirements of the local, county, state, and federal authorities, and the Customer shall keep in good and safe repair and condition all such piping and equipment from the point of connection of the Meter assembly with the facilities of the Company.
- (d) If the Customer’s equipment might create either a vacuum or a back pressure, a device must be installed and maintained by the Customer to protect the Company’s facilities.
- (e) Equipment which will operate in one locality may be useless in another due to difference in Gas pressure or content; therefore, before piping a premises or purchasing equipment, the Customer shall give the Company

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notice, and shall ascertain the character of Service available at such premises.

- (f) The Company is merely a furnisher of Gas at the point where it passes from the Company's Mains and Gas Service Lines to the piping of the Customer, and the Company shall not be responsible for any damage or injury to the buildings or other property of the Customer due to Gas installations, defective equipment, or other causes not due to the negligence of the Company. The Company shall not be in any way responsible for the transmission, use, or control of Gas beyond the delivery point, and the Company shall not be liable for any damage or injury to any person or property whatsoever, or for the death of any person or persons arising, accruing, or resulting in any manner from the receiving or use of Gas.

18. Interference with Company Property. The Customer shall not interfere with or alter the Company's Meters or other property or permit the same to be done by any person other than the Company's authorized agents or employees. Damages caused or permitted by the Customer to said property shall be paid for by the Customer. South Carolina law makes it unlawful to alter, tamper with or by-pass a Gas Meter. This law provides for fines and/or imprisonment at the discretion of the court for this offense. In addition, this statute provides for recovery in a civil action by the Company for losses and damages sustained.

19. Excavation in Proximity of Company's Facilities. The Customer shall inform the Company of planned excavation activities in the proximity of the Company's facilities by calling 811 or the toll free number 1-800-922-0983 at least 72 hours in advance of the planned excavation activities. The Customer will notify the Company prior to any additions or changes in his or her facilities which will extend over, under, or in close proximity to the Company's facilities.

20. Prohibition Against Resale of Gas. Gas is sold and delivered upon the express condition that the Customer shall not directly sell or resell, assign, or otherwise dispose of Gas, or any part thereof, to any person, firm, or corporation, except where Service is supplied under a Rate Schedule specifically providing for resale. Under no circumstances will the Company supply Gas for resale in competition with the Company.

21. Curtailment or Interruption of Service. In the event of a Curtailment or Interruption of Service, the Company shall use all reasonable diligence to remove the cause or causes thereof, but the Company shall not be liable for any loss or damage resulting from such Curtailment or Interruption due to accidents, Force Majeure, extreme weather conditions, Operating Conditions or causes beyond its control.

22. Action to Maintain System Integrity. When the Company in its discretion determines that it is necessary to limit, modify, curtail or interrupt Service to maintain the integrity of

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its distribution or transmission system, to provide for its or the public's safety, or otherwise when Operating Conditions are such that the Company deems such action to be necessary, the Company shall have the right to limit, modify, curtail or interrupt Service to any Customer through the issuance of an Operational Order. Violation of such Operational Orders by any Customer shall subject such Customer to disconnection and/or financial penalties as provided in Rate Schedule 206.

23. Discontinuance of Service. The Company, subject to the rules of the Commission, shall have the right to suspend or discontinue its Service for (a) repairs or other necessary work on its Mains or systems, (b) for nonpayment of bill in accordance with the R103-452 of the Commission's Rules and Regulations, as the same may be amended from time to time, and (c) for any of the following reasons:

- (a) For any misrepresentation as to the identity of the Customer making the application for Service.
- (b) For violation by the Customer of any terms or conditions of the documents defining the obligations of the Company to provide Service and the obligations of the Customer upon the receipt of Service.
- (c) For the reason that the Customer's use of the Company's Service is detrimental to the Service of other Customers. This may cover a Customer's failure, directly or indirectly, to deliver Gas to the Company or the violation by the Customer of an Operational Order.
- (d) For the reason that the Customer's use of the Company's Service conflicts with or violates orders, ordinances or laws of the State of South Carolina, or any subdivision thereof, or of the Commission or of any other governmental agency having jurisdiction over the Company or the Customer.
- (e) For the reason that piping, equipment, appliance or device is installed or in use on the Customer's premises which permits the Gas to be used without passing through the Company's Meter, or which prevents or interferes with the accurate measuring of the Gas by the Company's Meter other than when such Gas use is authorized under a non-metered Rate Schedule.
- (f) For failure of the Customer to make, restore, or increase his or her deposit as required.
- (g) In the event of a condition determined by the Company to be hazardous.
- (h) In the event of tampering with the equipment furnished and owned by the Company.

