STATE OF SOUTH CAROLINA

South Carolina Electric & Gas Company Natural Gas Agreement

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVERSHEET

DOCKET
NUMBER: 2016 - ___ - G

(Please type or print)
Submitted by: K. Chad Burgess
Address: SCANA 220 Operation Way MC C222
Cayce, SC 29033-3701

SC Bar Number: 69456
Telephone: 803-217-8141
Fax: 803-217-7810
Email: chad.burgess@scana.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other:

INDUSTRY (Check one) | NATURE OF ACTION (Check all that apply)

☐ Electric | ☐ Affidavit | ☐ Letter | ☐ Request
☐ Electric/Gas | ☐ Agreement | ☐ Memorandum | ☐ Request for Certification
☐ Electric/Telecommunications | ☐ Answer | ☐ Motion | ☐ Request for Investigation
☐ Electric/Water | ☐ Appellate Review | ☐ Objection | ☐ Resale Agreement
☐ Electric/Water/Telecom. | ☐ Application | ☐ Petition | ☐ Resale Amendment
☐ Electric/Water/Sewer | ☐ Brief | ☐ Petition for Reconsideration | ☐ Reservation Letter
☐ Gas | ☐ Certificate | ☐ Petition for Rulemaking | ☐ Response
☐ Railroad | ☐ Comments | ☐ Petition for Rule to Show Cause | ☐ Response to Discovery
☐ Sewer | ☐ Complaint | ☐ Petition to Intervene | ☐ Return to Petition
☐ Telecommunications | ☐ Consent Order | ☐ Petition to Intervene Out of Time | ☐ Stipulation
☐ Transportation | ☐ Discovery | ☐ Prefiled Testimony | ☐ Subpoena
☐ Water | ☐ Exhibit | ☐ Promotion | ☐ Tariff
☐ Water/Sewer | ☐ Expedited Consideration | ☐ Proposed Order | ☐ Other:
☐ Administrative Matter | ☐ Interconnection Agreement | ☐ Protest | ☐ Publisher's Affidavit
☐ Other: | ☐ Interconnection Amendment | ☐ Report | ☐ Other:
VIA ELECTRON/IC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Agreement for Transportation Service with Firm Gas Standby between South Carolina Electric & Gas Company and Pilgrim’s Pride Corporation.

Dear Ms. Boyd:

Pursuant to 10 S.C. Code Ann. Regs. 103-403, South Carolina Electric & Gas Company (“SCE&G”) hereby files and seeks approval of the enclosed Service Agreement for Transportation Service with Firm Gas Standby (“Contract”) between SCE&G and Pilgrim’s Pride Corporation.

By copy of this letter, we are providing the South Carolina Office of Regulatory Staff with a copy of the Contract.

If you have any questions, please advise.

Very truly yours,

K. Chad Burgess

KCB/ctb
Enclosure

cc: Jeffrey M. Nelson, Esquire
Dawn Hipp
(both via U.S. First Class Mail w/enclosure)
AGREEMENT FOR TRANSPORTATION SERVICE
WITH FIRM GAS STANDBY

This Agreement made and entered into this [•] day of [•], 2016, by and between SOUTH CAROLINA ELECTRIC & GAS COMPANY, its successors and assigns, hereinafter called "Seller" and PILGRIM'S PRIDE CORPORATION, its successors and assigns, hereinafter called "Buyer".

WITNESSETH

WHEREAS, Seller owns and operates a natural gas system in the State of South Carolina which supplies natural gas for certain industrial operations under specific contracts with industrial customers, and

WHEREAS, Seller supplies natural gas to Buyer under the terms of Service and Transportation Agreements between Buyer and Seller, dated January 29, 2009, which are hereby being mutually terminated at 10:00 A.M. Eastern Time on November 1, 2016, and

WHEREAS, Buyer has requested that Seller transport certain volumes of natural gas belonging to Buyer through Seller's facilities and deliver said volumes of gas to Buyer to displace purchases of Firm gas from Seller's system supply, and

WHEREAS, Buyer has requested that Seller provide Firm natural gas from Seller's system supply when not providing transportation services for Buyer, and

WHEREAS, Buyer has agreed to purchase natural gas from Seller according to the terms and conditions of this Agreement to the extent Buyer has a requirement for fuel in Priority-of-Service Categories 2 & 3B as set forth in Article III, Paragraph 1, of the General Terms and Conditions to Industrial Service Agreements hereinafter attached, for Buyer's facility located at 2050 Hwy 15 S, Sumter, South Carolina.

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth, to be kept and performed by the parties hereto, it is mutually agreed as follows:

1. SCOPE OF DELIVERY

(A) FIRM GAS, PRIORITY-OF-SERVICE CATEGORY 2
PROCESSING PLANT – OVENSMISTRYRS
Seller acknowledges that Buyer may utilize a source of gas other than system supply gas from Seller's sources. Buyer's gas may be transported to Buyer by Seller under the Transportation services provision of this Agreement. Natural gas is provided hereunder to satisfy Buyer's requirements when Seller is not providing transportation services.
Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, up to the Maximum Daily Quantity of natural gas which shall not be subject to interruption or curtailment except for conditions as set forth in Article IV, Paragraph 3, of the General Terms and Conditions hereto attached. The Maximum Daily Quantity of Firm Gas shall be 50 dekatherms per day. Any gas taken by Buyer above the Maximum Daily Quantity, after notice from Seller of curtailment to the Maximum Daily Quantity, without Seller's advance approval, shall be Unauthorized Overrun Gas and shall subject Buyer to the penalty rate per dekatherm set forth in Article IV, Paragraph 5, of the General Terms and Conditions to Industrial Service Agreements hereto attached. Deliveries of Firm Gas under this paragraph of the Agreement shall be utilized by Buyer only in Priority-of-Service Category 2 as set forth in Article III, Paragraph 1, of the General Terms and Conditions hereto attached. Buyer shall purchase all gas tendered by Seller up to the Maximum Daily Quantity whenever and to the extent Buyer has a requirement for fuel in the Priority-of-Service Category set forth herein.

