RATE 324A
RATE FOR GAS SERVICE
COMPRESSED NATURAL GAS SERVICE

TO WHOM AVAILABLE

Available 1) to any Customer for natural gas to be supplied to a Customer-operated and owned or leased Compressed Natural Gas (CNG) facility for the express purpose of converting such natural gas to CNG to fuel motorized vehicles; provided, however, that such facility is located at a point adjacent to one of the Company's gas mains where it has a sufficient supply for the service to be furnished hereunder; 2) to any Customer for the purchase of CNG to fuel motorized vehicles from designated Company-owned and operated CNG facilities, provided, however, that the Customer is certified by the Company to receive such service. This rate is available to those Customers located in ZONE A and ZONE B (See Index).

CHARACTER OF SERVICE

Use of natural gas provided hereunder to a Customer-operated and owned or leased CNG facility is limited exclusively for the conversion of such gas to compressed natural gas for use in fueling motorized vehicles and shall not be used by the Customer for any other purpose. Use of CNG provided hereunder from a designated Company-owned CNG facility is limited exclusively for use as motor vehicle fuel by the Customer.

The Customer must arrange to install piping to permit the measurement of natural gas provided hereunder to a Customer-operated and owned or leased CNG facility for conversion to CNG by suitable metering equipment installed by the Company. All gas served hereunder to the Customer-operated and owned or leased CNG facility must be metered separately from any other gas consuming equipment located on the premises, and will be billed separately and independently of any other usage of such equipment.

This rate applies to gas having a monthly average heating value of approximately 1,000 British thermal units (Btu) per cubic foot.

RATE

A. For natural gas provided hereunder to a Customer-operated and owned or leased CNG facility:

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RATE (continued)

Customer Charge
$25.00 per month

Commodity Charge
The commodity charge will be comprised of a Delivery Charge and a Gas Supply Charge. The Commodity Charge may vary depending upon the customer's alternate fuel price, and will be individually negotiated within the terms of the Customer's Service Agreement.

B. For CNG provided hereunder from a designated Company-owned and operated CNG facility:

Commodity Charge
The Commodity Charge will be comprised of a Facilities Charge, Delivery Charge and a Gas Supply Charge. The Commodity Charge may vary depending upon the customer's alternate fuel price, and will be individually negotiated within the terms of the Customer's Service Agreement.

Rate Adjustments
Gas supplied under this Rider shall be subject to the following surcharges:

(i) Take-or-Pay Surcharge
Such surcharge per therm shall be calculated by dividing the total take-or-pay costs charged to the Company by the projected total sales and delivered volumes for the twelve (12) month period commencing with the proposed effective date of the surcharge. The surcharge per therm shall be adjusted quarterly concurrent with the Company's Gas Cost Adjustment filing.

(ii) Transition Costs Surcharge
Such transition surcharge per therm shall be calculated by dividing the total transition costs charged to the Company by the projected total sales and delivered volumes for the twelve (12) month period commencing with the proposed effective date of the surcharge. The surcharge per therm shall be adjusted quarterly concurrent with the Company's Gas Cost Adjustment filing.

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RATE (continued)

Rate Adjustments - (continued)

The Customer shall be responsible for payment of all federal, state and local taxes. The Customer shall reimburse the Company for all taxes payable by the Company to governmental bodies on the sale of natural gas for use as CNG.

MINIMUM PAYMENT

The Customer's minimum monthly payment under this rate schedule shall be the Customer Charge, plus the Rate Adjustment, plus, if applicable, $0.75 per therm of contract maximum daily quantity.

DEFERRED PAYMENT

All bills under this schedule shall be rendered and due monthly. If not paid within seventeen (17) days after the bill is mailed, there shall be added to bills of $3.00 or less, 10% of the amount of the bill; and to bills in excess of $3.00, there shall be added 10% of the first $3.00, plus 3% of the amount of the bill in excess of $3.00.