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Where Service has been discontinued for any reason except for the failure to pay for repairs or other necessary work by the Company, the Company shall have the right to refuse Service at the same premises to any other applicant who is a member of the family of the former Customer, or who resided on said premises until the reason for discontinuance has been resolved. The Company may require reasonable proof of identity of the applicant of Service.

24. Removal of Equipment. In the event of such discontinuation of Service, the Company may enter the premises of the Customer at any reasonable time and remove the Company's Meters, apparatus, appliances, fixtures or other property.

25. Non-Waiver of Default. Any delay or omission on the part of the Company to exercise its right to discontinue or suspend Service, or the acceptance of a part of any amount due, shall not be deemed a waiver by the Company of such right so long as any default in whole or in part or breach of contract on the part of the Customer shall continue, and whenever and as often as any default or breach of contract shall occur.

26. Establishment of Credit by the Customer. The Company may require an applicant for Service to satisfactorily establish credit pursuant to R103-431 of the Commission's Rules and Regulations.

27. Deposits. Pursuant to R103-431 of the Commission's Rules and Regulations the Company may require from any Customer or from any prospective Customer, a cash deposit intended to guarantee payment of bills for Service. Interest paid on deposit and deposit retention will be in accordance with R103-433 and R103-436 of the Commission's Rules and Regulations.

28. Billing Procedure.

- (a) Meters will be read and bills rendered monthly on a cycle basis of not less than 28 days nor more than 34 days. All bills are due and payable when rendered and become past due after twenty-five (25) days in the case of residential Customers and fifteen (15) days in the case of Customers other than residential, from the date the bill is rendered.
- (b) A late payment charge of one and one-half percent (1½%) per month will be applied to all Customers' balances not paid within twenty-five (25) days from the billing date.
- (c) The Company will endeavor to deliver to the Customer a monthly bill of the amount due to the Company by mailing said bill by first-class mail to the mailing address furnished by the Customer or, at the Customer's election, by sending the bill electronically. Failure to receive a bill will not entitle the Customer to any extension of time for payment beyond the past due date.

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- (d) Where a Meter for any reason is not read at the regular reading date, the Company may estimate the amount of Service used by referring to the Customer's consumption for a similar prior period. To the extent practicable, the Company will avoid sending the Customer two successive estimated bills; however, in cases of force majeure, as defined under Section 2(e) Definitions, bill estimates may be permitted for two successive billing periods, or greater. The Company will bill the Customer on the basis of the estimated use and will make any necessary adjustments when the m=Meter is next read.
- (e) No claim or demand which the Customer may have against the Company shall be offset or counterclaimed against the payment of any sum of money due the Company by the Customer for Service rendered, and all such sums shall be paid in accordance with the agreement regardless of such claim or demand.

29. Adjustment of Bills Due to Failure or Inaccuracy of Meter. Bills which are incorrect due to Meter or billing errors will be adjusted as provided in R103-440 of the Commission's Rules and Regulations. Transportation Customers requiring adjustment to their bills for Meter or billing errors shall be adjusted in accordance with R103-440 of the Commission's Rules and Regulations except for the commodity portion which shall be cashed out in accordance with Rate Schedule 207.

30. Returned Check Charge. Where the Customer makes payment for Service by check which is not honored or paid by the bank, full payment will immediately be due and payable, and the Commission approved handling charge will be made.