(B) FIRM GAS, PRIORITY-OF-SERVICE CATEGORY 3B
PROCESSING PLANT - BOILERS
Seller acknowledges that Buyer may utilize a source of gas other than system supply gas from Seller's sources. Buyer's gas may be transported to Buyer by Seller under the Transportation services provision of this Agreement. Natural gas is provided hereunder to satisfy Buyer's requirements when Seller is not providing transportation services.

Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, up to the Maximum Daily Quantity of natural gas which shall not be subject to interruption or curtailment except for conditions as set forth in Article IV, Paragraph 3, of the General Terms and Conditions hereto attached. The Maximum Daily Quantity of Firm Gas shall be 1,300 dekatherms per day. Any gas taken by Buyer above the Maximum Daily Quantity, after notice from Seller of curtailment to the Maximum Daily Quantity, without Seller's advance approval, shall be Unauthorized Overrun Gas and shall subject Buyer to the penalty rate per dekatherm set forth in Article IV, Paragraph 5, of the General Terms and Conditions to Industrial Service Agreements hereto attached. Deliveries of Firm Gas under this paragraph of the Agreement shall be utilized by Buyer only in Priority-of-Service Category 2 as set forth in Article III, Paragraph 1, of the General Terms and Conditions hereto attached. Buyer shall purchase all gas tendered by Seller up to the Maximum Daily Quantity whenever and to the extent Buyer has a requirement for fuel in the Priority-of-Service Category set forth herein.
2. **HOURLY DELIVERIES**

   (A) Seller shall not be obligated to make hourly deliveries of gas pursuant to Paragraph 1(A) above at an hourly rate exceeding 5 dekatherms per hour. Seller reserves the right to regulate the flow of gas delivered hereunder by means of automatic or manually operated flow control valves so as to limit the hourly flow of gas within the specified quantity.

   (B) Seller shall not be obligated to make hourly deliveries of gas pursuant to Paragraph 1(B) above at an hourly rate exceeding 20 dekatherms per hour. Seller reserves the right to regulate the flow of gas delivered hereunder by means of automatic or manually operated flow control valves so as to limit the hourly flow of gas within the specified quantity.

3. **POINT OF DELIVERY**

The Point of Delivery for all gas delivered hereunder shall be at the outlet side of Seller's measuring and regulating equipment. The measuring equipment shall be installed on the Buyer's property at a location mutually agreed upon by Seller and Buyer. All gas shall be delivered at this location and it shall be the Buyer's responsibility to extend all fuel lines from this location to the point or points of usage.

4. **DELIVERY PRESSURE**

   (A) Seller agrees to use due care and diligence to furnish gas hereunder at such uniform pressure as Seller may elect up to, but not exceeding 25 pounds per square inch gauge, and not less than 10 pounds per square inch gauge, at the "Point of Delivery" pursuant to Paragraph 1(A) above. Buyer shall be responsible for the installation and operation of adequate safety equipment downstream of the Point of Delivery so as to relieve or control pressure variations within the limits described above that may, for any reason through malfunction of Seller's equipment or otherwise, occur on Buyer's side of the "Delivery Point".

   (B) Seller agrees to use due care and diligence to furnish gas hereunder at such uniform pressure as Seller may elect up to, but not exceeding 60 pounds per square inch gauge, and not less than 30 pounds per square inch gauge, at the "Point of Delivery" pursuant to Paragraph 1(B) above. Buyer shall be responsible for the installation and operation of adequate safety equipment downstream of the Point of Delivery so as to relieve or control pressure variations within the limits described above that may, for any reason through malfunction of Seller's equipment or otherwise, occur on Buyer's side of the "Delivery Point".
5. TRANSPORTATION SERVICE

(a) SCOPE OF SERVICE

Seller agrees to accept deliveries of natural gas belonging to Buyer at Seller's delivery point from the upstream pipeline and to transport Buyer's gas and redeliver to Buyer. Service provided hereunder is in lieu of natural gas provided from system supply. Buyer agrees that the transportation service is provided on an interruptible basis. Interruptions shall be at the sole discretion of Seller or whenever service is interrupted by any upstream pipeline.

(b) NOMINATION PROCEDURES

Seller agrees to accept and transport up to 1,350 dekatherms, excluding shrinkage volumes, of natural gas on a daily basis. Buyer will notify Seller at least five (5) days prior to the end of the month the volumes of gas, in dekatherms, to be transported on a daily basis during the next calendar month. Buyer has the right to change the volume to be transported during the month on a daily basis. It is Buyer's responsibility to notify producers and connecting pipelines regarding any change in transportation volumes. Seller will accept changes in daily volumes dispatched from an upstream pipeline; however, Seller reserves the right to limit or restrict the volumes accepted and transported at any time whenever, in Seller's sole opinion, operating conditions warrant a limitation or restriction on the acceptance or delivery of transportation gas. Limitations or restrictions may be because of, but not limited to, the utilization of deliverability capacity of Seller for Seller's system supply requirements.

