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December 18, 2006

COPY

Posted: D. Duke

Dept: SA

Date: 12-19-06

Time: 11:00

VIA HAND DELIVERY

The Honorable Charles Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Drive (29210)
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: South Carolina Electric & Gas Company - Annual Review of the Purchased Gas Adjustments and Gas Purchasing Policies; Docket No. 2006-5-G
Approved Revisions to the General Terms and Conditions of the Gas Tariff of South Carolina Electric & Gas Company

Dear Mr. Terreni:

Enclosed for filing, pursuant to and consistent with the provisions of Order No. 2006-679 ("Order"), are ten (10) copies of an updated version of the General Terms and Conditions of South Carolina Electric & Gas Company's gas tariff which includes the tariff language revisions approved in the Order. *See* Order No. 2006-679 at p.8, ¶10.

For your ease of reference, we have prepared and included herewith a red-lined version of the General Terms and Conditions showing where the approved provisions have been included in the updated version. *See* Sections VII(A)(16), VII(B)(e), VII(B)(f)(i)-(v), and Section IX of the General Terms and Conditions.

To complete our files, please return a copy of the General Terms and Conditions to us reflecting the customary legend of "Approved for Filing" on each page.

By copy of this letter, I am providing the South Carolina Office of Regulatory Staff and the South Carolina Energy Users Committee with copies of the updated General Terms and Conditions.

(Continued . . .)

If you have any questions, please do not hesitate to contact me. Thank you in advance for your assistance in this matter.

Sincerely,

Catherine D. Taylor/kms

Catherine D. Taylor

CDT/kms
Enclosures

cc: Shannon Bowyer Hudson, Esquire
Jeffrey M. Nelson, Esquire
Scott Elliott, Esquire
(All via first-class mail w/enclosures)

GENERAL TERMS AND CONDITIONS

I. GENERAL

A. Foreword

1. In contemplation of the mutual protection of both South Carolina Electric & Gas Company and its customers and for the purpose of rendering an impartial and more satisfactory service, the General Terms and Conditions of the Company are hereby set forth and filed with the Public Service Commission of South Carolina, which has jurisdiction over public utilities, so as to read as hereinafter set forth; the same being incorporated by reference in each contract or agreement for service.

2. These Terms and Conditions area supplementary to the Rules and Regulations issued by the South Carolina Public Service Commission covering the operation of gas utilities in the State of South Carolina.

3. These Terms and Conditions may be supplemented for specific customers by contract.

4. South Carolina Electric & Gas Company is referred to herein as "Company", and the user or prospective user is referred to as "Customer". The Public Service Commission of South Carolina is referred to here in "Commission".

B. Application

1. Provisions of these Terms and Conditions apply to all persons, partnerships, corporations or others designated as Customers who are lawfully receiving gas service from the company under the prescribed Rate Schedules or contracts filed with the Commission. Receipt of service shall constitute a contract between Customer and Company. No contract may be transferred without the written consent of the Company.

2. **Term of Service** – The rates as prescribed by the Commission are based upon the supply of service to each individual Customer for a period of not less than one year, except as otherwise specifically provided under the terms of the particular Rate Schedule or contract covering such service.

3. **Terms and Conditions** – The Terms and Conditions contained herein are part of every contract for service entered into by the Company and govern all Classes of service where applicable unless specifically modified as a provision or provisions contained in a particular Rate Schedule or contract.

4. **Statement by Agents** – No representative of the Company has authority to modify any rule of the Commission, provisions of Rate Schedules, or to bind the Company by any promise or representation contrary hereto.

II. DEFINITIONS

Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used and shall be construed to have meanings as follows:

A. "Day" shall mean period of twenty-four (24) consecutive hours beginning at 10:00 a.m. eastern time or at such other hours as may be designated.

B. "Month" or "Billing Month" shall mean the period between any two (2) regular readings of Company's meters which shall be not less than twenty-eight (28) days or more than thirty-four (34) days.

C. "Year" shall mean a period of 365 days commencing with the day of first delivery of gas hereunder, and each 365 days thereafter except that in a year having a date of February 29, such year shall consist of 366 days.

D. "BTU" shall mean a British Thermal Unit: the amount of heat required to raise the temperature of one (1) pound of water one degree Fahrenheit (1°F) at sixty degrees Fahrenheit (60°F).