31. Curtailement of Service. It is contemplated that the Company will from time to time find it necessary to curtail Gas Service to those Customers who purchase Gas from the Company under interruptible Rate Schedules. In addition, unavailability of Gas supplies, requirements of public safety or other factors beyond the control of the Company may make Curtailement of any Customer necessary. In all such events, to the extent practicable, the Company will curtail those Customers paying the least margin per dekatherm first. If it is necessary to interrupt some but not all of the Customers paying the same margin per dekatherm, then, to the extent practicable, Service shall be curtailed to the Customers paying the same margin per dekatherm on a pro rata basis.

32. Reconnection Fees. When Service has been discontinued at the request of the Customer or a member of the Customer's family residing at the same residence, or for nonpayment of bills, and if reconnection is requested by the same Customer or a member of such Customer's family residing at the same residence, on the same premises within one year after date of discontinuance, the Commission-approved Reconnection Fees will be charged.

33. Applicable Rate Schedules. The Company will at all times have current Rate Schedules on file with the Commission. The rates applicable to these Rate Schedules are subject to change from time to time as permitted by the Commission.

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34. Commercial Rate Service Classification. Commercial Rate Service Classification under the Company's Rate Schedules 202 and 252 shall be based on the following criteria:

A. Definitions: As used in Commercial Rate Service Classification, the following terms shall have the meanings assigned below:

- (1) "Annual Review Period" shall mean the twelve (12) months ended on December 31 of each year.
- (2) "Actual Annual Usage" shall mean the actual Gas quantity consumed by the Customer during the Annual Review Period as reflected on the Company's invoices for the Customer.
- (3) "Classification Usage" shall mean the usage criteria that establishes the minimum and/or maximum average daily usage that must be maintained in order to receive Service under a Rate Schedule. The classification usage for Rate Schedule 202 shall be less than an average of 20 dekatherms per day. The classification usage for Rate Schedule 252 shall equal or exceed an average of 20 dekatherms per day but be less than an average of 50 dekatherms per day.
- (4) "Involuntary Curtailment Days" shall mean those days or portions of days in a given Annual Review Period where Curtailment of the Customer's Gas Service was imposed by the Company's decision to curtail.
- (5) "Service Days" shall mean 365 days less the number of Involuntary Curtailment Days.
- (6) "Average Daily Usage" shall be the Customer's Actual Annual Usage divided by the number of Service Days within the Annual Review Period.

B. Procedures:

- (1) At the conclusion of the Annual Review Period of each year and prior to June 1st of the ensuing year, the Company will determine for each Customer served under Rate Schedule 202 and Rate Schedule 252 that Customer's Average Daily Usage.
- (2) Those Customers currently receiving Service under Rate Schedule 202 whose Average Daily Usage is equal to or exceeds 20 Dekatherms a day will be transferred to Rate Schedule 252 effective on the first day

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of June following the most recent Annual Review Period.

- (3) Those Customers currently receiving Service under Rate Schedule 252 whose Average Daily Usage in each of the most recent two (2) Annual Review Periods is less than 20 Dekatherms a day will be transferred to Rate Schedule 202 effective on the first day of June following the second, and most recent, Annual Review Period.
 - (4) Those Customers currently receiving Service under Rate Schedule 202 or 252 whose Average Daily Usage in each of the most recent two (2) Annual Review Periods is equal to or greater than 110% of 50 dekatherms per day will be transferred to Rate Schedule 203, 204, 213, or 214 as applicable.
- C. Exceptions: If a Customer currently being billed under Rate Schedule 202 adds Gas equipment that increases the Customer's Average Daily Usage to the point where the Customer will qualify for Rate Schedule 252, the Company may, upon notification from the Customer and subject to installation verification by the Company, transfer the Customer to the new Rate Schedule prior to June 1 of that year.

