

Virginia Natural Gas

Virginia Natural Gas

TERMS AND CONDITIONS

and

SCHEDULES

for

SUPPLYING GAS

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TERMS AND CONDITIONS

INTRODUCTION

This filing sets forth the terms and conditions under which natural gas or its equivalent (gas) is supplied to its customers by Virginia Natural Gas (Company) and is on file with the State Corporation Commission of Virginia (Commission).

TERMS AND CONDITIONS

I. METHOD OF OBTAINING GAS

A.The word "applicant" means any person, group of persons, firm or corporation requesting a supply of gas from the Company. The word "Customer" means any person, group of persons, firm or corporation supplied gas by the Company.

B.The Company, upon request, will provide any Applicant with a copy of the rate schedules and terms and conditions under which gas will be supplied.

C.The Company reserves the right to require the Applicant to execute its approved form of application and/or its approved form of "Agreement for the Purchase of Gas" before any gas is delivered. Whether or not a written agreement covering the supply of gas is executed, the Applicant, by accepting the gas, agrees to be bound by the applicable rates and these filed Terms and Conditions of service. In the event the Company does not require the Applicant to sign an "Agreement for the Purchase of Gas," then an approved form of application, signed by the Applicant and duly accepted by the Company, shall constitute an agreement between the Company and the Applicant.

D.Each applicant will select the particular rate schedule, of those available, under which the Applicant desires to use gas. The Company may assist the Applicant in making this selection but responsibility for the selection will rest with the Applicant. The schedule so selected will be referred to as the applicable rate schedule.

E.The Company will make application for any necessary street permits and the Applicant will apply for, obtain and deliver to the Company all other permits or certificates necessary to give the Company or its agents access to his equipment and the right to connect its pipes therewith and for all other purposes. The Company shall not be required to supply gas under any agreement until a reasonable time has elapsed after the Company has obtained or received all necessary permits and/or certificates.

F.Gas shall be turned on and shut off only by a representative of the Company.

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II. DEPOSITS GUARANTEEING CREDIT

A. The Company may require the Applicant or Customer to deposit with it initially and from time to time, as a guarantee of payment for gas used, such amounts of cash as in the Company's judgment will secure it from loss. The maximum amount of any deposit shall not exceed the Customer's estimated liability for the two highest consecutive months' usage. Whenever a deposit in excess of forty dollars (\$40.00) is required of a residential Customer, said Customer will be permitted to pay it in three consecutive equal monthly installments. The Company shall not be bound to supply gas until these conditions are fulfilled, and it may discontinue the supply if the appropriate deposit is not paid when required.

B. The Company may require a Customer on whose premises the Company's meter, mains or other apparatus have in any manner been tampered with, or damaged in such a way as to prevent the meter from recording under seal the amount of gas supplied, to deposit such reasonable amount of cash as will ensure payments for repairs in the event of future tampering or damage.

C. Simple interest will be paid on deposits at an annual percentage rate determined by the Commission, provided such deposits remain with the Company for a period of longer than 90 days. Upon request from a Customer, the Company will pay accrued interest annually either by direct refund or credit to the Customer's account.

D. The Company reserves the right to return any deposit to any Customer after satisfactory credit is established. The Company shall, however, be under no obligation to return any deposit to any Customer whose service has been terminated until the Company has had a reasonable time to read and remove meters and to ascertain that the obligations of the Customer have been fully performed. Deposits for residential Customers will not be held beyond a one-year period during which the Customer has established satisfactory credit.

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III. INSPECTION AND SERVICE CONNECTIONS

A. Normally the Company will supply and meter gas at one delivery point.

B. The Company will be obligated to supply gas to an Applicant only when the following conditions shall have been complied with:

1. The Applicant's installations shall have been made in accordance with the Company's requirements for gas service and meter installations; and

2. The Company has received from the Applicant a notice signed by a duly recognized authority certifying that the gas piping and equipment on the premises of the Applicant have been installed in accordance with requirements as may be fixed by the local Inspection Bureau having jurisdiction. Where there is no such recognized authority, then in lieu of an inspection certificate or notice of approval, the Company may require the delivery by the Applicant to the Company of an agreement duly signed by the owner and tenant of the premises authorizing the connection to the interior gas piping on the premises; and

3. The Company has received payment for amounts due from the Applicant for any prior or existing service within the Company's service area.

C. Any changes in, or additions to, the original piping of the Applicant shall be subject to the above requirements.

D. Should any change or changes in the Company's service connection to a premises hereafter be made necessary by any city or county ordinance or state statute or any requirement of any public authority or if such change or changes are requested by the Customer or Applicant, the entire cost of such changes shall be borne by the Customer or Applicant. The Company will, at the Customer's request, convert master meter service to individual metering provided that the conversion will produce sufficient, continuing incremental revenue to justify such a conversion. The Company may require definite and written guarantees from the Customer of such continuing revenue. The Company shall not be obligated to convert a master meter if the cost of such conversions exceeds 5.7 times the continuing incremental annual revenue excluding the cost of gas that can reasonably be expected by the Company as a result of such a conversion. However, if the Company provides any such master meter conversion, the Customer shall pay to the Company any cost exceeding 5.7 times the annual incremental revenue multiplied by the Tax Recovery Factor shown on the currently effective Schedule of Rates and Charges.

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III. INSPECTION AND SERVICE CONNECTIONS

E.The Customer shall have the entire control and ownership of all piping, fixtures, fittings and appliances on the Customer's side of the Company's metering equipment and shall be responsible for all maintenance and use of such piping fixtures, fittings and appliances. Should any change occur in the location of existing metering equipment, any piping, fixtures and fittings on the Customer's side of the new meter location shall become the property of the Customer.

F.Whenever a Customer requests the Company to supply gas to a single premises in a manner which requires equipment and facilities in excess of those which the Company would normally provide, and the Company finds it practicable, such excess equipment and facilities may be provided under the following conditions:

1. If service to such Customer location is disconnected or if a master meter is removed at the Customer's request and replaced with individual meters, service under this Paragraph F shall not again be available at such Customer location.
2. Gas will be supplied to a single premises consisting of contiguous property not divided by any dedicated public street, road, highway, alley or by property not owned or leased by the Customer.
3. The facilities supplied shall be of a kind and type of equipment normally used by or acceptable to the Company and shall be installed in a place and manner satisfactory to the Company. All equipment furnished and installed by the Company shall be and remain the property of the Company. When excess facilities are provided to supply gas to more than one delivery point, the facilities interconnecting the delivery points shall be located on the Customer's premises.
- 4.The Customer will pay to the Company a monthly facilities charge, calculated by multiplying the estimated new installed cost of all facilities provided by the Company in addition to those the Company would normally provide to supply gas to the Customer at one delivery point by the Monthly Facility Charge Factor set forth in the currently effective Schedule of Rates and Charges.
- 5.In lieu of paying a monthly facilities charge under Paragraph 4 above, the Customer may (a) reimburse the Company at the time of installation for the estimated new installed cost of all facilities provided by the Company in addition to those the Company would normally provide to supply gas to the Customer at one delivery point and, in addition, pay (b) an amount calculated by multiplying

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the payment for such facilities as determined in (a) by the Tax Recovery Factor shown on the currently effective Schedule of Rates and Charges, and (c) a monthly maintenance charge calculated by multiplying the estimated new installed cost of such facilities by the Monthly Maintenance Charge Factor shown on the currently effective Schedule of Rates and Charges.

6.The Company shall not be required to furnish any facilities within any building or other structure.

7.All gas will be delivered to the Customer at a pressure of approximately five inches water column, or at such pressure as may be mutually agreed upon, and measured in effect at the delivery pressure.

8.The Company shall not be required to make such installations of equipment and facilities in addition to those normally provided until the Customer has signed such agreements and fulfilled such other conditions as may be required by the Company.

G.In no event shall the Company be under any obligation to inspect the gas piping or appliances of the Applicant but where the Company has reason to believe the flues, gas piping or appliances do not comply with recognized requirements, the Company may refuse to supply gas to the Applicant.

H.The Customer shall give the Company immediate notification of suspected gas leakage whether inside or outside the Customer's premises. The Company will promptly investigate, free of charge to the Customer, all gas leakage reports. The Company representative will identify the source of any gas leakage and take appropriate action to make the area safe until repairs can be performed, either by the Company on its equipment and facilities, or by the Customer.

I..Whenever service is initiated to any Customer at any particular location, a minimum service connection charge will be made as set forth in the currently effective Schedule of Rates and Charges.

J.Whenever service at any particular location is resumed after discontinuance and reconnected in the same name within nine months, a minimum seasonal reconnection charge will be made as set forth in the currently effective Schedule of Rates and Charges.

K.The Customer agrees to pay the Company furnace light-up charges as shown on the currently effective Schedule of Rates and Charges.

Virginia Natural Gas

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Filed 07-21-05

Superseding Filing Effective 10-27-87
This Filing Effective For Usage On and After 09-01-05

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IV. CHARACTERISTICS OF GAS SUPPLIED

To eliminate the possibility of error or loss the Applicant or Customer, before purchasing equipment or undertaking to install piping, should secure from the Company in writing all necessary data relating to the characteristics of the gas which will be supplied.

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V. LOCATION AND MAINTENANCE OF COMPANY'S EQUIPMENT

A. The Company shall have the right to install any mains on the property of the Applicant which, in its judgment, are necessary in supplying gas to the Applicant.

B. The Company shall have the right to place its regulators and such other apparatus as may be needed in connection with supplying such gas at a convenient point or points on the property or in the building or buildings of the Applicant.

C. The Applicant shall provide suitable space for the installation of the necessary metering apparatus which space shall be

1. Substantially free from vibration, moisture and excessive heat or cold

2. Readily accessible and convenient for reading, testing and servicing

3. Such that apparatus will be protected from injury by the elements or through negligent or deliberate acts of persons.

Meters may be installed indoors or outdoors, however, when large meters are necessary, the Company may require the Customer to furnish, at the Customer's own expense, a suitable structure to accommodate the metering apparatus.

D. All equipment furnished and installed by the Company shall be and remain the property of the Company unless purchased from the Company.

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VI. METERS AND BILLING

A. Meters are installed by the Company to measure gas used by its Customers. All bills shall be calculated from the readings of such meters, provided, however, that if gas service is provided from a propane facility not connected with the Company's natural gas distribution system, then the metered usage shall be multiplied by a factor of 2.536 for billing purposes to compensate for the higher energy value of propane. Where meters are read bi-monthly as specified in filed Schedules the Customers will receive one bill using estimated billing data and one bill, for the remainder of the bi-monthly period, using the actual reading. Estimated bills will be due upon presentation and subject to all usual collection procedures.

B. Normally, gas furnished through each meter will be billed separately on the applicable rate schedule selected by the Customer. However, the Company reserves the right, where it desires for its own purposes because of the amount of gas required, to install two or more meters, to combine the readings of meters so installed for billing purposes, and to bill these combined readings on the applicable rate schedule selected by the Customer.

C. The initial billing period shall commence on the earlier of (1) the date gas is accepted for delivery by the Customer, or (2) the date the Company's facilities are ready for service upon or after the agreed date to commence service, whichever is earlier, unless the agreed date is changed by mutual consent.

D. Meters in service may be tested by the Company, the Commission or any other lawfully constituted authority having jurisdiction. When, as a result of such a test, a meter is found to be no more than 2% fast or slow no adjustment shall be made in the Customer's bill. If the meter is found to be more than 2% fast or slow the Company will rebill the Customer for the correct amount as calculated for a period equal to one-half of the time elapsed since the last previous test, but in no case to exceed six months.

TERMS AND CONDITIONS

VI. METERS AND BILLING (continued)

E. In the event the metering apparatus fails to register properly, the gas used by the Customer will be estimated. Such estimate shall be based upon known pertinent facts and the amount of gas so estimated shall be used in calculating the bill or refund made to the Customer.

F. If, during the term of agreement for furnishing gas, by reason of accident, act of God, fire or strike of the Customer's employees the Customer is unable to operate his plant in whole or in part, then the Customer, during such time as may be reasonably necessary to correct any such conditions, shall have the option of purchasing gas either at the schedule provided for in the agreement or at any of the Company's rate schedules on file with the Commission and applicable to the then existing conditions. In case the Customer elects to take gas under some other schedule during such period, it is agreed that for every month or portion thereof during which gas is furnished him under this paragraph, the agreement shall be extended for a corresponding period beyond its expiration date.

G. Whenever it is found that unmetered gas is being used as a result of tampering, the Customer will pay to the Company an amount estimated by the Company to be sufficient to cover the gas used but not recorded by the meter and not previously paid for.

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VII. USE OF GAS BY CUSTOMERS

A. The Customer agrees that no gas other than that supplied by the Company shall be used in the operation of the Customer's equipment without previous written notice to and consent of the Company.

B. The service connections and metering apparatus supplied by the Company for each Customer are definitely limited in capacity, and no additions to the equipment or load connected thereto may be made except with written consent of the Company.

C. The Customer shall install only such apparatus and appliances as are suitable for operation with the character of gas supplied by the Company without undue disturbance of such supply, and the gas must not be used in such a manner as to cause objectionable pressure fluctuations in the Company's general distribution system.

D. All apparatus and appliances used by the Customer shall be of such type as to secure the highest practical commercial efficiency.

E. The Company reserves the right but shall have no duty to determine the suitability of apparatus or appliances to be connected to its mains, and to determine whether the operation of such apparatus or appliances will be detrimental to its general supply of gas, and further reserves the right to refuse to supply or to discontinue the supply of gas until such time as the Customer shall conform to Company regulations.

F. The Company will furnish gas to the Customer for use only for the Customer's own purposes and only on the premises occupied through ownership or lease by the Customer. The Customer shall be one individual, firm or corporation, and the gas shall not be resold. Gas supplied to an owner may be in turn furnished to a tenant or occupant and the charge by the Company for that gas, but no additional charge, may be included as part of the rent charged by the owner to such tenant or occupant. The portion of the Company's charge allocated to each tenant or occupant may vary according to usage of gas by each tenant or occupant; otherwise, gas may be supplied by the Company directly to each tenant through the Company's individual meters.

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VII. USE OF GAS BY CUSTOMERS (continued)

G. The Customer having entire control of pipes, fixtures and fittings from the delivery point, is responsible for any leakage or waste of gas or any theft thereof which may occur after it leaves the delivery point. The responsibility of the Company for any loss, damage or injury to persons or property, however caused, absolutely ceases at the delivery point.

H. It is expressly understood and agreed that the Company assumes no obligation or liability whatsoever for, or on account of, any condition on the Customer's premises or for any defects or suitability of Customer's piping, fixtures, fittings, or appliances, or for the inspection or repairs thereof.

I. The gas supplied under any agreement is supplied by the Company and purchased by the Customer upon the express condition that the gas so supplied, after it passes the metering equipment of the Company, or other point of delivery, becomes the property of the Customer to be used only as herein provided; and the Company shall not, in any event, be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse or presence of the said gas on the Customer's premises, or elsewhere, after it passes the Company's metering equipment or other point of delivery; or for any loss or damage resulting from the presence, character or condition of the piping or appliances of the Customer; or for any loss or damage by reason of the construction, maintenance or use of the service pipe from the entrance upon the Customer's property to the metering equipment, nor for the inspection of repairs thereof.

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VIII. INTERRUPTIONS TO THE SUPPLY OF GAS

In case the supply of gas shall fail or be interrupted, or become defective through act of God, or the public enemy, or Federal, state, municipal or other public authority, or because of accident, strikes or labor troubles, or any other cause beyond the reasonable control of the Company, the Company shall not be liable for such failure, interruption or defect.

In the event of a shortage of gas or other adverse condition or disturbance on the system of the Company, or any other system through which the Company is supplied gas, the Company may, without incurring liability, take such emergency action as, in the judgment of the Company, may be necessary. Such emergency action may include, but not be limited to, reduction or interruption of the supply of gas to some customers or areas in order to compensate for a gas shortage on the Company system or to limit the extent or duration of the adverse condition or disturbance on the Company system or to minimize the risk of accident or to expedite the restoration of service. The Company may also reduce the supply of gas to compensate for an emergency condition in an interconnected system.

If the Company in good faith believes that, because of civil disorder, riot, insurrection, war, fire or other condition beyond the reasonable control of the Company in the vicinity of its gas lines and facilities, it is necessary to disconnect or isolate a portion of such lines or facilities, or otherwise interrupt gas service, for the protection of the public, or if ordered by duly constituted public authority so to do, the Company may, without incurring liability, disconnect or isolate such lines and facilities or otherwise interrupt service in such vicinity or in such related area as may be practically required, and the Company shall not be obligated to furnish gas service through such lines and facilities, but the Company shall be prompt and diligent in reconnecting its lines and facilities and restoring its service as soon as it believes in the exercise of reasonable care for the protection of the public and the employees of the Company that such action can be taken with reasonable safety.

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IX. RIGHT OF ACCESS

The Company shall have the right of access to the Customer's premises at all reasonable times for the purpose of reading meters of the Company and of removing its property, and for any other proper purpose; and the Company shall have the right to discontinue the supply of gas without notice if such access at any time is not provided.

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X.CUSTOMER'S RESPONSIBILITY

A.The Customer shall be responsible at all times for the safekeeping of all Company property installed on Customer's premises, and to that end shall give no one, except authorized Company employees, access to such property.

B.The Customer shall be liable for the cost of repairs for damage done to the Company's property due to negligence or misuse of it by the Customer or persons on the Customer's premises.

