

SUMMIT NATURAL GAS OF MAINE, INC.
PO Box 270868
Littleton, CO 80127

ME PUC No. 1

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REGULATIONS
APPLICABLE TO ALL NATURAL GAS SERVICES
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TERMS AND CONDITIONS

NATURAL GAS SERVICE

GENERAL STATEMENT

The following Terms and Conditions, filed with the Maine Public Utilities Commission ("Commission" or "MPUC"), set forth the terms and conditions under which natural gas service is supplied and govern all classes of service in all territory served by the Company. They are subject to termination, change, or modification, in whole or in part, in accordance with the Rules and Regulations of the Commission.

Service furnished by the Company is also subject to the Rules and Regulations of the Commission. Copies of the Company's Terms and Conditions are available for any customer's inspection at the offices of the Company.

Any waiver at any time of the Company's rights or privileges under these Terms and Conditions will not be deemed a waiver as to any breach or other matter subsequently occurring.

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NATURAL GAS SERVICE

GENERAL

DEFINITION OF TERMS

Billing Unit - A quantity of gas expressed in energy units, either therms or dekatherms, depending on the rate class.

British Thermal Unit (Btu) - One (1) British thermal unit (International Table), which is the amount of energy equivalent to 1,055.056 Joule, as specified in Gas Processors Association Publication 2145-93 ("Table of Physical Constants of Paraffin Hydrocarbons and other Components of Natural Gas") or subsequent amendments as may be adopted by the Company. One (1) MMBtu shall mean one million (1,000,000) Btu.

Commission - "Commission" shall mean the Maine Public Utilities Commission.

Company - "Company" shall mean Summit Natural Gas of Maine, Inc.

Construction Costs of Distribution Facilities - The combined costs of all facilities necessary to the Distribution Extension or Distribution Reinforcement, including satisfactory rights-of-way.

Construction Allowance - That portion of necessary construction made by the Company at its expense.

Construction Payment - Amount advanced by Applicant to pay all construction costs in excess of Construction Allowance.

Construction Payment Agreement - An option to Permanent Service Applicants to have Company advance to Applicant the Construction Payment amount for a specific term.

Contract Demand - "Contract Demand" (CD) shall mean the maximum daily quantity of gas which the Company agrees to furnish and for which the customer agrees to pay.

Contract Year - "Contract Year" shall mean a twelve (12) month period ending September of each year except as otherwise stated in the Service Agreement or contract between Customer and Company.

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NATURAL GAS SERVICE

GENERAL

DEFINITION OF TERMS - Cont'd

Cubic Foot of Gas (cf) -

- a) For the purpose of gas property determination, one cubic foot of gas shall mean one "standard cubic foot" (scf) of gas, which is the volume of water-free gas occupying a space of one (1) cubic foot at standard conditions.
- b) For the purpose of gas volume determination, one "cubic foot" of gas shall mean the amount of gas which occupies a volume of one (1) cubic foot at the actual metering pressure and temperature
- c) For the purpose of gas administration (balancing, billing, reporting), suitable correction factors for each rate class shall be applied to the determined volumes.
- d) Ccf means one hundred (100) cubic feet.
Mcf means one thousand (1,000) cubic feet.
Mmcf means one million (1,000,000) cubic feet.

Curtailed Obligation - "Curtailed Obligation" shall mean those interruptible gas quantities which Company has agreed to deliver to any Interruptible Customer in any Contract Year.

Curtailed Requirement - "Curtailed Requirement" shall mean those estimated interruptible gas quantity requirements of an Interruptible Customer.

Curtailed - The discontinuance of transportation or sales service as a result of the inability of Company to provide such service due to non-receipt of Shipper's Gas or the lack of availability of Company's interruptible gas supply respectively.

Customer - shall mean any person, company, or other entity who has applied for, been accepted and is either receiving gas service or has agreed to be billed for gas service. This term also includes a person, company, or other entity who was a customer of the Company within the past thirty (30) days and who requests service at the same or a different location.

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GENERAL

DEFINITION OF TERMS - Cont'd

Customer - Cont'd

- a) Direct - A "Direct Customer" purchases gas for its own use.
- b) Residential/Small Commercial/Agricultural Customer - Customers receiving service under any of the Company's Rate Schedules who use meters rated at less than 500 cubic feet per hour.
- c) Transportation - A "Transportation Customer" purchases capacity on Company's system and is responsible for procuring its own natural gas supplies.

Dekatherm - One Dekatherm (Dth) is the energy equivalent to 10 therms or 1,000,000 Btu (1 MMBtu).

Delivery Point(s) - The point(s) where Company delivers gas to the Receiving Party.

Demand - "Demand" shall mean the maximum firm daily quantity of natural gas Company is obligated to deliver and Customer is entitled to receive.

- a) Contract Demand - "Contract Demand" shall mean the maximum firm daily quantity of natural gas Company is obligated to deliver on any day to Customer and Customer is entitled to receive under any firm rate schedule in accordance with the executed contract or Service Agreement.
- b) Total Demand - "Total Demand" shall mean the maximum firm daily quantity of natural gas Company is obligated to deliver on any day to Customer and Customer is entitled to receive under all firm rate schedules cumulatively.

Distribution Extension - Distribution or supply main, including all appurtenant facilities, except meters, meter installations and regulator facilities, necessary to supply service to additional Customers.

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NATURAL GAS SERVICE

GENERAL

DEFINITION OF TERMS - Cont'd

Extension Completion Date - The date on which the construction of a Distribution Extension or Distribution Reinforcement is completed as shown by the Company's records.

End User - The party or parties that ultimately consume(s) the supply of natural gas.

Energy - The energy content of a given quantity of gas, expressed in units of Btu, Therm or Dekatherm.

Firm Capacity - The maximum Peak Day Quantity(s) contracted by a Customer to reserve space in Company's System, expressed in MMBTU.

Firm Requirement - "Firm Requirement" shall mean those estimated firm gas quantity requirements of a Direct Customer for a Contract Year.

Firm Supply - The firm Peak Day Quantity(s) contracted by a Shipper to reserve supplies of natural gas in the event that adequate supplies of Shipper's Gas are not available for receipt by Company.

Heating Value - The higher (gross) heating value of the gas expressed in Btu/scf, and shall be on a dry basis except as otherwise specified herein.

Local Pressure Base - "Local pressure base" or LPB, shall mean the average atmospheric pressure as determined by the Company plus a pressure of one-quarter pound per square inch (0.25 psi).

Meter Location

The physical location of the gas meter measuring the amount of gas supplied to customer. Meter locations in all instances will be determined by Company and will be located so as to be accessible to Company's meter readers at all times.

Meter Piping

Pipe and fittings necessary to extend from end of service lateral to meter location, including the pipe extending from the initial meter location to additional locations in the same building except in the case of a meter header.

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NATURAL GAS SERVICE

GENERAL

DEFINITION OF TERMS - Cont'd

Normal Service Pressure - The atmospheric pressure plus a pressure of seven inches water column, plus or minus two inches water column.

Point of Delivery - Point where the Company's gas facilities are first connected to the gas facilities of the Customer. The location of the point of delivery will be determined by Company in accordance with standard practice or as individual circumstances may dictate.

Psia - Psia shall mean pressure in pounds per square inch absolute.

Psig - Psig shall mean pressure in pounds per square inch gauge.

Receipt Point(s) - The point(s) of interconnection between the facilities of the Company and the interconnecting party(s) wherein the Company receives gas, or any other contractual source(s) of gas supplies.

Receiving Party(s) - The party or parties that receive gas from Company at the Delivery Point(s).

Refund of Construction Payment - Amount of Construction Payment returned to customers or assignees by the Company.

Restricted Delivery Day - A Day when deliveries of gas supplies to the Customer are limited to the Nomination, or the quantity allocated by the interconnecting pipeline, whichever is smaller, for the particular Day. Any consumption used by the End User exceeding that volume will be sold to the End User at the appropriate Backup Commodity Sales Charge up to those quantities permitted under an executed Backup Commodity Sales Agreement or, if above those quantities, at the Unauthorized Overrun Penalty Charge. Company will provide advance notice to Customer of the occurrence of a Restricted Delivery Day.

Service Laterals

The supply pipe extending from the distribution main to and including the first valve or cock on the main side of the meter.

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GENERAL

DEFINITION OF TERMS - Cont'd

Standard Conditions - A standard temperature base of 60°F and a standard pressure base of 14.73 psia.

System - The pipelines, compressor stations, regulator stations, meters, gas processing facilities and other related facilities owned by Company and utilized in providing sales and transportation services.

Total Annual Quantity - "Total Annual Quantity" shall mean the maximum quantity of natural gas Company is obligated to deliver to Customer and Customer is entitled to receive from Company during each Contract Year under all executed Service Agreements under which Customer purchases gas.

Year - A period of 365 consecutive days or 366 consecutive days if such period includes February 29, unless otherwise specified.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

GENERAL

APPLICATION FOR SERVICE

An application for natural gas service may be made Pursuant to Chapter 815.

CHOICE OF RATES

The Schedule of Rates is on file at the offices of the Company and available to Applicant for service. Applicant shall elect under which rate schedule service shall be supplied subject to the terms and conditions of the individual rate schedule. When there are two (2) or more rate schedules applicable to any class of service Company will, upon request of applicant, explain the conditions, character of installation or use of service governing the several rate schedules and assist in the selection of the rate schedule.

Applicant, however, shall be responsible for the final selection of said rate schedule and Company assumes no liability therefore.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

GENERAL

CHARGES FOR RENDERING SERVICE

Appropriate charges to customers will be made at the time service is initiated or restored, or in the event that service at a specific location is transferred from one Customer to another. Charges will also be made to customers for all service work performed for customers on customer's premises except for gratuitous services provided by Company. Service work performed at other than regular working hours shall be subject to overtime rates. Charges are set forth on the sheet entitled Schedule of Charges for Rendering Service. These charges are to offset Company's costs for such service work and transactions and are in addition to all other customer charges for utility service, for customer deposits and for required charges under Company's filed extension policy.

Gratuitous services to customers by the Company will not be charged to the Customer. Such gratuitous services are limited to the following:

1. All emergency calls where permanent materials and facility replacement is not performed.
2. Bill investigations.
3. Customer service complaint investigations.
4. Changing Customer's equipment due to changes in service characteristics, not, however, including changes necessary to convert Customer's equipment to natural gas service from an alternate fuel.
5. Maintenance of Company facilities.
6. Relight pilots and perform other services resulting from outages on Company's system.

To compensate Company for the cost of processing bad checks, the Company will make a charge to any Customer whose check for payment to the Company is returned by the bank as not payable. The amount of the charge is stated on the sheet entitled Schedule of Charges for Rendering Service.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

GENERAL

MONTHLY BILLS

Bills for service will be rendered monthly. The term "month" for billing purposes means the period between any two consecutive regular readings by the Company of the meters at the Customer's premise(s), such readings to be taken as nearly as may be practicable every thirty (30) days. If the Company is unable to read a meter after reasonable effort, the Customer will be billed on an estimated usage based on the best available information.

If an initial or final bill is for a period less than the "monthly" billing period described above, billing will be prorated using a ratio of the number of days between actual read dates, to the number of days between the scheduled and actual read dates.

All bills for service, including any excise tax imposed by governmental authority, are due and payable at an office of the Company, or to an authorized agent of the Company twenty five(25) days from the mailing date of bill. Any amounts not paid on or before the due date of the bill shall be subject to a late payment charge as provided for in Chapter 870, Section 1A of the Commission Rules.

If the customer fails to receive a bill, the Company, upon request, will issue a duplicate. However, failure to receive a bill in no way exempts the customer from payment for service rendered.

When Company for any reason submits a bill to a customer for utility service which contains an estimated reading or a no charge, Company will include on such bill a notice informing Customer that the bill does contain an estimate or no charge. Also included on such bill will be a statement requesting Customer to call Company so an accurate meter reading may be obtained. In all bills for additional charges resulting from a period of estimated or skipped billings, Company will include a written notice of customer's right to pay such additional charges in installments, where such charges were not the result of meter inaccessibility and Customer's refusal to read his own meter.

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NATURAL GAS SERVICE

GENERAL

MONTHLY BILLS - Cont'd

Disputed bills will be handled pursuant to Commission Rules Chapter 13.

TEMPORARY OR INTERMITTENT SERVICE

If service to Customer is to be temporary or intermittent, service connection and any main construction involved will be at option of Company as set forth in Company's Service Lateral Connection and Distribution Main Extension Policy.