35. Industrial Rate Service Classification. Rate Service classification under the Company's Rate Schedules, 203, 204, 213 and 214 shall be based on the following criteria:

- A. Definitions: As used in rate Service classification, the following terms shall have the meanings assigned below:
 - (1) "Actual Annual Usage" shall mean the actual Gas quantity sold or transported for the Customer by the Company as reflected on the Company's bills for that Customer.
 - (2) "Average Dekatherm per Day" shall mean the Actual Annual Usage of the Customer divided by the number of Service Days within the Review Period.
 - (3) "Classification Usage" shall mean the usage criteria that establishes the minimum and/or maximum average usage that must be maintained in order to receive Service under any Rate Schedule. For existing Customers, the classification usage for Rate Schedule 202 shall not exceed an average usage of 50 dekatherms per day. For existing Customers, the classification usage for Rate Schedules 203, 204, 213 and 214 shall exceed an average usage of 50 dekatherms per day.

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- (4) “Involuntary Curtailment Days” shall mean those days or portions of days in a given Review Period where Curtailment of the Customer’s Gas Service was imposed by the Company’s decision to curtail.
- (5) “Review Period” shall mean the twelve (12) months ended on December 31, or the regularly scheduled Meter reading nearest December 31.
- (6) “Service Days” shall mean 365 days less the number of Involuntary Curtailment Days plus the number of days that the Customer consumed an alternative fuel to Gas.

B. Procedure:

Step 1. During January and February of each year, the Company will determine for each Customer served under Rate Schedules, 203, 204, 213 and 214 the Customer’s Average Dekatherm per Day usage for each of the two most recent Review Periods.

Step 2. A Rate Schedule 202 or 252 Customer whose usage is 110% of the 50 dekatherms threshold in the two most recent Review periods will be transferred to Rate Schedule 203, 204, 213 or 214, as applicable. A Rate Schedule 203, 204, 213 or 214 Customer whose usage is equal to or less than 90% of the 50 dekatherms threshold in both of the most recent two Review Periods will be transferred to Rate Schedule 202 or 252 as appropriate. Customers receiving Service under Rate Schedules 203 or 204 shall be eligible to elect Transportation Service to be effective with the rate reclassification.

All changes in rate classification under this section shall be effective on the first day of June following the review.

Step 3. Customers who are reclassified shall be notified of the change in Rate Schedule, and receive a copy of the tariff sheets applicable to the Customer’s old and new Rate Schedules at least 21 days prior to the effective date of the change.

- C. Exceptions: If a Customer adds or retires a major piece of Gas-burning equipment, changes the hours of operations or otherwise materially alters the Customer’s business that will clearly increase, or decrease, the Customer’s consumption on an ongoing basis to a level that will change the Customer’s ability to qualify the Customer for a particular Rate Schedule, the Customer shall report

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such changes to the Company and afford the Company an opportunity to inspect the change in equipment and to meet with the Customer to review and discuss the anticipated future level of consumption. If, after such inspection and meeting, the Company is satisfied that reclassification is appropriate, the reclassification will occur within two months after the new equipment is in place and operational, or the retirement is completed, and the first Meter reading reflects the higher anticipated usage resulting from the new equipment or the lower anticipated usage resulting from the retirement. Any reclassification pursuant to this paragraph is subject to correction if actual experience so warrants. If the reclassification results in qualification for Service under Rate Schedule 203 or 204, the Customer shall provide an election form one week prior to reclassification if a transportation election is desired. Otherwise, Service will be provided under Rate Schedule 203 or 204, dependent upon rate qualification.

- D. Requirements: Upon reclassification from Rate 202 or 252 to either Rate 203, 204, 213, or 214, the Customer will be responsible for installing and maintaining, at the Customer's expense, a dedicated 110v electrical service in a location suitable to provide electrical service for the Company's telemetering equipment.

36. Limitation on Liability for Rendering Service on an Incorrect Rate Schedule. If it is determined that the Customer has been placed on an incorrect rate schedule, the Customer shall be placed immediately on the correct Rate Schedule and the Customer's bill shall be adjusted for such period (not to exceed 6 months) that the Customer was on the incorrect Rate Schedule. The Customer and/or Company shall have 90 days in which to pay any such adjustment. Except as herein provided, neither the Company nor the Customer shall have any liability to the other party with respect to the purchase and/or sale of Gas under an incorrect Rate Schedule.