C.The Customer shall be liable for all damages which may result from piping, appliances or equipment of the Customer, from the use or misuse of the Company's service, or gas supplied by the Company or from the connection of the Company's piping with the Customer's equipment.

D.The Customer shall be responsible for the maintenance and repair of the Customer's piping, appliances and equipment. Should the Customer report gas trouble upon his premises, the Company will endeavor to respond with reasonable dispatch to such call with the purpose only of correcting such trouble as may be in the Company's equipment supplying the Customer. Employees of the Company making repairs or inspections of piping or appliances of the Customer, in response to such calls, shall be considered as acting solely for, and on behalf of, the Customer, it being understood and agreed that the Customer assumes the entire and sole risk, liability and responsibility for all acts, omissions and negligence of the Company's employees. The Company retains responsibility only with respect to the action of its employees in connection with property owned by the Company.

TERMS AND CONDITIONS

XI. PAYMENTS

A. The supply of gas by the Company is contingent upon payment of all charges due from the Customer.

B. The Company will render bills to the Customer at regular intervals. Bills are due and payable upon presentation and become past due twenty-eight (28) days after the bill date. The bill date is shown on the bill and is the date on which the bill is prepared in the Company's billing operations.

C. A late payment charge as set forth in the currently effective Schedule of Rates and Charges will be imposed at the next bill date on all past due balances on the Company's books, excluding local consumer taxes.

D. Bills payable at any office of the Company or to any collector or collection agency duly authorized by the Company, except that, when written notice of discontinuance of service for nonpayment has been sent to the Customer, payment must be made at a Company office. Payments shall be paid without regard to any counterclaim whatever.

E. If the Customer in good faith disputes any bill for metered volumes in excess of 500 Ccf, Customer shall notify the Company of the nature and amount of the bill dispute. Company may require Customer to timely pay the amount the Customer believes to be the correct amount. The Company shall not assess a late payment charge on the disputed amount during the time the Company is investigating the dispute; provided, however, that if the dispute was not made in good faith, the Company shall assess a late payment charge on the unpaid balance from the date the bill was due.

F. The Company reserves the right to apply any payment or payments made by the Customer in whole or in part to any account due the Company by the Customer.

G. The Customer will be charged a handling charge as set forth in the currently effective Schedule of Rates and Charges for each check received by the Company and returned by a bank for insufficient funds in the Customer's account.

TERMS AND CONDITIONS

XII. DISCONTINUANCE OF THE SUPPLY OF GAS

A. The Company reserves the right to discontinue furnishing gas to a Customer, irrespective of any claims pending against the Company, upon the occurrence of any one or more of the following events:

1. At any time without notice:

a. Whenever the Company, in its opinion, has reasonable cause to believe that the Customer is receiving gas without paying therefore, or that its meter, pipes or other apparatus have in any manner been tampered with. In either of these events, the Company shall have the right, in addition to its other rights as provided in these Terms and Conditions filed with the Commission, to require the Customer at the Customer's own expense to have installed piping in accordance with the Company's specifications and subject to its approval.

b. Whenever, in the Company's opinion, the conditions of the Customer's piping, equipment and appliances is neither safe nor suitable for receiving gas, or when the Customer's use of gas or equipment interferes with, or is detrimental to, the supply of gas by the Company to any other Customer.

c. Where gas is being furnished over a Customer's private pipe line or through a pipe line which is not owned or leased by the Company, whenever in its opinion such pipe line is either not in a safe and suitable condition, or is inadequate to receive gas.

d. Whenever the Customer has denied a Company representative access to the Company's meter, pipes or other apparatus installed on the Customer's premises.

e. To prevent fraud upon the Company

TERMS AND CONDITIONS

XII. DISCONTINUANCE OF THE SUPPLY OF GAS (continued)

A.2. After ten (10) days notice by mail:

a. For nonpayment of bills

b. For failure to comply with any of the Company's Terms and Conditions as filed with the Commission, or with any of the conditions or obligations of any agreement with the Company for the purchase of gas.

B. Notice of discontinuance shall be considered to be given a Customer when copy of such notice is left with the Customer or left at the premises where his bill is rendered, or posted in the United States mail addressed to the Customer's last post office address shown on the record of the Company.

C. In all cases where the supply of gas is discontinued by reason of the Customer's negligence or violation of any of the Company's Terms and Conditions as filed with the Commission, or with any of the conditions or obligations of any agreement with the Company for the purchase of gas, there shall then become due and payable, in addition to the bills in default, an amount equal to the monthly minimum charge for the unexpired term of the agreement, not as a penalty, but in lieu of the income reasonably to be expected during the unexpired term of the agreement.

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XIII. RECONNECTION OF THE SUPPLY OF GAS

A.If the supply of gas has been discontinued for any of the reasons covered by Section XII - Discontinuance of the Supply of Gas, the Company shall have a reasonable period of time in which to reconnect the Customer's service after satisfactory arrangements have been made for the payment of all delinquent bills, and after the Customer has corrected all unsatisfactory conditions which may have existed on the Customer's premises, and has fully complied with these Terms and Conditions as filed with the Commission, and with any of the conditions or obligations of any agreement with the Company for the purchase of gas.

B.If the supply of gas has been discontinued because of improper use, or if, in the Company's opinion, the meter, the pipes, or other apparatus have been tampered with, the Company may refuse to reconnect the Customer's service until the Customer has:

1. Paid all delinquent bills to the extent required by the Company,
2. Paid to the Company an amount estimated by the Company to be sufficient to cover the gas used but not recorded by the meter and not previously paid for,
3. Paid to the Company the entire cost of disconnection and reconnection, and
4. Repiped the premises in a manner satisfactory to the Company.

C.If, for any cause, the Company has shut off the supply of gas at the service, the gas shall remain shut off until turned on by a representative of the Company.

D.Where special handling is required to reconnect the supply of gas which has been discontinued for any of the reasons covered by Section XII - Discontinuance of the Supply of Gas, or has been discontinued for a period in excess of nine months, a service reconnection charge will be made as set forth in the currently effective Schedule of Prices and Charges. Special handling shall mean reconnection of the supply of gas whenever one or more of the following events occurs:

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XIII.RECONNECTION OF THE SUPPLY OF GAS (continued)

D.1. The service is reconnected during hours other than the normal routine schedule or requiring special arrangements.

2. The service has been discontinued at the street, for nonpayment of past due bills, because the Company has been denied access to the meter or the Customer has broken the seal on a meter previously disconnected for nonpayment of bills.

E.If Customer's request for service reconnection requires special handling and, pursuant to paragraph A. above, Company is unable to perform the reconnection in the manner requested by Customer, Customer shall have the option of receiving Accelerated Reconnection Service at the charge set forth in the currently effective Schedule of Rates and Charges.

Filed 10-28-98

This Filing Effective For The Billing Month of
November 1998
Superseding Filing Effective For Usage On and After
August 30, 1988 SUBJECT TO REFUND

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XIV. ACCURACY REQUIREMENT FOR METERS

Before being installed for the use of any Customer, every meter, whether new, repaired or removed from service for any cause, shall be in good order, and shall be adjusted so as to register as nearly 100% correct as practicable on light load and on full load or rated capacity. Whenever on installation, periodic or any other test, a meter is found to be in error exceeding 2%, plus or minus, it will be adjusted so as to register as nearly 100% correct as practicable at light load and full load, and be without creep.

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XV.PERIODIC TESTS AND CHECKS AND TESTING FACILITIES AND EQUIPMENT

A.The Company shall test meters based on a periodic test program with meters and instruments being tested on a regular basis or, alternatively, the number of meters tested in any year may be determined by an In-Service Performance Testing Plan acceptable to the Commission.

B.The Company will, unless specifically relieved of this obligation by the Commission, provide for and have available such laboratory, meter testing shop, provers and instruments, and such other equipment and facilities as may be necessary to make the test required by these rules, or by other orders of the Commission.

Testing instruments and standards may be tested and certified by any standardizing laboratory whose instruments and methods are approved by the Commission.

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XVI.REQUEST TESTS

The Company will, without charge, make a test of the accuracy of registration of a meter upon the request of a Customer, provided the Customer does not request such a test more frequently than once in each 24 months. If tests of meters are requested by the Customer to be made more frequently than once in 24 months, the Company will require a deposit of a reasonable sum of money to offset the cost of the test, refundable only if the percentage registration of the meter is greater than 102% or is less than 98%.

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XVII. MEASURING OF GAS

Whenever gas is measured at pressures above the normal metering pressure the Company may correct the volume of gas so measured to a base pressure of five (5) inches water column and a base temperature of 60 degrees Fahrenheit and the average barometric pressure shall be assumed to be fourteen and seventy-three hundredths (14.73) pounds per square inch.

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XVIII. GAS LINE EXTENSIONS

A. The Company will make gas line extensions to such points as will provide sufficient continuing revenue to justify such line extensions, or in lieu of sufficient continuing revenue, the Company may require such definite and written guarantees from a Customer, or group of Customers, in addition to any minimum payments required by the rate schedules as may be necessary to justify such line extensions. The Company shall not be obligated to construct or own any gas line extension or other facilities to provide any Customer with gas, the cost of which shall exceed 5.7 times the continuing annual revenue excluding the cost of gas, that can reasonably be expected by the Company from any such line extensions. However, if the Company provides any such line extensions, the Customer shall pay to the Company any cost exceeding 5.7 times the annual revenue as defined above, multiplied by a tax recovery factor.

When equipment necessary to utilize natural gas is installed for a use previously served by another fuel, or existing non-gas utilization equipment is converted for the use of natural gas, at a premises for gas sales or transportation service and annual consumption is estimated to be in excess of 2, 500 Mcf, the Company may credit to Customer per Mcf of gas purchased or transported 25% of the applicable rate excluding the cost of gas. This credit may continue for a period not to exceed four years and shall be considered as a reduction in continuing annual revenue with respect to the Company's obligation to extend lines as set forth herein. In no event shall the Company credit to Customer an amount in excess of the reasonable installation or conversion expense.

B. The Company will make gas line extensions other than those specified in A. above under conditions specified in the Company's Gas Line Extension Agreements on file with the Commission.

C. If proposed gas line extension is of such length or high cost, or if in the Company's opinion, the prospective revenue from such line extension is insufficient or temporary, or if the Customer or Customers to be supplied are unable to establish a credit standing satisfactory to the Company, the Company reserves the right to determine finally the advisability of making such line extension.

TERMS AND CONDITIONS

XVIII.GAS LINE EXTENSIONS (continued)

D.The Company shall not be required to make any gas line extension under these general rules and regulations until the Customer or Customers to be supplied from such line extension shall have signed a contract or contracts on Standard Form to use the gas for a period of not less than one year and until all premises to be supplied have been piped and made ready for service.

E.The Company shall not be obligated to construct or own any gas service pipe, or other facilities, to provide any customer with gas, the cost of which shall exceed 5.7 times the continuing annual revenue, excluding the cost of gas, that can reasonably be expected by the Company from such construction of facilities. In cases where the cost of constructing facilities exceeds 5.7 times the revenue as defined above, Customer shall bear the cost in excess of 5.7 times such revenue, multiplied by a tax recovery factor. The Company shall not be required to provide gas service pipe on private property beyond the Company's meter. The Company will connect to the Customer's service pipe provided, (1) the Customer's service pipe is constructed in compliance with the Company's standards and approved by the Company, (2) the Customer agrees to maintain his service pipe at all times in a condition satisfactory to the Company and, (3) the Customer assumes the liability for the maintenance and operation of his service pipe. If the service pipe owned by the Customer is not operated and maintained in a manner satisfactory to the Company, and/or, in the Company's opinion, may interfere with or be detrimental to the supply of gas by the Company to any other Customer, then the Company may discontinue the supply of gas as provided in Section XII - Discontinuance of the Supply of Gas. After such discontinuance, the supply will not be restored until conditions are made satisfactory to the Company as provided in Section XIII - Reconnection of the Supply of Gas.

TERMS AND CONDITIONS

XVIII. GAS LINE EXTENSIONS (continued)

F. These general rules and regulations shall not be construed as prohibiting the Company from making gas line extensions of greater length or higher cost, provided there is no discrimination between Customers using gas under the same classification.

G. The Company may provide gas service temporarily from a propane facility not connected with its natural gas distribution system in accordance with the preceding provisions of this Section XVIII.

TERMS AND CONDITIONS

XIX.LIMITATIONS ON GAS SERVICE PURSUANT TO NEW APPLICATIONS

The Company will connect new gas customers and new loads of existing gas customers to its system provided the Company's gas supplies and capacity appear to be sufficient on a continuing basis to meet such new requirements and requirements of its existing customers. Should the Company determine that such gas supplies or capacity are insufficient to connect new gas loads, it reserves the right to deny gas service for new applications, or to provide service only on an interruptible schedule, until such time as sufficient gas supply and capacity are available.

TERMS AND CONDITIONS

XX. QUARTERLY BILLING ADJUSTMENTS

A. Definitions

1. Each customer's monthly volumetric charge for gas sales service shall include a Quarterly Billing Factor (QBF) as set forth in the Schedule of Rates and Charges applicable to, Schedules 1, 2, 3, 4, 5, 6, 7, 11, 12, 13 and 14 computed for each schedule each calendar quarter as provided below.
2. The QBF applicable to Schedules 1, 2, 3, 4 and 5 shall consist of: Projected Purchased Gas Costs (PGC), an Actual Cost Adjustment (ACA), a Refund Adjustment (RA), and a Margin Sharing Adjustment (MSA) calculated as provided below. The QBF applicable to Schedules 6 and 7 shall consist of: Projected Purchased Gas Costs (PGC) and a Refund Adjustment (RA). The QBF applicable to Schedules 11, 12, 13 and 14 shall consist of Projected Purchased Gas Costs (PGC).
3. Each Schedule 6 or 7 customer's monthly purchased gas demand charge for gas service shall include a Quarterly Demand Factor (QDF) as set forth in the Schedule of Rates and Charges applicable to Schedules 6 and 7 and computed for each Schedule each calendar quarter as provided below. Each Schedule 11, 12, 13 and 14 customer's QBF shall include a demand gas cost component calculated as the product of the QDF from Schedule 6 multiplied by the factor 0.03288.
4. Each Schedule 6 or 7 customer's monthly capacity charge for service shall include a Quarterly Capacity Factor (QCF) as set forth in the Schedule of Rates and Charges applicable to Schedules 6 and 7 and computed for each Schedule each calendar quarter as provided below. Each Schedule 11, 12, 13 and 14 customer's QBF shall include a capacity gas cost component equal to the QCF from Schedule 6.
5. The term "gas costs" shall mean all costs associated with acquisition of natural gas and substitute or supplemental forms of gas or gas sources acquired by VNG for sale to customers whose service is regulated by the Commission and related transportation, storage, and handling costs required for delivery to VNG's facilities, including, but not limited to, costs associated with the following types and sources of gas:

TERMS AND CONDITIONS

- a. Natural and substitute natural gas (SNG) and liquefied natural gas (LNG) from pipeline and other suppliers including exchange gas and spot or emergency purchases;
- b. Liquefied natural gas (LNG) from other pipeline sources;
- c. Liquefied petroleum gas (LPG); and
- d. Other hydrocarbons used as feedstock for production of substitute natural gas (SNG).

For Schedules 1, 2, 3, 4 and 5

B. Projected Purchased Gas Costs - Computation

1. Demand Component

- a. Estimate the purchased gas demand charges VNG will incur in the twelve month period beginning with the quarter to which the QBF will be applicable. Demand charges will be estimated on the basis of current billing determinants supported by any contractual commitment made by VNG in which a right to receive gas is related to a daily entitlement. Any other charge determined to be a demand charge by the Commission shall be included in the demand charges estimated for the quarter.

- b. Subtract from the total demand charges estimated in a. the amount assignable to customers receiving gas under Schedules 6 and 7, calculated as follows:

- i. Divide the total estimated demand charge by 12 to calculate estimated monthly demand charges.

- ii. Divide the estimated monthly demand charges by the calculated system peak day firm sales volume, which is 2,965,406 Ccf. This calculation yields the pretax quarterly demand factor.

TERMS AND CONDITIONS

XX. QUARTERLY BILLING ADJUSTMENTS (continued)

B. Projected Purchased Gas Costs - Computation

1. Demand Component (continued)

- b. iii. Multiply the pretax quarterly demand factor from ii. by the estimated aggregate demand billing determinant for Schedules 6 and 7 customers, determined as stated in Schedules 6 and 7, then multiply the product by 12.

The amount calculated after assignments to Schedules 6 and 7 equals adjusted total demand charges.

- c. Subtract from adjusted total demand charges the sum of the estimated demand gas costs recovered from Schedules 11, 12, 13 and 14 plus the estimated demand gas costs recovered from customers not identified in A.1. This calculation yields the net total demand charges.

- d. Multiply the net total demand charges determined in c. by the allocation factor for each rate schedule set forth below:

Schedule 1 67.7828%
Schedule 2 32.2141%
Schedule 3 and 4 00.0000%
Schedule 5 00.0031%

The resulting dollar amounts for each schedule reflect annualized demand charges allocated to each schedule.

- e. Divide the annualized demand charges allocated to each schedule referenced in d. by the estimated annual sales volume under that schedule for the twelve month period beginning with the calendar quarter to which the QBF is applicable. The resulting figure is the demand component of the PGC for that schedule.