POSSESSION OF GAS

Company shall be in control and possession of the natural gas deliverable to Customer and responsible for any damage or injury caused thereby, until the same shall have been delivered to Customer at the delivery point or points, after which delivery Customer shall be deemed to be in exclusive control and possession thereof and responsible for any such injury or damage.

CUSTOMER'S INSTALLATION

Concurrently with or prior to requesting gas service the Customer shall submit to Company on forms supplied by Company, written data detailing the service requested, to enable Company to determine if the type of service, quantity, capacity, and pressure desired by Customer is available; to determine if extensions of, or additions to, Company's facilities will be required; and to secure definite location of the point of delivery, i.e., point where Company's natural gas facilities will connect to those of Customer. Before any additions to or alterations of existing installations are made by Customer which will materially affect the amount of service required, or which may require a change in the type of service or the point of delivery, the Company must be notified reasonably in advance thereof as to the proposed additions or alterations in order that the Company may first determine if the service desired is available and, if so, that the necessary changes in the Company's facilities may be arranged for and completed.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

GENERAL

CUSTOMER'S INSTALLATION - Cont'd

All gas piping and other natural gas equipment on the customer's side of the point of delivery will be furnished, installed and maintained at all times by the customer in conformity with good practice and with the requirements of the Standards of the National Board of Fire Underwriters for the Installation, Maintenance and Use of Piping, Appliances and Fittings for City Gas, any Municipal Ordinances or Codes. Company accepts no liability for injury or damage caused by defects in customer's piping or equipment.

No equipment or apparatus will be connected to Company's distribution system the operation of which may cause such an abnormal pressure variation in said system as to impair or endanger the natural gas service supplied to other customers on said system or to adversely affect operation of Company's metering or pressure regulating equipment. In the event that equipment having a high instantaneous demand such as a gas engine is to be connected, customer shall provide adequate pulsation or surge tank, shutoff valves and other protective devices as may be required by Company. Customer shall, in every case, confer with Company before any equipment or apparatus requiring extremely close regulation of pressure or quality of gas is connected to Company's distribution systems.

When the Company is required by order of properly constituted authorities to move or alter its existing distribution system, thereby necessitating a change in the location of the service lead and the point of delivery, the Company will designate a new point of delivery and bear the expense of relocation of Company facilities to that point, and customer, at his expense, will bring his piping to that new point of delivery.

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NATURAL GAS SERVICE

GENERAL

CUSTOMER'S INSTALLATION - Cont'd

Service will be delivered to the customer for each premises at one point of delivery designated by the Company. For the mutual protection of the customer and the Company, only authorized employees or agents of the Company are permitted to make connections between the Company's gas service and the customer's gas piping.

The Company reserves the right to require the customer to reimburse the Company for any cost due to a change in meters or other apparatus or in their location made at the request of the customer. Meters and other equipment of the Company will be removed or relocated only by employees or agents of the Company.

PROTECTION OF SUBSURFACE FACILITIES

Customer shall consult Company regarding necessity of changing location of gas service pipe before building any improvement, addition or structure over the gas service pipe or in the vicinity of Company's facilities. Customer shall notify Company before undertaking any type of excavation or change in surface grade of customer's property, or operating or permitting the operation of any power excavating or ditching equipment in the proximity of Company's underground gas service on customer's premises.

LIABILITY

All mains, services, apparatus, instruments, meters, regulators and materials supplied by Company at its expense or under its standard policies will be and remain the property of the Company. Company's property shall not be worked upon or interfered with by customer or other unauthorized persons.

The customer shall be responsible for any damage to or loss of Company's property located on customer's premises, caused by or arising out of the negligence of customer or customer's agents, employees, licensees, or invitees, or the misuse or unauthorized use of Company's property by customer or customer's agents, employees, licensees, or invitees. The cost of making good such loss and/or repairing such damage shall be paid by the customer. Customer shall be held responsible for injury to Company's employees if caused by customer's negligence.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

GENERAL

LIABILITY - Cont'd

The customer shall be responsible for any injury to persons or damage to property occasioned or caused by the negligence of the customer or any of customer's agents, employees, licensees or invitees in installing, maintaining, operating or using any of the customer's piping, equipment, machinery or apparatus, and for injury and damage caused by defects in the same.

Company shall not be liable for injury casualty, or damage to persons, damage to property, monetary loss, or loss of business or damage resulting in any way from the supply or use of gas or from the presence or operation of the Company's structure, equipment, pipes, appliances or devices on the Customer's premise, except injuries or damages resulting from negligence of the Company, or damage caused by accidents, acts of God, fires, floods, strikes, wars, authority or orders of government, or any other causes and contingencies beyond its control.

INDEMNITY TO COMPANY

Customer shall hold the Company harmless and indemnify it against all claims and liability for injury to persons or damage to property when such damage or injury results from or is occasioned by the facilities located on customer's side of the point of delivery unless caused by the negligence or wrongful acts of Company's agents or employees. "Customer" and "Company" as used herein shall include without limitation the agents, employees, licensees or contractors of each of said parties, or persons acting with permission or authorization from the respective parties.

SERVICE CONTINUITY

The Company will use reasonable diligence in furnishing an uncurtailed and uninterrupted supply of gas except where rates schedule or special service contracts provide otherwise. The Company may interrupt its service hereunder for the purpose of making necessary alterations and repairs but only for such time as may be reasonable or unavoidable.

Whenever the Company deems an emergency that warrants interruption or limitation in the service being rendered, such interruption or limitation shall not constitute a breach of contract and shall not render the Company liable for damages suffered thereby or excuse the Customer from further fulfillment of the contract.

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PRIORITY OF SERVICE

In case of a shortage of supply, Company shall have the right to curtail the availability of service under any rate schedule, subject to the approval of the Commission. Specific terms and conditions setting forth limitations on existing and new customers in the event of natural gas supply shortages are set forth elsewhere in the terms and conditions. In general, it shall be the policy of the Company to allocate its natural gas supplies in a manner consistent with a priority system granting preference to customers receiving service under Schedule RG, then Schedule SCG, then Schedule LCG and Schedule TF, then Schedule TI.

DIVERSION OF NATURAL GAS

The existence of natural gas consuming devices installed ahead of the meter or any tampering or interfering with pipes, devices, or equipment connected to Company's distribution system or the damage to, alteration, or obstruction of any meter (including the breaking of meter seals) which will permit or make possible the use of natural gas without its proper registration on Company's meter shall constitute prima facie evidence of diversion of natural gas by the customer in whose name service is being rendered, or by the person benefiting from the use of such diverted natural gas. In the event that a Company check meter registers more natural gas in the same interval of time than does the meter installed at customer's premises after such meters shall have been tested and found to be registering within the limits of accuracy prescribed by the Commission, such fact shall also constitute prima facie evidence of diversion of natural gas.

In such instances, Company will, in any reasonable manner, compute the amount of diverted natural gas. Where Company is unable to make such count, the computation will be based upon any other available information, or estimated. Such computation or estimate shall be made for the period beginning with the date on which customer began using natural gas at the location where the diversion occurred, unless evidence proves the diversion commenced at a later date, and ending with the date on which such diversion ceased. Bills for natural gas diverted, based upon the aforesaid computation or, where necessary, upon estimation, under the applicable rate in effect during the period of diversion, plus the cost of investigating and confirming such diversion, disconnecting service, equipment damages and other related items shall be due and payable in accordance with the Company's terms and conditions.

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NATURAL GAS SERVICE

GENERAL

DIVERSION OF NATURAL GAS - Cont'd

If service has been discontinued for failure to comply with any of the Company's Terms and Conditions and a diversion of natural gas has been confirmed subsequent to discontinuance, the Company will not render service to customer, or to any other person for customer's use, until:

- a) the Customer has paid or made appropriate arrangements (when applicable) with the Company for the payment of all charges relating to the diversion of natural gas and for all past due bills for service rendered at the same location; and
- b) the Company confirms that the cause for the discontinuance of natural gas, if other than for non-payment, has been cured. Payment arrangements shall not be available in any case where the customer has defaulted on an installment payment arrangement.

If service has been discontinued for diversion of natural gas and the Customer has in the past refused or restricted access to the Company's meter reading equipment, the Company will not render service to the Customer or to any other person for the Customer's use, at the same location until the Customer has arranged with the Company for the installation of, or has installed at the Customer's expense, such entrance and service equipment as is necessary to prevent further diversion of natural gas.

The foregoing rules pertaining to diversion of natural gas in no way affect or modify any action or prosecution under the laws of the State of Maine.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

GENERAL

EASEMENTS

A contract for natural gas service, or receipt of service by customer, will be construed as an agreement granting to Company an easement for gas mains, services, meters and other equipment of Company necessary to render service to customer. If requested by Company, customer, before service is connected, will execute Company's standard form of right-of-way agreement, granting to Company, at no expense therefore, satisfactory easements for suitable location of Company's mains, services, meters and metering equipment, and other appurtenances on or across lands owned or controlled by customer, and will furnish space and shelter satisfactory to Company for all apparatus of Company located on customer's premises. In the event that customer shall divide premises by sale in such manner that one part shall be isolated from streets where Company's gas mains are accessible, customer shall grant or reserve an easement for natural gas service over part having access to gas mains for the benefit of the isolated part.

ACCESS FOR COMPANY'S EMPLOYEES

The customer will provide access to his premises at all reasonable times for authorized employees of the Company for any proper purpose incidental to the supplying of natural gas service.

RESALE OF NATURAL GAS

Natural gas service supplied by the Company is for the exclusive use of the customer. Consequently, the customer will not be permitted by submetering, to determine a quantity of natural gas and resell the same as such to any other person or persons on the customer's premises or for use on any other premises. A master-metered customer may, however, check-meter tenants, lessees, or other persons to whom ultimately the natural gas is distributed for the purpose of reimbursing the master-metered customer by an appropriate allocation procedure. The Company reserves the right to refuse to furnish natural gas service to any customer where the purchase of such service is for the purpose of resale by customer to others. In the event natural gas is resold in conflict herewith, Company shall have the right to discontinue service to customer.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

GENERAL

COMPLAINTS

Customers who wish to dispute any action of the Company may file a complaint with the Maine Public Utilities Commission, Consumer Assistance Division, online or in writing at 18 State House Station, Augusta, ME, 04333-0018. You may also contact the Consumer Assistance Division by telephone at (800) 452-4699.. The Company will investigate promptly all complaints made by its customers and will keep a record of all written complaints which record will include: the name and address of the complainant, the date, the nature of the complaint, and the adjustment or disposition made thereof. This record will be kept at least two (2) years after the date of the complaint.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

STANDARDS

SYSTEM OPERATION AND MAINTENANCE

The Company will construct, operate and maintain its natural gas systems in such manner as to furnish good, safe, adequate and continuous natural gas service in accordance with the Rules and Regulations of the Commission.

- a) The Company will exercise reasonable diligence and care to furnish and deliver a continuous and sufficient supply of natural gas and to avoid any shortage of same and, excepting interruptible service, interruption of same. However, Company will not be liable for interruption, shortage, or insufficiency in the supply of natural gas, or for any injury, loss, or damage occasioned thereby, if same is due to causes or contingencies beyond the control of the Company including but not limited to accidents, breakdown of equipment, acts of God, authority and orders of government, flood, storms, fires, strikes, riots, or war.
- b) The Company, whenever it shall find it necessary for the purpose of making repairs or improvements to its systems, will have the right to temporarily suspend the delivery of natural gas.
- c) Interruptions of service, however, will not relieve customer from any charges for service actually supplied, nor will accidents to customer's equipment or machinery, or failure of customer's installation, not due to fault of Company, relieve customer of payment of minimum charges under the rate schedule or contract applicable.

PRESSURE

For service at normal delivery pressure the gas will be delivered at a pressure of seven inches water column, plus or minus two inches water column. Gas may be delivered at higher pressure where operating conditions are such that the Company deems a higher pressure necessary. However, Company reserves the right to specify the pressure to be carried at the point of delivery. The Company will maintain the gas pressure at the outlet of the meter with as little variation as practicable. All volumes measured on a non-pressure-compensated basis are subject to a pressure adjustment to compensate for the variation in atmospheric pressure due to elevation and to correct the measured flow to 14.73 psia. All corrected volumes are multiplied by the BTU content of the gas, as determined per cubic foot at 14.73 psia, to calculate the energy usage for billing purposes.

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TERMS AND CONDITIONS
NATURAL GAS SERVICE
STANDARDS

MEASUREMENT OF SERVICE

Volume Determination

Gas volume determination shall be done by metering which conforms to appropriate industry standards or practices, or for gas received, by methods as agreed upon. Appropriate industry standards shall include but not be limited to the 1981 edition of AGA Report No. 7, Measurement of Fuel Gas by Turbine Meters. The Company may adopt any subsequent amendments in the exercise of its reasonable judgment.