(c) TRANSPORTATION RATE

Each month, beginning November 1, the rate for daily volumes transported for and delivered to Buyer shall be $1.00 per dekatherm.

(d) SHRINKAGE

Seller will retain 3% of all volumes delivered to Seller on Buyer's behalf for shrinkage and line losses. The volumes retained by Seller will not create or contribute to an imbalance. Seller reserves the right to adjust the shrinkage factor, up or down, to account for actual line losses. Seller agrees to give Buyer thirty (30) days written notice of any adjustment.

(e) BALANCING

The volume of gas received on a daily basis for Buyer's account may not equal the volume, less shrinkage, delivered to the Buyer. The result will be deemed an
imbalance. Buyer's account will be reviewed at the end of each month, or on termination of Transportation Service, or curtailment or discontinuance thereof. If the net imbalance is such that the Buyer has received more gas than was delivered to the Seller during the period under review, Buyer shall be billed for such as standby service referenced in Rate 85, attached as Exhibit A. If the net imbalance is such that the Buyer has received less gas than was delivered to the Seller, the Seller will buy excess gas at Seller's lowest delivered purchase price in that month from any of Seller's suppliers.

Daily volumes transported by Seller shall not exceed the Contract Maximum Daily Quantity specified in Paragraph 1, SCOPE OF DELIVERY. In the event a daily volume is delivered to Seller which exceeds the Contract Maximum Daily Quantity, the excess daily volumes will be purchased by Seller at Seller's lowest delivered price from any of Seller's suppliers.

(f) POSSESSION OF GAS

After Buyer delivers gas or causes gas to be delivered to Seller at the point(s) of receipt hereunder, Seller shall be deemed to be in control and possession of the gas until it is redelivered to Buyer at the point of delivery. Buyer shall have no responsibility with respect to any gas deliverable by Seller or on account of anything which may be done, happen or arise, with respect to such gas until Seller delivers such gas to Buyer or for the account of Buyer. Seller shall have no responsibility with respect to such gas before Buyer delivers such gas to Seller or after Seller redelivers such gas to Buyer or on account of anything which may be done, happen or arise with respect to such gas before such delivery or after such redelivery.

(g) WARRANTY OF TITLE TO GAS

The Buyer warrants for itself, its successors and assigns, that it will at the time of delivery to Seller for transportation have good and merchantable title to all gas so delivered free and clear of all liens, encumbrances and claims whatsoever. Buyer will indemnify Seller and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any or all persons to said gas, including claims for any royalties, taxes, license fees or charges applicable to such gas or to the delivery thereof to Seller for transportation.

(h) PRIORITY AND ALLOCATION OF TRANSPORTATION SERVICE

It is acknowledged by Buyer that other end-users of natural gas may from time to time contract with Seller for the transportation of natural gas owned by them. In the event that available capacity or operating conditions exist which limit the acceptance by Seller of natural gas to an amount that is less than the aggregate
volume of all such natural gas tendered for transportation and redelivery by any
or all end-users that have contracted with Seller for transportation service, the
following priorities and allocations shall apply:

(1) All natural gas purchased by Seller for its system supply or otherwise
owned by Seller shall have the highest priority of acceptance into Seller's
system and the highest priority of delivery throughout Seller's system.

(2) The priority of acceptance of natural gas owned by end-users, whoever
they may be from time to time, and tendered to Seller's system for
redelivery thereof shall be based upon the category of service, pursuant to
the General Terms and Conditions to Industrial Service Agreements
attached hereto, for which Seller has agreed to provide standby service
associated with a Transportation Agreement with any such end-user.
Higher priorities of standby service pursuant to individual agreements
between Seller and end-users shall determine the priority of acceptability
and redeliverability of natural gas tendered to Seller for transportation in
accordance with the priority categories in the Curtailment Plan. If any
Transportation Agreement between Seller and an end-user does not
contain a provision for standby service and a specified category of service
with respect to said standby service provision, then the acceptability and
redeliverability of any natural gas tendered by such end-user to Seller shall
have the lowest priority of acceptability and redeliverability.

(3) In the event that the total volume of natural gas tendered to Seller for
acceptance and redelivery relative to a single category of standby service is
greater than the capacity determined by Seller to be available for
acceptance and redelivery of natural gas in said category of standby
service, then acceptance and redelivery of such tendered gas shall be
allocated pro rata based upon the contract volumes in all agreements for
transportation service containing said category of standby service on the
Seller's system.

(4) The determination of the existence of limitations on capacity or operating
conditions which limit the acceptability or deliverability of natural gas
tendered to Seller for transportation shall be at the sole discretion and
judgment of Seller.

(i) SPECIAL PROVISIONS

(1) The Buyer bears sole responsibility for costs incurred to deliver
transportation gas to Seller.

(2) Buyer shall be required to reimburse Seller for any out-of-pocket expenses
incurred in connection with the initiation and rendering of service under this Transportation Agreement.

(3) Seller retains sole discretion as to whether or not a particular Buyer or particular Buyers shall receive service pursuant to Transportation Agreements.