37. Agency Authorization. Certain Rate Schedules permit the Customer to authorize the Customer's Agent to act on its behalf with respect to nominations, imbalance resolution, and/or billing. In order to be considered the Customer's agent, the agent must execute and be in compliance with all the terms of the Customer Agent Agreement form as shown in Appendix B to the Company's Service Regulations.

APPENDIX A
GAS COSTS RECOVERY MECHANISM

1. Definitions. The following definitions shall apply:

“Benchmark Commodity Cost of Gas” shall mean the Company’s estimate of the City Gate Delivered Cost of Gas for long-term Gas supplies, excluding Demand Charges. The Benchmark Commodity Cost of Gas may be amended from time to time by the Company as provided for in this Gas Costs Recovery Mechanism (GCRM).

“City Gate Delivered Cost of Gas” shall mean the total delivered cost of Gas to the Company at its city gate, including, but not limited to all commodity charges, demand charges, peaking charges, cost of propane, cost of LNG liquefaction/vaporization, surcharges, emergency Gas purchases, over-run charges, capacity charges, customer charges, standby charges, reservation fees, Gas inventory charges, minimum bill charges, minimum take charges, take-or-pay charges, take-and-pay charges, storage charges, service fees and transportation charges and any other charges of any kind whatsoever which are incurred by the Company in connection with the purchase, storage or transportation of volumes of Gas by the Company.

“Commodity and Other Charges” shall mean all charges for the purchase of Gas or for the transportation of Gas other than Demand Charges.

“Demand Charges” shall mean all charges for the purchase of Gas or the transportation or storage of Gas which are not billed on the volume of Gas actually purchased or transported by the Company.

“Tariff Sales” shall mean Gas delivered to customers under a sales Rate Schedule of general applicability. Tariff sales excludes Gas delivered under transportation Rate Schedules, Special Contracts, off-system or sales for resale transactions or other arrangements under which the Gas is not billed under a sales Rate Schedule of general applicability.

II. Gas Costs Recovery Mechanism

In the event the Company anticipates a change in its “City Gate Delivered Cost of Gas,” the Company may increase or decrease its rates to its customers as follows:

APPENDIX A
GAS COSTS RECOVERY MECHANISM

A. Sales rates

1. Demand Charges

Whenever the Company anticipates a change in the Demand Charges, the Company may change its rates to customers under all Rate Schedules by an amount computed as follows:

$$\begin{array}{r} \text{(Total Anticipated Demand Charges} \\ \text{- Prior Demand Charges} \\ \text{And Storage Charges) X S.C. Portion*} \\ \hline \text{Sales and Transportation Volumes*} \end{array} = \begin{array}{l} \text{Increase (Decrease)} \\ \text{Per Unit} \end{array}$$

2. Commodity and Other Charges

Whenever the Benchmark Commodity Cost of Gas is changed, the Company may change the rates to its customers purchasing Gas under all of its sales Rate Schedules by an amount computed as follows:

$$\begin{array}{r} \text{Volumes of Gas purchases for system supply* X} \\ \text{(New Benchmark Commodity Cost of Gas –} \\ \text{Old Benchmark Commodity Cost of Gas)} \\ \text{X S.C. Portion*} \\ \hline \text{Volumes of Gas purchased for} \\ \text{System Supply* (less Company Use* and} \\ \text{Unaccounted For*) X S.C. Portion*} \end{array} = \begin{array}{l} \text{Increase (Decrease)} \\ \text{Per Unit} \end{array}$$

*Established by Commission in the Company's last general rate case or Rate Stabilization Act proceeding.

B. Transportation Rates

Firm and/or interruptible transportation rates shall be computed on a per unit basis by subtracting the per unit Commodity and Other Charges from the applicable firm or interruptible sales Rate Schedule exclusive of any increments or decrements.

APPENDIX A
GAS COSTS RECOVERY MECHANISM

C. Other Changes in Purchased Gas Costs

The purpose of this GCRM is to permit the Company to recover the applicable actual cost of Gas from its tariff customers. If, at any time, it should appear that the computations required under this GCRM do not accomplish that purpose, the Company may use a different method to compute changes in its rates; however, any such changes shall not be effective until approved by the Commission.