New Measurement Techniques

If, at any time during the term hereof, a new standard method or technique is developed in the gas industry for gas measurement or the determination of the factors used in such measurement, the Company may substitute such new method or technique.

MEASUREMENT EQUIPMENT AND TESTING

Testing Equipment

The Company will provide such testing equipment and instrumentation as may be necessary to comply with the Rules and Regulations of the Commission. The Company shall operate such equipment with standard methods in general use in the natural gas industry. The Company will exercise reasonable means to determine and maintain the general accuracy of all natural gas measurement equipment.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

STANDARDS

MEASUREMENT EQUIPMENT AND TESTING - Cont'd

Measurement Equipment

The Company will install, maintain, and operate, or cause to be installed, maintained, and operated, measuring stations equipped with flow meters and/or other necessary metering and measuring equipment by which the billing unit of gas received or delivered shall be determined. For gas receipts onto the Company's system the responsible party may be as agreed upon.

Accuracy and Routine Testing

The Company will exercise reasonable means to determine and maintain the general accuracy of all natural gas meters in use. All meters will be tested for accuracy of adjustment and registration before installation and shall be tested in accordance with the test schedule hereinafter set forth and, if inaccuracy is found, such meters shall be adjusted to register within two percent of accuracy.

a) Diaphragm Type Meters

All diaphragm meters shall be tested in accordance with the Commission's Rules and Regulations concerning the service of Gas Utilities. If inaccuracy is found, meters shall be adjusted to register within two percent of accuracy when passing gas at twenty percent of the meter's rated capacity at a differential pressure of one-half inch water column, as soon as practicable.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

STANDARDS

MEASUREMENT EQUIPMENT AND TESTING - Cont'd

Accuracy and Routine Testing - Cont'd

b) Rotary Displacement Type Meters

(1) Meters having a rated capacity of 7,000 cubic feet or less per hour at one-half inch water column differential shall be tested at least once in five years.

(2) Meters having a rated capacity of more than 7,000 cubic feet per hour but less than 20,000 cubic feet per hour at one-half inch water column differential shall be tested at least once in every three years.

c) Turbine type meters shall be spin tested at least once each year. Upon failure of a spin test, but at intervals not to exceed five years, turbine meters shall be tested by means of a flow test.

Testing upon Request

The Company, at any time, may test any of its meters. Upon written request of a customer, the Company will test the accuracy of the delivery meter installed at customer's premises free of charge if said meter has not been tested within the 12-month period just prior to such request. Any meter so tested will be considered accurate if the average accuracy of the meter is within 2% plus or minus.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

STANDARDS

MEASUREMENT EQUIPMENT AND TESTING - Cont'd

Measurement Errors

If, upon any test, any measuring equipment is found to be inaccurate, such equipment shall be adjusted to measure accurately. In the event any measuring equipment is out of service or is found registering inaccurately and the error is not determinable by test, or by previous recording, receipts or deliveries through such equipment shall be estimated based upon the first of the following methods which is feasible:

- a) By using the registration of any check meter or meters, if installed and accurately registering, or, in the absence of (a);
- b) By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation, or, in the absence of (a) and (b);
- c) By estimating the quantity of gas received or delivered based on receipts or deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.

GAS BILLING

For the purpose of billing gas, the following billing units shall be used:

- a) Rate Classes RG SCG and LCG. The billing unit shall be energy (Therm). The energy usage shall be calculated by multiplying the determined volume of the gas by the heating value of the gas, and suitable pressure correction factors shall be applied.

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TERMS AND CONDITIONS
NATURAL GAS SERVICE
STANDARDS

GAS BILLING - Cont'd

b) Rate Classes TF, TI. The billing unit shall be energy (Dth).
The energy usage shall be calculated by multiplying the determined volume of the gas by the heating value of the gas, and suitable pressure, temperature and other correction factors shall be applied.

Volume Adjustments

If, upon any test, the measuring equipment in the aggregate is found to be inaccurate, all adjustments shall be made in accordance with Chapter 815 of the Commission Rules.



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NATURAL GAS SERVICE
STANDARDS

GAS BILLING - Cont'd

Billing Errors

The Company will exercise all reasonable means to assure accurate computation of all bills for gas service. Customer agrees to accept the Company's accounting for gas measurement and billing. In the event errors in billing occur, subject to Chapter 815 of the Commission's Rules, Company shall refund to customer the amount of any overcharge having resulted from and, likewise, shall have the right to collect from customer the amount of any undercharge. For all rate classes, the period of time for billing and collection of billing errors shall be limited to twelve (12) months. The provisions of this sheet shall not apply to meters that have been bypassed or in any way involved in energy diversion or in cases of subterfuge, unauthorized use or fraud.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

STANDARDS

GAS PROPERTY DETERMINATION

Gas Properties which may be required for volume measurement or energy determination will be determined by appropriate industry standards or practices, or for gas received onto the system by any other methods as agreed upon. Appropriate industry standards include but are not limited to those references herein, and the Company may adopt any subsequent amendments to the standards in the exercise of its reasonable judgment.

Heating Value (Hv) and Specific Gravity

The Hv and specific gravity may be determined by the use of an on-line instrument, a continuous gas sampling device, a spot sample device, or for gas received onto the Company's system by any other method as agreed upon. On line instruments include a calorimeter, gravitometer, chromatograph, and any similar device. Hv and specific gravity determination by calculation from gas composition will comply with GPA Standard 2172-86, with physical constants per GPA Standard 2145-93. Determination of compressibility factors for use in Hv and specific gravity calculations may be done in accordance with GPA Standard 2172-86, or by any other means consistent with appropriate industry standards or practices.

For the purpose of calculating the Hv from the gas composition for gas receipts, the gas will be assumed dry if the actual water vapor content is less than 7 lb. water per Mmcf. The Company may account for the actual water vapor content in the gas if the content is in excess of 7 lb. water per Mmcf.

Hv and specific gravity determination will be done at intervals as found necessary in the exercise of the Company's reasonable judgment, but at least on a quarterly basis. For gas delivered, intervals shall not exceed 12 months. For gas received onto the Company's system, intervals shall not exceed 12 months and may be as otherwise agreed upon or required. The Company may apply a known Hv and specific gravity as determined at some upstream or representative location in the Company's system.

For Hv and specific gravity determination by on-line instrumentation applied in conjunction with electronic volume measurement, the Hv signal and specific gravity signal shall be processed by the computer.

For Hv and specific gravity determination by continuous sample, spot sample, and recording chart, the properties applied to volume or energy determination may be based on historical data. This practice may be as otherwise agreed upon for gas received. For Hv and specific gravity determination by chart recording applied in conjunction with conventional chart measurement for gas volumes, the arithmetic average of Hv and specific gravity recorded shall be applied.



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NATURAL GAS SERVICE

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GAS PROPERTY DETERMINATION - Cont'd

Determination of Atmospheric Pressure

When the atmospheric pressure is required for volume or energy determination, it shall be determined by appropriate industry standards or practices or for gas received, by methods as agreed upon.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY

These Terms and Conditions set forth the Service Lateral Connection and Distribution Main Extension Policy of the Company available in all territory served by the Company.

GENERAL PROVISIONS

The provisions of this policy are subject to the applicable Rules and Regulations of Commission and to the Company's Terms and Conditions on file with said Commission.

When one or more Applicants request gas service at premises not connected to the Company's distribution system or request an increase in service to premises already connected where such increase necessitates additional investment, Company, after consideration of Applicant's gas requirements, will designate the service requested as Permanent, Indeterminate, or Temporary in accordance with the definitions hereinafter set forth under Distribution Extension Plans A, B and C, respectively, and will construct the extension with reasonable promptness in accordance with the terms of the Distribution Extension Plan applicable.

The determination of facility type and routing will be made by Company to be consistent with the characteristics of the territory in which service is to be rendered and the nature of Company's existing facilities in the area.

In all cases, the facilities provided will be constructed by the Company or its designated agent in accordance with the Company's specifications, standards and procedures, and shall be, at all times, the property of the Company to the point of delivery. Distribution extension contracts will be based upon the Company's estimate of the cost of constructing and installing the facilities necessary to adequately supply the service requested by Applicant. Such cost will include the cost of all materials, labor, rights-of-way, etc., together with all incidental and overhead expenses connected therewith. Where special items, not incorporated in said specifications, are required to meet local construction conditions, the cost thereof will also be included.

Ordinarily and at the utility's sole discretion, no new service pipes or main extensions are installed during winter conditions (when frost is in the ground) unless the Customer defrays the extra expenses and provided any required excavation is not prohibited by the local government having jurisdiction.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY

GAS METER AND PIPING INSTALLATIONS

Company will furnish the appropriate meter and regulators to supply Applicant's requirements and install same along with associated meter piping. Applicant will provide all facilities necessary for proper meter and regulator installation in conformance with Company requirements for such installation. Separate charges will be made for meter piping to additional meter locations in the same building except in the case of a meter header.

Title to service lateral, meter piping, meters and regulators shall at all times vest in Company.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY

CONSTRUCTION ALLOWANCE AND CONSTRUCTION PAYMENTS

PLAN A - PERMANENT SERVICE

Plan A is applicable to gas Distribution Extensions where the use of service is to be permanent and where a continuous return to Company of sufficient revenue to support the necessary investment is assured.

For gas service of a permanent character, the Company will install at its expense, necessary Distribution Extension facilities equivalent in cost of the gross embedded investment per customer as a Construction Allowance. The annual volume portion of the Construction Allowance shall be the product of the Company's estimate of the Applicant's annual usage times the derived gross embedded investment per Dekatherm. The Construction Allowances are as shown on the Sheet entitled Construction Allowance by Service Class for each of the various categories of service listed.

The above allowances are subject to review and appropriate revision by filing of new Construction Allowances with the Commission within thirty (30) days following a final decision in a Company rate proceeding, based on the appropriate gross distribution investment amounts included in that proceeding.

Applicant or Applicants shall be required to pay to Company as a Construction Payment all estimated costs for gas distribution facilities necessary to serve Applicant or Applicants in excess of the Construction Allowance. Said Construction Payment shall be refundable in part or in its entirety during a five-year period commencing with the Extension Completion Date. At the end of said five-year period any remaining Construction Payment becomes non-refundable.

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NATURAL GAS SERVICE

SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY

CONSTRUCTION ALLOWANCE AND CONSTRUCTION PAYMENTS - Cont'd

PLAN B - INDETERMINATE SERVICE

Plan B is applicable to gas Distribution Extensions for service which is of an indefinite or indeterminate nature such as that required by, but not limited to (a) real estate subdivisions, and development of property for sale; (b) mines, quarries, sand pits, oil wells, and other enterprises of more or less speculative characteristics; or (c) all other service to which neither Plan A nor Plan C is applicable.

For gas service of an indeterminate character, involving real estate subdivisions and development of land for sale, Applicant or Applicants shall be required to pay to Company as a Construction Payment all estimated costs for necessary gas Distribution Extension facilities. Said Construction Payment may be refundable in part or in its entirety during a five-year period commencing with the Extension Completion Date after which any remaining unrefunded Construction Payment becomes non-refundable.

For all other types of gas service of an indeterminate character, Applicant or Applicants shall be required to pay to Company the entire estimated cost for necessary gas distribution extension facilities as a non-refundable Construction Payment.

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SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY

CONSTRUCTION ALLOWANCE AND CONSTRUCTION PAYMENTS - Cont'd

PLAN C - TEMPORARY SERVICE

Plan C is applicable to gas Distribution Extensions where service is of a known temporary nature.

For gas service of a temporary character, Applicant or Applicants shall be required to pay to Company as a Construction Payment an amount equal to the estimated cost of installing and removing all necessary gas Distribution Extension facilities less the estimated salvage value. If temporary service is continued for more than eighteen months following the Extension Completion Date the nature of such continued service will be evaluated and, if appropriate, reclassified as Indeterminate Service.

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NATURAL GAS SERVICE

SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY

In addition to the cost above the Construction Allowance, the initial customer(s) will be required to pay the company the net present value of the federal and state income tax less the benefit of tax depreciation on the amount in excess of the Construction Allowance, using the Company's marginal income tax rates. The sum of the cost in excess of the Construction Allowance and the income taxes net present value comprise the Contribution in Aid of Construction ("CIAC"), which is derived by multiplying the cost in excess of the Construction Allowance by 1.439.