TERMS AND CONDITIONS

XX. QUARTERLY BILLING ADJUSTMENTS (continued)

B. Projected Purchased Gas Costs - Computation

2. Capacity Component

a. Estimate the purchased gas capacity charges VNG will incur in the twelve month period beginning with the quarter to which the QBF will be applicable. Capacity charges will be estimated on the basis of current billing determinants supported by any contractual commitment made by VNG in which a right to receive gas is related to a monthly, seasonal, or annual entitlement. Any other charge determined to be a capacity charge by the Commission shall be included in the estimated capacity charges for the quarter. Capacity charges shall include an estimate of VNG's annual cost of LPG.

b. Subtract from the total capacity charges estimated in a. the amount assignable to customers receiving gas under Schedules 6 and 7, calculated as follows:

i. Divide the total estimated capacity charges by twelve to calculate estimated monthly capacity charges.

ii. Divide the estimated monthly capacity charges by the calculated system average winter month firm sales volume. The system average winter month firm sales volume shall be recalculated annually, effective with the year beginning in the third quarter of each calendar year by dividing the total of sales volumes during the November to March winter sales period immediately prior to each third quarter under Schedules 1, 2, 3, 4, 5, 6, 7, 11, 12, 13 and 14 by five. This calculation yields the pretax quarterly capacity factor.

iii. Multiply pretax quarterly capacity factor from ii. by the estimated aggregate capacity billing determinant for Schedules 6 and 7 customers, determined as stated in schedules 6 and 7, then multiply the product by 12.

The amount calculated after assignment equals adjusted total capacity charges.

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XX. QUARTERLY BILLING ADJUSTMENTS (continued)

B. Projected Purchased Gas Costs - Computation

2. c. Subtract from adjusted total capacity charges the sum of the estimated capacity gas costs recovered from Schedules 11, 12, 13 and 14 plus the estimated capacity gas costs recovered from customers not identified in A.1. The calculation yields the net total capacity charges.

d. Multiply the net total capacity charges determined in c. by the applicable winter sales allocation factor. The winter sales allocation factor shall be recalculated annually, effective with the year beginning in the third quarter of each calendar year on the basis of sales to customers under Schedules 1, 2, 3, 4 and 5 during the November to March winter sales period immediately prior to each third quarter. The resulting dollar amounts for each schedule reflect annualized capacity charges allocated to each schedule.

e. Divide the annualized capacity charges allocated to each schedule referenced in d. by the estimated annual sales volume under that schedule for the twelve month period beginning with the quarter to which the QBF is applicable. The resulting figure is the capacity component of the PGC for that schedule.

3. Commodity Component

a. Estimate the quantity of gas, in decatherms, VNG will receive for resale during the quarter and VNG's cost of that gas. The estimated quantity will be the total estimated quantity purchased, net of estimated deferred deliveries and estimated received deferred deliveries, to reflect actual volumes to be received.

b. Subtract from the cost of gas estimated in a. the estimated cost of gas to be sold under Schedules 6, 7, 8, 9, 11, 12, 13 and 14 and for any customers not identified in A.1., calculated as following:

i. Convert the estimated quantity of gas VNG will receive for resale to estimated volumes by dividing the estimated quantity by 1.035. This calculation yields the estimated volumes, in Mcf, VNG will receive for resale during the quarter.

TERMS AND CONDITIONS

XX. QUARTERLY BILLING ADJUSTMENTS (continued)

B. Projected Purchased Gas Costs - Computation (continued)

3. Commodity Component

b. ii. Divide the cost of gas estimated in a. by the estimated volumes calculated in i. This calculation yields the initial pretax quarterly commodity rate.

iii. Divide the initial pretax quarterly commodity rate from ii. by 0.979 to include a provision for costs associated with unaccounted for gas. This calculation yields the pretax quarterly commodity rate.

iv. Multiply the pretax quarterly commodity rate by the estimated sales volumes under Schedules 6, 7, 8, 9, 11, 12, 13 and 14 and from any customers not identified in A.1. for the applicable quarter.

The amount calculated after assignment equals the net estimated commodity charges.

c. Divide the net estimated commodity charges calculated in b. by the estimated sales volume under Schedules 1, 2, 3, 4 and 5. This figure is the commodity component of the PGC for the applicable quarter.

4. Total Projected Purchase Gas Cost

The PGC applicable to each schedule in each calendar quarter shall, therefore, include: a demand component, as calculated in Section 1.; a capacity component, as calculated in Section 2.; and a commodity component, as calculated in Section 3.

TERMS AND CONDITIONS

XX. QUARTERLY BILLING ADJUSTMENTS (continued)

C. Actual Cost Adjustment

1. Quarterly Actual Cost Component

a. After the close of each quarter determine the actual costs of gas purchased during the quarter as shown on VNG's books. Adjustments made to settle transportation customers Difference Account balance, determined as stated in Rate Schedules 6, 7 and 9, will be included as a gas cost if the adjustment is negative or as a reduction in gas costs if the adjustment is positive. Identify the costs determined as purchased gas demand, capacity, and commodity costs.

b. Subtract from the identified demand costs:

Demand costs recovered under Rate Schedules or contract services other than Rate Schedules 1, 2, 3, 4 and 5.

c. Subtract from the identified capacity costs:

Capacity costs recovered under Rate Schedules or contract services other than Rate Schedules 1, 2, 3, 4 and 5.

d. Subtract from the identified commodity costs:

i. Commodity costs recovered under Rate Schedules or contract services other than Rate Schedules 1, 2, 3, 4 and 5.

TERMS AND CONDITIONS

XX. QUARTERLY BILLING ADJUSTMENTS (continued)

C. Actual Cost Adjustment

1. Quarterly Actual Cost Component (continued)

d. ii. Commodity costs recovered under Schedules 8 and 9 calculated as following:

(a.) Convert the monthly quantity of gas VNG received for resale to volumes by dividing by 1.035. This calculation yields the estimated volume, in Mcf, VNG received for resale each month during the quarter.

(b.) Divide the monthly costs of gas in d. by the volumes calculated in (a.). This calculation yields the unadjusted final monthly commodity rates.

(c.) Divide the unadjusted final monthly commodity rates from (b.) by 0.979 to include a provision for costs associated with unaccounted for gas. This calculation yields the final monthly commodity rates.

(d.) Multiply the rates calculated in (c.) by the volume of gas sold under Schedules 8 and 9 as calculated from VNG's books for each month during the quarter.

iii. Revenues collected from off-system sales and transactions for the exchange of gas with others.

e. Allocate the net demand costs determined in b. and the net capacity costs determined in c. among Schedules 1, 2, 3 and 4, and 5 in accordance with the demand charge and capacity charge allocation factors used to determine the demand charge and capacity charge components of the PGC in effect during that quarter. Subtract from the amounts so allocated to demand and capacity charges for each schedule the net total demand and capacity charges recovered under each schedule calculated by multiplying the demand and capacity components of the PGC in effect during the quarter by the volumes sold under Schedules 1, 2, 3, 4 and 5 during the quarter as recorded

XX.

QUARTERLY BILLING ADJUSTMENTS (continued)

TERMS AND CONDITIONS

on VNG's books. The resulting amounts, whether positive or negative, equal the demand charge and capacity charge cost differentials for each schedule.

C. Actual Cost Adjustment

1. Quarterly Actual Cost Component (continued)

f. Subtract from the net commodity costs determined in d. the product of the commodity component of the PGC for that quarter times the volumes sold under Schedules 1, 2, 3, 4 and 5 during the quarter. The resulting amount, whether positive or negative, is the aggregate commodity cost differential. Assign the aggregate commodity cost differential to Schedules 1, 2, 3, 4 and 5 based on the relative volumes sold under each schedule during the quarter as recorded on VNG's books. The resulting amount is the commodity charge cost differential for each schedule.

g. Divide the demand charge, capacity charge and commodity charge cost differentials for each schedule by the estimated annual sales for each schedule for the twelve month period beginning with the calendar quarter to which the QBF is applicable. This calculation yields the Quarterly Actual Cost Component (QACC) for Schedule 1, 2, 3 and 4 and 5 for the quarter.

2. Reconciliation Component

a. The ACA shall also include a Quarterly Actual Cost Reconciliation Component (QACRC) composed of two parts, an expired QACC calculation and a remainder account, determined as described below.

b. After each QACC has run for four quarters, compute the balance of the expired QACC for each schedule and if any balance exists, positive or negative, divide the balance by the projected gas sales Schedules 1, 2, 3, 4 and 5 for the following quarter.

c. Any balance remaining after the quarter in which the expired QACC is applied shall be included in a remainder account for that schedule, to be calculated quarterly and applied to the ACA in a manner intended to achieve a zero balance in the remainder account.

XX. QUARTERLY BILLING ADJUSTMENTS (continued)

TERMS AND CONDITIONS

C. Actual Cost Adjustment

3. Total Actual Cost Adjustment

The ACA calculated separately for Schedules 1, 2, 3, 4 and 5, will be adjusted quarterly and will be composed of four QACC's running concurrently, including a QACC beginning that quarter and the QACC's which began each of the previous three quarters, and a QACRC.

D. Refund Adjustment

1. Quarterly Refund Component

a. Determine from VNG's books the aggregate amount of refunds received from its suppliers. Segregate from the aggregate amount of refunds an amount equal to the refunds to be distributed to Schedules 6 and 7 customers, calculated as follows:

i. For each Schedule 6 and 7 customer, calculate the total volumes of sales gas used by the customer in the four quarters ending with the quarter preceding the quarter in which the Refund Component is calculated.

ii. Divide each twelve months sales volume calculated in i. by VNG's total sales volumes to firm customers during the four quarters.

iii. Multiply the ratio determined in ii. by the aggregate amount of refunds identified above. The resulting amount is the refund for that Schedule 6 or 7 customer for the quarter.

The amount remaining after segregation of the Schedule 6 and 7 customers refunds is the net amount of refunds.

TERMS AND CONDITIONS

XX. QUARTERLY BILLING ADJUSTMENTS (continued)

D. Refund Adjustment

1. Quarterly Refund Component (continued)

b. Divide the net amount of refunds calculated in a. by the estimated volumes of gas to be sold under Schedules 1, 2, 3, 4 and 5 during the twelve month period beginning with the applicable quarter. This calculation yields the initial refund factor.

c. Multiply the initial refund factor by the estimated monthly volumes of gas to be sold under Schedules 1, 2, 3, 4 and 5 during each of the twelve months beginning with the first month of the applicable quarter to calculate the estimated monthly refund to be disbursed during each of the four quarters the Quarterly Refund Component (QRC) will be applied.

d. Compute interest for each estimated monthly refund calculated in c. at the rate mandated by the Commission for the period beginning with the midpoint of the period used by the Company to determine refunds received and continuing through the midpoint of the month in which the estimated monthly refund will be disbursed. The sum of the twelve estimated interest amounts so calculated is the total estimated interest.

e. Add the net amount of refunds from a. and the total estimated interest amount from c. The amount calculated is the total refund amount for the applicable quarter.

f. Divide the total refund amount from e. by the estimated annual sales under Schedules 1, 2, 3, 4 and 5 for the twelve month period beginning the quarter immediately after the quarter in which the calculations are being made. This calculation yields the QRC.

TERMS AND CONDITIONS

XX. QUARTERLY BILLING ADJUSTMENTS (continued)

D. Refund Adjustment

2. Reconciliation Component

a. The Quarterly Refund Reconciliation Component (QRRC) is composed of two parts, an expired QRC calculation and a remainder account.

b. After each QRC has run four quarters, the balance of that expired QRC will be computed, and if any balance exists, positive or negative, the balance will be divided by the projected gas sales for the following quarter and applied to the RA for that quarter.

c. Any balance remaining after the quarter in which the expired QRC is applied as provided in b. above shall be included in a remainder account to be calculated quarterly and applied to the RA in a manner intended to achieve a zero balance in the remainder account.

3. Total Refund Adjustment

The RA will be adjusted quarterly and will be composed of four QRC's running concurrently, including the QRC beginning that quarter and the QRC's which began each of the previous three quarters, and a QRRC.

E. Margin Sharing Adjustment

1. Annual Component

a. A margin sharing adjustment shall be computed in the first quarter of each calendar year on the basis of the prior calendar year's margin recovery, as described below.

TERMS AND CONDITIONS

XX. QUARTERLY BILLING ADJUSTMENTS (continued)

E. Margin Sharing Adjustment

1. Annual Component

b. In the first quarter of each calendar year calculate the revenues VNG derived during the prior year from interruptible sales service and interruptible delivery service under Rate Schedules 8, 9 and 10. Revenues derived from Rate Schedules 8, 9 and 10 shall be reduced by 1) the gas costs attributable to sales and delivery services calculated under Section C.1.d.ii. divided by one minus the composite of state and local tax rates and 2) any revenues derived from Rate Schedules 8, 9 and 10 that are credited pursuant to Rate Schedule PT-1, to determine the annual gross margin.

c. Subtract from the annual gross margin the target margin of \$2,425,462. If the resulting amount is greater than zero, multiply the amount by 0.9 to determine the annual amount to be credited to customers served under Schedules 1, 2, 3, 4 and 5.

d. Divide the amount determined in c. above by the estimated volumes of gas to be sold during the nine month period beginning with the second quarter of the year; the resulting amount is the Annual Margin Sharing Component (AMSC) of the MSA for all sales of gas for the last three quarters of the year.

2. Reconciliation Component

a. The Annual Margin Sharing Reconciliation Component (AMSRC) is composed of a remainder account.

b. After each AMSC has run for three quarters, the balance of that expired AMSC will be computed, and if any balance exists, positive or negative, it shall be placed into a remainder account. The balance of the remainder account will be applied to the MSA in a manner intended to achieve a zero balance in the remainder account.

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XX. QUARTERLY BILLING ADJUSTMENTS (continued)

E. Margin Sharing Adjustment

3. Total Margin Sharing Adjustment

The MSA will be adjusted annually and will be composed of an AMSC and an AMSRC.

F. Pretax QBF

a. After calculation of the PGC, the ACA, the RA, and the MSA applicable to each rate schedule for the quarter, including any reconciliation amounts from prior periods as described in the preceding sections, total the PGC, ACA, RA and MSA applicable to each rate schedule to determine the pretax quarterly billing factor for that schedule for the quarter.

For Schedules 6 and 7

G. Projected Purchased Gas Costs - Computation

1. Demand Component - Quarterly Demand Factor

The pretax quarterly demand factor for Schedules 6 and 7 for the applicable quarter equals the pretax quarterly demand rate calculated in Section B.1.b.ii. There is therefore no demand component of the PGC for Schedules 6 and 7.

2. Capacity Component - Quarterly Capacity Factor

The pretax quarterly capacity factor for Schedules 6 and 7 for the applicable quarter equals the pretax quarterly capacity rate calculated in Section B.2.b.ii. There is therefore no capacity component of the PGC for Schedules 6 and 7.

3. Projected Purchased Gas Cost - PGC

The PGC applicable to Schedules 6 and 7 in each calendar pretax quarter shall include only a commodity component, equal to the quarterly commodity rate calculated under Section B.3.b.iii.

TERMS AND CONDITIONS

XX. QUARTERLY BILLING ADJUSTMENTS (continued)

H. Actual Cost Adjustment

No ACA is applicable to the QBF for Schedules 6 and 7.

I. Refund Adjustment - Distribution of Refund

The refund calculated for each Schedule 6 and 7 customer in Section D.1.a. shall be credited to that customer beginning with VNG's first bill to that customer during the applicable quarter. Because refunds are credited each quarter, no RA is applicable to the QBF for Schedules 6 and 7.

J. Margin Sharing Adjustment

No MSA is applicable to the QBF for Schedules 6 and 7.

K. Pretax QBF

The pretax quarterly billing factor for Schedules 6 and 7 includes only the PGC applicable to each rate schedule.

For Schedules 1, 2, 3, 4, 5, 6 and 7

L. Tax Adjustment

a. Divide the pretax quarterly billing adjustment determined in Section F. for Schedules 1, 2, 3, 4 and 5, the pretax quarterly billing factor determined in Section K. for Schedules 6 and 7, and the pretax quarterly demand factor and pretax quarterly capacity factor determined in Sections G.1 and G.2 by one minus the composite of state and local tax rates on revenue to determine the QBF for each schedule, and the QDF and QCF for Schedules 6 and 7, for the applicable quarter.

b. Include each QBF, QDF, and QCF applicable to each schedule in the Schedule of Rates and Charges published and filed with the State Corporation Commission of Virginia each quarter.

TERMS AND CONDITIONS

XX. QUARTERLY BILLING ADJUSTMENTS (continued)

M. The QBF applicable to Schedules 11 and 12 shall equal the sum of: 1) the pretax quarterly billing factor determined in Section K. divided by one minus the composite of state and local tax rates on revenue, 2) the demand gas cost component determined in Section A.3., and 3) the capacity gas cost component determined in Section A.4.

The System Charge QBF applicable to Schedules 13 and 14 shall equal the sum of the demand gas cost component determined in Section A.3. and the capacity gas cost component determined in Section A.4.

The Commodity Charge QBF applicable to Schedules 13 and 14 shall equal the PGC determined in Section G.3. divided by one minus the composite of state and local tax rates on revenue.

No ACA, RA or MSA components are applicable to the QBF for Schedules 11, 12, 13 and 14.

N. Filing With Commission

VNG shall file with the Commission the computation of all Quarterly Billing Adjustments described in this Section XX. Such Quarterly Billing Adjustments shall not go into effect until approved by the Commission Division of Energy Regulation. All details of purchases, sales, expenses, calculations and adjustments related to determination of such factors shall be furnished upon request of the Division. Upon approval, such Quarterly Billing Adjustments shall be included in the rates set forth on the Schedule of Rates and Charges, effective for the next calendar quarter, in lieu of the previously effective Quarterly Billing Adjustment.