(4) It is contemplated that service pursuant to this Transportation Agreement shall be provided within the existing limitations of Seller's system, and Seller shall not be required to expand or alter the said system.

(5) Transportation service may be curtailed or discontinued at the sole option of Seller after not less than two (2) hours advance notice by telephone or otherwise. However, the Buyer shall continue to hold title to any gas (less shrinkage) received by Seller and not delivered prior to such curtailment or discontinuance. Seller will notify Buyer when conditions permit Seller to resume transportation service.

6. INITIAL SERVICE

Buyer agrees to begin purchasing natural gas under the terms and conditions of this Agreement at 10:00 A.M. Eastern Time on November 1, 2016, at which time the Service and Transportation Agreements between Buyer and Seller dated January 29, 2009, shall terminate.

7. TERM OF AGREEMENT

This Agreement shall become effective on November 1, 2016, and shall continue in full force and effect through October 31, 2017, and from month to month thereafter unless either party shall give written notice of intention to terminate at least thirty (30) days prior to the expiration of the original term or any one month extension thereof.

8. RATES

In consideration of Buyer's requirements for Firm Natural Gas service for Priority-of-Service Categories 2 & 3B, Buyer agrees to pay Seller the charges set forth below:

Gas volumes will be corrected for BTU content, pressure, temperature, supercompressibility, specific gravity, and other factors where applicable.

(A) FIRM NATURAL GAS, PRIORITY-OF-SERVICE CATEGORIES 2 & 3B

(1) Demand Charge - The monthly demand charge for Firm Natural Gas service shall be calculated by multiplying the Maximum Daily Quantity
(MDQ) of 1,350 dekatherms by the demand charge rate of $8.00 per dekatherm.

(2) **Standby Demand Charge** - The monthly standby charge for Firm Natural Gas service is effective in the winter months of November through April, only, and shall be calculated by multiplying the Maximum Daily Quantity (MDQ) of 1,350 dekatherms by the demand charge rate of $6.00 per dekatherm.

(3) **Commodity Charge** - Each month, the commodity charge for daily volumes of Firm Natural Gas service delivered by Seller from Seller's system supply to Buyer in Priority-of-Service Categories 2 & 3B shall be one dollar ($1.00) per dekatherm plus Seller's Commodity Cost of Gas. Seller's Commodity Cost of Gas shall be the commodity price at the NYMEX closing date plus any applicable shrinkage and transportation charges on upstream pipelines.

**(B) COMPETITIVE FUEL RATE (GAS-TO-GAS)**

(1) Seller acknowledges that Buyer also has the capability to use transported gas to satisfy Buyer's requirements in Priority-of-Service Categories 2 & 3B. Buyer and Seller hereby agree that Seller has the opportunity to bid a price to Buyer to displace Buyer's transported gas in accordance with the procedures of this Paragraph 7(B).

(2) Seller agrees to provide Buyer with notice, verbally, or in writing, before the end of each calendar month of the price at which Seller is able to sell gas to Buyer for the next ensuing calendar month to displace transportation gas.

(3) Buyer agrees to respond to Seller, verbally by telephone, or in writing, prior to the beginning of the next ensuing calendar month, that Buyer accepts or rejects Seller's offer.

(4) In the event Buyer accepts Seller's offer, Buyer may not discontinue the purchase of natural gas for Buyer's fuel requirements hereunder.

(5) In the event Buyer rejects Seller's offer, and elects to transport Buyer's own gas, then Buyer shall have no obligation to purchase any gas from Seller's system supply.

(6) In no event will the cost of natural gas as determined by this paragraph, exceed the standby commodity charge referenced in Rate 35, attached as Exhibit A.
9. BILLING VOLUMES

For the purpose of billing, the parties agree that the first gas delivered through the Point of Delivery shall be the volumes transported for Buyer on a daily basis pursuant to the transportation service specified in Paragraph 5 herein. All volumes in excess of the transported volumes will be considered as having been delivered from Seller's system supply pursuant to the standby provisions of this Agreement.

10. CANCELLATION

In the event that this contract is cancelled by Buyer for any reason, the Buyer, in addition to all other sums due under this Agreement, shall pay to the Seller a cancellation charge which is Seller's investment in facilities required to provide service to Buyer less accumulated depreciation, plus the costs of removal and less salvage.

11. CREDITWORTHINESS

Seller, in order to satisfy itself of the ability of the Buyer to meet its obligations under the contract, may conduct periodic reasonable credit reviews in accordance with standard commercial practices. Buyer agrees to assist in these reviews by providing financial information and at the request of the Seller, will maintain such credit support of surety including, but not limited to, an unconditional and irrevocable letter of credit to provide adequate security for protection against the risk of nonpayment.

12. ASSIGNMENT

Customer shall not assign this Agreement or its rights hereunder without the prior written consent of the Company, which consent may be withheld in the exercise of its sole discretion.

13. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions to Industrial Service Agreements attached hereto and duly executed by both parties, are hereby incorporated in and made a part of this Service Agreement. Should there be any conflict between any portion of the General Terms and Conditions to Industrial Service Agreements and this Agreement, the parties agree that the Agreement shall prevail.

14. NOTICES

All correspondence required of Buyer and Seller under this Agreement is to be addressed as follows:
To Seller: South Carolina Electric & Gas Company
Large Customer Group, Mail Code B-102
Cayce, SC 29033

To Buyer: Pilgrim’s Pride Corporation
C/O NISC
P. O. Box 847
Mandan, ND 58554-0847

IN WITNESS WHEREOF, this Agreement has been executed on the date first above written
by the parties hereto by their officers or other representatives.