CALCULATION AND PAYMENTS OF REFUNDS

Distribution Extensions requiring customer Construction Payments are subject to refunds during the five-year period commencing with the Extension Completion Date. Such refunds will be made in conformance with the provisions applicable to refunds under the appropriate plan under which the extension is classified. No refunds will be made after the five-year period following the Extension Completion Date and any remaining unrefunded customer Construction Payment becomes permanent and no longer subject to refund for any reason. In no case shall refunds be made which exceed in total the total amount of Construction Payment made by any customer. In no event shall any customer who has terminated service be eligible for any refund after such termination.

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SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY

CALCULATION AND PAYMENTS OF REFUNDS - Cont'd

PLAN A - PERMANENT SERVICE

Construction Payments made under a Plan A extension shall be subject to refund without interest during the five-year period following the Extension Completion Date as follows:

For each additional Permanent Service customer connected directly to a gas Distribution Extension upon which there is unrefunded Construction Payment remaining, Company will recalculate the extension considering the costs of any additional facilities and considering the Construction Allowance provided by such additional customer or customers, as well as appropriate sharing of Construction Payment requirements among all customers to be served by the gas Distribution Extension. Construction Payments or executed Construction Payment Agreements that are required of each additional customer or customers must be made prior to connection of gas service laterals. Refunds of customer Construction Payments or the reduction or elimination of the Construction Payment Agreement amounts, where appropriate, will be calculated and paid or adjusted once each year during the refund period and at a time determined by Company. Each customer having made a Construction Payment will receive as a refund the amount necessary, if any, to adjust his Construction Payment to the proper level considering the additional customers served from the extension and considering the Construction Allowance effect, if any, from a subsequent extension.

In the case of a subsequent extension made from an extension on which there are remaining unrefunded customer Construction Payments and where the initial calculated Construction Allowance from customers on said subsequent extension would exceed the construction costs for such extension, the excess Construction Allowance will be credited to the extension on which there is remaining unrefunded customer Construction Payments and become a part of the annual refunds made thereon.

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SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY

CALCULATION AND PAYMENTS OF REFUNDS - Cont'd

PLAN A - PERMANENT SERVICE - Cont'd

Additional customers of an Indeterminate Service or Temporary Service classification can be served from a Plan A extension on which unrefunded customer Construction Payments remain only after first allocating a portion of the construction costs of the Plan A extension on a permanent basis to such Indeterminate Service or Temporary Service customers. The portion of customer Construction Payments required from such Indeterminate Service or Temporary Service customers resulting from said allocation will correspondingly reduce the responsibility of customers on the Plan A extension and become a part of the annual refund made to such customers.

PLAN B - INDETERMINATE SERVICE

Construction Payments made under a Plan B extension for real estate or land development shall be subject to refund without interest during the five-year period following the Extension Completion Date as follows:

At the end of each year for five-years following the Extension Completion Date a refund will be made based on the additional Construction Allowances for additional customers served from the extension after first increasing the original extension costs and customer payment requirements to reflect additional service lateral investments.

Customers of a Permanent Service or Temporary Service classification can be served from a Plan B extension on which Construction Payments remain only after first allocating a portion of the costs of the Plan B extension on a permanent basis to such Permanent Service or Temporary Service customers. The portion of customer Construction Payments required from said Permanent Service or Temporary Service customers resulting from said allocation will then become a part of an annual refund as determined by Company to be made to customers on the Plan B extension, and would be in addition to the amount of refund based on Construction Allowance being made otherwise.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY

PLAN C - TEMPORARY SERVICE

No refund of Construction Payments for Temporary Service will be made unless the subject extension is subdivided by the addition of Permanent Service or Indeterminate Service customers or in the event that the Temporary Service customer is reclassified as an Indeterminate Service customer as follows:

Customers of a Permanent Service or Indeterminate Service classification can be served from a Plan C extension only after first allocating a portion of the costs of the Plan C extension on a permanent basis to such Permanent Service or Indeterminate Service customers. The portion of customer Construction Payments required from said Permanent Service or Indeterminate Service customers resulting from said allocation will be refunded to customers on the Plan C extension.

A Temporary Service customer continuing to require service after an eighteen-month period will be subject to reevaluation as to the nature of service. If appropriate, such customer and the associated construction will be reclassified as Indeterminate Service with costs and refund considerations being reevaluated as Indeterminate Service based on the original extension costs and completion dates. In no event shall the total amount refunded to any customer exceed the total Construction Payment made by that customer.

REINFORCEMENTS

Where gas distribution system reinforcement is required for serving a residential Applicant's total requirements, Company will make such reinforcements at its expense. For other classes of service any required reinforcement shall generally recognize the construction cost, Construction Allowance and customer Construction Payment provisions of this extension policy in accordance with individual agreements between Applicant and Company based upon the amount, character and permanency of the load.

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NATURAL GAS SERVICE

SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY

EXCEPTIONS

- a) In situations where the extension is of such length and the prospective customer(s) revenue temporarily or permanently to be derived therefrom is so limited as to make it doubtful whether necessary fixed costs on the investment would be earned, Company reserves the right to require Applicant or Applicants to pay Company, in advance, all construction costs and, in addition, contract to pay Company annually an amount to cover the cost of depreciation, taxes, operation and maintenance of such facilities.
- b) In situations involving extensions of considerable length, where the economics are improved by existing customers that would convert to natural gas service, the Company may provide service under the following conditions: individual construction payments will be based upon the estimated construction costs and the existing and potential customers units over a given time period not to exceed five (5) years. The estimated construction costs will include the cost of funds utilized during said time period. The extension will remain open until either the existing and potential units are connected or the time period used to estimate the Construction Payment has elapsed, whichever is longer. Construction Payments made in accordance with exception subpart B will not be subject to refund.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY

APPLICABILITY LIMITATION

The foregoing extension policy applicability is limited by the following conditions: The Company's estimated construction costs and customer deposit requirements as calculated for each extension will become void following a period of 120 days from the time an extension request is received by Company or a period of 60 days following a written estimate being provided by Company, whichever period ends later. If an extension agreement in writing is not fully executed before that time it will be necessary, at the Company's option, to either extend said time period or for new estimates to be made incorporating the then current construction costs and also incorporating the then effective terms and conditions of the Company's extension policy as on file and in effect with the Commission. Construction estimates will not be made for any portion of a construction project that cannot be completed in a normal manner, i.e., following accepted construction practices, within 120 days after execution of the extension agreement, which amount will be determined in an engineering estimate prepared by the Company at the time the written estimate is prepared and such amount will be specified in the written estimate. Any construction which is not completed in a normal manner, i.e., following accepted construction practices, within the 120-day period from the execution of the extension agreement will be deleted from the agreement and deposit requirements will be adjusted accordingly, unless the delay is caused by the Company, in which event the deposit will become interest bearing, the Company to pay interest at the rate it currently pays on residential security deposits, and the construction will not be deleted from the agreement.

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TERMS AND CONDITIONS

NATURAL GAS SERVICE

SERVICE LATERAL CONNECTION AND DISTRIBUTION MAIN EXTENSION POLICY

CONSTRUCTION ALLOWANCE BY SERVICE CLASS

<u>Service Class and Rate Schedules</u>	<u>Construction Allowance</u>
Residential	\$6684
Small Commercial	\$78.63/per Dth of annual usage
Large Commercial	\$78.63/per Dth of annual usage
Transportation	

The Construction Allowance per dekatherm annual usage for Firm Transportation will be calculated by multiplying the commercial Construction Allowance for the appropriate Division by the ratio of the FT Commodity Rate divided by the Commercial Distribution Charge. The FT Commodity Rate may be discounted, and the FT Construction Allowance for installation of facilities to serve a Customer receiving a discounted rate will be reduced by the same percentage that the rate is discounted.

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Docket No 2012-258
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GENERAL TERMS AND CONDITIONS

NATURAL GAS SALES SERVICE

RESIDENTIAL

These General Terms and Conditions apply to Residential Service in all territory served by the Company.

DEFINITION

Residential service means utility service provided to a dwelling. It includes service provided for a nonresidential purpose, if a residential dwelling is receiving service on the same meter.

SPECIAL RULES

Residential Service rates are not applicable to service for commercial enterprises, except as specifically provided herein. The term commercial enterprises includes but is not limited to clubs, fraternities, sororities, lodges, hotels, apartment houses with five or more rental dwelling or living units, rooming or boarding houses as defined below, motels, mobile home parks with central or district style heating, campgrounds, multi-family dwellings where five or more dwelling or living units are served through a single meter, schools, municipal buildings, churches, institutions, greenhouses, dairies, manufacturing, agricultural, livestock production, mining, oil and gas extraction, construction, communication, transportation, etc.

Rooming or Boarding Houses

Where three or more individual rooms in a private residence or other building are used as tenant sleeping rooms or are for rent, and the entire residence or building is supplied through one meter, such residence or building shall be classified as a commercial enterprise.

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Issued by: 

Proposed Effective Date: July 9, 2014

Title: President

Effective Date: 7-9-2014

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GENERAL TERMS AND CONDITIONS

NATURAL GAS SALES SERVICE

RESIDENTIAL

DEPOSITS FROM RESIDENTIAL CUSTOMERS

The Company's requirement for a deposit from a residential customer shall be governed by the MPUC Rules and Regulations, Chapter 815.

INTEREST ON DEPOSITS

The Company will pay interest on all customer cash deposits at such rate and interval as specified by MPUC Rules and Regulations, Chapter 870. The Company will apply any newly specified rate to all deposit amounts on bills issued after the effective date of the new rate.

The Company shall issue a receipt to every customer from whom a cash deposit is received. The Company shall not refuse to return a cash deposit or any balance to which a customer may be entitled solely on the basis that the customer is unable to produce a receipt.

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SUMMIT NATURAL GAS OF MAINE, INC.

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GENERAL TERMS AND CONDITIONS

NATURAL GAS SALES SERVICE

RESIDENTIAL

DISCONTINUANCE OF SERVICE BY COMPANY - RESIDENTIAL

The Company's procedure for discontinuance of service for a residential customer shall be governed by the MPUC Rules and Regulations, Chapter 815.

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GENERAL TERMS AND CONDITIONS

NATURAL GAS SALES SERVICE

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GENERAL TERMS AND CONDITIONS

NATURAL GAS SALES SERVICE

RESIDENTIAL

RESTORATION OF SERVICE - RESIDENTIAL

The Company's procedure for restoration of service for a residential customer shall be governed by the MPUC Rules and Regulations, Chapter 815.

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GENERAL TERMS AND CONDITIONS

NATURAL GAS SALES SERVICE

RESIDENTIAL

BUDGET BILLING PLAN

Customers served under Residential/Commercial service rates who have no Notice of Discontinuance of Service pending may elect, at their option, to pay monthly bills for service on a Budget Billing Plan beginning with any billing month. Any customer electing the Budget Billing Plan will pay a monthly amount equal to the total of his/her most recent twelve months' bills divided by a current calculation factor. This calculation factor is subject to change by the Company as conditions warrant. Said monthly payment shall be made for eleven successive months with the twelfth month's payment being a settlement amount equal to the difference between the total of the prior eleven months' payments and the actual billings for the twelve month period. If the settlement amount is a credit balance the the balance will be taken into account when calculating the next budget bill year or, if the Customer chooses not to participate in the next Budget Bill Plan year, Company will issue a check to the customer in the amount of the credit balance in the next billing cycle. If the settlement amount is a debit balance owed by the customer the total balance taken into account when calculating the next Budget Bill Plan year or, if the Customer chooses not to participate in the next Budget Bill Plan year, the total balance will be due and payable in the next billing cycle. The customer may continue on the Budget Billing Plan for succeeding years, in which case the settlement month for each year will occur in twelve month cycles starting with the beginning month.

If a customer electing the Budget Billing Plan fails to pay the budget billing obligation in any month, normal collection procedures shall be applicable for the outstanding budget billing amount. Upon termination of service of a customer on the Budget Billing Plan, the customer is subject to removal from the plan and the entire outstanding amount of the account for actual usage shall be due and payable.

The monthly budget billing amount will be adjusted for changes in the Company's base rates and for unusual changes in CGA levels due to major purchase gas cost changes from the Company's gas suppliers authorized by appropriate regulatory agencies. No adjustment in monthly budget billing amounts will be made for normal CGA changes. Changes in CGA levels shall be considered unusual when such changes would result in a 10% or more increase or decrease in customer's anticipated annual billing for gas service.

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GENERAL TERMS AND CONDITIONS

NATURAL GAS SALES SERVICE

COMMERCIAL

These General Terms and Conditions apply to commercial service in all territory served by the Company.

