

NATURAL GAS RATE SCHEDULE N-8

INTERRUPTIBLE TRANSPORTATION SERVICE

I. APPLICABILITY

This rate schedule is applicable, by written contract, to industrial or institutional customers for the transportation of natural gas through the Commission's gas distribution system. Service under this Rate Schedule is not available to Customers who take service under the Commission's Interruptible Service Sales Rate (Rate N-5). In addition, a customer that is served under this rate schedule must use 30,000 MCF or more of monthly gas volumes.

II. CHARACTER OF SERVICE

Deliveries under this rate schedule shall be through a single point of delivery, subject to curtailment or interruption. The heat value of natural gas shall not be less than 1000 Btu per cubic foot.

III. TERM

The Customer must enter into a contract with the Commission for this service for a term of no less than one year.

IV. MONTHLY RATE

The Customer will pay monthly for service hereunder based on separately applied charges for Facilities, Capacity and Commodity components. In addition to these charges, the Customer will pay for any gas delivered to the Customer in excess of Receipts and will reimburse the Commission for any costs attributable to the Customer's actions or inactions with regard to the Customer's purchase of gas and/or transportation of gas upstream of the Commission, including but not limited to, the Customer's failure to balance daily receipts and deliveries and the Customer's failure to properly schedule receipts and deliveries.

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Customers taking service hereunder have the option of delivering gas to the Commission or utilizing the Commission’s upstream capacity to deliver gas to the Commission on an interruptible basis. The Customer’s contract for transportation service will indicate which option that the Customer elects and this election cannot be changed during the term of the contract.

Table 20-8  
 Summary of Schedule N-8 Monthly Rates

LINE	DESCRIPTION	CHARGE	UNITS
	<b>Interruptible Transportation Service:</b>		
1	Base Facilities Charge	\$213.00	per month
2	Administrative Charge	\$213.00	per month
3	Maximum Distribution Charge	\$2.50	per MCF

V. MINIMUM MONTHLY BILL

The minimum monthly bill shall be the sum of the Basic Facilities and Administrative Charges.

VI. RECEIPTS

As used herein, the term Receipts represents the volume of gas received for the account of the Commission for redelivery to the Customer, less losses. Receipts in excess of the quantity of gas scheduled by Customer for delivery will be considered interruptible transportation gas.

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VII. DELIVERIES

As used herein, the term Deliveries represents the volume of gas delivered by the Commission to the Customer subject to this Rate Schedule. Deliveries to the Customer on any day will be equal to the lesser of the quantity of gas received by the Commission for the Customer's Account or the metered quantity of gas delivered to the Customer. Metered deliveries on any day in excess of receipts will be used to offset any excess in receipts during the same billing month. Daily receipts by the Commission in excess of metered deliveries to the Customer will be used to offset any deficiency in receipts during the same billing month, except, excess receipts may not be used to offset any deficiency which occurred on any day that the Commission system is in curtailment. On any day when the Commission's system is in curtailment, excess metered deliveries over receipts will be considered sold to Customer as Unauthorized Overrun Gas. Unauthorized Overrun Gas will be paid for by the Customer at a rate of \$25.00 per MCF plus the cost of the gas purchased including any upstream transportation charges, in addition to the Maximum Distribution Charge under this rate schedule.

VIII. BALANCING

The Customer is required to balance receipts and deliveries on a daily basis. For each billing month, any excess in receipts over metered deliveries to the customer will be purchased by the Commission at 95 percent of the Commission's average unit cost of its lowest cost supply (including associated transportation charges as adjusted for losses). Any deficiency in receipts will be purchased by the Customer at 105 percent of the greater of the Interruptible cost of gas or the Commission's out-of-pocket cost associated with the Customer's deficiency. In addition, the Customer will pay any penalties incurred by the Commission attributable to the Customer's failure to balance receipts and deliveries.

IX. SCHEDULING

The Customer is responsible for the scheduling of receipts and deliveries with the Commission (or the Commission's agent) and with any other party that requires scheduling. The Customer must schedule receipts and deliveries with the Commission 30 minutes in advance of the deadline established by Piedmont Natural Gas.

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X. UPSTREAM PIPELINE CAPACITY

Customers taking service hereunder have the option of delivering gas to the Commission by obtaining and scheduling their own upstream supply and transportation capacity or utilizing the Commission's upstream capacity to deliver the Customer's gas to the Commission on an interruptible basis. The price the Commission charges for utilizing the Commission's upstream capacity and the terms will be negotiated between the Commission and the Customer and the availability of this option is at the discretion of the Commission. The Customer's contract for interruptible transportation service will indicate which option that the Customer elects and this election cannot be changed during the term of the contract.