APPENDIX A
GAS COSTS RECOVERY MECHANISM

III. Monthly True up of Gas Costs

A. Demand Charges

On a monthly basis, the Company shall determine the difference between (a) the Demand Charges recovered and (b) the Company's actual Demand Charges incurred for South Carolina determined by the ratio of South Carolina tariff sales volumes to the combined total of North Carolina and South Carolina tariff sales volumes. This difference shall be placed in the Company's Deferred Account No. 253.

B. Commodity and Other Charges

On a monthly basis, the Company shall determine with respect to Gas sold during the month the per unit difference between (a) the Benchmark Commodity Cost of Gas included in the Company's most recently approved GCRM and (b) the actual Commodity and Other Charges incurred for South Carolina. This difference shall be placed in the Company's Deferred Account No. 253.

C. Supplier Refunds and Direct Bills

In the event the Company receives supplier refunds or direct bills with respect to Gas previously purchased, the amounts of such supplier refunds or direct bills applicable to South Carolina shall be placed in the Company's Deferred Account No. 253.

D. Interest on Deferred Account 253

The Company shall compute interest on the Deferred Account as directed by the Commission.

E. Other

(a) The Company shall file with the Commission a monthly report of the deferred account. The report shall identify the cost of Gas reduction related to capacity released.

(b) Periodically, the Company may file to adjust its rates to refund or collect the balance in the deferred account. Increments and/or decrements shall apply across the board to all sales Rate Schedules unless the Commission specifically approves otherwise.

(c) The Company is permitted to negotiate rates to certain customers to meet the prices of competitive fuels or otherwise to avoid losing these customers. To permit the Company to make sales to these tariff customers without suffering a loss of margin, the

APPENDIX A
GAS COSTS RECOVERY MECHANISM

Company shall record the sales and transportation negotiated losses in the deferred account.

(d) Reserved for future use.

(e) The operation of this GCRM and the related Deferred Account can be modified as necessary to accommodate rulings of the Commission that affect its operation as herein defined. For example, recording the WNA balance in the Deferred Account as authorized by the Commission.

IV. Notice to the Commission

The Company shall file with the Commission at least 15 days prior to the date on which any change in its existing rates is to become effective as a result of the GCRM a computation of the rate adjustment and a single rate sheet, entitled "GCRM _____," containing the following information:

<u>Rate</u> <u>Schedule</u>	<u>Present</u> <u>Rate</u>	<u>Current</u> <u>Adjustment</u>	<u>Rate after</u> <u>Current</u> <u>Adjustment</u>
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APPENDIX B

CUSTOMER AGENT AGREEMENT

This Customer Agent Agreement (“Agreement”) is made this _____ day of _____, 201_, by and between Piedmont Natural Gas Company, Inc. (“Piedmont”) and _____ (“Agent”).

WHEREAS, Piedmont’s natural gas transportation tariffs provide for the ability of Customers receiving Piedmont’s Transportation Services to designate and utilize a third-party Agent for purposes of making nominations for and delivering natural gas to Piedmont on behalf of such Customers and managing imbalances on the Piedmont system resulting from such activities; and

WHEREAS, in undertaking such activities on behalf of Piedmont’s Customers, such Agents have the capacity to create material economic and operational risks for Piedmont and its Customers; and

WHEREAS, Agent desires to act as a Customer Agent on Piedmont’s system; and

WHEREAS, Piedmont is willing to permit Agent to operate on its system under the terms and conditions set forth herein and under the parameters of Piedmont’s approved tariffs and Service Regulations.

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Piedmont and Agent agree as follows:

1. Establishment and Maintenance of Creditworthiness. Each Agent must establish credit with Piedmont in the form of a Letter of Credit, escrow deposit, parental guaranty, or otherwise, in form and substance acceptable to Piedmont, in an amount equal to or greater than the dollar value obtained by the following formula at all times:

The higher of Agent’s average daily load for the previous month or Agent’s First-of-Month confirmed daily nomination quantity for the new month x 3 days x (NYMEX prompt month close) x 1.25.