DEFINITION

Commercial service is the furnishing of natural gas for any purpose other than Residential Service.

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GENERAL TERMS AND CONDITIONS

NATURAL GAS SALES SERVICE

COMMERCIAL

DEPOSITS FROM NON-RESIDENTIAL CUSTOMERS

The Company's requirement for a deposit from a non-residential customer shall be governed by the MPUC Rules and Regulations, Chapter 815.

INTEREST ON DEPOSITS

The Company will pay interest on all customer cash deposits at such rate and interval as specified by MPUC Rules and Regulations, Chapter 870. The Company will apply any newly specified rate to all deposit amounts on bills issued after the effective date of the new rate.

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GENERAL TERMS AND CONDITIONS

NATURAL GAS SALES SERVICE

COMMERCIAL

COMMERCIAL DEPOSITS AND REFUNDS

The Company will pay interest on all cash deposits at such rate and interval as specified by Chapter 870 of the MPUC Rules and Regulations.

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GENERAL TERMS AND CONDITIONS

NATURAL GAS SALES SERVICE

COMMERCIAL

DISCONTINUANCE OF SERVICE BY COMPANY - COMMERCIAL

The Company's procedure for discontinuance of service for a commercial customer shall be governed by the MPUC Rules and Regulations, Chapter 815.

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GENERAL TERMS AND CONDITIONS

NATURAL GAS SALES SERVICE

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GENERAL TERMS AND CONDITIONS

NATURAL GAS SALES SERVICE

COMMERCIAL

RESTORATION OF SERVICE - COMMERCIAL

The Company's procedure for restoration of service for a commercial customer shall be governed by the MPUC Rules and Regulations, Chapter 815.

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GAS TRANSPORTATION TERMS AND CONDITIONS

GENERAL STATEMENT

The following Gas Transportation Terms and Conditions, filed with the Commission as part of the Company's Gas Transportation terms and conditions, set forth the terms and conditions under which Gas Transportation Service is provided and govern all classes of such service in all territory served by the Company. They are subject to termination, change, or modification, in whole or in part, at any time as provided by the rules of the Commission. Gas Transportation Service furnished by the Company is also subject to the Commission's Gas Transportation Rules and the Company's Terms and Conditions for Natural Gas Service. In the event conflict exists between the Company's Gas Transportation Terms and Conditions and the Company's Terms and Conditions for Natural Gas Service, the Gas Transportation Terms and Conditions shall control.

Any waiver at any time of the Company's rights or privileges under these Gas Transportation Terms and Conditions or under any individual Service Agreement entered into pursuant to these terms and conditions shall not be deemed a waiver as to any breach or other matter subsequently occurring.

SHIPPER AND RECEIVING PARTY(S) ACKNOWLEDGMENTS

Shipper and each Receiving Party receiving Shipper's gas through the Company's system acknowledges that all service provided to Shipper and the Receiving Party(s) hereunder is for the benefit of the Receiving Party(s), and in the event that Shipper or the Receiving Party fails to make timely payment for any service provided under this schedule, or is in violation of any rule or regulation of the Company or the Maine Public Utilities Commission, all service provided to Shipper and Receiving Party shall be subject to termination in accordance with the Company's Terms and Conditions for Natural Gas Service.



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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS

Allocation(s) - Actual quantity of Shipper's gas supplies, as determined by Interconnecting Party(s), to be delivered to the Company for a specified Service and /or Interconnecting Party's agreement for a specific time period.

Btu - "Btu" shall mean one (1) British thermal unit (International Table), which is the amount of energy equivalent to 1,055.056 Joule, as specified in Gas Processors Association Publication 2145-93 ("Table of Physical Constants of Paraffin Hydrocarbons and other Components of Natural Gas") or subsequent amendments as may be adopted by the Company. One (1) MMBtu shall mean one million (1,000,000) Btu

Capacity Interruption - The discontinuance of transportation service due to Company's inability to provide such service due to capacity constraints on the Company's System. The phrase "Capacity Interruption" shall have the same meaning as "Interruption".

Category One Receipt Point List - A List of Receipt Points available for interruptible deliveries on Company's System. This list will be included as an Exhibit to the Service Agreement.

Category Two Receipt Point List - A list of Receipt Points that from time-to-time may be available on an interruptible basis for deliveries to Company's system. This list will be included as an Exhibit to the Service Agreement. These points may require the Company to provide displacement service and must be approved in advance by Company.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS - Cont'd

Cubic Foot of Gas - For the purpose of gas volume determination, one "cubic foot" of gas shall mean the amount of gas which occupies a volume of one (1) cubic foot the actual metering pressure and temperature. For the purpose of gas administration (balancing, billing, reporting), suitable correction factors for each rate class shall be applied to the determined volumes. Ccf means one hundred (100) cubic feet. Mcf means one thousand (1,000) cubic feet. Mmcf means one million (1,000,000) cubic feet.

Date of First Delivery - The date when Company first delivers Shippers' gas under a Gas Transportation Service Agreement, at the individual Delivery Point(s), as specified in an Exhibit to the Service Agreement.

Day - A period of 24 consecutive hours, beginning at 12:00 p.m. noon Mountain Standard Time, or such other consecutive 24-hour period designated by Company.

Dekatherm (Dth) - The energy equivalent to 10 therms, or 1,000,000 Btu (MMBtu). One (1) therm is the equivalent to 100,000 Btu.

Delivery Point(s) - The point(s) where Company delivers gas to the Receiving Party as specified in an Exhibit to the Service Agreement.

Firm Capacity - The maximum Peak Day Quantity contracted by a Shipper to reserve space in Company's System, expressed in Dekatherms.

Firm Supply - The maximum Peak Day Quantity contracted by a Shipper to reserve supplies of natural gas in the event that adequate supplies of Shipper's Gas are not available for receipt by Company, expressed in Dekatherms.

Fuel Reimbursement - A quantity of gas, equal to a percentage of the quantity of Shipper's gas delivered to Company, to compensate Company for fuel required for transportation service hereunder.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS - Cont'd

Imbalance - The difference between the quantity of Shipper's Gas allocated by the Interconnecting Party(s) at the Receipt Point(s) less Fuel Reimbursement and the quantity of gas delivered to the Receiving Party at the Delivery Point(s) for Shipper's account as determined by Company. In the event supplies of Shipper's Gas are not available for receipt by Company but Receiving Party is authorized to receive Backup Supply Sales Gas, the quantity of such gas received from Company shall be subtracted from the quantity of gas consumed by the Receiving Party at the Delivery Point(s) before the existence of an Imbalance is determined.

Imbalance Resolution Gas - The quantity of gas necessary to correct previous months' cumulative Imbalance between Company and Shipper.

Interconnecting Party(s) - The point of interconnection between the facilities of the Company and the Interconnecting Pipeline, Local Distribution Company, residue plant, wellhead, or any other physical or contractual sources of Shipper's gas supply.

Maximum Daily Transportation Quantity - (MDTQ) is the maximum daily quantity of gas expressed in Dekatherms which Company agrees to transport to Shipper as set forth on an Exhibit to the Interruptible Service Agreement.

MMBtu - One million Btu.

Month - The period beginning at 12:00 p.m. noon on any day of a calendar month and ending at 12:00 p.m. on the same day of the succeeding calendar month (Eastern Standard Time), or such other consecutive monthly period designated by Company.

Nominations. The Quantity of gas supplies requested to be transported on the Company's System for a specific day. Nominations are to be adjusted to include Fuel Reimbursement and shall be made on a Dekatherm basis.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS - Cont'd

Peak Day Quantity - (PDQ) is the maximum daily quantity of gas expressed in Dekatherms which Company agrees to transport or sell, if applicable, to Shipper as set forth on an Exhibit to the Firm Service Agreement.

Primary Receipt Point(s) - Receipt Point(s) specified in the Firm Transportation Service Agreement as Primary Receipt Point(s) where Receiving Party is entitled to firm service on Company's System. Primary Receipt Point(s) will be identified in an Exhibit to the Service Agreement.

Psia - Pressure in points per square inch absolute.

Receipt Point(s) - The point of interconnection between the facilities of the Company and the Interconnecting Party(s) wherein the Company receives gas for the account of Shipper for transportation on its System, as specified on an Exhibit to the Service Agreement.

Receiving Party(s) - The party or parties that receive gas from Company at the Delivery Point(s) as specified in an Exhibit to the Service Agreement.

Request for Gas Transportation Service - A written request for transportation service submitted by any prospective Shipper as provided in these General Terms and Conditions.

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GAS TRANSPORTATION TERMS AND CONDITIONS

DEFINITION OF TERMS - Cont'd

Restricted Delivery Day - A Day when deliveries of transported gas supplies to the Shipper are limited to the Nomination, or the quantity allocated by the Interconnecting Party(s), whichever is lower for the particular Day. Any consumption by the Receiving Party(s) under a Service Agreement exceeding that quantity will be sold to the Shipper at the appropriate Backup Supply Sales Charge up to that quantity permitted under Service Agreement or, if above those quantities, at the Unauthorized Overrun Commodity Sales Charge.

Secondary Receipt Point(s) - Receipt Point(s) which are not specified in the Firm Transportation Service Agreement as Primary Receipt Point(s). Subject to prior approval of Company, Shipper may request, pending approval by Company, to shift firm capacity designated by Company. Shipper forfeits the equal amount of capacity at the primary receipt point that was shifted from primary receipt point to secondary receipt point(s) for the period of time designated by Company.

Shipper - Any party who has executed a Service Agreement with Company. Shipper may or may not be the Receiving Party.

Supply Curtailment - The discontinuance of transportation or sales service as a result of the inability of Company to provide such service due to non-receipt of Shipper's Gas or the lack of availability of Companies gas supply, respectively. The phrase "Supply Curtailment" shall have the same meaning a "Curtailment".

System - The pipelines, compressor stations, regulator stations, meters, gas processing facilities and other related facilities owned by Company and utilized in providing transportation service.

Year - A period of 365 consecutive days or 366 consecutive days if such period includes February 29, beginning at 12:00 p.m. noon Eastern Standard Time on any given day.

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GAS TRANSPORTATION TERMS AND CONDITIONS

CONDITIONS OF GAS TRANSPORTATION SERVICE

Pressure at Delivery Point(s) - Unless otherwise agreed upon, Company shall cause the gas to be delivered at each Delivery Point at such pressures as may prevail from time to time in Company's system.

Pressure at Receipt Point(s) - Shipper shall deliver or cause gas to be delivered at each Receipt Point at a pressure sufficient to allow the gas to enter Company's System. Shipper shall not, except by mutual written agreement, be required or permitted to deliver the gas at any Receipt Point at a pressure in excess of the maximum allowable operating pressure of Company's System as established by the Company.

Prior to commencement of service hereunder, Shipper shall have completed a Request for Gas Transportation Service and shall have executed a Service Agreement.

Requests for Transportation Service -

(a) Shipper shall submit to Company a Request for Gas Transportation Service. The request will either be approved or denied, by Company within sixty (60) days of the receipt thereof. If as a condition for approval, additional facilities are required, Company will specifically set forth the estimated costs of said facilities and any additional charges. The written notice of approval shall also set forth the cost, if any, of conversion from sales service. If denied, written notification will be provided to Shipper detailing the reasons for denial, as well as an explanation of what changes would be necessary to enable Company to provide the requested service, as well as any additional charges therefore;

(b) All requests for Transportation service shall be submitted in writing to Company in the form included in these General Terms and Conditions or a facsimile thereof:

(c) Company shall endeavor to provide service within the time specified in the written request, but shall not be obligated to do so. Requests shall be considered received only if the information specified in the Request for Transportation Service is provided.

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GAS TRANSPORTATION TERMS AND CONDITIONS

CONDITIONS OF GAS TRANSPORTATION SERVICE - Cont'd

Gas Transportation Service Agreement (Service Agreement) - Upon Company approval of Request for Gas Transportation, Company shall tender Shipper a Service Agreement in accordance with these gas transportation terms and conditions. Any changes to Service Agreement shall be accomplished through an amendment executed by both Shipper and Company.

Initiation of Service - Within thirty (30) days of Shipper's receipt of an executable Service Agreement from Company, Shipper shall execute and deliver to Company such Service Agreement. A Shipper entitled to receive transportation service under an interruptible transportation rate schedule must tender gas for transportation within thirty (30) days after receipt of any necessary regulatory approvals, installation of facilities by Company, or the execution date of the Service Agreement, whichever is later. If Company has not received an executed Service Agreement within the required time Company shall have the right to terminate the Service Agreement.