XI. SERVICE CHARACTER

Interruptible transportation service hereunder is considered firm up to the lesser of the quantity of gas scheduled by Customer for delivery that day or the quantity of gas received that day by the Commission for the Customer's account. Quantities of gas received by the Commission in excess of firm quantity shall be considered interruptible transportation gas. The Commission, however, reserves the right to interrupt, curtail, or suspend deliveries and/or receipts under this Rate Schedule if in the sole opinion of the Commission such interruption, curtailment, or suspension is required in order to protect economic service to the Commission's firm sales customers.

Service hereunder is limited to the delivery to the Customer, by the Commission, of gas received by the Commission for the account of the Customer. Customer assumes all responsibility in connection with the purchase of gas and the delivery of gas to the Commission. The Commission provides no guarantee or warranty regarding the service provided by any entity upstream of the Commission.

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XII. SPECIAL PROVISIONS

- A. Whenever curtailment or interruption of gas delivered hereunder is required, the Commission shall issue a curtailment order to the Customer specifying the quantity of gas to be curtailed and the time at which such curtailment is to be made. When restoration of service is permissible, the Commission shall similarly issue a restoration order specifying the quantity of gas to be restored and the time at which such restoration is to be made. Customer shall carry out all such orders at the time specified therein. A curtailment order shall be issued at least one (1) hour in advance of its effective time.
- B. In the event the Customer fails to discontinue the use of gas after one (1) hour upon receiving a notice that the Interruptible Gas under his/her schedule is not available, or if the Customer shall exceed the demand set forth in the contract, all gas so used under this curtailment shall be paid for by the Customer at a rate of \$25.00 per MCF, in addition to the regular Commodity Charge for such gas.
- C. When a Customer is notified to curtail service, or while service is being curtailed such Customer finds it impossible to continue operations on his standby fuel because of some bona fide emergency and the Commission has gas available from storage or some other source than its contract demand service from Piedmont Natural Gas, the Commission may in its discretion furnish emergency gas service at a rate to be specified at the time, upon request from the Customer for such service. The Commission shall not be liable in any way to any Customer for failure in whole or in part, temporary or permanent, to deliver emergency gas under this provision.

XIII. GENERAL PROVISIONS

- A. Natural gas, or its equivalent, having not less than 1,000 British Thermal Units per cubic foot of gas will be supplied at four (4) ounces pressure unless higher pressure is approved by the Commission. Delivery pressure in excess of four (4) ounces shall be corrected to such pressure by volume.
- B. The rate of charges as stated herein is subject to change by the Commission.

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- C. Gas service supplied hereunder shall be at a single point of metering, unless otherwise provided, and shall not be resold.
- D. Billing, payments and penalties will be handled in accordance with the Commission's existing policies, or as such practices may be changed or amended.
- E. The Commission shall install and maintain metering and regulating equipment. The point of delivery shall be the point where the Commission's service pipe crosses the boundary of the Customer's property and the Commission will not be liable to the Customer or any of his agents, servants, or employees, or to any person whomsoever for any loss, damage, or injury to person or property resulting from said gas or its use after it leaves said point of delivery, all risk thereof and therefrom being assumed by the Customer, except when caused by the exclusive negligence or willful acts of employees of the Commission. The Commission's representatives shall have the right of ingress and egress to the Customer's property at any time for any purpose involving the service of gas as provided under this rate schedule.
- F. Service under this rate schedule is subject to the rules, regulations and tax levies of duly constituted regulatory bodies having jurisdiction over either or both parties.
- G. The Customer agrees that all appliances, equipment and piping beyond the point of delivery will be installed according to applicable codes and maintained in a safe condition. A violation of this provision shall be grounds for the Commission to immediately discontinue service until the condition is corrected and inspected.
- H. Commission agrees that all piping, meter and regulatory equipment owned by the Commission will be installed according to applicable codes and good practice and maintained in a safe condition.
- I. The customer agrees to balance delivered quantities of gas from the Commission on a daily basis. In the event that the failure to balance actual deliveries with the scheduled quantities leads to the incursion of cost by the Commission, the customer shall reimburse the Commission for the additional Cost.

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