E. "Therm" shall mean the quantity of heat energy which is 100,000 British Thermal Units.

F. "Dekatherm" (dt) shall mean the quantity of heat energy which is 1,000,000 British Thermal Units.

G. "Cubic Foot of Gas" shall mean the amount of gas necessary to fill a cubic foot of space when the gas is at a temperature of sixty degrees Fahrenheit (60°F) and under an absolute pressure of fourteen and seventy-three hundredths pounds per square inch (14.73 psia).

H. "CCF" shall mean one hundred (100) cubic feet of gas.

I. "MCF" shall mean one thousand (1,000) cubic feet of gas.

J. "Natural Gas" or "Gas" shall mean natural gas, processed or unprocessed, vaporized liquid natural gas, synthetic gas, propane-air mixture, landfill gas, other unconventional source of methane gas or any mixture of these gases.

K. "Point of Connection" shall mean the outlet side of Company measuring and regulating equipment.

L. "Premises" shall mean a Customer's building or a portion of a building and contiguous area.

M. Typical delivery pressure to residential customers will be 7 inches water column or 2 psig. Commercial and Industrial customers will be provided at a delivery pressure of up to 5 psig. Any delivery pressure other than these must be requested in writing and approved by the Company. Only one delivery pressure will be provided per meter location.

III. CONDITIONS OF SERVICE

A. General – The Customer shall consult with and furnish to the Company such information as the Company may require to determine the availability of the Company's service at a particular location before proceeding with plans for any new or additional gas loads. No new or additional gas loads will be served if it is determined that such service will jeopardize service to existing customers by increasing the total system's firm load requirements above available supplies.

Heating Value –The normal range of heating value will not be less than 950 nor more than 1400 Btu per cubic foot of gas. Cubic Feet shall be converted to therm equivalent, for billing, by application of a fraction, the numerator of which shall be the weighted average BTU content of gas described in II.J. above entering the Company's system for the days representing the days in the billing cycle for the Customer and the denominator of which shall be 1,000. Where heating value by day is obtainable by means of a standard type of recording calorimeter, spectrometer, chromatograph or other approved instrument, then these daily values shall be used to convert cubic feet to the therm equivalent.

B. **Installation Requirements** – Before piping a premises or purchasing equipment, the Customer shall give the Company notice and shall ascertain from the Company the character of service available at such premises. The Company may specify the content and pressure of the gas to be furnished, the location of the meter, and the point where the service connection shall be made.
Where more than one service is required by the Customer, the Company will provide such additional service upon payment by the Customer to the Company of the charges above the cost of the first service. Each installation shall be a separate account.
All piping and equipment must be installed and maintained in accordance with the applicable codes and requirements of the local, municipal, state, and federal authorities, and the Customer shall keep in good and safe repair and condition all such piping and equipment from the point of connection at the meter assembly with the facilities of the Company. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunction of Customer's equipment.

C. **Connection/Reconnection** – An inspection by the appropriate jurisdiction must be completed and presented to the Company by the Customer prior to connection or reconnection of gas service on any premises where gas has not previously been served, or inactive for an extended period of time or where the gas piping has been modified or altered or if an unsafe condition exists.
The Customer or an adult representative must be present to admit the Company Representative during a connection/reconnection service visit. A minimum of one natural gas appliance must be connected, operational and ready for use prior to connection/reconnection of gas service. An appliance or device which is found to be unsafe shall be disconnected and the service shall remain disconnected.

D. **Limitations or Extensions** – Service is supplied only where, in the opinion of the Company, adequate service is available or can be made available under the provisions of these rules.
The Company's obligation to extend its facilities is limited to the assumption of new investment to the extent warranted by the revenue anticipated from the service to be supplied. Where the service to be supplied does not produce revenue sufficient to support the expenditure required to serve it, the Company will determine in each case the amount of payments and form thereof that may be required of the Customer.
The Company shall not be required to extend its distribution and service facilities, for the purpose of rendering gas service to the Customer until satisfactory rights-of-way, easements or permits have been obtained from government agencies and property owners, at the customers expense, to permit the installation, operation and maintenance of the Company's lines and facilities. The Customer in requesting or accepting service thereby grants the Company without charge necessary rights-of-way and privileges for its facilities along, across, and under property controlled by the Customer to the extent that such rights-of-way required or necessary to enable Company to supply service to the Customer and the Customer also grants the Company the right to continue or extend the Company's facilities on, across, or under with necessary rights to serve other Customers. Customers shall maintain such right-of-way so as to grant the Company continued access to its facilities by Company vehicles and other power-operated equipment.
Company will, subject to limitations stated in this Section III.E., and subject to the execution by the applicant and acceptance by Company of a service contract which includes a right-of-way agreement, furnish and install a service line along with standard appurtenances, such as shut-off-valve, regulator and meter, and required service pipe up to 125 feet more or less without cost to the applicant.