PILGRIM’S PRIDE CORPORATION

Buyer

By

Title

Date

SOUTH CAROLINA ELECTRIC & GAS COMPANY

Seller

By William G. Watkins

Manager – Large Customer Accounts & Services

Title

Date
## Exhibit A

### South Carolina Electric & Gas Company

#### Rate 35

<table>
<thead>
<tr>
<th>Transportation and Standby Service</th>
<th>(Page 1 of 2)</th>
</tr>
</thead>
</table>

### Availability

Transportation service is available to any customer who has firm requirements of 50 Dekatherms Maximum Daily Quantity (MDQ) or greater, and, who owns and delivers gas to the Company at an acceptable point of connection, or delivers the gas to the customer's regular point of service. Service will be supplied at the best efforts of the Company and may be restricted from time to time due to operating limitations on the Company's system or from third party restrictions. In the event of such limitations, the transportation service is subordinate to service under other rate schedules and may be curtailed or interrupted, normally upon not less than two hours advance notice, or, when necessitated by conditions affecting the Company's gas system, upon less than two hours advance notice.

### Rate per Month

Transportation Service

<table>
<thead>
<tr>
<th>Monthly Demand Charge</th>
<th>First 50 Dekatherms @</th>
<th>$394.00</th>
<th>Excess over 50 Dekatherms @</th>
<th>$7.00 per Dekatherm</th>
<th>Commodity Charge @</th>
<th>$ 1.6566 per delivered Dekatherm</th>
</tr>
</thead>
</table>

### Determination of Billing Demand

(a) Billing Months of November-April:

The monthly billing demand shall be the greatest of:

1. The actual MDQ;
2. The contract MDQ; or
3. 80 Dekatherms.

(b) Billing Months of May-October:

The monthly billing demand shall be the greatest of:

1. The actual MDQ;
2. 60% of the contract MDQ; or
3. 80% of the highest MDQ occurring during any of the preceding billing months of November-April; or (4) 80 Dekatherms.

### Delivery Services

In addition to the demand charges for transportation service the following charges will apply for gas supplied by the Company.

(a) Billing Months of November-April:

The monthly billing demand shall be the greatest of:

1. The actual MDQ;
2. The contract MDQ; or
3. 80 Dekatherms:

<table>
<thead>
<tr>
<th>Demand Charge @</th>
<th>$4.00 per Dekatherm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodity Charge @</td>
<td>$ 1.6566 per delivered Dekatherm</td>
</tr>
</tbody>
</table>

(b) Billing Months of May-October:

<table>
<thead>
<tr>
<th>Demand Charge @</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodity Charge @</td>
<td>$ 1.6566 per delivered Dekatherm</td>
</tr>
</tbody>
</table>

### Minimum Charge

The monthly minimum charge shall be the demand charges as determined above.

### Adjustment for Recovery of Gas Costs

The commodity charge above includes gas costs of $3.58 per Dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

### Delivered Gas Quantity

When separate metering is not feasible, the Company shall assume no billing purposes, unless otherwise agreed to, that such metered volumes reflect deliveries under this rate schedule prior to gas received under any other rate schedule.

The quantity of transportation gas received into the Company's system for the customer's account to be delivered to the customer by the Company shall be reduced by 3% in measurement for fire loss and unaccounted for gas.

Effective for Bills Rendered On and After the 1st Billing Cycle of August 2010.
**SOUTH CAROLINA ELECTRIC & GAS COMPANY**

<table>
<thead>
<tr>
<th>RATE 35</th>
<th>TRANSPORTATION AND STANDBY SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DELCVERED GAS QUANTITY</strong></td>
<td></td>
</tr>
<tr>
<td>The volume of gas received on a daily basis for customer's account may not equal the volume, less shrinkage, delivered to the customer. The result will be deemed an Imbalance. Customer's account will be reviewed at the end of each month, or on termination of Transportation Service or curtailment or discontinuance thereof. If the Imbalance is such that the customer has received more gas than was delivered to the company during the period under review, customer shall be billed for such excess service. If the Imbalance is such that the customer has delivered less gas than was delivered to the Company, the Company may exercise one of two options, in its sole discretion. The Company may: (1) deliver the excess gas to the customer, over the next calendar month succeeding the review, at such time as the Company shall determine in its sole discretion; or (2) buy excess gas at Company's lowest delivered purchase price in that month from any of Company's suppliers.</td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITY</strong></td>
<td></td>
</tr>
<tr>
<td>The Company shall not be liable for curtailment of service under this rate schedule or loss of gas of the customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order. Gas shall be and remain the property of the customer while being transported and delivered by the Company. The customer shall be responsible for maintaining all insurance it deems necessary to protect its property involved in such gas before, during, and after receipt by the Company. The Company shall not be liable for any loss to the customer arising from or out of service under this rate schedule, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the customer with other supplies.</td>
<td></td>
</tr>
<tr>
<td><strong>SALES AND FRANCHISE TAX</strong></td>
<td></td>
</tr>
<tr>
<td>To the above will be added any applicable sales tax, franchises fee or business license tax which may be assessed by any state or local governmental body.</td>
<td></td>
</tr>
<tr>
<td><strong>PAYMENT TERMS</strong></td>
<td></td>
</tr>
<tr>
<td>All bills are net and payable when rendered.</td>
<td></td>
</tr>
<tr>
<td><strong>TERM OF CONTRACT</strong></td>
<td></td>
</tr>
<tr>
<td>The customer shall execute an Agreement of Service with the Company which shall specify the maximum daily volume of gas to be transported, the period of time that the Company will receive such gas, and conditions under which delivery to the Company will be accepted and delivery to the customer will be made. The customer must provide the Company with all necessary documentation of ownership and authorization required by any regulatory body with jurisdiction.</td>
<td></td>
</tr>
<tr>
<td><strong>GENERAL TERMS AND CONDITIONS</strong></td>
<td></td>
</tr>
<tr>
<td>The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.</td>
<td></td>
</tr>
<tr>
<td><strong>ANNUAL NOMINATION</strong></td>
<td></td>
</tr>
<tr>
<td>Customers must elect to receive: a) Transportation Service only, b) Transportation Service with Standby Service, or c) Standby Service only for each applicable period. Such elections must be made to the Company in writing by October 15th of each year to be effective for each month during the period November 1st to October 31st following. New customers under this tariff shall elect volumes at the time their service utilizes becomes effective. If no prior election has been made than the customer will receive Standby Service only. If any customer fails to make a timely election, then the prior period election will carry over for the following period. All elections shall be binding for the duration of the November 1st to October 31st period and may not be revoked, suspended or modified by the Customer.</td>
<td></td>
</tr>
</tbody>
</table>