XXI. NATURAL GAS PRIORITIES

TERMS AND CONDITIONS

A. Applicability

This Section XXI - Natural Gas Priorities is adopted in compliance with the State Corporation Commission's Final Order of May 1, 1991 in Case No. PUE900053, Ex Parte, In Re: Priorities for Available Gas Supplies, and the Commission's "Natural Gas Priorities and Rules" adopted in that Order ("Rules").

If gas supplies, including Customer-owned and Company-owned gas, are for any reason insufficient to meet the end-use needs of all the Company's Customers during a gas supply emergency, available gas supplies shall be allocated to meet the end-use needs of Customers in accordance with the Priorities for Service listed in C and in conformance with the Commission's Rules identified above.

B. Definitions

All the terms used in this Section XXI - Natural Gas Priorities have the same meanings as those terms used in the Rules.

C. Priorities for Service

The Company, during any emergency, shall curtail gas deliveries to Customers by priority of end-use listed below beginning with the highest number priority and proceeding, as necessary, to Priority 1. Customers within a priority class that is subject to curtailment shall be curtailed to the extent practical on an equal basis. If a Customer's end-uses of gas are classified under two or more priorities, the requirements for each end-use will be treated separately for curtailment purposes.

Priority 1 - Customer requirements for residential service, and requirements for human needs without alternate fuel capability (AFC).

Priority 2 - Customer requirements under 1500 Mcf per peak month without AFC.

Priority 3 - Customer requirements over 1500 Mcf per peak month without AFC.

XXI. NATURAL GAS PRIORITIES (continued)

TERMS AND CONDITIONS

Priority 4 - Electric generation requirements for essential electric human needs that do not have available supplies of alternate fuels or alternate sources of electricity.

Priority 5 - Customer requirements for human needs with AFC.

Priority 6 - Requirements of Customers with AFC that do not come under any other priority.

Priority 7 - Requirements for boiler fuel.

D. Classification of End-Uses

Company shall classify each Customer's end-use(s) of gas and assign priorities for service under this section, and priorities for service shall be assigned without regard to the rate schedule under which Customer receives service.

VIRGINIA NATURAL GAS, INC.
AGREEMENT FOR GAS LINE EXTENSION - FORM G PLAN

Number _____, 20__

IN CONSIDERATION of the sum of _____ Dollars, (which sum represents the estimated cost of making gas line extension multiplied by a Tax Recovery Factor of 1.29, herein provided for) cash in hand paid by _____, (hereinafter called the "Applicant") to Virginia Natural Gas, hereinafter called the "Company", the receipt whereof is hereby acknowledged, the Company agrees to make a gas line extension from the nearest suitable point on the present main or mains of the Company, using standard specifications of the Company for construction, to or through the property of the Applicant, or other property to be supplied under this agreement, as shown by the line or lines marked "Proposed" on the plan hereto attached and made a part hereof and marked for identification ; and it is understood and agreed by the parties hereto that the mains, pipes, and services, and all other equipment located and maintained under and by virtue of this agreement shall be and remain the property of the Company. A list of customers who have agreed to purchase gas from the above line extension as soon as said line extension is completed and put in service is hereto attached and made a part hereof, marked for identification "List of Customers - Gas Line Extension Number ___".

The Company agrees to supply gas to the Applicant and the Applicant agrees to take and pay for said gas furnished from the aforesaid line extension at the same rates and subject to the same terms and conditions of supply which are applicable to the Company's customers generally in (City or County) for gas under the classification applicable to this use, as the same may be fixed from time to time by the state regulatory Commission or otherwise according to law.

It is further understood and agreed that the Company will reimburse the Applicant to the extent of the aforesaid sum paid to the Company by the Applicant, but only on the following conditions:

(1) One-fourth of the net amount (not including fuel charge) paid to the Company for gas furnished to ORIGINAL CUSTOMERS on the line extension constructed under this agreement will be paid to the Applicant; settlement to be made annually on February 1st as of the preceding January 1st of each year; provided however,

(a) That the total amount refunded to the Applicant shall not exceed the aforesaid sum paid to the Company by the Applicant for the line extension.

(b) That no refund will be made under this agreement or in any manner connected with the line extension covered hereunder after four years from the date gas is made available to Applicant.

(2) One-fourth of the net amount (not including fuel charge) received by the Company during the remaining life of the original four-year period for gas to NEW CUSTOMERS (Customers

(continued)

VIRGINIA NATURAL GAS

AGREEMENT FOR GAS LINE EXTENSION -FORM G PLAN

connected) to the line extension or extension covered by this agreement after the ORIGINAL CUSTOMERS have been connected will also be paid to the Applicant; provided however,

(a) That the Applicant has paid the Company the estimated cost of the additional line extension to supply gas to the new customer or customers.

(b) That the total amount refunded to the Applicants for all customers shall not exceed the total of the sums paid to the Company by the Applicant for the original line extension and the additional line extension or extensions covered by this agreement; all settlements under this paragraph to be made in the same manner as provided for in the preceding paragraph (1) hereof.

(3) Any line extension or extensions from or of the original line extension constructed under this agreement, not paid for by the Applicant, shall not be considered as a part of the line extension or extensions covered by this agreement; and no refund shall be made on account of or in connection with any gas furnished through service connections made from such further line extensions.

It is understood and agreed that the entire cost of that portion of each and every gas service pipe extension on private property, in excess of any gas service pipe extension constructed by the Company at its cost in accordance with the Terms and Conditions for the Supply of Gas filed with the Commission, shall be borne by the Applicant or Customer supplied from the line extension or extensions constructed under this agreement.

The Applicant agrees to obtain for the Company, without delay or cost to the Company, permits and rights of way satisfactory to the Company for the above line extension, and the above agreement is accepted by the Company on condition that such permits and rights of way are to be so obtained forthwith.

Before the Applicant or any customer may secure gas from the line extension constructed under this agreement, he will be required to sign a standard form of agreement for the purchase of gas with the Company, and comply with the rules and regulations of the Company.

Accepted:

VIRGINIA NATURAL GAS

(Applicant sign full name here)

By _____

Mail refunds to _____ Date _____, 20__

Address _____

This agreement effective _____

AGREEMENT FOR THE PURCHASE OF GAS
VIRGINIA NATURAL GAS

THIS AGREEMENT, made this _____ day of _____, 20____, by and between VIRGINIA NATURAL GAS, hereinafter referred to as "VNG", and _____,

hereinafter called the "Customer";

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the parties hereto contract and agree with each other as follows, namely:

1. VNG will furnish to the Customer, and the Customer will purchase from VNG, gas required by the Customer upon the premises located at

This gas is to be used in the operation of _____

The term of this agreement shall be for an initial period ending ____ years after the commencement of the initial billing period hereunder and shall continue thereafter until either party gives the other ninety (90) days written notice of termination. If gas is to be furnished hereunder through new service facilities, the parties hereto shall make every reasonable effort to commence to deliver and to receive gas to serve a connected load of _____ cubic feet/hour not later than the _____ of _____, 20__, but in the event that VNG is unable to deliver or the Customer is unable to receive gas on this date said date can be changed by mutual consent.

2. The characteristics of gas supplied hereunder, the pressure at which it will be metered and, where applicable, other special provisions are as follows:

3. The sheets attached hereto are made a part hereof and are designated as follows:
(continued)

AGREEMENT FOR THE PURCHASE OF GAS
VIRGINIA NATURAL GAS

(continued)

4. In the event VNG is unable to secure and/or maintain adequate rights, permits, franchises and other necessary authorizations, VNG shall not be obligated to render service.

5. All gas furnished under this agreement shall be subject to all applicable terms and conditions of service on file with the State Corporation Commission of Virginia from time to time. The provisions of this agreement, all rate schedules, and the terms and conditions of service are subject to modification at any time in the manner prescribed by law, and when so modified, shall supersede the provisions hereof and of the rate schedules, if any, annexed hereto.

6. This agreement shall inure to the benefit of and be binding upon the heirs, successors, or assigns of each of the parties hereto.

7. This agreement cancels and supersedes as of the effective date hereof all previous agreements with the Customer at this location for the use of gas as covered by this agreement. Any claim or claims which either party hereto may have or assert in any manner arising out of the supplying of gas heretofore at this location shall be adjusted by the parties hereto without respect to this contract, and any and all rights which either party may have, to make and enforce any claim, is hereby reserved for the benefit of such party.

8. This agreement shall be binding upon VNG only when accepted by its duly authorized agent and shall not be modified by any promise, agreement or representation of any agent or employee of VNG unless incorporated in writing in this agreement before such acceptance.

(continued)

AGREEMENT FOR THE PURCHASE OF GAS
VIRGINIA NATURAL GAS

(continued)

CUSTOMER'S NAME _____

By _____ Title _____

VIRGINIA NATURAL GAS

By _____ Title _____

Type or Print Names Under All Signatures

Mail bill to _____

The initial billing period hereunder shall commence on _____

AGREEMENT FOR OPTIONAL GAS SUPPLY SERVICE

AGREEMENT made and entered into this __ day of _____, 20__, by and between Virginia Natural Gas, a Virginia corporation, hereinafter called "Seller," and _____, hereinafter called "Buyer":

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. General Terms and Conditions. This Agreement in all respects shall be subject to the applicable provisions of Schedule 10 of Seller's Gas Tariff and of the pertinent General Terms and Conditions attached thereto filed with the State Corporation Commission of Virginia which are by reference made a part hereof.
2. Optional Supply Service. Seller shall use its best efforts to deliver to Buyer in a timely manner gas pursuant to Seller's Schedule 10 subject to applicable General Terms and Conditions listed above.
3. Rate Schedules. Service provided hereunder shall be paid for under Schedule 10 of Seller's Gas Tariff on file with the State Corporation Commission of Virginia or any effective superseding schedules.
4. Characteristics of Gas Supplied. The characteristics of gas supplied hereunder, the pressure at which it will be metered and, where applicable, other special conditions will be the same as those applicable to the gas service normally furnished the Buyer.
5. Delivery Point. The Seller shall supply gas under this agreement, through an existing delivery point, to the Buyer upon the premises situated _____.
6. Term. This agreement shall become effective on _____, and shall expire on the October 31 immediately following the effective date.
7. Compliance with Laws and Regulations. Buyer certifies that it has complied with all necessary federal and state laws and regulations concerning the allocation and gasification of propane.
8. Acceptance of Service Agreement. This agreement shall be binding upon the seller only when accepted by its duly authorized agent and shall not be modified by any promise, agreement or representation of any agent or employee of the Seller unless incorporated in writing in this agreement before such acceptance. The parties have hereto have accordingly and duly executed this Agreement.

Virginia Natural Gas

AGREEMENT FOR OPTIONAL GAS SUPPLY SERVICE

BUYER'S NAME

By _____, Title _____

VIRGINIA NATURAL GAS

By _____, Title _____

Filed 08-30-91

This Filing Effective for Usage On and After 9/01/90
Superseding Filing Effective For Usage On and After 9/01/90
SUBJECT TO REFUND

AGREEMENT FOR THE SALE OR TRANSPORTATION OF GAS
VIRGINIA NATURAL GAS, INC.

THIS AGREEMENT, made this _____ day of _____, 20__, for and between VIRGINIA NATURAL GAS, INC., hereinafter referred to as "VNG", and hereinafter referred to as "Customer";

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the parties hereto contract and agree with each other as follows:

1. VNG will deliver to the Customer, and the Customer will receive from VNG, gas required by the Customer upon the premises located at _____

This gas is to be used in the operation of _____

2. VNG will sell gas to, or transport gas for, Customer in such volumes and at such times as are agreed upon by the parties. VNG will provide such service pursuant to the provisions of Schedule _____.

3. The term of this agreement shall be for an initial period ending ___ years after the commencement of the initial billing period as determined by VNG hereunder and shall continue until either party gives the other ninety (90) days written notice of termination. If gas is to be furnished hereunder through new service facilities, the parties hereto shall make reasonable effort to commence to deliver and to receive gas to serve a connected load of _____ cubic feet/hour not later than the _____ of _____, 20__.

4. The characteristics of service under this schedule shall be as follows:

a. The delivery pressure will be approximately five (5) _____.

b. Any volume of gas taken by Customer during any billing period in excess of the volume received by VNG for transportation and delivery to Customer, reduced by the retainage in the applicable rate schedule, shall be considered in all respects as having been purchased by Customer from VNG under VNG's Rate Schedule _____. There shall be subtracted from any such excess volumes taken by Customer any volumes previously received by VNG for transportation to Customer but not delivered to Customer under this Agreement.

(continued)

AGREEMENT FOR THE SALE OR TRANSPORTATION OF GAS

VIRGINIA NATURAL GAS, INC.

(continued)

5. The sheets attached hereto are made a part hereof and are designated as follows:
 - a. _____
 - b. _____
6. In the event VNG is unable to secure and/or maintain adequate rights, permits, franchises and other necessary authorizations, VNG shall not be obligated to render service.
7. All gas furnished under this Agreement shall be subject to all applicable terms and conditions of service on file with the State Corporation Commission of Virginia. The provisions of this Agreement, all rate schedules and the terms and conditions of service are subject to modification at any time in the manner prescribed by law, and when so modified shall supersede the provisions hereof and of the rate schedules, if any, annexed hereto.
8. This Agreement shall inure to the benefit of and be binding upon the heirs, successors, or assigns of each of the parties hereto.
9. This agreement cancels and supersedes as of the effective date hereof all previous agreements with the Customer for the use of gas at the location identified in this agreement. Any claim or claims which either party hereto may have or assert in any manner arising out of the supplying of gas heretofore at this location shall be adjusted by the parties hereto without reference to this agreement, and any and all rights which either party may have to make and enforce any claim, is hereby reserved for the benefit of such party.
10. VNG shall render Customer monthly billing statements. The quantity of gas delivered to VNG hereunder by or for Customer shall be determined from the monthly billing records of VNG's pipeline supplier(s). Customer shall make all necessary arrangements to have billing information provided to VNG in a timely manner.
11. The delivery point(s) to the VNG system shall be in eastern Virginia, at the following existing point(s) of interconnection between VNG and its pipeline supplier(s):

(continued)

AGREEMENT FOR THE SALE OR TRANSPORTATION OF GAS

VIRGINIA NATURAL GAS, INC.

12. Customer warrants that it will have good title to all gas delivered to VNG for transportation hereunder; that such gas will be free and clear of all liens, encumbrances, and claims whatsoever; that all volumes provided for transportation hereunder shall be of quality acceptable in the gas pipeline industry as to heating value and other physical specifications; and Customer will indemnify VNG and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of adverse claims of any and all persons to said gas.
13. This Agreement shall be binding upon VNG only when accepted by its duly authorized representative and shall not be modified by any promise, agreement, or representation of any agent or employee of VNG unless in writing and executed by duly authorized representatives of Customer and VNG.

(continued)

AGREEMENT FOR THE SALE OR TRANSPORTATION OF GAS

Virginia Natural Gas

VIRGINIA NATURAL GAS, INC.

CUSTOMER'S NAME _____

By _____ Title _____

By _____ Title _____

Accepted by VNG:

By _____ Title _____

Type or Print Names Under All Signatures

Mail bill to:

The initial billing period hereunder shall commence on

_____.

RIDER A

RIDER FOR TEMPORARY GAS SERVICE

I. AVAILABILITY

Temporary service is available to non-recurring customers desiring to use gas during any period of the year, qualifying under Schedule 1 or Schedule 2, subject to the Terms and Conditions given below.

II. TERMS AND CONDITIONS

The Customer is required to pay to the Company at the time of application for service a Temporary Service Charge which is the estimated cost (including all piping both on and off the Customer's premises), and including overhead cost, of furnishing and disconnecting the service.

III. TERM OF CONTRACT

The term of contract for service under this rider shall be open order.

RIDER B
WEATHER NORMALIZATION ADJUSTMENT RIDER

I. APPLICABILITY

This Rider is applicable to customers qualifying under Schedule 1 or Schedule 3.

II. COMPUTATION OF WEATHER NORMALIZATION FACTOR

A. For the applicable customer class the WNA will be derived for each billing cycle in the following manner:

1. For each day of the billing cycle, 30-yr. normal degree days will be determined based on the most recent 30 years ending June. These daily values will be summed to determine the 30-yr. average degree days for the billing cycle. The actual degree days during that billing cycle will be determined and subtracted from the average degree days just calculated to determine the degree day deficiency or surplus.
2. Just prior to billing, VNG will determine the number of customers and volumes to be billed during that particular cycle.
3. The degree day difference (from II.A.1.) will be multiplied by the product of the UCD and the number of customers to be billed in that cycle (from II.A.2.) to compute the total volume deficiency or surplus from that billing cycle.
4. The volume difference (from II.A.3.) will be multiplied by the NGR to compute the total revenue deficiency or surplus from that billing cycle.
5. The Base Usage Factor will be multiplied by the total number of customers in that cycle (from II. A.2) to compute the total Base Usage for the cycle.
6. The total revenue difference (from II.A.4.) will be divided by the total billing cycle volumes (from II.A.2.) less the Total Base Usage (from II.A.5) to compute the WNA factor.

B. For the applicable customer class the WNA will be applied during a billing cycle in the following manner:

WNA factor (from II.A.6.) will be multiplied by the individual customer's volume (from meter reading, etc.) less the Base Usage per customer to get the WNA applied to the individual customer's bill.

Filed: 10-20-2009 Superseding Filing Effective beginning with Billing Cycle 10, November 2008.

This Filing Effective beginning with Billing Cycle 10, November 2009.