New or Additional Facilities - After initiation of service, Shipper and Company agree to negotiate payment, either directly or through a rate surcharge, to cover any costs for any new or additional facilities which may be required to accomplish expanded transportation service hereunder. If such new or additional facilities are required at any time during the term of this Service Agreement, Company shall inform Shipper of the need for such facilities, the installation cost and any related monthly specific facility charges or other miscellaneous charges associated with said facilities. Such charges will be specified on an Exhibit to the Service Agreement. Shipper shall have sixty (60) days from the date of said notification in which to approve the expenditure for such additional facilities. Should Shipper decide not to approve the installation of said new or additional facilities, Company shall have the right to terminate the Service Agreement. If Shipper approves installation of such facilities, Shipper shall make full payment for such additional facilities, unless otherwise provided in the Service Agreement, including the income tax consequences associated with such payment. All Facilities installed by Company shall continue to be owned, operated and maintained by Company.

AUTOMATED METERING - The Company will install a device that the Company will attach to its metering equipment at the Point of Delivery for the purpose of monitoring Gas Usage. The Customer shall be responsible to supply a dedicated electrical supply and a telephone line at a location acceptable to Company and capable of transmitting information collected from the monitoring device to the Company's computer system. The Customer shall be responsible for the maintenance and service of the telephone line.

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GAS TRANSPORTATION TERMS AND CONDITIONS

AUTOMATED METERING - Cont'd

Should a dedicated phone line be required, it is the responsibility of the Customer to schedule the installation, and the Customer is responsible for any associated costs including the monthly service charge. Transportation service shall not commence until the automated metering equipment is in place and operational.

SHIPPER'S RESPONSIBILITY

Shipper is responsible for obtaining Shipper's Gas, nominating receipts and deliveries, managing Imbalances and payment of all costs of such gas from sources other than Company, and for the transportation of such gas to Company's Receipt Point(s) from the Interconnecting Party(s). Shipper's Gas received by Company for transportation for Shipper or Receiving Party shall meet all quality specifications as specified in Gas Quality section included in these terms and conditions.

Company shall not be required to perform transportation service if Shipper fails to comply with the terms of its Service Agreement, the applicable Rate Schedule and these General Terms and Conditions.

NOMINATIONS

- a) Shipper shall nominate to Company, up to Shipper's Peak Day Quantity or Maximum Daily Transportation Quantity, daily quantity requirements to be transported through the Company's System. These Nominations shall include Receipt Point(s), deliveries to the Company from the Interconnecting Party(s), and an allocation of Receipt Point quantities requested for delivery to each Receiving Party. On any Restricted Delivery Day, Company will deliver those quantities nominated or the amount allocated by the Interconnecting Party(s), whichever is lower.
- b) Daily nominations will be accepted, scheduled and confirmed in the following order:
 - 1. Firm Transportation Service at Primary Receipt Point(s);
 - 2. Firm Transportation Service at Secondary Receipt Point(s);
 - 3. Interruptible Transportation Service at Category One and Category Two Receipt Point(s);
 - 4. Authorized Overrun Deliveries for Firm and Interruptible Transportation Service Agreements; and
 - 5. Imbalance Resolution Gas. Nominations are subject to the approval of Company.

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GAS TRANSPORTATION TERMS AND CONDITIONS

NOMINATIONS

- c) Shipper may request changes in Primary Receipt Point(s). Requests for such changes shall be made in writing no less than fifteen (15) business days prior to the beginning of month in which the change will be effective. Transporter shall grant such changes if the direction of the gas flow is unchanged, capacity is available, and the change can be made without adversely affecting system operations or other firm obligations at the new or existing Primary Receipt Point. In no event shall Shipper be entitled to more Transportation Service than is provided for under the Service Agreement.
- d) Nominations for service at Secondary Receipt Point(s) shall be made in accordance with Company's Nomination Procedures and shall identify reserved capacity being shifted from Primary Receipt Point(s). In the event that Company is unable to confirm a secondary receipt point nomination on a firm basis, Company may offer Shipper the secondary receipt point capacity on an interruptible basis, but with no rate reduction. In no event shall Shipper be entitled to more Firm Transportation Service than is provided for under the Service Agreement.
- e) All nominated quantities will be expressed in Dekatherms per day; and shall include Fuel Reimbursement.
- f) Shipper and Company will designate in writing their authorized personnel and alternates and their respective telephone numbers to make and accept Nominations, including any future changes of such designation.
- g) Shipper shall provide Company separate Nominations for the purpose of scheduling Imbalance Resolution Gas. Imbalance Resolution Gas shall be the last nominated quantity confirmed by Company and the first gas interrupted by Company in the event of a Capacity Interruption.
- h) Failure of Shipper to provide daily Nominations to Company may result in gas being sold to the Shipper, if available, at the appropriate Backup Supply Sales Charge in addition to any other applicable charges.
- i) Company is not responsible for ensuring that the nominated quantities are actually tendered at the Receipt Point(s) or that calculations developed for or by Shipper are correct.
- j) In the event that Company determines that an emergency or other extenuating circumstances exist, Company may modify nomination procedures.
- k) Nominations will be accepted by Company in writing.

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GAS TRANSPORTATION TERMS AND CONDITIONS

NOMINATIONS - Cont'd

Nomination Procedures.

Daily Nominations for the first day of the month shall be tendered in writing in a format requested by Company and shall be received no later than 10:30 a.m., four (4) business days before the first day of the succeeding month.

Company will confirm or deny these nominations no later than two (2) business days before the first day or the succeeding month, after 2:00 p.m. If Company does not confirm Nominations, Shipper may re-nominate gas for delivery on the first day or the month at Receipt Point(s) listed on the Primary or Category One Contractual Receipt month at Receipt Point(s) listed on the Primary or Category One Contractual Receipt Point List no later than one (1) business day before the first day of the succeeding month by 10:30 a.m.

Nominations for days other than the first day of month or revisions to daily quantities and/or Interconnecting Party(s) contract number(s) previously submitted shall be received in writing no later than 1:30 a.m., two (2) business days before the date of the effective change.

Re-Nomination Changes by Shipper.

Nominations previously submitted and confirmed, in accordance with Company's nomination procedures, for any Tuesday gas day may be re-nominated no later than 8:30 a.m. on the immediately preceding Monday and shall be submitted in writing. Shipper is responsible to notify the Interconnecting Party(s) to make corresponding confirmations of supply re-nomination to Company no later than 9:30 a.m. on Monday. Any re-nominations not confirmed by the Interconnecting Party(s) on or before 9:30 a.m. shall be deemed denied. In no event shall re-nominations bump quantities already previously scheduled and confirmed for Tuesday.

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GAS TRANSPORTATION TERMS AND CONDITIONS

NOMINATIONS - Cont'd

Nomination Confirmations.

Nominations made in accordance with the above procedures will not become effective until Company has confirmed the nominated receipts with the Interconnecting Party(s). Shipper is responsible to notify the Interconnecting Party(s) to make corresponding confirmations of supply to Company.

Any discrepancy in Nominations that cannot be resolved shall result in Shipper receiving the lesser of these two quantities: Shipper's Nominations to Company or Interconnecting Party(s) confirmation.

Nomination Changes By Company.

If, on any day, Company determines that there is an under delivery of natural gas into Company's System from an Interconnecting Party(s), Company shall have the right to make adjustments to Shipper's Nominations to more accurately reflect actual deliveries of supply into Company's System.

ALLOCATIONS

Unless otherwise agreed, allocations at the Company's Receipt Point(s), less Fuel Reimbursement, will be based on the lower of the three; (i) Nominations to Company or (ii) confirmed Nominations or (iii) Allocations provided by Interconnecting Party(s). The difference between allocation, less Fuel Reimbursement at the Receipt Point(s) and daily measurement determinations at the Delivery Point(s) will be considered the Imbalance. Delivery Point allocations and Imbalances will be determined by Company on a daily basis or otherwise specified. Imbalance Resolution Gas shall be deemed last through the meter in determining the amount of a Shipper's Imbalance.

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DETERMINATION OF QUANTITIES TRANSPORTED

Quantity determinations shall be done in accordance with Company's Terms and Conditions for Natural Gas Service, and Quantities will be apportioned in Gas Day increments. Determinations may be adjusted by Supply Curtailments or other restriction. Quantities consumed in excess of confirmed Nominations or allocations during any restricted period will be sold to the Shipper at the appropriate Backup Supply Sales Charge up to that quantity permitted under Service Agreement or, if above those quantities, at the Unauthorized Overrun Commodity Sales Charge. Sales quantities consumed during any such restricted period shall not be made up through Imbalance provisions. Shipper agrees to accept the accounting by Company of daily quantities of Shipper's Gas received by Company.

BALANCING SERVICE

The Customer shall use its best efforts to achieve a balance between its gas deliveries and requirements on a daily basis. On any given Gas Day in the month, should the Company be in a penalty situation with its upstream pipelines, the Company shall assign imbalance penalties assessed to the Company by upstream pipelines to Sales and Transportation Customers, based on the extent that each group caused such penalties. The portion of any such penalties assigned to Transportation Customer shall be further assigned to individual Transportation Customers based on the extent to which each Transportation Customer caused such penalties. The penalties, if any, assigned to each Transportation Customer, shall be assessed on the Customer's monthly bill with appropriate supporting documentation.

Notices posted on the electronic bulletin board of Customer's Transporting Pipeline that require Customer to adhere to a maximum hourly flow rate, shall also be deemed notification to Customer that maximum hourly flows will be in effect on Company's distribution facilities. Hourly flows will be established by Company personnel based on an allocation of even hourly flows of daily receipts of gas scheduled in the relevant period in accordance with the applicable pipeline's transportation tariff. All gas usage in excess of Customer's Maximum Hourly Flow rate will be subject to an unauthorized overrun penalty of \$20.00 per Dth. Company will make a best effort attempt to notify Customer of its Maximum Hourly Flow; however, it is Customer's responsibility to contact Company personnel to obtain its Maximum Hourly Flow.

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GAS TRANSPORTATION TERMS AND CONDITIONS

MONTHLY CASH OUT OF IMBALANCES

The Customer shall use its best efforts to achieve a balance between its gas deliveries and requirements on a monthly basis. Imbalances between the volumes of gas delivered for the Customer net of the applicable fuel reimbursement and the volumes of gas used by the Customer will be cashed-out each month so that no imbalances will be carried forward to subsequent months. Monthly imbalance penalties associated with the cash-out mechanism are based on the relative magnitude of the imbalance compared to Customer's actual usage. Imbalances of less than the monthly tolerance of 5% are not subject to a monthly imbalance penalty.

The Company shall purchase all positive Period Imbalance quantities at the prices listed below:

Imbalance Levels	Prices for Period Imbalances
0% to <5%	100% Period Index Price
>5% to <10%	90% Period Index Price
>10% to <15%	80% Period Index Price
>15% to <20%	70% Period Index Price
>20% to <25%	60% Period Index Price
>25%	50% Period Index Price

The Customer shall purchase all negative Period Imbalance quantities at the prices listed below:

Imbalance Levels	Prices for Period Imbalances
0% to <5%	100% Period Index Price
>5% to <10%	110% Period Index Price
>10% to <15%	120% Period Index Price
>15% to <20%	130% Period Index Price
>20% to <25%	140% Period Index Price
>25%	150% Period Index Price

If at anytime during the month, Customer's total imbalance level exceeds 30% of the total amount used in the prior month, the Customer will be required, upon 48 hours prior notice from the Company, to initiate corrective actions to balance its account within the following 10-day period.

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GAS TRANSPORTATION TERMS AND CONDITIONS

EXCHANGE OF IMBALANCES

Customers may enter into agreements to trade offsetting imbalances up until two days after the close of the billing period during which the imbalances occurred. Upon Customer's request, Company will provide Customer with data on the imbalances of other Customers that have previously authorized such disclosure. All imbalance exchange transactions must be confirmed to the Company in writing by both parties on or before the third day after the close of the billing period. Any Customer trading an imbalance may trade up to but not beyond a zero balance. The Company has the right to reject any proposed trade arrangement if the marginal cost of the overtake quantity is significantly different from the avoided cost of the undertake quantity. By approving the proposed trade arrangement, the Company assumes no responsibilities for enforcing any of the terms of the arrangement between the parties to any such agreement.