*Effective For Bills Rendered On and After the 1st Billing Cycle of August 2016*
SOUTH CAROLINA ELECTRIC & GAS COMPANY

GENERAL TERMS AND CONDITIONS TO INDUSTRIAL SERVICE AGREEMENTS FOR GAS

ARTICLE I

GENERAL

These Terms and Conditions to Industrial Service Agreements are supplementary to the Rates and Regulations issued by the Public Service Commission of South Carolina and the General Terms and Conditions of South Carolina Electric & Gas Company as provided by the Public Service Commission of South Carolina.

The provisions of these Terms and Conditions apply to all persons, partnerships, joint ventures or others designated as industrial customers and are lawfully receiving service from South Carolina Electric & Gas Company under rate schedules or service agreements filed with the Commission. To the extent these Terms and Conditions conflict with the General Terms and Conditions for naturalgas service, the General Terms and Conditions for natural gas service control.

South Carolina Electric & Gas Company is referred to herein as "Seller" and the user or prospective user is referred to as "Buyer". The Public Service Commission of South Carolina is referred to herein as "Commission".

ARTICLE II

DEFINITIONS

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

1. "Day" shall mean a period of twenty-four (24) consecutive hours beginning at 12:00 A.M. Eastern Time or at such other time as may be designated.

2. "Month" shall mean the period between any two (2) regular meetings of Seller's officers which shall be not less than twenty-eight (28) days or more than forty-five (45) days.

3. "Year" shall mean the period of three hundred sixty-five (365) days commencing with the day of delivery of gas hereunder, and each 365 days thereafter except that in a year having a day Figure 29th, that year shall consist of 366 days.

4. "Cubic foot of gas" shall mean the amount of gas necessary to fill a cubic foot of space within the gas at 60°F and under an absolute pressure of one hundred and seventy-three thousand pounds per square inch (173 psia).

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

6. "MCF" shall mean one thousand (1000) cubic feet of gas.

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

8. "MMBTU" shall mean one million British Thermal Units.

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

10. "Debtorship" (x) shall mean the quantity of Debtorship, which is 1,000,000 British Thermal Units.

11. "Natural Gas" or "Gas" shall mean natural gas, processed or unprocessed, imported liquid natural gas, synthetics, propane-air mixture, landfill gas, other unconventional source of methane gas or any mixture of the foregoing.

12. "Personal Service" shall mean 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 cases of emergency to higher priority customers than those served.

13. "Interruptible Service" shall mean service from rate schedules or contracts under which Company is not expressly obligated to deliver specific volumes within a given time period, but which anticipates and permits interruption on short notice, or in the event there is insufficient gas, which may or may not require installation of alternate fuel capability.

14. "Commercial Service" shall mean service to customers engaged primarily in the sale of goods or services including institutions and local, state and federal government agencies for use other than for manufacturing or electrical power generation.

15. "Industrial Service" shall mean service to customers engaged primarily in processes which create or changes raw or unfinished materials into another form or product fulfilling the generation of electricity or heat.

16. "Plant Protection Gas" shall mean the minimum total 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 to processes as would otherwise be destroyed, but shall not include discrete items required to maintain plant production. A determination will be made by the Seller's minimum volumes required. Such essential volumes will be dispatched accordingly.

17. "Slag Gas" shall mean natural gas used as a raw material for the chemical properties in creating an end product.

18. "Process Gas" shall mean gas used for which alternate fuels, other than another gaseous fuel, are not technically feasible such as in applications requiring precise temperature control and precise flame characteristics.

19. "Buyer" shall mean natural gas used as fuel for the generation of steam and in internal combustion engines for generating electricity.

20. "Altar" shall mean a situation where an alternate fuel could have been utilized whether or not the facilities for such use have actually been installed; provided however, that the use of natural gas for processes, feedstock, or process uses and the only alternate fuel is propane or another gaseous fuel, then the Buyer will be treated as if he had no alternate fuel capability if each fuel is unreasonable for saving fuel needs.