F. **Safe Access to Customer's Premises** – The duly authorized representatives of the Company shall be permitted at any and all reasonable times to inspect, operate and maintain the Company's and the Customer's facilities and equipment for any and all purposes connected with the delivery of service, the determination of connected load and other data to

be used for billing purposes, the determination of Customer load requirements or the exercise of any and all rights under the agreement.

G. **Curtailment of Supply**– The supply of service is subject to any orders of all duly constituted governmental authorities establishing any priority or limitation to service.
Notwithstanding other provisions of the Company's Rate Schedules, the availability of gas service thereunder may be limited or curtailed, due to an insufficient supply of gas available to the Company, in accordance with priorities of service established and ordered by the Commission. ***(See Section VII, Limitations or Curtailment and Section VIII, Force Majeure)***.

H. **Denial or Discontinuance of Service** – The Company may refuse or discontinue service and remove the property of the Company without liability to the Customer, or tenants, or occupant of the premises served, for any loss, cost damage or expense occasioned by such refusal, discontinuance or removal, including but not limited to, any of the following reasons:

1. In the event of a condition determined by the Company to be hazardous or dangerous..

2. In the event Customer's equipment is used in such a manner as to adversely affect the Company's service to others.

3. In the event of unauthorized or fraudulent use of Company's service.

4. Unauthorized adjustment of or tampering with Company's equipment.

5. Customer's failure to fulfill his contractual obligations.

6. For failure of the Customer to permit the Company reasonable access to its equipment.

7. For non-payment of bill for service rendered provided that the Company has made reasonable efforts to affect collections.

8. For failure of the Customer to provide the Company with a deposit.

9. For failure of the Customer to furnish permits, certificates, and rights-of-way, as necessary in obtaining service, or in the event such permissions are withdrawn or terminated.

10. For failure of the Customer to comply with reasonable restrictions on the use of service.

11. The Company shall not furnish its service or continue its services to any applicant, who at the time of such application is indebted or any member of his household is or was indebted under an undisputed bill for service, previously furnished such applicant, or furnished any other member of the applicant's household or business.

12. The Company may terminate a Customer's service should the Customer be in arrears on an account for service at another premises.

13. For the reason that the Customer's use of the utility service conflicts with, or violates orders, ordinances or laws of the State or any subdivision thereof, or of the Commission.

The Company may discontinue service with notice for reasons (1), (2), (3) and (6) above. For the remainder of the reasons the Customer shall be allowed a reasonable time in which to correct any discrepancy.

Failure of the Company to terminate or suspend service at any time after the occurrence of grounds therefore or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect the Company's right to later resort to any or more of such rights or remedies on account of any such ground then existing or which may subsequently occur.

I. **Safety Requirements** – The Company is required under Regulations of the Commission to lock gas meters in the off position whenever service to a customer is discontinued. The requirement to lock a gas meter is applicable when gas service is turned off.

Restoration of gas service under these conditions will require a reconnection call to unlock the gas meter and restore gas service. The reconnection charge will be assessed for all such reconnection calls. The turning on or off of gas meters is to be done by a person duly authorized by the Company only.

J. **Reconnection Charge** – Where the Company has discontinued service for reasons listed in ***Section III. H. and III.I.,*** the Customer is subject to a reconnection charge of $25 in addition to any other charges due and payable to the Company. If a Customer requests that a reconnection be made after normal working hours, the charge is $35. In cases where both electric and gas services are reconnected at the same time on the same premises for the same Customer, only one charge will be made.

K. **Seasonal Block Charge** – A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as a seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated on the tarriffs. In determining the month of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional of $20.00 will be added to the charges as calculated above.