RIDER B
WEATHER NORMALIZATION ADJUSTMENT RIDER (Continued)

The formula for the WNA is as follows:

$$WNA = WNA \text{ Factor} \times (\text{Customer's Volume} - \text{Base Usage})$$

C. The formula for the WNA Factor calculation described in II.A. follows:

$$WNA \text{ Factor} = \frac{NGR \times (N \times UCD \times (NDD - ADD))}{TOTAL \ CCF - TOTAL \ BASECCF}$$

Where:

NGR is the weighted average non-gas rate based on the relative percentages of weather sensitive (non-base) usage in the two rate blocks for the most recent six month WNA period.

UCD is the Usage per Customer per HDD derived from a regression analysis based on the three most recent six months WNA periods using cycle-specific data;

N is the number of monthly bills issued to customers during the billing cycle for the applicable rate schedule.

NDD is the summation of the normal Heating Degree Days for the billing cycle based on the most recent 30 years ending June.

ADD is the summation of the actual Heating Degree Days experienced by the Company during the billing cycle.

TOTAL CCF is the aggregate volumes to be billed for the billing cycle for the applicable rate schedule.

BASE CCF is the average base usage per customer determined by averaging the average use per customer for cycles with 0 heating degree days during the most recent three years ending in June.

TOTAL BASE CCF is the average base usage per customer determined by averaging the average use per customer for cycles with 0 heating degree days during the most recent three years ending in June multiplied by the number of customers billed for the billing cycle.

Filed: 10-20-2009 Superseding Filing Effective beginning with Billing Cycle 10, November 2008.

This Filing Effective beginning with Billing Cycle 10, November 2009.

RIDER B
WEATHER NORMALIZATION ADJUSTMENT RIDER (Continued)

Heating Degree Day is the difference between the average high and low temperature (average daily temperature) for the day and 65°F when the average daily temperature is less than the 65°F.

If a customer's bill is based on a consumption period significantly different from a full billing cycle, a WNA factor will be calculated separately for that customer.

III. BILLING

This Rider will be billed commencing with billing cycle ten (10) in November and continuing for a total of six (6) billing cycles for each customer.

IV. WNA COMPONENTS

The factors described below are the constants in the WNA calculation.

1. NGR – the weighted average non-gas rate per Ccf
2. UCD – the Ccf use per customer per degree day
3. BASE CCF -Base Usage – the non-weather sensitive Ccf per customer

V. FILING WITH THE COMMISSION

For each rate class covered by this Rider, within 5 days after the end of each calendar month, the Company will file a table with the WNA factor, aggregate WNA surcharges or credits, aggregate volumes and corresponding degree day deficiencies or surpluses, for each billing cycle in the calendar month.

Within two (2) days of the billing of each billing cycle, the Company will provide the Commission staff with all factors charged during the cycle.

Rate Schedule	UDC Use Per Customer Per Degree Day CCF	NGR Non-Gas Rate/CCF	BASE CCF Base Use CCF
Schedule 1 –Residential Firm Gas Sales Service	0.17336	\$0.32852	10.2
Schedule 3 –Residential Firm Gas Sales Service	0.17336	\$0.32852	10.2

RIDER C
EXPERIMENTAL WEATHER NORAMALIZATION ADJUSTMENT RIDER

Filed: 10-20-2009 Superseding Filing Effective beginning with Billing Cycle 10, November 2008.

This Filing Effective beginning with Billing Cycle 10, November 2009.

FOR GENERAL SERVICE CUSTOMERS

APPLICABILITY

This Rider is applicable to customers receiving service under Rate Schedule 2 – General Firm Gas Sales Service and Rate Schedule 4 – General Air Conditioning Firm Gas Sales Service.

TERMINOLOGY

WNA – weather normalization adjustment, a surcharge or credit to a customer’s bill based on deviations in actual degree days from normal degree days.

WNA Period – the six month period beginning with bill cycle 10 in November of each year.

Degree Day – the average daily temperature subtracted from a reference temperature of 65 degrees, the value of which shall be zero or greater.

Normal Degree Days – the average of degree days over a thirty-year period for a designated unit of time.

Base Use – the average daily consumption of a customer in CCF (hundred cubic feet), if any, during designated summer months.

Net Winter Use – the monthly consumption of a customer in CCF during the WNA Period minus the product of the customer’s Base Use times the number of billing days in the months to which the WNA applies.

Non-Gas Rate – a billing rate per CCF equal to \$0.20238.

COMPUTATION OF THE WEATHER NORMALIZATION ADJUSTMENT

For the applicable rate schedule the weather normalization adjustment will be derived for each billing cycle in the following manner:

For each day of the billing cycle, 30-year normal degree days will be determined based on the most recent 30 years ending June. These daily values will be summed to determine the 30-year

RIDER C
EXPERIMENTAL WEATHER NORMALIZATION ADJUSTMENT RIDER
FOR GENERAL SERVICE CUSTOMERS

Filed: 09-04-2009 Superseding Filing 8-16-06 Effective Beginning with Billing Cycle, November 2006
This Filing Effective beginning with Billing Cycle 10, November 2009.

(continued)

average degree days for the billing cycle (normal degree days). The actual degree days during that billing cycle will be summed (actual degree days). The percentage deviation factor will then be computed by subtracting the value 1, from the results of dividing the average normal degree days just calculated by the actual heating degree days in the cycle.

For each customer who consumes natural gas during summer months, VNG shall compute the Base Use for the billing months of July, August and September just preceding the WNA Period. For summer-usage customers who lack a sufficient history during the current year to compute Base Use, VNG may substitute consumption data from the same billing months for the prior year if available for the same premise. Otherwise, the value of the Base Use for summer-usage customers for the current WNA period will be computed equal to 38% of the daily CCF consumption for the first billing month of the current WNA period.

For each customer, VNG shall compute a WNA as the product of three variables: 1)the customer's Net Winter Usage, times 2) the percent deviation of actual degree days to normal degree days, times 3)the applicable Non-Gas Rate.

If a customer's bill is based on a consumption period significantly different from a full billing cycle, a WNA factor will be calculated separately for that customer.

Request for exemption

Each customer receiving service under Rate Schedule 2 or Rate Schedule 4 shall participate in the Weather Normalization Adjustment ("WNA") to the extent of its weather sensitive usage. A customer served under Rate Schedule 2 or Rate Schedule 4 that believes that a substantial portion of its usage is not weather sensitive, may request a statistical analysis to determine if there is a reasonable and verifiable correlation between its Net Winter Usage and the concurrent Degree Days. In preparing the analysis, the Company will regress the customer's Net Winter Usage during the WNA period for the most recent three years with the actual degree days for the same period. If it is found that the customer's Net Winter Usage is not reasonably correlated with weather, the customer will be exempt for the application of Rider for a minimum of three years. If it is determined that the customer's Net Winter Usage is reasonably correlated with weather, this Rider will continue to apply to the customer. A customer who disputes the Company's findings may request an informal review by the Staff or a formal review by the Commission.

RIDER C
EXPERIMENTAL WEATHER NORAMALIZATION ADJUSTMENT RIDER
FOR GENERAL SERVICE CUSTOMERS

(continued)

After three years, the Company may again analyze the customer's Net Winter Usage to determine if the nature of the customer's usage has changed and has become reasonably correlated with weather. If it is determined that the customer's Net Winter Usage is correlated with weather, the application of the WNA Rider will be reinstated. Such analysis may be initiated at the request of the customer or initiated by the Company without the customer's request. A customer that disputes the results of the Company's analysis, may request an informal review by the Staff or a formal review by the Commission.

BILLING

This Rider will be billed commencing with billing cycle ten (10) in November and continuing for a total of six (6) billing cycles for each customer.

FILING WITH THE COMMISSION

For the rate schedules covered by this Rider, within 5 days after the end of each calendar month, VNG will file a table with percent deviations in heating in heating degree days.

RIDER D

REVENUE NORMALIZATION ADJUSTMENT RIDER

I. APPLICABILITY

The Revenue Normalization Adjustment (RNA) shall apply to all customers served under Rate Schedule 1, (Residential Firm Gas Sales Service) or Rate Schedule 3 (Residential Air Conditioning Firm Gas Sales Service).

II. TERMINOLOGY

1. Revenue Normalization Adjustment Factor (RNAF) = the factor applied to the applicable usage to compute the Revenue Normalization Adjustment.
2. Customer Count (CC) = the number of customers served during the month.
3. Monthly Normalized Use per Customer (MNUC) = the applicable month's normalized average per customer as used in Case Nos. PUE-2005-00057 and PUE-2005-00062.

Month	Monthly Normalized Use per Customer MNUC Rate Schedule 1 MCF	Monthly Normalized Use per Customer MNUC Rate Schedule 3 MCF
January	14.56	14.56
February	11.72	11.72
March	7.71	7.71
April	5.34	5.34
May	2.55	-1.34
June	1.32	3.06
July	1.14	3.86
August	1.18	5.25
September	1.47	4.78
October	2.56	2.56
November	5.45	5.45
December	11.66	11.66

Virginia Natural Gas

4. Monthly Normalized Revenue per Customer (MNRC) = the applicable month's normalized non-gas average revenue per customer under the rates approved to remain in effect in Case Nos. PUE-2005-00057 and PUE-2005-00062.

Month	Monthly Normalized Non-Gas Revenue Per Customer MNRC Rate Schedule 1	Monthly Normalized Non-Gas Revenue Per Customer MNRC Rate Schedule 3
January	\$48.08	\$48.08
February	38.68	38.68
March	25.44	25.44
April	17.65	17.65
May	8.42	(2.78)
June	4.38	6.38
July	3.78	8.03
August	3.89	10.93
September	4.86	9.94
October	8.45	8.45
November	18.02	18.02
December	<u>38.49</u>	<u>38.49</u>
Annual Allowed Revenue per Customer	\$ 223.68	213.73

5. Monthly Normalized Revenues (MNR) = the applicable month's Monthly Normalized Revenue per Customer (MNRC) multiplied by the applicable month's Customer Count (CC).
6. Monthly Booked Revenues (MBR) = non-gas revenue for the month as recorded on the Company's books for the Rate Schedule to which the Revenue Normalization Adjustment (RNA) applies excluding the revenue resulting from the application of the RNA Factor.
7. Monthly Revenue Deficiency/ (Excess) = the applicable Monthly Normalized Revenue (MNR) less the applicable Monthly Booked Revenue (MBR).
8. Prior Month's True-Up (PMT) = the residual balance in the Revenue Deficiency/ (Excess) Tracking Account before the current month's Revenue Deficiency/ (Excess) is recorded.
9. Revenue Normalization Adjustment Volumes (RNAV) = current month's Customer Count (CC) multiplied by the Monthly Normalized Use per Customer (MNUC) for the second succeeding month following the month for which the Revenue Deficiency/ (Excess) is computed.
10. Allowed distribution revenue (ADR) = the average annual, weather-normalized, non-gas commodity revenue per customer for the Rate Schedule multiplied by the average number of customers served under the Rate Schedule during the year.

III. COMPUTATION OF THE REVENUE NORMALIZATION ADJUSTMENT

Once the Company's books have been closed for the month, a calculation shall be made that determines the level by which the Monthly Normalized Revenues (MNR) differed from the Monthly Booked Revenues (MBR) by multiplying the Monthly Normalized Revenue per Customer (MNRC) by the Customer Count (CC) for the applicable month and subtracting the applicable Monthly Booked Revenues (MBR).

$$\text{Monthly Revenue Deficiency/ (Excess)} = [(MNRC) \times (CC)] - MBR$$

The RNA Factor is computed by dividing the sum of the Monthly Revenue Deficiency/ (Excess) and Prior Month's True-Up (PMT) by the applicable RNA volumes (RNAV).

$$\text{RNA Factor} = \frac{\text{Monthly Revenue Deficiency/ (Excess)} + \text{PMT}}{\text{RNAV}}$$

The RNA may not exceed \$0.07 per Ccf in any one month.

IV. BILLING

The RNA Factor as computed above shall be applied to usage beginning with the first bill cycle of the second succeeding month following the month for which the Revenue Deficiency/ (Excess) is computed.

RNA Factor Computed from the Revenue Deficiency/ (Excess) for the Month of	RNA Factor Effective First Billing Cycle of
January	March
February	April
March	May
April	June
May	July
June	August
July	September
August	October
September	November
October	December
November	January
December	February

V. TRACKING THE OPERATION AND IMPLEMENTATION OF THE RNA

The Company shall maintain a Revenue Deficiency/ (Excess) Tracking account for each applicable rate schedule to track the Revenue Deficiency/ (Excess) balance, and the revenue resulting from the application of the RNA Factor, and the remaining un-recovered or un-refunded Revenue Deficiency/ (Excess) balance.

Each month, the Company will debit the account for the Revenue Deficiency or credit the account for the Revenue Excess, as applicable. The Company shall also credit the account for revenue resulting from application of a positive RNA Factor and debit the account for the application of a negative RNA Factor.

Virginia Natural Gas

The balance remaining at the end of the month after the revenue from the application of the RNA Factor has been recorded, but before the Revenue Deficiency or Excess is recorded, shall be the Prior Month's True-Up (PMT) used in the computation of the RNA Factor as provided above.

At the end of each year, the average number of customers will be computed and multiplied by the Annual Allowed Normalized Revenue per Customer to determine the ADR. The MNRCs for each of the twelve months will be totaled and subtracted from the ADR to determine the annual true-up adjustment. If the adjustment is positive, it will be debited to the tracking account; it will be credited to the account if it is negative. The annual true-up adjustment will be included with the PMT in the computation of the RNA effective for February.

Schedule 1
RESIDENTIAL FIRM GAS SALES SERVICE

I. APPLICABILITY

This schedule is applicable to firm gas service to all individually metered single family residences within the area served with gas by Virginia Natural Gas.

II. RATE

The applicable Customer Charge and per Ccf rates set forth in the current Schedule of Rates and Charges.

III. METER READING AND BILLING

A. Meters may be read in units of 2 Ccf and bills rendered accordingly.

B. VNG shall have the option of reading meters monthly or bimonthly. When the meter is read at other than monthly intervals, VNG may render an interim monthly bill based upon estimated Ccf use during periods for which the meter was not read.

C. When bills are calculated for a bimonthly period, the Customer Charge and the number of Ccf in each rate block shown on the Schedule of Rates and Charges will be multiplied by two.

IV. QUARTERLY BILLING FACTOR

Section XX - Quarterly Billing Factor of the Terms and Conditions for Supplying Gas is applicable to all gas used under this schedule.

V. WEATHER NORMALIZATION ADJUSTMENT

Rider B – Weather Normalization Adjustment of the Terms and Conditions for Supplying Gas is applicable to this schedule.

VI. REVENUE NORMALIZATION ADJUSTMENT RIDER

Rider D – Revenue Normalization Adjustment of the Terms and Conditions for Supplying Gas is applicable to this schedule.

(continued)

V. TERM OF CONTRACT
Open order.

Schedule 2
GENERAL FIRM GAS SALES SERVICE

I. APPLICABILITY

This schedule is applicable to any customer desiring service hereunder, except those who qualify for service under Schedule 1, within the area served with gas by Virginia Natural Gas.

II. RATE

The applicable Customer Charge and per Ccf rates set forth in the current Schedule of Rates and Charges.

III. METER READING AND BILLING

A. Meters may be read in units of 2 Ccf and bills rendered accordingly.

B. VNG shall have the option of reading meters monthly or bimonthly. When the meter is read at other than monthly intervals, VNG may render an interim monthly bill based upon estimated Ccf use during periods for which the meter was not read.

C. When bills are calculated for a bimonthly period, the Customer Charge and the number of Ccf in each rate block shown on the Schedule of Rates and Charges will be multiplied by two.

IV. QUARTERLY BILLING FACTOR

Section XX - Quarterly Billing Factor of the Terms and Conditions for Supplying Gas is applicable to all gas used under this schedule.

V. EXPERIMENTAL WEATHER NORMALIZATION ADJUSTMENT RIDER FOR GENERAL SERVICE CUSTOMERS

Rider C – Experimental Weather Normalization Adjustment of the Terms and Conditions for Supplying Gas is applicable to this schedule.

VI. TERM OF CONTRACT

Except as modified by Rider "A", the term of any contract for service under this schedule shall be open order except that VNG may require a minimum term of not less than one year for all connected loads (B.T.U. input rating) of 275,000 B.T.U. per hour or more.

Filed: 09-08-2007 Superseding Filing 10-15-04 Effective for the Billing Month of November 2004
Beginning with Billing Cycle 10 through the Billing month of May 2006 ending with
Billing Cycle 9
This Filing Effective beginning with Billing Cycle 10, November 2006

Schedule 3
RESIDENTIAL AIR CONDITIONING FIRM GAS SALES SERVICE

I. APPLICABILITY

This schedule is applicable for any use within the area served with gas by Virginia Natural Gas, at locations where service and line capacity are available, by any individually metered single family residences who has installed and regularly operates a gas-fired central air conditioning system serving the entire premises.

II. AVAILABILITY

Service under this schedule is available during the billing months of May through September of each year. No gas may be billed on this schedule during the periods excluded by the foregoing. Customers purchasing gas during other periods shall be billed in accordance with Schedule 1 - Residential Firm Gas Sales Service.

III. RATE

The applicable Customer Charge and per Ccf rates set forth in the current Schedule of Rates and Charges.

IV. METER READING AND BILLING

A. Meters may be read in units of 2 Ccf and bills rendered accordingly.

B. VNG shall have the option of reading meters monthly or bimonthly. When the meter is read at other than monthly intervals, VNG may render an interim monthly bill based upon estimated Ccf use during periods for which the meter was not read.