21. "Gas Supply Deficiency" shall mean any occurrence relating to Seller's gas supply which causes Seller to deliver less than the total requirements of its system, including fail-safe of supply. This includes the following gas for any reason, requirement of gas for system storage, conservation of gas for future delivery, or any other occurrence not enumerated herein which affects Seller's gas supply.

22. "Storage Injection Requirements" shall mean all volumes required by the Seller for injection into underground storage, including cushion gas, and for liquefaction, including fuel used for injection into liquefaction plants, or for other storage purposes. Storage capacity shall be measured using the requirements of Buyers, together with an additional period for gas that will be conserved or injected into other facilities for future use. The requirements of Buyers, such as flame stabilization requirements, will be met as long as such uses do not jeopardize service to its own service.

23. "Emergency Service" shall mean real time gas service, which, if denied, would cause shutdown of an operation resulting in the closing of an establishment essential to maintaining the health and safety of the general public.

24. "Point of Delivery" shall be the point of the Seller's measurement equipment and regulating equipment.

25. "Emergency Service" shall mean supplemental deliveries of natural gas that may be required to forestall irreparable injury to life or property including environmental emergencies.

ARTICLE III

CURTAILMENT OF SERVICE

1. In the event of a Gas Supply Deficiency on the Seller's system, the Seller shall require a curtailment of service to Buyer in accordance with the following procedure:

a. Gas Supplier shall deliver notification of such demand to Buyer's specific locations and details in accordance with priority of service categories outlined below. Approved emergency gas is exempted from curtailment.

1. Residential and small commercial Buyers (less than 50 MCF on a peak day) and essential human needs customers whose fore is not satisfied or available alternate fuel capability.

2. Large commercial and industrial customers (50 MCF or more on a peak day), in accordance with the requirements of plant protection, feedstock and process needs and storage function requirements.

2a. First industrial requirements for use other than boiler fuel which do not qualify for Category 2.

2b. Process and industrial boiler fuel requirements up to 1,000 MCF on a peak day.

2c. Incurable requirements for human needs types of utilities such as public buildings, hospitals and laundries.

2d. Unincurable requirements for direct flame applications which can utilize only gaseous fuel as an alternate.
7. Buyer agrees that all gas delivered hereunder shall be the Buyer's property and shall be free and clear of any charges or liens and subject to all rights and title required by law.

8. Buyer acknowledges that any gas delivered hereunder shall be subject to all laws, regulations, and orders of governmental agencies or authorities having jurisdiction over the gas industry and the transportation of gas.

9. Buyer agrees to pay all taxes, fees, and charges imposed by any governmental agency or authority having jurisdiction over the gas industry and the transportation of gas.

10. Seller shall have the right to suspend or terminate delivery of gas if Buyer fails to pay any amounts due to Seller.

11. Seller shall have the right to suspend or terminate delivery of gas if Buyer fails to comply with any of the terms or conditions of this Agreement.

12. Seller shall not be liable for any loss, damage, or expense resulting from any suspension or termination of delivery of gas.

13. Buyer agrees to indemnify and hold Seller harmless from any claims, damages, or expenses resulting from any suspension or termination of delivery of gas.

14. In the event of any dispute or controversy arising out of or related to this Agreement, the parties shall first attempt to resolve the dispute through good faith negotiations.

15. If the parties are unable to resolve the dispute through good faith negotiations, the dispute shall be submitted to arbitration in accordance with the rules of the American Arbitration Association.

16. The prevailing party in any arbitration shall be entitled to recover reasonable attorneys' fees and costs incurred in connection with the arbitration.

17. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina, without regard to its conflict of laws principles.

18. This Agreement contains the entire agreement between the parties and supersedes all prior negotiations, agreements, and understandings.

19. This Agreement may be amended or modified only in writing signed by both parties.

20. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

21. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

22. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.
Article VII
MEASUREMENTS

1. The volumes and total heating value of the gas delivered hereunder shall be determined as follows:
   (a) The Unit of Volume shall be a cubic foot of gas.
   (b) When static meters are used, volumes delivered shall be credited in accordance with the instructions, formulas and tables published April 1895, as Gas Measurement Committee Report No. 3 of the American Gas Association, and any modifications and amendments thereto, and shall include the use of range connections.
   (c) All volumes delivered shall be corrected to the prevailing 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 in the square inch, irrespective of actual elevation or location of the point of delivery above sea level or variations in such elevation, and elevation pressure shall be taken in like.
   (d) The temperature of the gas shall be assumed to be 60 degrees Fahrenheit (60°F) unless Seller elects to install a recording thermometer or temperature-sensing device. If a recording thermometer is installed, the numerical average of the 24-hour period will be used to determine the temperature correctly.
   (e) The specific gravity of the gas shall be determined by a recording gravimeter of standard manufacture installed in a suitable location. Where a recording gravimeter is not installed, the specific gravity of the gas shall be assumed to be the same as that of Seller's supply.
   (f) The total heating value of the gas delivered hereunder may be determined by Seller by using a standard type of recording calorimeter, spectrophotometer, dilatometer, or other approved instrument which shall be so located, at a suitable point on Seller's line, in order that the BTU content of the gas delivered hereunder may be properly obtained. Where required, daily reading from the meter so obtained shall be corrected to the basis of measurement provided and from a standard basis to the average moisture content of the gas delivered, the initial being the BTU content of the gas delivered during the billing period. In the event that Seller does not install a recording instrument for such determination or if the instrument is not operating properly, the total heating value shall be determined from a recording calorimeter or comparable instrument properly installed and operated by Seller's supplier of natural gas, provided, such values are applicable to the gas that may be delivered to the Buyer.