Each month, at Piedmont’s discretion and prior to accepting nominating transactions for the first of the month business, an evaluation may be made to ensure that the established credit does not fall below the value obtained from the formula shown above. In the event Agent’s established credit falls below the value obtained through application of the formula shown above, either during this monthly evaluation or at any other time, Piedmont may require that the value of said Letter of Credit, escrow deposit, parental guaranty, or other form of assurance be changed at any

time in order to reestablish adequate creditworthiness hereunder. In the event Agent fails to establish creditworthiness as set forth above, or fails to comply within 5 days with directions from Piedmont to increase the amount of its credit instruments as provided herein, then Agent's right to conduct business on the Piedmont system shall be suspended until such time as Agent shall be in compliance with the creditworthiness provisions set forth herein (including any requirements to increase said creditworthiness).

2. Customer Agent Imbalance Restrictions. Agent shall use all reasonable efforts to minimize intra-month imbalances. Agent shall not create a cumulative intra-month imbalance which exceeds three times Agent's aggregate First-of-Month confirmed daily nomination quantity. If this cumulative month-to-date imbalance restriction is exceeded at any time, then Agent's authorization to conduct business on Piedmont's system shall be immediately suspended except to the extent of transactions designed to reduce Agent's cumulative month-to-date imbalance. Upon any such suspension, Agent's authorization to conduct business on the Piedmont system shall not be restored until such time as Agent is in full compliance with the provisions hereof and all applicable provisions of Piedmont's Service Regulations, Rate Schedules and Operational Orders, as in effect from time to time.

3. Allocation of Imbalance Quantities/Penalties. Concurrent with the submission of monthly nominations, Agent shall provide Piedmont with a schedule of allocated nominations for Customers to be served by Agent for the following month. This allocation shall serve as the basis for resolving imbalances with Agent's Customers to the extent those imbalances are not resolved by Agent. In the event Agent fails to submit such schedule, and further fails to resolve any monthly imbalance during the term hereof, those imbalances and any attendant penalties shall be allocated to Agent's Customers, *pro rata*, based upon the actual usage of each such Customer during the month to which the unresolved imbalance and/or penalties is attributable.

4. Failure to Comply with Operational Orders, and Agent Creditworthiness and Imbalance Requirements. If Agent fails to adhere to the imbalance and credit requirements set forth above, or to obey an Operational Order or other specific instructions issued by Piedmont and designed to preserve the operational integrity of Piedmont's system, Agent (a) shall be subject to the Unauthorized Gas penalty provisions of Piedmont's Rate Schedule 206, and (b) shall have its right to transact business on Piedmont's system suspended.

5. Term. This Agreement shall become effective as of the date first written above and shall continue in full force or effect until terminated by either party hereto upon sixty (60) days written notice.

6. Supplemental Nature of Agreement. This Agreement is supplemental to the provisions of Piedmont's approved tariffs and Service Regulations, the provisions of which shall also apply to services rendered hereunder. As such, the restrictions and requirements set forth herein are cumulative in nature and in addition to any other imbalance or penalty provisions set forth in Piedmont's approved tariffs and Service Regulations.

7. Billing and Payment. Billings to Agent for any amounts due hereunder, and payments by Agent on such billings, shall be made in a manner consistent with the billing and payment provisions of the underlying transportation tariffs pursuant to which Service is rendered.

8. Miscellaneous.

- A. Modification. This Agreement may not be modified or amended except by the execution of a written agreement by the parties hereto.
- B. Waiver. No failure by any party to enforce this agreement with respect to any default in the performance of any of the provisions of this Agreement shall operate or be construed to operate as a waiver thereof or of any similar future default.
- C. Assignment. This Agreement may not be assigned by any party hereto without the express written consent of the other party hereto.
- D. Jurisdiction. This Agreement and the respective obligations of the parties hereto are subject to all valid laws, orders, rules and regulations of the Public Service Commission of South Carolina and any other governmental bodies having jurisdiction.
- E. Conflict of Laws. The construction, interpretation, and performance of this Agreement shall be in accordance with the substantive laws of the State of South Carolina without regard to any conflicts of laws provisions thereof.