IV. BILLING AND PAYMENT TERMS

A. **General – The rates specified in the various service classifications are stated on a monthly basis. Unless extenuating circumstances prevent, the Company will read meters at regular monthly intervals and render bills accordingly. If for any reason a meter is not read, the Company may prepare an estimated bill based on the Customer's average use billed for the preceding 60 days or from other information as may be available. All such bills are to be paid in accordance with the standard payment terms., and are subject to adjustment on the basis of actual use of service as computed from the next reading taken by the Company's representative or for any circumstances known to have affected the quantity of service used. No more than one estimated bill shall be rendered within a 60-day period unless otherwise agreed to by the Customer or allowed by the Commission. All billing errors shall be adjusted in accordance with the Commission's Rules and Regulations.**

B. **Obligation** – The customer is responsible for all charges for gas furnished and for all charges under the agreement until the end of the terms thereof.

All bills shall be due and payable when rendered. Notice and collection of unpaid bills will be in accordance with the current Rules and Regulations of the Commission.

No Claim or demand which the Customer may have against the Company shall be set off or counterclaimed against the payment of any sum of money due the Company by the Customer for services rendered. All such sums shall be paid in accordance with the agreement regardless of any claim or demand.

Should service be terminated, the Customer's deposit shall be applied to reduce or liquidate the account. Service may be restored upon payment of the account, in full, plus the late payment charge set forth below, the reconnection charge set forth above and a deposit up to an amount equal to the total actual bills of the highest two (2) consecutive months based on experience of the preceding twelve (12) months or portions of the year if on a seasonal basis.

C. **Late Payment Charge** – A late payment charge of one and one half percent (1 ½%) will be added to any balance remaining twenty-five (25) days after the billing date.

D. **Deposit** – A maximum deposit in an amount equal to an estimated two (2) months (60 days) bill for a new Customer or in an amount equal to the total actual bills of the highest two (2) consecutive months based on the experience of the proceeding twelve (12) months or portion of the year if on a seasonal basis may be required from the Customer as security for payment of the account before service is rendered or continued if any of the following conditions exist: (1) the Customer's past payment record to the Company shows delinquent payment practice; (2) a new Customer cannot furnish either a letter of good credit from an acceptable source or an acceptable cosigner of guarantor on the Company's system to guarantee payment; (3) a Customer has no deposit and presently is delinquent in payments; (4) a Customer has had his service terminated for non-payment or fraudulent use. All deposits may be subject to review based on the actual experience of the Customer. The amount of deposit may be adjusted upward or downward to reflect the actual billing experience and payment habits of the Customer.

E. **Service Charge** – The Company may make reasonable charges for work performed on or services rendered:

1. Upon Customer's request at the Customer's premises when, at the time the request is made, service and equipment provided by the Company is in good working condition and in compliance with these General Terms and Conditions and such other regulations as may be promulgated from time to time by any municipal bureau or other governmental agency having jurisdiction over the Customer's installation or premises;

2. To repair, replace, remove, disconnect or gain access to Company's facilities or equipment where such repair, replacement removal or disconnection is made necessary by the willful action(s) of the Customer, members of the Customer's household or invitees of the Customer; or

3. To repair, replace, remove or gain access to Company's facilities or equipment where such repair, replacement or removal is made necessary by the negligent failure of the Customer to take timely action to correct or to notify the Company or other responsible party to correct conditions which led to the needed repair, replacement or removal, except that such charges shall be apportioned between the Customer and the Company to the extent that the Customer shall only bear that part of the costs which reflect the costs added by the Customer's negligence. Such charges cannot be assessed where the damage is caused by an Act of God except to the extent that the Customer failed timely to mitigate the damages. Such charges may include labor, materials and transportation.

V. COMPANY'S LIABILITY

The Company will not be liable for damages or injuries sustained by Customer or others, or by the equipment of the Customer or others by reason of the condition or character of Customer's

piping and equipment, or the piping and equipment of others on the Customer's premises. The Company will not be responsible for the use, care, or handling of service delivered to the customer after the same passes beyond the point of interconnection of the Company's facilities with that of the Customer. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunction or Customer's equipment.