C. When bills are calculated for a bimonthly period, the Customer Charge and the number of Ccf in each rate block shown on the Schedule of Rates and Charges will be multiplied by two.

(Continued)

Schedule 3

Filed: 09-08-2007 Superseding Filing 10-15-04 Effective for the Billing Month of November 2004
Beginning with Billing Cycle 10 through the Billing month of May 2006 ending with
Billing Cycle 9
This Filing Effective beginning with Billing Cycle 10, November 2006

RESIDENTIAL AIR CONDITIONING FIRM GAS SALES SERVICE

V. QUARTERLY BILLING FACTOR

Section XX - Quarterly Billing Factor of the Terms and Conditions for Supplying Gas is applicable to all gas used under this schedule.

VI. WEATHER NORMALIZATION ADJUSTMENT

Rider B – Weather Normalization Adjustment of the Terms and Conditions for Supplying Gas is applicable to this schedule.

VI. REVENUE NORMALIZATION ADJUSTMENT

Rider D – Revenue Normalization Adjustment of the Terms and Conditions for Supplying Gas is applicable to this schedule.

VII. TERM OF CONTRACT

The term of contract for service under this schedule shall be such as may be mutually agreed upon, but not less than one year.

Schedule 4
GENERAL AIR CONDITIONING FIRM GAS SALES SERVICE

I. APPLICABILITY

This schedule is applicable for any use within the area served with gas by Virginia Natural Gas, at locations where service and line capacity are available, by any customer who has installed and regularly operates a gas-fired central air conditioning system serving the entire premises, except for those customers who qualify for service under Schedule 3.

II. AVAILABILITY

Service under this schedule is available during the billing months of May through September of each year. No gas may be billed on this schedule during the periods excluded by the foregoing. Customers purchasing gas during other periods shall be billed in accordance with Schedule 2 - General Firm Gas Sales Service.

III. RATE

The applicable Customer Charge and per Ccf rates set forth in the current Schedule of Rates and Charges.

IV. METER READING AND BILLING

A. Meters may be read in units of 2 Ccf and bills rendered accordingly.

B. VNG shall have the option of reading meters monthly or bimonthly. When the meter is read at other than monthly intervals, VNG may render an interim monthly bill based upon estimated Ccf use during periods for which the meter was not read.

C. When bills are calculated for a bimonthly period, the Customer Charge and the number of Ccf in each rate block shown on the Schedule of Rates and Charges will be multiplied by two.

(Continued)

Schedule 4

Filed: 09-08-2007 Superseding Filing 10-15-04 Effective for the Billing Month of November 2004
Beginning with Billing Cycle 10 through the Billing month of May 2006 ending with
Billing Cycle 9
This Filing Effective beginning with Billing Cycle 10, November 2006

GENERAL AIR CONDITIONING FIRM GAS SALES SERVICE

V. QUARTERLY BILLING FACTOR

Section XX - Quarterly Billing Factor of the Terms and Conditions for Supplying Gas is applicable to all gas used under this schedule.

VI. EXPERIMENTAL WEATHER NORMALIZATION ADJUSTMENT

Rider B – Experimental Weather Normalization Adjustment of the Terms and Conditions for Supplying Gas is applicable to this schedule.

VII. TERM OF CONTRACT

The term of contract for service under this schedule shall be such as may be mutually agreed upon, but not less than one year.

Schedule 5
GAS LIGHT FIRM GAS SALES SERVICE

I. APPLICABILITY

This schedule is applicable within the areas served with gas by Virginia Natural Gas.

Gas supplied under this schedule is solely for use with a gas lighting installation and shall not be used for any other purpose.

II. NET FLAT CHARGE

The applicable charge set forth in the current Schedule of Rates and Charges.

III. QUARTERLY BILLING FACTOR

Section XX - Quarterly Billing Factor of the Terms and Conditions for Supplying Gas is applicable to 18 Ccf per port per month of gas used under this schedule.

IV. TERMS AND CONDITIONS

The gas lighting installation is to be furnished, maintained and operated by the Customer and will remain the property of the Customer. The type of equipment is subject to approval by VNG and the installation shall be in accordance with VNG's standards. The Customer will equip each fixture with an appliance-type, low-pressure gas regulator and a shut-off valve installed in such a manner that the shut-off valve is easily accessible for servicing the fixture.

VNG shall not be obligated to construct or own an facilities beyond the property line of the Customer.

V. TERM OF CONTRACT

Open order.

Schedule 6
HIGH LOAD FACTOR FIRM GAS DELIVERY SERVICE

I. APPLICABILITY

This schedule shall be available to any firm customer with potential annual usage in excess of 12,000 Mcf with an annual load factor of 70% or higher located on VNG's distribution system for the sale or transportation of gas by VNG and delivery of same to Customer:

A. To the extent VNG has adequate facilities available for transporting and delivering such volumes of gas.

B. When VNG and Customer have executed a Service Agreement wherein VNG agrees to transport and deliver volumes of gas received for the Customer and to provide optional standby firm sales service as specified therein.

C. When natural gas to be transported by VNG pursuant to this schedule shall be delivered into VNG's facilities by the Customer or others at a pressure equal to the pressure in VNG's system at the point of delivery.

II. CHARGES

A. The applicable Customer Charge set forth in the current Schedule of Rates and Charges; plus,

B. A Demand Charge per Ccf set forth in the current Schedule of Rates and Charges, multiplied by Customer's current Demand Volume as established in Section III. Determination of Demand Volume of this rate schedule; plus,

C. Capacity Charge per Ccf set forth in the current Schedule of Rates and Charges, multiplied by Customer's current Capacity Volume as established in Section IV. Determination of Capacity Volume of this rate schedule; plus,

Schedule 6
HIGH LOAD FACTOR FIRM GAS DELIVERY SERVICE
(Continued)

II. CHARGES

D. A Delivery Charge per Ccf of gas delivered hereunder set forth in the current Schedule of Rates and Charges, for all volumes delivered as established in Section V. Determination of Volume Delivered of this rate schedule; plus,

E. Commodity Charge

1. A daily imbalance volume shall be calculated equal to Customer's metered volume reduced by 97.9% of the volume received by VNG on behalf of Customer. For days on which service is available to VNG customers served under Rate Schedule 8, any positive imbalance shall be reduced by any prior negative imbalance and any subsequent net negative imbalance during the same billing month. For days on which service is not available to customers served under Rate Schedule 8, any positive imbalance in excess of Customer's Demand Volume shall be deemed an unauthorized overtake of gas.

2. Customer shall pay the Commodity Charge and the Delivery Charge set forth in the Schedule of Rates and Charges for any positive imbalance at the end of each billing month. In addition, Customer shall pay a penalty of \$2.50 per Ccf for any daily unauthorized overtake of gas.

III. DETERMINATION OF DEMAND VOLUME

A. The Demand Volume for standby firm gas sales service shall be established in accordance with III.C or III.D or III.E below, effective with the first billing month following the date of execution of a service agreement for service under this rate schedule.

B. Winter Months are January, February, March, November and December.

Schedule 6
HIGH LOAD FACTOR FIRM GAS DELIVERY SERVICE

(Continued)

III. DETERMINATION OF DEMAND VOLUME

C. The Demand Volume shall be the highest daily metered usage during the most recent five Winter Months.

D. In the event that daily measurement records are not available, the Demand Volume shall be calculated as the highest monthly metered Ccf usage under VNG's rate schedules during the most recent five Winter Months, divided by a factor of 30.2, rounded to the nearest Ccf.

E. In the event a customer has no usage under a firm rate schedule during the five most recent Winter Months, the Demand Volume shall be the highest estimated monthly metered Ccf usage during the most recent five Winter Months divided by a factor of 30.2, but in any event shall not be an amount less than the product of the estimated annual usage multiplied by a factor of 0.0028, rounded to the nearest Ccf.

F. Customer may establish a Demand Volume applicable to standby firm gas sales service less than would be established pursuant to C., D. or E. above.

G. If Customer desires only firm transportation service without standby firm gas sales service, Customer may establish a zero Demand Volume.

H. If Customer selects either reduced Demand Volume pursuant to F. above or zero Demand Volume pursuant to F. above, VNG shall not be obligated to increase Customer's Demand Volume until twenty four months after the date of Customer's request for increased Demand Volume.

IV. DETERMINATION OF CAPACITY VOLUMES

A. The Capacity Volume shall be established in accordance with IV.C or IV.D below effective with the first billing month following the date of execution of a service agreement for service under this rate schedule.

B. Winter Months are January, February, March, November and December.

Filed 02-20-96

This Filing Effective For Usage On and After
April 1, 1995
Superseding Filing Effective For Usage On and
After April 1, 1995 SUBJECT TO REFUND

Schedule 6
HIGH LOAD FACTOR FIRM GAS DELIVERY SERVICE
(Continued)

C. The Capacity Volume shall be calculated as the total metered Ccf usage under VNG's rate schedules during the most recent five Winter Months divided by a factor of 5, rounded to the nearest Ccf.

D. In the event a customer has no usage under a firm rate schedule during the five most recent Winter Months, the Capacity Volume shall be the estimated average monthly metered Ccf usage during the most recent five Winter Months, but in any event shall not be an amount less than the product of the estimated annual usage multiplied by a factor of 0.0833.

E. If Customer's Demand Volume for standby gas sales service has been established pursuant to Paragraph III.F., then the Capacity Volume for standby firm gas sales service shall be the product of the Capacity Volume calculated in accordance with IV.C. or IV.D. multiplied by the ratio of the reduced Demand Volume calculated in accordance with III.F. to the Demand Volume calculated pursuant to III.C, III.D. or III.E.

F. If Customer's Demand Volume for standby gas sales service has been established as zero pursuant to III.G. above, then Customer's Capacity Volume for standby firm gas sales service shall be zero.

V. DETERMINATION OF VOLUME DELIVERED

The volume of gas that VNG shall be obligated to transport and deliver to Customer shall be 2.10% less than the volume received by VNG on behalf of Customer at VNG's point(s) of interconnection with pipeline suppliers to cover company use and unaccounted for gas.

Schedule 6
HIGH LOAD FACTOR FIRM GAS DELIVERY SERVICE

(Continued)

VI. BALANCING OF TRANSPORTATION VOLUMES

A. Customers will be responsible for managing and scheduling deliveries to VNG of transportation gas and shall make best efforts to maintain a zero transportation volume imbalance on a daily basis. If at the end of a billing period a transporting Customer's cumulative volume imbalance exceeds the lesser of 2½ percent of the sum of Customer's most recent calendar year metered consumption or 100,000 MCF, Customer may be notified by VNG to correct within 30 days any volume imbalance in excess of 2½ percent or 100,000 MCF. If the Customer does not have a history with 12 months metered consumption, VNG shall utilize estimated annual consumption in lieu thereof. In the event that after such 30 days the Customer has not corrected the excess volume imbalance, VNG may cease transporting gas for the Customer until the Customer's volume imbalance is eliminated. VNG shall not be obligated on any day to accept delivery of gas from, or on behalf of, Customer in excess of Customer's connected load.

B. 1. At the end of each billing period, each transportation Customer's cumulative volume imbalance will be calculated. The volume imbalance for the month and VNG's actual weighted average commodity cost of gas (WACCOG) value for such volume will be added to the weighted average inventory price in Customer's inventory account.

2. If at the end of a billing period a transporting Customer has consumed volumes in excess of its transported volumes and Customer has a balance in its inventory account, the excess consumed volumes will be deemed to have come first from Customer's inventory account. Customer's weighted average inventory price of the volumes consumed will be subtracted from VNG's actual WACCOG for the month. The resulting difference in price will be multiplied by the volume withdrawn from the inventory account and posted to the Customer's Difference Account.

Schedule 6
HIGH LOAD FACTOR FIRM GAS DELIVERY SERVICE
(Continued)

VI. BALANCING OF TRANSPORTATION VOLUMES

3. Any balance in Customer's Difference Account at the end of each March calculated after the end of Customer's March billing period will be shown as a credit on Customer's April bill (if negative) or as a charge to Customer (if positive).

C. Any volume imbalance, created by Customer during a period used by an upstream pipeline to determine a penalty assessed against VNG, shall be referred to as a penalty imbalance volume. Customer shall be subject to a penalty charge calculated by dividing Customer's penalty imbalance volume by the total system imbalance volume for the same period, and multiplying the quotient by the total dollar value of the penalty as assessed by the upstream pipeline.

VII. SCHEDULING

Six business days prior to the beginning of each month, Customer shall provide VNG in writing on forms provided by VNG a schedule of daily volumes to be delivered to VNG by, or on behalf of, Customer at each applicable delivery point on VNG's system during the following calendar month and a schedule of daily volumes, if any, to be delivered by VNG to Customer from its volume bank balance. If customer desires to revise the volumes previously scheduled, Customer must submit a written schedule of such revised volumes by 10:00 A.M. on the workday preceding the effective date of the revision. VNG shall not be obligated to accept or make deliveries in excess of volumes shown on each Customer's schedules.

VIII. TERM OF CONTRACT

The term of contract for service under this schedule shall be such as may be mutually agreed upon, but not less than one year.

Schedule 7
GENERAL FIRM GAS DELIVERY SERVICE

I. APPLICABILITY

This schedule shall be available to any firm customer with potential annual usage in excess of 2,000 Mcf located on VNG's distribution system for the sale and/or transportation of gas by VNG and delivery of same to Customer:

A. To the extent VNG has adequate facilities available for transporting and delivering such volumes of gas.

B. When VNG and Customer have executed a Service Agreement wherein VNG agrees to transport and deliver volumes of gas received for the Customer and to provide optional standby firm sales service as specified therein.

C. When natural gas to be transported by VNG pursuant to this schedule shall be delivered into VNG's facilities by the Customer or others at a pressure equal to the pressure in VNG's system at the point of delivery.

II. CHARGES

A. The applicable Customer Charge set forth in the current Schedule of Rates and Charges; plus,

B. A Demand Charge per Ccf set forth in the current Schedule of Rates and Charges, multiplied by Customer's current Demand Volume as established in Section III. Determination of Demand Volume of this rate schedule; plus,

C. Capacity Charge per Ccf set forth in the current Schedule of Rates and Charges, multiplied by Customer's current Capacity Volume as established in Section IV. Determination of Capacity Volume of this rate schedule; plus,

Schedule 7
GENERAL FIRM GAS DELIVERY SERVICE
(Continued)

II. CHARGES

D. A Delivery Charge per Ccf of gas delivered hereunder set forth in the current Schedule of Rates and Charges, for all volumes delivered as established in Section V. Determination of Volume Delivered of this rate schedule; plus,

E. Commodity Charge

1. A daily imbalance volume shall be calculated equal to Customer's metered volume reduced by 97.9% of the volume received by VNG on behalf of Customer. For days on which service is available to VNG customers served under Rate Schedule 8, any positive imbalance shall be reduced by any prior negative imbalance and any subsequent net negative imbalance during the same billing month. For days on which service is not available to customers served under Rate Schedule 8, any positive imbalance in excess of Customer's Demand Volume shall be deemed an unauthorized overtake of gas.

2. Customer shall pay the Commodity Charge and the Delivery Charge set forth in the Schedule of Rates and Charges for any positive imbalance at the end of each billing month. In addition, Customer shall pay a penalty of \$2.50 per Ccf for any daily unauthorized overtake of gas.

III. DETERMINATION OF DEMAND VOLUME

A. The Demand Volume for standby firm gas sales service shall be established in accordance with III.C or III.D or III.E below, effective with the first billing month following the date of execution of a service agreement for service under this rate schedule.

B. Winter Months are January, February, March, November and December.

Schedule 7
GENERAL FIRM GAS DELIVERY SERVICE
(Continued)

III. DETERMINATION OF DEMAND VOLUME

C. The Demand Volume shall be the highest daily metered usage during the most recent five Winter Months.

D. In the event that daily measurement records are not available, the Demand Volume shall be calculated as the highest monthly metered Ccf usage under VNG's rate schedules during the most recent five Winter Months, divided by a factor of 30.2, rounded to the nearest Ccf.

E. In the event a customer has no usage under a firm rate schedule during the five most recent Winter Months, the Demand Volume shall be the highest estimated monthly metered Ccf usage during the most recent five Winter Months divided by a factor of 30.2, but in any event shall not be an amount less than the product of the estimated annual usage multiplied by a factor of 0.0028, rounded to the nearest Ccf.

F. Customer may establish a Demand Volume applicable to standby firm gas sales service less than would be established pursuant to C., D. or E. above.

G. If Customer desires only firm transportation service without standby firm gas sales service, Customer may establish a zero Demand Volume.

H. If Customer selects either reduced Demand Volume pursuant to F. above or zero Demand Volume pursuant to G. above, VNG shall not be obligated to increase Customer's Demand Volume until twenty four months after the date of Customer's request for increased Demand Volume.

IV. DETERMINATION OF CAPACITY VOLUMES

A. The Capacity Volume shall be established in accordance with IV.C or IV.D below effective with the first billing month following the date of execution of a service agreement for service under this rate schedule.

B. Winter Months are January, February, March, November and December.

Schedule 7
GENERAL FIRM GAS DELIVERY SERVICE
(Continued)

C. The Capacity Volume shall be calculated as the total metered Ccf usage under VNG's rate schedules during the most recent five Winter Months divided by a factor of 5, rounded to the nearest Ccf.

D. In the event a customer has no usage under a firm rate schedule during the five most recent Winter Months, the Capacity Volume shall be the estimated average monthly metered Ccf usage during the most recent five Winter Months, but in any event shall not be an amount less than the product of the estimated annual usage multiplied by a factor of 0.0833.