IN WITNESS WHEREOF, the undersigned parties have executed this agreement as of the year and date first written above.

AGENT

PIEDMONT NATURAL GAS COMPANY

By: _____
Title: _____

By: _____
Title: _____

PIEDMONT NATURAL GAS COMPANY
SOUTH CAROLINA CUSTOMER AGENT AGREEMENT

Please submit to:

GasCommercialOperations@duke-energy.com

Citygate Operations
Piedmont Natural Gas Company
P.O. Box 33068
Charlotte, N.C. 28233

Issued to comply with authority granted by the Public Service Commission of South Carolina
Docket No. 2022-89-G
Issue Date: October 6, 2022
Effective Date: October 6, 2022

ECONOMIC DEVELOPMENT RIDER

Applicability and Character of Service

Gas Service under this rider may be made available, at the Company’s discretion, to any Customer that (1) locates a new plant or facility or expands an existing plant or facility within the Company’s franchised territory in the State of South Carolina, (2) qualifies for the purchase or transportation of Gas under Rate Schedules 203, 204, 213, or 214, and (3) contracts for natural Gas consumption of not less than 50,000 Mcf per year of new or expanded load, at a single delivery address, for a minimum term of five years. Service under this schedule is interruptible and the Company has the right to discontinue such Service on one hour’s notice.

To qualify for Service under this rider a written application shall be made to, and must be approved by, the Company. The application shall, at a minimum, include the following information: (a) a description of the Gas-using facility, including its location and the nature of the business(es) to be conducted at such location; (b) an affirmation that the availability of this rider was a significant factor in the Customer’s decision to locate the new or expanded load on the Company’s system; (c) the number of full time employees to be employed at the facilities at the end of the first, second, and third years of operation; (d) the new capital to be invested at the facility; and (e) a description of the Gas equipment, including the usage characteristics of the new or expanded Gas load, to be installed at the facility. This rider will apply only to the amount of separately metered additional load added in the case of a facility expansion. Customers participating in this rider must also execute a written contract with the Company evidencing their agreement to the terms of this rider.

Exclusions

This rider is not available to or for (1) existing facilities that temporarily shut down and reopen; (2) Gas loads moved from another site in the State; or (3) an existing facility that became a new Customer solely because of a change in ownership. Notwithstanding the foregoing, any such facilities may, upon application and approval, become eligible for the credits provided by the rider with respect to an expanded load at such facilities.

Rate

The monthly discount, which will be applied to only the portion of the bill calculated for the new or expanded load, shall be computed based upon a declining, three-year percentage reduction in the non-gas margin portion of the applicable Rate Schedule (203, 204, 213, 214). This discount will commence on the Customer’s first month billing and continue for a period of three years.

The percentage reductions are as follows:	First Year	-----	45% Reduction
	Second Year	-----	25% Reduction
	Third Year	-----	15% Reduction

The Customer may still negotiate with the Company under the provisions of Rate Schedule 208 while being served on this rate.

ECONOMIC DEVELOPMENT RIDER

Termination/Penalties

The Company may terminate Service under this rider when:

1. During any consecutive 12 month period within the five year term of the contract the Customer fails to consume at least 50,000 Mcf of Gas through the new or expanded facilities to which this rider is applicable; or
2. Discontinuance of Service to Customer would be authorized under the Company's general tariff provisions.

In the event Service under this rider is terminated by the Company or Customer defaults in its obligations hereunder, Customer will be required to reimburse to the Company, upon demand, an amount equal to all reductions received by Customer under this rider plus applicable interest from the date of such reduction at the rate paid by the Company for Service deposits pursuant to Commission Rule R103-443 and R103-436.

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 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 Commission Rules and to the Company's Tariff and Service Regulations. Among other things, Commission Rules and the Company's Tariff and Service Regulations permit the Interruption or Curtailment of Service under certain conditions, including events of Force Majeure and Operating Conditions.