LIMITATION OF BALANCING SERVICE

If the Company determines, at its sole discretion, that a transportation Customer is intentionally acting so as to financially gain from the provisions for Monthly Imbalance Charges or Credits as provided for in the Company's Transportation Terms and Conditions, the Company shall, upon such determination, first provide an Initial Notification of Balancing Limitations by telephone or electronic mail. The Initial Notification shall include a description of corrective actions that the Customer must take, and shall have a deadline of not less than twenty-four (24) hours for initiating the corrective actions. If the transportation Customer does not satisfy the requirement set forth in the Initial Notification, the Company shall issue a Second Notification of Balance Limitations. Starting with the first full month following the issuances of the Second Notification, the Period Index Prices for positive imbalance quantities provided for above shall be increased by a Balancing Surcharge of up to 25% of the Company's most recently filed CGA and the Period Index Prices for negative imbalance quantities provided for above shall be decreased by a Balancing Surcharge of up to 25% of the Company's most recently filed CGA. The Balancing Surcharge shall remain in effect until the transportation Customer satisfies the provisions of the Initial Notification of Balancing Limitations. The company may charge the Balancing Surcharge starting with the first full month after issuing a Notification of Balancing Limitations - Repeat Offender to any Customer that has been issued an Initial Notification according to the provisions of this section one (1) time previously in the last thirty (30) days or two (2) times previously in the last ninety (90) days. The Balancing Surcharge shall remain in effect until the transportation Customer satisfies the provisions of the Notification of Balancing Limitations - Repeat Offender. The Company's determination as to restrictions on Balancing Services pursuant to this section may be appealed to the Commission.



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Original Sheet No. 75
Cancels Sheet No.

GAS TRANSPORTATION TERMS AND CONDITIONS

BALANCING UPON TERMINATION

Upon termination or cancellation of the Service Agreement, if transportation service is not continued under another Service Agreement, any under-deliveries shall be eliminated at the earliest practicable date, not to exceed ninety (90) days following such termination or cancellation. If at the end of the ninety (90) day period an under-delivery exists, then, as appropriate, Company shall sell to Shipper such quantities which are due Shipper and Shipper shall purchase from Company such quantities in accordance with the terms and conditions of the under-deliveries of Shipper's Gas Supplies section of these terms and conditions. If the imbalance is caused by an over-delivery of Shipper's gas then Company shall eliminate any over-deliveries by purchasing any quantities which are due Shipper at the next billing cycle in accordance with the terms and conditions of over-deliveries of Shipper's Gas Supplies section of these terms and conditions.

If Service Agreement is terminated and service continues under another Service Agreement, the Imbalance will be transferred to new Service Agreement and the Balancing Service provisions shall apply.

IMBALANCES DUE TO MEASUREMENT OR NOMINATION ENTRY ERROR

If an inaccuracy occurs as a result of an error in measurement devices, billing errors or errors in the entry of nominations by Company, the Company will correct measurement, billing statement nomination entries were incorrectly entered by Company for the Shipper to correct the Imbalance. In no event shall this period be longer than six months for the shipper to correct the Imbalance. After such period, any Imbalance will be subject to the Balancing Service provisions of these terms and conditions

FAILURE OF SHIPPER'S SUPPLY

Should Shipper fail to cause Shipper's Gas to be supplied to Company for transportation, Shipper will immediately notify Company of this condition. As soon as practicable, Company will determine if sufficient supply of gas from the Company's sales supply is available to replace Shipper's gas, and if so, Company may offer to provide continued service under the provisions of the Company's LCG service.



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GAS TRANSPORTATION TERMS AND CONDITIONS

SUPPLY CURTAILMENTS

Company will, within a reasonable time, confirm with Interconnecting Party(s) an Interconnecting Party(s)'s Supply Curtailment of a Shipper's gas supplies. If a Shipper's gas supplies are curtailed, Company will accept, until 8:30 a.m. prior to the start of such gas day, revised Nominations that conform with the receipt quantities confirmed by the Company from the curtailed Interconnecting Party(s). The Company will also allow resourcing of curtailed quantities from existing or new Receipt Point(s), provided the revised Nomination is submitted no later than 8:30 a.m. before the start of such gas day. Shipper is responsible to notify the Interconnecting Party(s) to make corresponding confirmations of supply to Company no later than 9:30 a.m. before the start of such gas day. Any revised nomination not confirmed by the Interconnecting Party(s) on or before 9:30 a.m. shall be deemed denied. In no event shall revised nominations bump quantities already previously scheduled and confirmed for such gas day.

In the event of an emergency, the Company will accept, for one (1) hour, revised Nominations that conform with the receipt quantities received by the Company from the curtailed Interconnecting Party(s).

RESTRICTED DELIVERY DAY

In the event of Restricted Delivery Day the Company will attempt to post notice on its Electronic Bulletin Board by 4:00 p.m. the day prior to the implementation of the Restricted Delivery Day. At that time Company will accept, until 8:30 a.m. prior to the start of such gas day, revised Nominations. Shipper is responsible to notify the Interconnecting Party(s) to make corresponding confirmations of supply to Company no later than 9:30 a.m. before the start of such gas day. Any revised nomination not confirmed by the Interconnecting Party(s) on or before 9:30 a.m. shall be deemed denied. In no event shall revised nominations bump quantities already previously scheduled and confirmed for such gas day. In the event of an emergency, the Company may at any time call a Restricted Delivery Day and will post notice on its Electronic not accept revised nominations.



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GAS TRANSPORTATION TERMS AND CONDITIONS

CAPACITY INTERRUPTIONS

Company shall have the right to interrupt the transportation of gas for Shipper, when necessary, due to lack of capacity, or to test, alter, modify, enlarge, or repair any facility or property comprising a part of its System, or otherwise related to the operation thereof. Except in cases of emergency, the Company shall endeavor to give advance notice to Shipper of its intention to interrupt the transportation of gas, stating the anticipated timing and magnitude of such Capacity Interruption. Except as set forth above, Company shall have no other responsibilities to Shipper for any alterations or repairs and shall have no liability for any losses or damages whatsoever occasioned by such alterations or repairs.

PRIORITY OF SERVICE

Unless conditions otherwise warrant, Firm Gas Transportation Service shall have priority over Interruptible Gas Transportation Service. The Capacity Interruption of gas deliveries in whole or in part under these terms and conditions shall not be the basis for claims for damages sustained by Shipper or Receiving Party.

Specific Interruption of transportation service shall be made in the following order:

- a) Authorized Imbalance Resolution Gas under Firm and Interruptible Transportation Service Agreements prorated based on confirmed nominations for each Shipper;
- b) Authorized overrun Deliveries in excess of the Peak Day Quantity under Firm Transportation Service Agreements and the Maximum Daily Transportation Quantity under Interruptible Transportation Service Agreements prorated based on confirmed nominations.
- c) All other interruptible transportation service at a discounted rate by order of the rate being paid by Shipper for the transportation service from lowest to highest. If two or more Shippers are paying the same discounted rate then the Capacity Interruption shall be prorated based upon confirmed Nominations.
- d) All interruptible transportation service at the standard rate prorated on the basis of confirmed Nomination;
- e) All firm transportation service in accordance with the same system of class-by-class priorities as is applicable to Company's sales customers.
- f) Nothing in this provision shall limit company's right to interrupt service as necessary in order to ensure system integrity or to reflect the operational characteristics of Company's System.



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GAS TRANSPORTATION TERMS AND CONDITIONS

NOTICES

Except as otherwise provided, any notice, request, demand, statement, bill, or payment provided in the Service Agreement, or any notice that either party may desire to give to the other, shall be in writing and shall be considered as duly delivered or furnished when mailed to the address listed in the Service Agreement, or such other address as either of the parties shall designate in writing.

BILLING AND PAYMENT

Statements for transportation of Shipper's Gas under the appropriate transportation terms and conditions shall be rendered on a Dekatherm basis by Company to Shipper each Month following delivery. Any credits for purchases of oversupply of Shipper's Gas or charges for gas supplies sold by Company to the Shipper shall be reflected on each monthly statement.

Payment and Late Payment Charge

Bills for services provided shall be for a monthly period beginning on the first day of the month and are due and payable within ten (10) days from the date of the bill. Any amounts not paid on or before the due date of the bill shall be subject to a late payment charge of one and one half percent (1.5%) per month.

Failure to Pay Bills

If Shipper fails to pay for the services provided under these terms and conditions, then Company may discontinue service as provided in the applicable terms and conditions and in accordance with Company's Natural Gas Service Terms and Conditions.

Verification of Statements

Shipper and Company shall have the right to examine, for a period of two (2) years, books, records and charts of the other to the extent necessary to verify the accuracy of the statement, charge, or computation make under the provisions of these terms and conditions.

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GAS TRANSPORTATION TERMS AND CONDITIONS

BILLING AND PAYMENT - Cont'd

Deposits for Gas Transportation Service

A deposit may be required for any first time Shipper requesting gas transportation service. Any Shipper who has not received sales or transportation service from Company for a least twenty-four (24) months within the last three (3) years is considered a first-time Shipper. A deposit may also be required from existing Shippers if the Company reasonably determines that the Shipper's financial statements, commercial credit reports from a credit reporting agency, or other information relating to Shipper's financial status or if Shipper's recent payment records include recent or substantial delinquencies. The deposit shall be the sum of the estimated bill for ninety (90) days. Deposits will be increased for first time Shipper each time additional Receiving Party(s) is added to Service Agreement within the initial two (2) years period.

Shipper deposits for gas transportation accounts will be retained by the Company for a minimum period of two (2) years or until service is discontinued if sooner than two (2) years.

Any Shipper deposit required hereunder shall not be considered as advance payment or partial payment of any bill for service and shall not be transferable to another Shipper. The deposit is security for payment of service to be applied against unpaid bills only in the event service for the account on which the deposit was being held as security is discontinued.

A surety bond or irrevocable letter of credit from a financial institution will be accepted in lieu of a deposit but must be issued for an amount equal to the required deposit and be issued for a two (2) year period or at the discretion of Company. A credit report from a commercial credit reporting agency may also be accepted in lieu of a deposit.

Refunds of Deposits for Gas Transportation Service

Refunds of deposits for gas transportation service will be made following the two (2) year retention period in which the Shipper's most recent twelve (12) months' history indicates that service has not been discontinued for nonpayment and not more than two (2) Notices of Discontinuance have been mailed within the last six (6) months. Refunds will otherwise be made only at such time as service is discontinued and all outstanding bills have been paid.

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GAS TRANSPORTATION TERMS AND CONDITIONS

Refunds of Deposits for Gas Transportation Service - Cont'd

An interest rate will be paid on Shipper deposits either in cash or by a credit to the Shipper's account. Interest will be paid upon refund of the deposit or annually upon request of a Shipper. An interest rate will be determined by the Commission by January 1 of each year and will be in effect from January 1 to December 31, and is subject to change each year.

FUEL REIMBURSEMENT FOR FIRM TRANSPORTATION

The Company shall retain a percentage of all gas delivered to the Point of Receipt by Customer's Transporting Pipeline, Fuel Reimbursement Rate, to compensate for the Company's system lost and unaccounted for gas. The Company's Fuel Reimbursement Rate shall be adjusted semi annually in accordance with the review and approval thereof by the Maine Public Utilities Commission at the time of each seasonal CGA filing.

QUALITY

Gas Receipts

Unless otherwise specified by Company, gas tendered to Company will conform with the quality specifications set forth under these terms and conditions and associated Transportation Service Agreement executed between Shipper and Company. Company has no obligation to accept gas of a lesser quality than that set forth herein below or to accept gas of a lesser quality than that which is to be delivered. Shall meet current gas quality specifications of the Maritimes and Northeast Pipeline as shall be changed from time to time.

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GAS TRANSPORTATION TERMS AND CONDITIONS

Liability

Company shall not be liable to Shipper of a third party for any damages incurred as a result of Company's refusal to receive gas that does not meet quality specifications. the shipper delivering as directly into Company's System shall indemnify, save, and hold harmless Company for any injury, damage, loss, or liability arising out of or relating to the Shipper's delivery of non-conformance gas.

Gas Interchangeability

For safe and efficient pipeline operations, gas received by Company must be interchangeable from a utilization basis with supplies in its System. Gas received by Company shall comply with the requirements set forth under the applicable Utilization Curve contained under an Exhibit to the Transportation Service Agreement, which is a general representation of the natural gas quality which is acceptable. Because the gas is interchangeable, Company reserves the right in all instances to evaluate gas composition to determine System compatibility and to refuse any gas which is unacceptable.