VI. MEASUREMENT OF SERVICE

A. Measurements – The volume and total heating value of the gas delivered hereunder shall be determined as follows:

1. All volumes delivered shall be corrected to the pressure base of 14.73 psia and temperature base of 60° F. The average absolute atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds to the square inch, irrespective of actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure from time to time.

2. When orifice meters are used, volumes delivered shall be computed in accordance with accepted industry standards

3. Gas volumes will be adjusted for BTU content, pressure, temperature, supercompressability, specific gravity and any other applicable factors.

4. The temperature of the gas shall be assumed to be 60° F. unless Company elects to install a recording thermometer or temperature correcting device. If a recording thermometer is installed, the arithmetical average of the 24 hour period will be used to determine the temperature correctly.

5. The specific gravity of the gas shall be determined daily by a recording graviometer or any other instrument of an industry acceptable standard manufacturer.

6. The total heating value of the gas delivered hereunder shall be determined by Company by using a standard type of recording calorimeter or other instrument of an industry acceptable standard manufacturer which shall be located on Company's system and/or its supplier's system, in order that the BTU content of gas delivered hereunder by be properly obtained.

B. Meter Testing on Request of Customer – The Customer may, at any time, upon reasonable notice, make written request of the Company to test the accuracy of the meters in use for his service. No deposit or payments shall be required from the Customer for such meter test if said meter has been in service at least one year without testing at Company's expense; otherwise, the Customer shall deposit the estimated cost of the test; said deposit shall not exceed $15 without the approval of the Commission. The amount so deposited with the Company shall be refunded or credited to the Customer as part of the settlement of the disputed account if the meter if found, when tested, to register more than two percent (2%) fast or slow, otherwise the deposit shall be retained by the Company.

C. Adjustments for Inaccurate Meters - Where it is determined that the Company's meter is inaccurate or defective by more than 2% error in registration, bills shall be adjusted in accordance with the Commission Rules and Regulations.

VII. LIMITATIONS OR CURTAILMENTS

Notwithstanding other provisions of the Terms and Conditions and Rate Schedules of this tariff, the availability of gas service may be limited or curtailed due to operating conditions or any gas supply deficiency. During any period when operating condition or gas supply deficiencies

require limitations or curtailment, the Company shall curtail deliveries of gas without discrimination within priority of service categories established by the Commission as follows:

A. **Definitions** – The definitions of the term used in the Curtailment Plan are as follows:

1. **Residential** - Service to Customers which consists of direct natural gas usage in a residential dwelling of space heating, air conditioning, cooking, water heating, and other residential uses.
2. **Commercial** – Service to Customers engaged primarily in the sale of goods or services including institutions and local, state and federal government agencies for uses other than those involving manufacturing or electric power generation.
3. **Industrial** – Service to Customers engaged primarily in a process which creates or changes raw or unfinished materials into other form or product including the generation of electric power.
4. **Firm Service** – Service from Rate Schedules or contracts under which Seller is expressly obligated to deliver specific volumes within a given time period and which anticipates no interruptions, but which may permit unexpected interruptions in case the supply to higher priority Customers is threatened.
5. **Interruptible Service** – Service from Rate Schedules or contracts under which Seller is not expressly obligated to deliver specific volumes within a given time period, and which anticipates and permits interruption on short notice, or service under Rate Schedules or contracts which expressly or impliedly require installation of alternate fuel capacity.
6. **Plant Protection Gas** – Minimum volumes required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production.
7. **Feedstock Gas** - Natural gas used as a raw material for its chemical properties in creating an end product.
8. **Process Gas** - Gas used for which alternate fuels, other than another gaseous fuel, are not technically feasible such as applications requiring precise temperature controls and precise flame characteristics.
9. **Boiler Fuel** – Natural gas used as fuel for the generation of steam and internal combustion turbine engines for the generation of electricity.
10. **Alternate Fuel Capacity** – A situation where an alternate fuel could have been utilized whether or not the facilities for such have actually been installed: provided, however, where the use of natural gas is for plant protection, feedstock, or process uses and the only alternate fuel is propane or other gaseous fuel, then the Buyer will be treated as if he had no alternate fuel capability if such fuel is unobtainable for serving fuel needs.
11. **Storage Injection Requirements** – Volumes required by the Company for injection into underground storage, including cushion gas and for liquification, including fuel used for injection in liquification plants, or for such other storage projects which may be developed expressly for the protection of supply or high priority uses.
12. **Company Use Gas** - Fuel used in gas compression, propane-air plants, LNG plants, other gas needed by Company's facilities to furnish the requirements of Customers, together with unaccounted for gas, shall be considered for purposes of this curtailment plan to be in Category 1.
13. **Essential Human Needs** - Natural gas service, which, if denied, would cause shutdown of an operation resulting in closing of an establishment essential to maintaining the health and safety of the general public.
14. **Gas Supply Deficiency** – Any occurrence relating to Company's gas supply which causes company to deliver less than the total requirements of its system, including failures of suppliers to deliver gas for any reason, requirements of gas for system storage, conservation of gas for future delivery, or any other occurrence not enumerated herein which affects Company's gas supply.