E. If Customer's Demand Volume for standby gas sales service has been established pursuant to Paragraph III.F., then the Capacity Volume for standby firm gas sales service shall be the product of the Capacity Volume calculated in accordance with IV.C. or IV.D. multiplied by the ratio of the reduced Demand Volume calculated in accordance with III.F. to the Demand Volume calculated pursuant to III.C, III.D. or III.E.

F. If Customer's Demand Volume for standby gas sales service has been established as zero pursuant to III.G. above, then Customer's Capacity Volume for standby firm gas sales service shall be zero.

V. DETERMINATION OF VOLUME DELIVERED

The volume of gas that VNG shall be obligated to transport and deliver to Customer shall be 2.10% less than the volume received by VNG on behalf of Customer at VNG's point(s) of interconnection with pipeline suppliers to cover company use and unaccounted for gas.

Schedule 7
GENERAL FIRM GAS DELIVERY SERVICE
(Continued)

VI. BALANCING OF TRANSPORTATION VOLUMES

A. Customers will be responsible for managing and scheduling deliveries to VNG of transportation gas and shall make best efforts to maintain a zero transportation volume imbalance on a daily basis. If at the end of a billing period a transporting Customer's cumulative volume imbalance exceeds the lesser of 2½ percent of the sum of Customer's most recent calendar year metered consumption or 100,000 MCF, Customer may be notified by VNG to correct within 30 days any volume imbalance in excess of 2½ percent or 100,000 MCF. If the Customer does not have a history with 12 months metered consumption, VNG shall utilize estimated annual consumption in lieu thereof. In the event that after such 30 days the Customer has not corrected the excess volume imbalance, VNG may cease transporting gas for the Customer until the Customer's volume imbalance is eliminated. VNG shall not be obligated on any day to accept delivery of gas from, or on behalf of, Customer in excess of Customer's connected load.

B. 1. At the end of each billing period, each transportation Customer's cumulative volume imbalance will be calculated. The volume imbalance for the month and VNG's actual weighted average commodity cost of gas (WACCOG) value for such volume will be added to the weighted average inventory price in Customer's inventory account.

2. If at the end of a billing period a transporting Customer has consumed volumes in excess of its transported volumes and Customer has a balance in its inventory account, the excess consumed volumes will be deemed to have come first from Customer's inventory account. Customer's weighted average inventory price of the volumes consumed will be subtracted from VNG's actual WACCOG for the month. The resulting difference in price will be multiplied by the volume withdrawn from the inventory account and posted to the Customer's Difference Account.

Schedule 7
GENERAL FIRM GAS DELIVERY SERVICE
(Continued)

VI. BALANCING OF TRANSPORTATION VOLUMES

3. Any balance in Customer's Difference Account at the end of each March calculated after the end of Customer's March billing period will be shown as a credit on Customer's April bill (if negative) or as a charge to Customer (if positive).

C. Any volume imbalance, created by Customer during a period used by an upstream pipeline to determine a penalty assessed against VNG, shall be referred to as a penalty imbalance volume. Customer shall be subject to a penalty charge calculated by dividing Customer's penalty imbalance volume by the total system imbalance volume for the same period, and multiplying the quotient by the total dollar value of the penalty as assessed by the upstream pipeline.

VII. SCHEDULING

Six business days prior to the beginning of each month, Customer shall provide VNG in writing on forms provided by VNG a schedule of daily volumes to be delivered to VNG by, or on behalf of, Customer at each applicable delivery point on VNG's system during the following calendar month and a schedule of daily volumes, if any, to be delivered by VNG to Customer from its volume bank balance. If customer desires to revise the volumes previously scheduled, Customer must submit a written schedule of such revised volumes by 10:00 A.M. on the workday preceding the effective date of the revision. VNG shall not be obligated to accept or make deliveries in excess of volumes shown on each Customer's schedules.

VIII. TERM OF CONTRACT

The term of contract for service under this schedule shall be such as may be mutually agreed upon, but not less than one year.

Schedule 8
INTERRUPTIBLE GAS SALES SERVICE

I. APPLICABILITY

- A. This schedule is applicable to interruptible gas sales service by Virginia Natural Gas within its service area at locations where service and line capacity are available, to any customer who contracts for gas supply on this schedule in accordance with VNG's filed Terms and Conditions.
- B. This schedule is available only to Customers with an alternate fuel supply of propane, No. 2 fuel oil, No. 4 fuel oil or No. 6 fuel oil.

II. RATE

- A. The applicable Customer Charge set forth in the current Schedule of Rates and Charges; plus,
- B. Rates established monthly by VNG and filed with the Commission:
 - 1. In excess of VNG's monthly estimated weighted average commodity cost of gas, plus unaccounted for and all applicable taxes; but,
 - 2.a. Not higher than VNG's current commodity charge in Rate Schedule 6, plus the current demand charges divided by 0.7, plus the current capacity charge multiplied by 1.4, plus the delivery charge, and other applicable charges and taxes.
 - 2.b. Rates established within the limitations specified above shall not exceed 115% of recent equivalent alternative fuel prices for VNG's service area as reported in the Journal of Commerce and Commercial News, the Butane-Propane News or comparable publication, when such rates exceed by more than 15 cents the floor determined under Section II.B.1. Such rates shall be made available promptly upon request to customers served on this schedule. In addition, VNG shall file such rates with the Commission prior to the beginning of the billing month during which such rates shall be applicable.

(Continued)

Schedule 8
INTERRUPTIBLE GAS SALES SERVICE

II. RATE

- C. The rates established in B. above may be different for Customers with an alternate fuel supply of propane, No. 4 fuel oil, No. 2 fuel oil, No. 6 fuel oil with potential annual usage not greater than 50,000 Mcf, No. 6 fuel oil with potential annual usage of 50,000 to 1,000,000 Mcf, and No. 6 oil with potential annual usage in excess of 1,000,000 Mcf.

III. MONTHLY MINIMUM CHARGE

The monthly minimum charge shall be such as may be contracted for, but not less than the customer charge.

IV. CHARACTER OF SERVICE

- A. VNG will install, maintain and operate the necessary equipment to determine the volume of the gas delivered to the customer, and the day and hours of such delivery.
- B. VNG reserves the right to discontinue the supply of gas on one hour's oral or written notice and to interrupt such supply of gas at any time, temporarily or permanently, whenever VNG shall deem it necessary to do so. The Customer agrees to discontinue the use of gas in compliance with such notice. Service shall be interrupted on the basis of the rate charged under Section II of Rate Schedules 8 and 9 so that service to customers receiving gas at the lowest rate will be interrupted before service to customers receiving service at a higher rate.
- C. If, after notice of interruption as provided in B., the Customer fails to comply with such notice, the Customer may be subject to a penalty charge of the greater of the per Mcf charges incurred by VNG or Fifteen Dollars (\$15.00) per Mcf for each Mcf consumed by the Customer during any period of interruption. This penalty charge shall be in addition to other charges in this schedule.

Schedule 8
INTERRUPTIBLE GAS SALES SERVICE

IV. CHARACTER OF SERVICE

- D. It shall be the Customer's responsibility to provide any necessary stand-by equipment or facilities, fully capable of meeting his needs throughout any period during which the supply of gas furnished by VNG is interrupted pursuant to the terms of this schedule, which facilities shall include an adequate supply of fuel for the operation thereof.
- E. Gas purchased on this schedule shall be separately metered and not used interchangeably with firm gas purchased on any other schedule.
- F. Pilot light service may be furnished under a general service schedule for interruptible customers who do not have an alternate means of ignition. Customers shall pay the entire cost of installation.
- G. The maximum quantity of gas purchased in any day shall be specified by contract and may be increased only by the execution of a new contract. A day shall be a period of time beginning at 10:00 a.m. Eastern Clock Time and ending at 10:00 a.m. on the next succeeding day.

V. TERM OF CONTRACT

The term of contract for service under this schedule shall be such as may be mutually agreed upon.

Schedule 9
INTERRUPTIBLE GAS DELIVERY SERVICE

I. APPLICABILITY

A. This schedule shall be available for the transportation of Customer's gas on VNG's distribution system and delivery of same to Customer:

1. To the extent VNG has adequate facilities available for transporting and delivering such volumes of gas.

2. When VNG has executed a Service Agreement with the Customer wherein VNG agrees to deliver volumes of gas received for the Customer and provide balancing service as specified therein.

3. When natural gas to be transported by VNG pursuant to this schedule shall be delivered into VNG's facilities by the Customer or others at a pressure equal to the pressure in VNG's system at the point of delivery.

4. When Rate Schedule 8 would be applicable to interruptible gas sales service to the customer's facilities to which gas is delivered under this rate schedule.

B. This schedule shall not be available to customers who have a contract with VNG for firm gas service.

II. RATE

A. Customers with a potential annual usage in excess of 1,000,000 Mcfs shall be charged the Customer Charge and shall be charged for gas transported on behalf of the customer as determined in III. below, at a rate as set forth in the current Schedule of Rates and Charges.

Schedule 9
INTERRUPTIBLE GAS DELIVERY SERVICE
(continued)

II. RATE

- B. Customers with potential annual usage of 50,000 to 1,000,000 Mcfs shall be charged the Customer Charge and shall be charged for gas transported on behalf of the Customer as determined in III. below, at a rate as set forth in the current Schedule of Rates and Charges.
- C. Customers with potential annual usage not greater than 50,000 Mcfs shall be charged the Customer Charge and shall be charged for gas transported on behalf of the Customer as determined in III. below, at a rate as set forth in the current Schedule of Rates and Charges which relate to this rate schedule.

III. DETERMINATION OF VOLUME DELIVERED

- A. The volume of gas transported in the current billing period to the Customer pursuant to this schedule shall be 2.10% less than the volume received by VNG on behalf of Customer at VNG's point(s) of interconnection with pipeline suppliers to cover company use and unaccounted for gas.
- B. The Customer's metered consumption in each billing period shall be reduced by the adjusted volume transported in A. above.
- C. If the volume imbalance in B. above is an amount greater than zero, then the volume cumulative imbalance from prior billing months shall be subtracted therefrom to determine a supply deficiency. If the supply deficiency is greater than zero, the Customer shall pay for such gas at the commodity rate set forth in the current Schedule of Rates and Charges. Any volumes used from the prior period cumulative imbalance as a credit to current period metered consumption shall also be subtracted from the prior cumulative imbalance to compute the current period cumulative imbalance.

Schedule 9
INTERRUPTIBLE GAS DELIVERY SERVICE
(continued)

III. DETERMINATION OF VOLUME DELIVERED

D.If the volume imbalance in B. above is an amount less than zero the absolute value of such volume imbalance shall be referred to as the current period volume imbalance, and shall be added to the Customer's cumulative volume imbalance from prior billing periods.

Customer's ability to withdraw the volume imbalances from Customer's inventory account shall be subject to interruption on a daily basis. VNG will allow customer to use its volume imbalance to balance daily during periods of economic curtailment of VNG's interruptible sales service as long as Customer demonstrates a best efforts to meet its daily consumption with its transportation volumes.

IV. BALANCING OF TRANSPORTATION VOLUMES

A.Customers will be responsible for managing and scheduling deliveries to VNG of transportation gas and shall make best efforts to maintain a zero transportation volume imbalance on a daily basis. If at the end of a billing period a transporting Customer's cumulative volume imbalance exceeds the lesser of 2½ percent of the sum of Customer's most recent calendar year metered consumption or 100,000 Mcf, Customer may be notified by VNG to correct within 30 days any volume imbalance in excess of 2½ percent or 100,000 Mcf. If the Customer does not have a history with 12 months metered consumption, VNG shall utilize estimated annual consumption in lieu thereof. In the event that after such 30 days the Customer has not corrected the excess volume imbalance, VNG may cease transporting gas for the Customer until the Customer's volume imbalance is eliminated. VNG shall not be obligated on any day to accept delivery of gas from, or on behalf of, Customer in excess of Customer's connected load.

B.1.At the end of each billing period, each transportation Customer's cumulative volume imbalance will be calculated. The volume imbalance for the month and VNG's actual weighted average commodity cost of gas (WACCOG) value for such volume will be added to the weighted average inventory price in Customer's inventory account.

Schedule 9
INTERRUPTIBLE GAS DELIVERY SERVICE
(continued)

IV. BALANCING OF TRANSPORTATION VOLUMES

B.2.If at the end of a billing period a transporting Customer has consumed volumes in excess of its transported volumes and Customer has a balance in its inventory account, the excess consumed volumes will be deemed to have come first from Customer's inventory account. Customer's weighted average inventory price of the volumes consumed will be subtracted from VNG's actual WACCOG for the month. The resulting difference in price will be multiplied by the volume withdrawn from the inventory account and posted to the Customer's Difference Account.

3.Any balance in Customer's Difference Account at the end of each March calculated after the end of Customer's March billing period will be shown as a credit on Customer's April bill (if negative) or as a charge to Customer (if positive).

C.Any volume imbalance, created by Customer during a period used by an upstream pipeline to determine a penalty assessed against VNG, shall be referred to as a penalty imbalance volume. Customer shall be subject to a penalty charge calculated by dividing Customer's penalty imbalance volume by the total system imbalance volume for the same period, and multiplying the quotient by the total dollar value of the penalty as assessed by the upstream pipeline.

Schedule 9
INTERRUPTIBLE GAS DELIVERY SERVICE
(continued)

V. SCHEDULING

Six business days prior to the beginning of each month, Customer shall provide VNG in writing on forms provided by VNG a schedule of daily volumes to be delivered to VNG by, or on behalf of, Customer at each applicable delivery point on VNG's system during the following calendar month and a schedule of daily volumes, if any, to be delivered by VNG to Customer from its volume bank balance. If customer desires to revise the volumes previously scheduled, Customer must submit a written schedule of such revised volumes by 10:00 A.M. on the workday preceding the effective date of the revision. VNG shall not be obligated to accept or make deliveries in excess of volumes shown on each Customer's schedules.

VI. MONTHLY MINIMUM CHARGE

The monthly minimum charge shall be such as may be contracted for, but not less than the Customer Charge.

VII. CHARACTER OF SERVICE

- A. VNG will install, maintain and operate the necessary equipment to determine the volume of the gas delivered to the customer, and the day and hours of such delivery.
- B. VNG reserves the right to discontinue the supply of gas on one hour's oral or written notice and to interrupt such supply of gas at any time, temporarily or permanently, whenever VNG shall deem it necessary to do so. The Customer agrees to discontinue the use of gas in compliance with such notice. Service shall be interrupted on the basis of the rate charged under Section II of Rate Schedules 8 and 9 so that service to customers receiving gas at the lowest rate will be interrupted before service to customers receiving service at a higher rate.

Virginia Natural Gas

Schedule 9
INTERRUPTIBLE GAS DELIVERY SERVICE
(continued)

VII. CHARACTER OF SERVICE

- C. VNG will continue to transport Customer's gas during the period of interruption of sales service to the extent there is no adverse effect on service to firm customers or the integrity of VNG's distribution system.
- D. If, after notice of interruption as provided in B., the Customer fails to comply with such notice, the Customer may be subject to a penalty charge of the greater of the per Mcf charges incurred by VNG or Fifteen Dollars (\$15.00) per Mcf for each Mcf consumed by the Customer during any period of interruption. This penalty charge shall be in addition to other charges in this schedule.
- E.. It shall be the Customer's responsibility to provide any necessary stand-by equipment or facilities, fully capable of meeting his needs throughout any period during which the supply of gas furnished by VNG is interrupted pursuant to the terms of this schedule, which facilities shall include an adequate supply of fuel for the operation thereof.
- F. Gas purchased on this schedule shall be separately metered and not used interchangeably with firm gas purchased on any other schedule.
- G. Pilot light service may be furnished under a general service schedule for interruptible customers who do not have an alternate means of ignition. Customers shall pay the entire cost of installation.
- H. The maximum quantity of gas purchased in any day shall be specified by contract and may be increased only by the execution of a new contract. A day shall be a period of time beginning at 10:00 a.m. Eastern Clock Time and ending at 10:00 a.m. on the next succeeding day.

VIII. TERM OF CONTRACT

The term of contract for service under this schedule shall be such as may be mutually agreed upon.

Virginia Natural Gas

Schedule 10 **OPTIONAL GAS SUPPLY SERVICE**

I. APPLICABILITY

A.This schedule is available to any customer and any gas distribution company or transmission company within the Commonwealth of Virginia for the gasification of propane into propane-air by VNG when gasification and pipeline capacity exists for displacement of gas to the customer.

B.This schedule is available to any customer of VNG who has executed a Service Agreement applicable to Section III., IV. or V. below.

II. RATE

The applicable charge for service under this schedule in section III. set forth in the current Schedule of Rates and Charges and the applicable charge for commodity costs set forth in sections IV. or V. below.

III. GASIFICATION OF PROPANE

A.VNG operates two propane-air facilities available for the gasification of propane:

1.Facility located on Military Highway, Chesapeake, Virginia (Facility No. 1) and

2.Facility located at Route 60 and Dow Badische, James City County, Virginia (Facility No. 2)

B.Conditions of Service include the following:

1.Customer shall supply propane that meets the most current Gas Processors Association (GPA) specifications for HD-5 Propane. Company shall receive customer's certification of propane specifications before any delivery will be accepted.