Article VIII
BUYER'S FACILITIES

1. Buyer will maintain at its own expense facilities at the delivery point to the point of use and the burner and equipment for using gas, and Buyer will at all times keep said piping equipment so installed in good order and condition according to any special rules and regulations as may be specified for each city by the municipal authorities and with the requirements of the utility or city in which the property is located.

Article IX
RATE ADJUSTMENTS

1. Taxes applicable to the gas delivered to Buyer hereunder are in effect on January 1 of the calendar year. In the event that any such tax is in effect on January 1, immediately preceding the effective date of this Agreement, the additional tax shall be applied to the gas delivered in the manner provided by law. Imposed on Seller by any governmental authority in the purchase and sale of such gas. If the rates herein specified are not in effect on January 1, immediately preceding the effective date of this Agreement, the additional tax shall be imposed and paid to the governmental authority having jurisdiction thereover. Imposed on Seller by any governmental authority in the purchase and sale of such gas. If the rates herein specified are not in effect on January 1, immediately preceding the effective date of this Agreement, the additional tax shall be imposed and paid to the governmental authority having jurisdiction thereover.
BILLS OF LADING

1. All bills of lading issued by Seller's carriers shall be cleared and paid within ten (10) days of the billing date. A month shall mean a period beginning on the first recognized working day of the calendar month and ending on the last recognized working day of the next succeeding calendar month, or at such other times as determined by Seller.

2. If it shall be found that Buyer has been overcharged or undercharged in any form whatsoever under this provision hereunder, Seller shall take action to correct such billing pursuant to current rules and regulations governing gas systems issued by the Public Service Commission of South Carolina.

ARTICLE XI

POSSSESSION OF GAS AN INDENMIFICATION

1. The parties hereto, Seller, shall be deemed to be in default and possession of the gas deliverable hereunder until Seller shall have been delivered to Buyer at the Point of Delivery after which Buyer shall be deemed to be in control and possession thereof.

2. Buyer shall indemnify and hold harmless the Seller from any and all losses (including death, damage, or liability incurred by the Seller by reason of any act of the Buyer, its agents or employees, in the receiving, use, or application of said gas on the Buyer's system at the Point of Delivery until the same shall be due to the sole negligence of the Seller, its agents or employees). The Seller shall indemnify and hold harmless the Buyer from all loss (including death, damage, or liability incurred by the Buyer by reason of any act of the Seller, its agents, or employees, unless the same shall be due to the sole negligence of the Buyer, its agents or employees.

ARTICLE XII

WARRANTY OF TITLE TO GAS

1. Seller warrants to the title to all gas delivered hereunder and the right to sell the same and that such gas shall be free and clear from all liens and adverse claims.

ARTICLE XIII

FORCE MAJEURE

1. In the event of either party herein being rendered unable wholly or in part by force majeure to perform its obligations under this contract, other than to make payments due hereunder, it is agreed that such party giving notice and notifying the other party thereof in writing or by telegraph to the other party as soon as possible after the occurrence of the cause relied upon, then the obligations of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused but no longer period and such cause shall as far as possible be eliminated with reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemies, war, blockade, suspension, theft, epidemics, breakage, fire, earthquakes, floods, storms, floods, wastruss, war, and any other causes beyond the reasonable control of such party to prevent the performance of any obligation under this Agreement.

2. Seller may at its option, terminate this Service Agreement by giving the Buyer notice thereof in writing or by telegraph. This party shall not be liable from the date of termination of such Service Agreement until the last day of the month in which the service is to be terminated, unless the party giving the notice terminates the same; thereafter, the party in default shall cause a written notice to be served on the party in default, stating specifically the cause for terminating such Service Agreement and declaring it to be the intention of the giving the notice to terminate the same; thereafter, the party in default shall have thirty (30) days after the service of the above notice in which to remedy and mitigate any cause or causes of its own issuance, the party not in default shall cause a written notice to be served on the other party in default, stating specifically the cause for terminating such Service Agreement, such notice to be given in full吓 and effect. In case the party in default does not within thirty (30) days after service of such notice remove the notice for any and all consequences of such breach, within thirty period of thirty (30) days, then this Service Agreement shall continue in full force and effect, and in case the party in default does not within thirty (30) days after service of such notice remove the notice for any and all consequences of such breach, within thirty period of thirty (30) days, and the Service Agreement shall continue in full force and effect.

3. If any provisions of this Agreement shall be invalid, such invalid provisions shall not affect the validity of any other provision.

4. In the event of any controversy arising out of the execution of the Agreement, or any claim against either party, or any dispute which may arise between the parties hereto, any such controversy, claim, or dispute shall be finally settled by binding arbitration in accordance with the rules of the American Arbitration Association.

5. In the event of any controversy arising out of the execution of the Agreement, or any claim against either party, or any dispute which may arise between the parties hereto, any such controversy, claim, or dispute shall be finally settled by binding arbitration in accordance with the rules of the American Arbitration Association.