15. **Emergency Service** – Supplemental deliveries of natural gas that may be required to forestall irreparable injury to life or property including environmental emergencies.
16. **Daily Gas Price Index** – This term means the arithmetic average of:
    (i) Natural Gas Intelligence Daily Gas Price Index, *Louisiana, Southern Natural*; and
    (ii) Natural Gas Intelligence Daily Gas Price index, *Louisiana, Transco St. 65.*
    If no index for a gas day is published, the price will be computed as the average of the applicable indices on the closest index publication date preceding and the closest index publication date following such gas day.

B. Curtailment for Gas Supply Deficiency

In the event of Gas Supply Deficiency on the Company's system, the Company shall require curtailment of service to Customer in accordance with the following procedure.

(a) The Company shall order curtailment of sales made to Customers purchasing gas under the Company's Rate Schedules or special contracts in descending order in accordance with priority of service categories set forth below. Approved emergency gas is excepted from curtailment.

1. Residential and small commercial Customers (less than 50 Dekatherms on a peak day) and essential human needs Customers where there is no installed or available alternate fuel capability.
2. Large commercial direct flame requirements (20 Dekatherms or more on a peak day); firm industrial requirements for plant protection, feedstock and process needs, and storage injection requirements.

3A. Firm industrial requirements for uses other than boiler fuel which do not qualify for Category 2.

3B. Firm commercial and industrial boiler fuel requirement up to 1,000 Dekatherms on a peak day.

3C. Interruptible requirements for human need types of facilities such as public buildings, hospitals and laundries.

3D. Interruptible requirements for direct flame applications which can utilize only another gaseous fuel as an alternate.

3E. Interruptible requirements for direct flame applications which an utilize a fuel other than a gaseous fuel as an alternate.

3F. Interruptible requirements for boiler fuel use of less than 300 Dekatherms on a peak day.

4. (LEFT BLANK INTENTIONALLY.)
5. (LEFT BLANK INTENTIONALLY.)
6. Interruptible boiler fuel requirements of 300 Dekatherms or more, but less than 1,500 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
7. Interruptible boiler fuel requirements of 1,500 Dekatherms or more, but less than 3,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
8. Interruptible boiler fuel requirements of 3,000 Dekatherms or more, but less than 10,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
9. Interruptible boiler fuel requirements of 10,000 Dekatherms or more on a peak day, where alternate fuel capabilities can meet such requirements.
10. Natural gas requirements of Customers who have alternate fuel as their primary source, but use natural gas as a standby fuel.

(b) Curtailment will be in descending order beginning with Category 10 (i.e. Category 1 is the highest priority).

A determination of the category in which a Customer is placed will be made each year based upon usage in the preceding twelve (12) months ending August 31 and/or current contract as of the same date. The placement of a Customer in a category in accordance with the determination made herein will be effective November 1 of the current year, extending through October 31 of the following year. A moving base period will be used each year with such base period to include the preceding twelve (12) months ending August 31 of the current year. Reclassification in categories will be effective on November 1 of the current year. Where a reclassification is necessary, the affected Customer will be notified of such reclassification prior to November 1 of the current year.

(c) Where daily volumes are not available to make the determination of the 50/Dekatherms/day required in Section (b) of the Curtailment Plan, then the daily volume requirements shall be determined by taking the Dekatherms usage of the Customers for any month during the previous twelve (12) month period ending August 31 and dividing that month's use by the number of days during that specific billing cycle and multiplying the result by 1.5. By means of the average daily volume thus obtained, the Customer will be placed in the appropriate category. Where daily volumes for the peak month in the base period are available to make the required determination, then such volumes will be used.