Filed 08-30-91

This Filing Effective For Usage On
and After September 1, 1990
Superseding Filing Effective For Usage
On And After September 1, 1990
SUBJECT TO REFUND

Schedule 10
OPTIONAL GAS SUPPLY SERVICE

III. GASIFICATION OF PROPANE (continued)

B. Conditions of Service include the following:

2. Each customer shall deliver at least 5000 gallons of propane, at any one time, to the gasification facility designated by VNG. A bill of lading shall accompany each delivery.
3. Customer shall be responsible for any demurrage charges that may be levied on the delivery of propane to VNG's gasification facility.
4. Each customer shall own the propane held in storage for such customer. Customer shall provide insurance against loss or damage thereto. Customer, or its supplier, shall provide insurance against liability for any damage, contamination or loss that may result from any loading, unloading, or storage of the propane.
5. No gas shall be supplied customer under this Schedule No. 10 until its propane is delivered to the designated gasification facility and VNG has notified customer that gas is available under this schedule.
6. VNG shall use its best efforts to deliver to customer in a timely manner gas under this schedule. VNG may satisfy its own requirements as to the use of its gasification facility before gasifying propane for customer under this schedule.

IV. GASIFICATION AND SALE OF PROPANE

VNG may, subject to the requirements of firm customers, offer supplies of propane inventory to Customers at a rate equal to VNG's current propane inventory costs or the replacement cost of propane, plus the gasification charge in this schedule.

V. OPTIONAL SUPPLY IN LIEU OF INTERRUPTION

In the event that a short-term gas purchase is available to VNG at a price higher than the currently estimated weighted average commodity cost of gas and VNG elects not to purchase such gas for its system supply, VNG may offer such gas to Customer. VNG shall notify

Schedule 10

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OPTIONAL GAS SUPPLY SERVICE

(continued)

V. OPTIONAL SUPPLY IN LIEU OF INTERRUPTION

Customer of the availability, rate and other terms and conditions for sale of such gas to Customer. The rate for such service to Customer shall be the cost of gas to VNG plus the margin filed with the Commission pursuant to Schedule 8 for the month during which such service is provided. The margin as used herein shall be the difference between the rate established for Schedule 8 and VNG's weighted average commodity cost of gas filed with the Commission pursuant to Schedule 8 for the month during which such service is provided. Upon agreement between VNG and Customer on a rate and other terms and conditions, VNG may sell such gas to Customer. Gas purchased for sale hereunder shall not be included in the calculation of the Actual Cost Adjustment of the QBF for any quarter.

VI. TERM OF CONTRACT

The term of contract for service under this schedule shall be such as may be mutually agreed upon.

RATE SCHEDULE 11
FIRM COMPRESSED NGV SERVICE

I. APPLICABILITY

This rate schedule is applicable to fueling vehicles with compressed natural gas provided by VNG to Customer:

A.To the extent VNG has adequate facilities and supplies available for providing such volumes of gas.

B.When VNG and Customer have executed a service agreement wherein VNG agrees to provide compressed natural gas for use in motor vehicles.

C.The required compressor station and related facilities shall be provided and maintained on the Customer's premises by VNG under Paragraph II and on VNG's premises under Paragraph III.

II. RATE - FACILITIES ON CUSTOMER'S PREMISES

1.The applicable Customer Charge set forth in the current Schedule of Rates and Charges; plus,

2.Per Ccf rates set forth in the current Schedule of Rates and Charges. Such rates shall be revised and filed quarterly to reflect changes in the gas cost component of the rate.

III. RATE - SALES FROM COMPANY OPERATED FACILITIES

Per Ccf rates set forth in the current Schedule of Rates and Charges. Such rates shall be revised and filed quarterly to reflect changes in the gas cost component of the rate.

RATE SCHEDULE 11

FIRM COMPRESSED NGV SERVICE

(continued)

IV. MONTHLY MINIMUM CHARGE

The monthly minimum charge for service rendered pursuant to Paragraph II shall be such as may be contracted for, but not less than the Customer Charge.

V. CHARACTER OF SERVICE

A. Gas purchased on this rate schedule shall be separately metered and not used interchangeably with gas purchased on any other rate schedule.

B. VNG shall not be obligated to construct or own any fueling station facilities, the cost of which shall exceed an allowance equal to 5.2 times the continuing annual fueling station revenue that can reasonably be expected by VNG from such facilities. Customer shall have the option to pay an NGV Facilities Charge, as specified in the Schedule of Rates and Charges, on the portion of the cost of fueling station facilities that exceeds the allowance specified above.

The calculation of continuing annual revenue applicable to the determination of gas line extensions under Section XVIII of the Terms and Conditions shall exclude the cost of gas and fueling station revenue.

C. Electricity used in the operation of the compression and refueling facilities under Paragraph II is at the expense of the Customer.

D. In addition to the rates set forth in Paragraphs II and III above, Customer shall be charged any applicable road taxes.

VI. TERM OF CONTRACT

The term of contract for service under this schedule shall be such as may be mutually agreed upon, but shall not exceed thirty six months.

RATE SCHEDULE 12
FIRM DISTRIBUTION NGV SERVICE

I. APPLICABILITY

This rate schedule is applicable to fueling vehicles with compressed natural gas provided by VNG to Customer:

A.To the extent VNG has adequate facilities and supplies available for providing such volumes of gas.

B.When VNG and Customer have executed a service agreement wherein VNG agrees to provide natural service to the Customer's premises for use in motor vehicles.

C.The required compressor station and related facilities shall be provided and maintained on the Customer's premises by Customer.

II. RATE

A.The applicable Customer Charge set forth in the current Schedule of Rates and Charges; plus,

B.Per Ccf rates set forth in the current Schedule of Rates and Charges. Such rates will be revised and filed quarterly to reflect changes in the gas cost component of the rate.

III. MONTHLY MINIMUM CHARGE

The monthly minimum charge shall be such as may be contracted for, but not less than the Customer Charge.

IV.CHARACTER OF SERVICE

A.Gas purchased on this schedule shall be separately metered and not used interchangeably with gas purchased on any other schedule.

RATE SCHEDULE 12

FIRM DISTRIBUTION NGV SERVICE

(Continued)

B. Customer shall bear all responsibilities for paying any applicable road taxes.

V. TERM OF CONTRACT

The term of contract for service under this schedule shall be such as may be mutually agreed upon, but shall not be less than twelve months.

RATE SCHEDULE 13
FIRM COMPRESSED NGV DELIVERY SERVICE

I.APPLICABILITY

This rate schedule is applicable to fueling vehicles with compressed natural gas provided by VNG to Customer:

A.To the extent VNG has adequate facilities and supplies available for providing such volumes of gas.

B.When VNG and Customer have executed a service agreement wherein VNG agrees to provide compressed natural gas for use in motor vehicles.

C.When natural gas to be transported by VNG pursuant to this schedule shall be delivered into VNG's facilities by the Customer or others at a pressure equal to the pressure in VNG's system at the point of delivery.

D.The required compressor station and related facilities shall be provided and maintained on the Customer's premises by VNG under Paragraph II and on VNG's premises under Paragraph III.

II.CHARGES - FACILITIES ON CUSTOMER'S PREMISES

1.The applicable Customer Charge set forth in the current Schedule of Rates and Charges; plus,

2.Per Ccf System Charges set forth in the current Schedule of Rates and Charges applicable to all volumes delivered to customer under Paragraph V.1. Such rates shall be revised and filed quarterly to reflect changes in the gas cost component of the rate; plus,

3.Per Ccf Commodity Charge set forth in the Schedule of Rates and Charges applicable to any positive net imbalance computed under Paragraph V.2.

III.CHARGES - SALES FROM COMPANY OPERATED FACILITIES

Per Ccf charges set forth in the current Schedule of Rates and Charges. Such rates shall be revised and filed quarterly to reflect changes in the gas cost component of the rate.

RATE SCHEDULE 13

FIRM COMPRESSED NGV DELIVERY SERVICE

IV. MONTHLY MINIMUM CHARGE

The monthly minimum charge for service rendered pursuant to Paragraph II shall be such as may be contracted for, but not less than the Customer Charge.

V. DETERMINATION OF VOLUME DELIVERED

1. The volume of gas that VNG shall be obligated to transport and deliver to Customer shall be 2.10% less than the volume received by VNG on behalf of Customer at VNG's point(s) of interconnection with pipeline suppliers to cover company use and unaccounted for gas.

2. A daily imbalance volume shall be calculated equal to Customer's metered volume reduced by 97.9% of the volume received by VNG on behalf of Customer. A net imbalance will be computed at the end of each billing period.

VI. BALANCING OF TRANSPORTATION VOLUMES

A. Customers will be responsible for managing and scheduling deliveries to VNG of transportation gas and shall make best efforts to maintain a zero transportation volume imbalance on a daily basis. If at the end of a billing period a transporting Customer's cumulative volume imbalance exceeds the lesser of 2½ percent of the sum of Customer's most recent calendar year metered consumption or 100,000 MCF, Customer may be notified by VNG to correct within 30 days any volume imbalance in excess of 2½ percent or 100,000 MCF. If the Customer does not have a history with 12 months metered consumption, VNG shall utilize estimated annual consumption in lieu thereof. In the event that after such 30 days the Customer has not corrected the excess volume imbalance, VNG may cease transporting gas for the Customer until the Customer's volume imbalance is eliminated. VNG shall not be obligated on any day to accept delivery of gas from, or on behalf of, Customer in excess of Customer's connected load.

B.1. At the end of each billing period, each transportation Customer's cumulative volume imbalance will be calculated. The volume imbalance for the month and VNG's actual weighted average commodity cost of gas (WACCOG) value for such volume will be added to the weighted average inventory price in Customer's inventory account.

RATE SCHEDULE 13
FIRM COMPRESSED NGV DELIVERY SERVICE

VI. BALANCING OF TRANSPORTATION VOLUMES

2.If at the end of a billing period a transporting Customer has consumed volumes in excess of its transported volumes and Customer has a balance in its inventory account, the excess consumed volumes will be deemed to have come first from Customer's inventory account. Customer's weighted average inventory price of the volumes consumed will be subtracted from VNG's actual WACCOG for the month. The resulting difference in price will be multiplied by the volume withdrawn from the inventory account and posted to the Customer's Difference Account.

3.Any balance in Customer's Difference Account at the end of each March calculated after the end of Customer's March billing period will be shown as a credit on Customer's April bill (if negative) or as a charge to Customer (if positive).

- C. Any volume imbalance, created by Customer during a period used by an upstream pipeline to determine a penalty assessed against VNG, shall be referred to as a penalty imbalance volume. Customer shall be subject to a penalty charge calculated by dividing Customer's penalty imbalance volume by the total system imbalance volume for the same period, and multiplying the quotient by the total dollar value of the penalty as assessed by the upstream pipeline.

VII. SCHEDULING

Six business days prior to the beginning of each month, Customer shall provide VNG in writing on forms provided by VNG a schedule of daily volumes to be delivered to VNG by, or on behalf of, Customer at each applicable delivery point on VNG's system during the following calendar month and a schedule of daily volumes, if any, to be delivered by VNG to Customer from its volume bank balance. If customer desires to revise the volumes previously scheduled, Customer must submit a written schedule of such revised volumes by 10:00 A.M. on the workday preceding the effective date of the revision. VNG shall not be obligated to accept or make deliveries in excess of volumes shown on each Customer's schedules.

VIII. CHARACTER OF SERVICE

- A. Gas delivered or purchased on this rate schedule shall be separately metered and not used interchangeably with gas purchased on any other rate schedule.

RATE SCHEDULE 13
FIRM COMPRESSED NGV DELIVERY SERVICE

VIII. CHARACTER OF SERVICE

- B. VNG shall not be obligated to construct or own any fueling station facilities, the cost of which shall exceed an allowance equal to 5.2 times the continuing annual fueling station revenue that can reasonably be expected by VNG from such facilities. Customer shall have the option to pay an NGV Facilities Charge, as specified in the Schedule of Rates and Charges, on the portion of the cost of fueling station facilities that exceeds the allowance specified above.

The calculation of continuing annual revenue applicable to the determination of gas line extensions under Section XVIII of the Terms and Conditions shall exclude the cost of gas and fueling station revenue.

- C. Electricity used in the operation of the compression and refueling facilities under Paragraph II is at the expense of the Customer.
- D. In addition to the rates set forth in Paragraphs II and III above, Customer shall be charged any applicable road taxes.

IX. TERM OF CONTRACT

The term of contract for service under this schedule shall be such as may be mutually agreed upon, but shall not exceed thirty six months.

RATE SCHEDULE 14
FIRM DISTRIBUTION NGV DELIVERY SERVICE

I.APPLICABILITY

This rate schedule is applicable to fueling vehicles with compressed natural gas provided by VNG to Customer:

A.To the extent VNG has adequate facilities and supplies available for providing such volumes of gas.

B.When VNG and Customer have executed a service agreement wherein VNG agrees to provide natural gas service to the Customer's premises for use in motor vehicles.

C.When natural gas to be transported by VNG pursuant to this schedule shall be delivered into VNG's facilities by the Customer or others at a pressure equal to the pressure in VNG's system at the point of delivery.

D.The required compressor station and related facilities shall be provided and maintained on the Customer's premises by Customer.

II.RATE

1.The applicable Customer Charge set forth in the current Schedule of Rates and Charges; plus,

2.Per Ccf System Charges set forth in the current Schedule of Rates and Charges applicable to all volumes delivered to customer under Paragraph IV.1. Such rates shall be revised and filed quarterly to reflect changes in the gas cost component of the rate; plus,

3.Per Ccf Commodity Charge set forth in the Schedule of Rates and Charges applicable to any positive net imbalance computed under Paragraph IV.2.

III.MONTHLY MINIMUM CHARGE

The monthly minimum charge for service rendered pursuant to Paragraph II shall be such as may be contracted for, but not less than the Customer Charge.

RATE SCHEDULE 14
FIRM DISTRIBUTION NGV DELIVERY SERVICE

IV.DETERMINATION OF VOLUME DELIVERED

1.The volume of gas that VNG shall be obligated to transport and deliver to Customer shall be 2.10% less than the volume received by VNG on behalf of Customer at VNG's point(s) of interconnection with pipeline suppliers to cover company use and unaccounted for gas.

2.A daily imbalance volume shall be calculated equal to Customer's metered volume reduced by 97.9% of the volume received by VNG on behalf of Customer. A net imbalance will be computed at the end of each billing period.

V.BALANCING OF TRANSPORTATION VOLUMES

A.Customers will be responsible for managing and scheduling deliveries to VNG of transportation gas and shall make best efforts to maintain a zero transportation volume imbalance on a daily basis. If at the end of a billing period a transporting Customer's cumulative volume imbalance exceeds the lesser of 2½ percent of the sum of Customer's most recent calendar year metered consumption or 100,000 MCF, Customer may be notified by VNG to correct within 30 days any volume imbalance in excess of 2½ percent or 100,000 MCF. If the Customer does not have a history with 12 months metered consumption, VNG shall utilize estimated annual consumption in lieu thereof. In the event that after such 30 days the Customer has not corrected the excess volume imbalance, VNG may cease transporting gas for the Customer until the Customer's volume imbalance is eliminated. VNG shall not be obligated on any day to accept delivery of gas from, or on behalf of, Customer in excess of Customer's connected load.

B.1. At the end of each billing period, each transportation Customer's cumulative volume imbalance will be calculated. The volume imbalance for the month and VNG's actual weighted average commodity cost of gas (WACCOG) value for such volume will be added to the weighted average inventory price in Customer's inventory account.

2. If at the end of a billing period a transporting Customer has consumed volumes in excess of its transported volumes and Customer has a balance in its inventory account, the excess consumed volumes will be deemed to have come first from Customer's inventory account. Customer's weighted average

RATE SCHEDULE 14
FIRM DISTRIBUTION NGV DELIVERY SERVICE

V. BALANCING OF TRANSPORTATION VOLUMES

inventory price of the volumes consumed will be subtracted from VNG's actual WACCOG for the month. The resulting difference in price will be multiplied by the volume withdrawn from the inventory account and posted to the Customer's Difference Account.

3. Any balance in Customer's Difference Account at the end of each March calculated after the end of Customer's March billing period will be shown as a credit on Customer's April bill (if negative) or as a charge to Customer (if positive).

- C. Any volume imbalance, created by Customer during a period used by an upstream pipeline to determine a penalty assessed against VNG, shall be referred to as a penalty imbalance volume. Customer shall be subject to a penalty charge calculated by dividing Customer's penalty imbalance volume by the total system imbalance volume for the same period, and multiplying the quotient by the total dollar value of the penalty as assessed by the upstream pipeline.

VI. SCHEDULING

Six business days prior to the beginning of each month, Customer shall provide VNG in writing on forms provided by VNG a schedule of daily volumes to be delivered to VNG by, or on behalf of, Customer at each applicable delivery point on VNG's system during the following calendar month and a schedule of daily volumes, if any, to be delivered by VNG to Customer from its volume bank balance. If customer desires to revise the volumes previously scheduled, Customer must submit a written schedule of such revised volumes by 10:00 A.M. on the workday preceding the effective date of the revision. VNG shall not be obligated to accept or make deliveries in excess of volumes shown on each Customer's schedules.

RATE SCHEDULE 14
FIRM DISTRIBUTION NGV DELIEVERY SERVICE

VII. CHARACTER OF SERVICE

- A. Gas delivered or purchased on this rate schedule shall be separately metered and not used interchangeably with gas purchased on any other rate schedule.
- B. Customer shall bear all responsibilities for paying any applicable road taxes.

VIII. TERM OF CONTRACT

The term of contract for service under this schedule shall be such as may be mutually agreed upon, but shall not exceed thirty six months.