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GAS TRANSPORTATION TERMS AND CONDITIONS

FORCE MAJEURE

Force Majeure shall mean circumstances not within the control of the parties and which by the exercise of due diligence, the affected party is unable to overcome. Force Majeure shall include but not be limited to acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests, and restraints of governments and people, civil disturbances, explosions, breakage or accident to wells, machinery or lines of pipe, freezing of wells or lines of pipe and partial or entire failure of wells. The term Force Majeure shall also include: The inability or delay of a party to acquire, at reasonable cost, materials, supplies, servitudes, right of way grants, transportation agreements with parties other than Company, permits, licenses or permissions from any governmental agency to enable such party to fulfill its obligations hereunder.

The Force Majeure provisions shall not apply to the inability of Company to accept gas at the Receipt point(s) or deliver gas at the Delivery Points(s) nominated by Shipper for the purpose of correcting or curing an Imbalance in Shipper's Gas transported on Company's System.

In event either party is rendered wholly or partially unable to carry out its obligations under this Service Agreement due to a Force Majeure event, such party shall give notice and provide the full particulars of such Force Majeure, in writing or by electronic data transmitted to the other party as soon as is reasonably possible after the occurrence of the causes relied on. The obligations of the parties, other than to make payments of amounts due hereunder, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period. The affected party shall use good faith and due diligence to remedy the Force Majeure event in a commercially reasonable manner.

It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty, 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 by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

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GAS TRANSPORTATION TERMS AND CONDITIONS

LIABILITY

Each Party shall indemnify, save and hold harmless the other party, its officers, employees and agents from any and all claims for injury to person or persons or damage to property occurring on its respective side of the interconnection point(s) between Company's and the Shipper's or Receiving Party's facilities; provided, however, that nothing herein contained shall be construed as relieving or releasing either party from liability for injury or damage, wherever occurring, resulting from its own negligence or the negligence of any of its officers, employees, or agents. In no event shall either party be liable for damages in an amount greater than the degree or percentage of negligence or fault attributable to that party. Each of the parties hereto shall be solely responsible for injury or damage, wherever occurring, due solely to any defect in equipment installed, furnished or maintained by such party.

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NATURAL GAS CONVERSION AND
CONSERVATION INCENTIVE REBATE
TERMS AND CONDITIONS

The Conversion Incentive Rebate table on Sheet No. 85 describes the rebates available for purchase of natural-gas-fueled home heating equipment. Only residential customers are eligible for the rebate program. Notwithstanding the table below, the following maximum rebate amounts shall apply to each residential Customer:

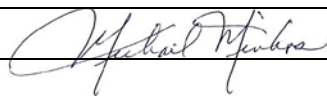
(1) All residential Customers in Company's service territory are eligible for a rebate of 75% of Qualifying Conversion Costs, up to a maximum rebate of \$1,500. In no event shall the total Conversion Incentive Rebate to a residential Customer be greater than \$1,500 and in no event shall the total Energy Audits and Associated Conservation Measure Rebate be greater than \$560.

(2) All low-income residential Customers in Company's service territory are eligible for a rebate of 100% of Qualifying Conversion Costs, up to a maximum rebate of \$4,000. In no event shall the total Conversion Incentive Rebate to a low-income residential Customer be greater than \$4,000 and in no event shall the total Energy Audits and Associated Conservation Measure Rebate be greater than \$560.. For these purposes, low-income residential Customers are those Customers approved for LIHEAP.

"Qualifying Conversion Costs" are those one-time costs that are incurred in the process of the initial conversion or first replacement of the Customer's furnace or boiler or household appliances to natural gas fuel, and are limited to the following one-time conversion events: (w) the reasonable cost of purchase and installation of a natural-gas-fueled furnace or boiler or fixed space heating appliance or fireplace insert, or conversion of a furnace or boiler or fixed space heating appliance or fireplace insert to natural gas fuel; (x) the reasonable cost of purchase and installation of a natural-gas-fueled water heater, or conversion of a water heater to natural gas fuel; (y) the reasonable cost of purchase and installation of a natural-gas-fueled cooking stove or oven, or conversion of a cooking stove or oven to natural gas fuel; or (z) the reasonable cost of purchase and installation of a natural-gas-fueled clothes dryer, or conversion of a clothes dryer to natural gas fuel. A customer is entitled to claim a rebate for any of the above events delineated as (w), (x), (y) and (z) only one time. The aggregate total rebate shall never be greater than \$1,500 as defined in (1) above or \$4,000 as defined in (2) above.

"Efficiency Maine Qualifying" heating equipment must meet the standards for Efficiency Maine Trust administered rebate programs.

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7-9-2014


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NATURAL GAS CONVERSION AND
 CONSERVATION INCENTIVE REBATE
 TERMS AND CONDITIONS

Conversion Incentive Rebate table

Qualifying Conversion Costs		Rebates applicable to SNG-ME customers		Rebates applicable to SNG-ME customers in the LIHEAP Program	
		Maximum Incentive	Maximum Percentage of Conversion Costs Rebated	Maximum Incentive	Maximum Percentage of Conversion Costs Rebated
1	Efficiency Maine Qualifying Natural Gas Fueled Hot-Water Boiler	\$1,500	75% of Costs	\$4,000	100%
2	Non-Efficiency Maine Qualifying Natural Gas Fueled Hot Water Boiler with an AFUE Rating greater than 90%	\$750	75% of Costs	\$2,000	100%
3	Efficiency Maine Qualifying Natural Gas Fueled Furnace	\$1,125	75% of Costs	\$3,000	100%
4	Energy Star Qualifying Natural Gas Fueled On-Demand Water Heater	\$560	75% of Costs	\$1,500	100%
5	Energy Star Qualified Natural Gas Fueled Storage Water Heater	\$300	75% of Costs	\$800	100%
6	Natural Gas Fueled Conversion Burner or Other Fixed Space Heating Equipment, including boilers not otherwise included in 1 or 2 above	\$375	50% of Costs	\$1,000	100%
7	Natural Gas Fueled Cooking Stove and/or Oven	\$375	50% of Costs	\$1,000	100%
8	Natural Gas Fueled Clothes Dryer	\$375	50% of Costs	\$1,000	100%

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PAGE 3

Cancels Revision 1 Sheet No. 86
Original Sheet No. 86


NATURAL GAS CONVERSION AND
 CONSERVATION INCENTIVE REBATE
 TERMS AND CONDITIONS

In addition, an Efficiency Maine fact sheet on natural gas conservation benefits and opportunities and the following rebates will be available to all residential Customers to encourage energy conservation:

Energy Audits and Associated Conservation Measures

		Rebates applicable to SNG-ME customers	
Qualifying Measure		Maximum Incentive	Maximum Percentage of Conservation Measure Costs Rebated
1	An Efficiency Maine approved Energy Audit in conjunction with 6 hours of air sealing	\$560	100%
2	An Efficiency Maine approved Energy Audit	\$375	100%

Issue Date: June 9, 2014

Issued by: 

Proposed Effective Date: July 9, 2014

Title: President

Effective Date: 7-9-2014
DOCKET NUMBER: 2014-00182
PAGE 4

SUMMIT NATURAL GAS OF MAINE, INC.

ME PUC No. 1

PO Box 270868
Littleton, CO 80127

Original Sheet No. 87
Cancels Sheet No. _____

NATURAL GAS RATES
GAS COST ADJUSTMENT

APPLICABILITY

All rate classes for natural gas sales service are subject to a Cost of Gas Adjustment (CGA) to reflect the cost of gas purchased from Company's suppliers. In addition, the Cost of Gas Adjustment Rate may be used in cash-out procedures with non-sales customers as identified in the Company's Terms and Conditions.

DEFINITIONS

Cost of Gas Adjustment - The Cost of Gas Adjustment is the Current Gas Cost plus the Deferred Gas Cost.

Base Rate - Base Rate is that rate which incorporates the currently effective Distribution Rate. The Base Rate does not include any gas commodity costs or upstream services costs.

Total Rate - Total Rate is the Base Rate plus the Cost of Gas Adjustment Rate.

Current Gas Cost - Current Gas Cost is the Forecasted Gas Commodity Cost and Forecasted Upstream Service Cost projected to be incurred by the Company during the CGA Effective Period.

Deferred Gas Cost - Deferred Gas Cost is a component of the CGA designed to amortize over the CGA Effective Period the over or under recovered costs in the Company's Account No. 191.

Recovered Gas Cost - Recovered Gas Cost is the gas cost recovered by the Company through the Cost of Gas Adjustment.

Actual Gas Cost - The Actual Gas Cost is the sum of all costs for purchasing and transporting the gas required by the Company for sale to natural gas sales service customers, along with the applicable firm capacity, back-up sales capacity, and commodity charges.

CGA Effective Period - A twelve-month period beginning October 1 of each year during which the Cost of Gas Rate is intended to be in effect.

Proposed Effective Date: May 1, 2013

Issued by:  _____

Effective Date: _____

Title: Executive Vice President

Approved: May 1, 2013
Docket No. 2013-00175

PO Box 270868
Littleton, CO 80127

Original Sheet No. 88
Cancels Sheet No. _____

NATURAL GAS RATES
GAS COST ADJUSTMENT

DEFINITIONS - CONT'D

Forecasted Gas Commodity Cost - The cost of gas commodity, including appropriate adjustments for storage gas injections and withdrawals and exchange gas imbalances, projected to be incurred by the Company during the CGA Effective Period.

Forecasted Upstream Service Cost - The total cost of upstream services projected to be incurred by the Company during the CGA Effective Period.

Total Gas Sales - The total quantity of gas projected to be sold by the Company during the CGA Effective Period

DEFERRED GAS COST

The Deferred Gas Cost will be calculated monthly by subtracting Recovered Gas Cost from Actual Gas Cost. The resulting amount, whether negative or positive, will be accumulated for the twelve-month period ending June 30 of each year. In addition, interest on such amount shall be calculated at a rate equal to the Company's average short term cost of debt by the month, in accordance with Ch. 430 Section 5 of the Commission Rules. A revised Deferred Gas Cost will be effective beginning October 1 of each year. The revised Deferred Gas Cost will replace the previous Deferred Gas Cost included in the Company's Total Rate.

RECOVERED GAS COST

The Recovered Gas Cost will be calculated monthly by applying the Cost of Gas Adjustment Rate to the actual sales quantities for the month.

COST OF GAS ADJUSTMENT RATE

The following formula is used to determine the Cost of Gas Adjustment Rate.

$$\text{Cost of Gas Adjustment Rate} = (A + B)/C$$

where A = Current Gas Cost
B = Deferred Gas Cost
C = Total Gas Sales

The Cost of Gas Adjustment Rate will be effective October 1 of each year, and will replace the previous Cost of Gas Adjustment Rate included in the Company's Total Rate. The Cost of Gas Adjustment Rate will be calculated to the nearest mill (\$0.001) per therm.

Proposed Effective Date: May 1, 2013

Issued by:  _____

Effective Date: _____

Title: Executive Vice President

Approved: May 1, 2013
Docket No. 2013-00175

SUMMIT NATURAL GAS OF MAINE, INC.

PO Box 270868
Littleton, CO 80127

ME PUC No. 1

Original 89
Cancels Sheet No.

NATURAL GAS RATES
GAS COST ADJUSTMENT

TREATMENT OF REFUNDS

Refunds from suppliers will be accounted for in Account No. 191, and treated in accordance with Ch. 430 of the Commission's Rules.

FILING/REPORTING REQUIREMENTS

The Company will file with the Commission its proposed Cost of Gas Adjustment annually on or about July 15 to be effective the October 1 immediately following. The Company will supplement its filing during the course of the proceeding in the event of a change in the proposed Current Cost of Gas or other market conditions during the pendency of review.

The Company will file a report with the Commission annually by February 1 showing the changes in the cumulative Deferred Cost of Gas balance for each month of the most recent six months ending December 31, and the projected Deferred Cost of Gas balance as of June 30. The report will also discuss significant gas supply activities during the same period.

The Company may file a request for a mid-period adjustment, which shall be subject to Commission approval. If the February 1 report shows that the deferral amount will cause an adjustment in the following year's cost of gas rate of more than 10%, the Company must file a request for a mid-period adjustment, which shall be subject to Commission approval. The Commission shall determine what amount of deferred gas costs should be collected or returned through the mid-period adjustment as circumstances warrant.

CUSTOMER NOTICE

The CGA for all applicable rate schedules will be made available to all customers at the Company's Web site and offices, and will be added to the Company's Base Rate for billing purposes. Notice of the annual July 15 CGA filing will be provided with customers' bills during the August bill cycle.

The CGA will be shown on customers' bills as a separate line item.

Proposed Effective Date: May 1, 2013

Issued by:  _____

Effective Date: _____

Title: Executive Vice President

**Effective: May 1, 2013
Docket No. 2013-00175**