(d) Any new Customer added during any base period will be placed in the appropriate category by the Company in accordance with the best information available.

(e) Notwithstanding the terms of any service contract or agreement, general terms and conditions, tariff provisions, or rate provisions to the contrary, the Company may, during periods of curtailment, limit curtailment within any given geographic area or areas to those Customers within the area or areas where the need for the curtailment exists. Geographic areas will be defined by the Carolina Gas Transmission Corporation ("CGTC") approved tariff and determined based upon any applicable Operational Flow Order issued by CGTC. While the Company may limit the curtailment to a specific geographic area or areas or may vary the extent of the curtailment among such areas as the needs of the system require, the Company shall nevertheless preserve and enforce the applicable priorities of service categories within each geographic area. This provision (Section VII(B)(e)) applies to both firm and interruptible customers.

(f) Notwithstanding the terms of any service contract or agreement, general terms and conditions, tariff provisions, or rate provisions to the contrary, if the Company issues a curtailment order and Customer does not comply with the order, the Company will assess, and Customer will be obligated to pay, a penalty to the Company as follows:

(i) For violation of a curtailment order the Customer shall pay to the Company $20.00 per dekatherm, plus the highest Daily Gas Index Price for the day of, the gas day preceding, or the gas day following receipt or delivery, all other applicable upstream pipeline charges, and the Customer's base rate mark-up;

(ii) In addition to the penalties set forth above in Section VII(B)(f)(i), the Customer shall pay to the Company an amount equal to their pro-rata share of any penalty incurred by the Company for violation of an upstream pipeline's Operational Flow Order ("OFO"), if the Customer's violation of SCE&G's curtailment order results in incremental costs above the penalty assessed in Section VII(B)(f)(i) above.

(iii) Penalties will be assessed on each dekatherm of gas received into or taken out of the Company's system when such deliveries or receipts are not in compliance with a curtailment order.

(iv) The payment of a penalty under this provision shall under no circumstances be considered as giving Customer any right to violate any curtailment order issued. Further, the receipt of payment by the Company from any customer violating any provision of these Curtailment of Service Provisions shall not be considered as a substitute for or in lieu of any other remedy available to the Company for Customer's failure to comply with the curtailment order.

(v) This provision (Section VII(B)(f)) applies only to interruptible customers.

VIII. FORCE MAJEURE

In the event Company is unable, wholly or in part, by reason of Force Majeure to carry out its obligation to provide service under its Rate Schedules or contracts, the obligations of Company, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused by for no longer period and such cause shall, as far as possible, be remedied with all reasonable dispatch.

The term "Force Majeure" as employed herein shall include but not be limited to acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockade, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, extreme weather conditions, storms, floods washouts, arrest and restraints of government and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the maintaining or repairing or alteration of machinery,equipment structures, or lines of pipe (which maintaining, repairing or alteration shall, however be carried out in such manner as to cause the smallest practicable curtailments or interruption of deliveries of gas), freezing of wells or lines of pipe, partial or entire failure or depletion of gas wells, partial or complete curtailment of deliveries under Company's gas purchase contracts, inability to obtain rights-of-way or permits or materials, equipment or supplies, and any cause other than those enumerated herein (whether of the kind enumerated or otherwise) not within the control of the person claiming suspension and which by the exercise of duel diligence such party is unable to prevent or overcome. It is understood and agreed that the settlement or strikes or lockouts shall be entirely within the discretion of the persons affected, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the person affected there

IX. SALES OF APPROVED EMERGENCY GAS (SUPPLY RELATED)

The Company may, in its discretion, offer any interruptible customer subject to curtailment the ability to buy Emergency Gas (Supply Related) during the curtailment on an interruptible basis when gas supplies and transportation are available. Any gas purchases made under this provision shall be priced at the actual delivered price of the specific source of supply allocated by the Company to serve the Customer, plus the approved maximum contract margin for service, plus all other costs and charges related to the specific gas supply used to serve the Customer.

Sales volumes and supply costs related to the gas supplied pursuant to this provision shall not be considered in computing the Company's weighted average cost of gas or in administering any aspects of the Company's Purchased Gas Adjustment ("PGA"), PGA process, or orders related thereto.