CORRECTION OF METERED QUANTITIES FOR BILLING

For the purpose of billing under this schedule, a therm shall be one hundred cubic feet of gas at a temperature of 60° F at an absolute pressure of 14.65 pounds per square inch, having an average total heating value equivalent to 100,000 British thermal units (Btu). Metered quantities of gas, corrected for temperature and pressure conditions, shall be adjusted for Btu content by multiplying by the average heating value per cubic foot of gas, as determined for the latest monthly period available, and dividing by 1,000.

GENERAL TERMS AND CONDITIONS OF SERVICE

1. Service Agreement

A properly executed Service Agreement, if required, is necessary before any service may be taken under this rate schedule.

Any Customer requesting service of 50 mcf per day or more under this rate shall execute a Service Agreement for a period of not less than one year, specifying a maximum daily quantity of gas which the Company is obligated to deliver. Such agreement shall continue in effect from year to year thereafter.

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GENERAL TERMS AND CONDITIONS OF SERVICE (continued)

1. Service Agreement (continued)

The installation and use of Company-owned compression equipment at the Customer's operated and owned or leased CNG facility shall require a Service Agreement for an initial period of not less than five years, detailing the size, type, value and site requirements of all necessary compression equipment to be provided, installed, and maintained by the Company at the Customer's CNG facility, and, if required, specifying a maximum daily quantity of gas which the Company is obligated to deliver.

2. Interruption or Curtailment of Service

The minimum bill shall not be reduced for any billing month because of any interruption, suspension, reduction or curtailment of the delivery of gas except in the event it shall be due to, occasioned by, or in consequence of, a default of the Company, a strike or strikes of employees or workmen of the Company, differences between the Company and its employees or workmen, inability of the Company to secure gas or other material, supplies or equipment, failure of the gas supply, or curtailment or diminution of gas deliveries to the Company by its supplier or suppliers, breakage or failure of the Company's machinery, equipment, compressors, mains, pipes, delivery lines, storage or delivery facilities, federal, state or other governmental laws, orders, decrees, restraints or regulations applicable to the operations of the Company when, in any event, if the Company does not supply and deliver gas in sufficient quantity that the bill therefor calculated at the applicable rate is at least equal to the minimum monthly payment hereunder, then the minimum for such month shall be based on the maximum daily demand for the month multiplied by a fraction, the numerator of which is the hours in the month that gas service was not curtailed, and the denominator of which is the total hours in the month.

3. Metering

Gas service furnished hereunder to Customer-operated and owned or leased CNG facilities shall be measured as to maximum daily demand, if applicable, and volume by meters to be installed by the Company.

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GENERAL TERMS AND CONDITIONS (continued)

4. Definitions

The term "cubic foot" shall mean the volume of gas which occupies one cubic foot when such gas is at a temperature of 60° F, and at a pressure of 14.65 pounds per square inch absolute.

The term "Ccf" shall mean 100 cubic feet of gas.

The term "British thermal unit" shall mean the amount of heat required to raise the temperature of one pound of water 1° F at 60° F.

The term "Maximum Daily Demand" shall mean the maximum quantity of gas delivered to the Customer during any day.

5. Rules and Regulations

As a condition of service hereunder, Qualifying Customer agrees to abide by, and is obligated to comply with, the Company's rate schedules and General Rules and Regulations Applicable to Gas Service, as approved by the IURC from time to time, to the extent that they are not in conflict with or inconsistent with the specific provisions of this Rate Schedule.

6. Force Majeure

The Company will use reasonable diligence to provide a regular and uninterrupted supply of gas but does not guarantee such supply. Neither the Company nor the Customer shall be liable to the other for damages caused by the interruption, suspension, reduction or curtailment of the delivery of gas hereunder due to, occasioned by, or in consequence of, any of the following causes or contingencies, viz: acts of God, the elements, storms, hurricanes, tornadoes, cyclones, sleet, floods, lightning, earthquakes, landslides, washouts or other revulsions of nature, epidemics, accidents, fires, collisions, explosions, strikes, lockouts, differences with workmen or other industrial disturbances, vandalism, sabotage, riots, inability to secure fuel or other materials, supplies or equipment, breakage or failure of machinery, equipment, compressors, mains, pipes, delivery lines, storage or delivery facilities, wars, insurrections, blockades, acts of the public enemy, arrests and restraints of rulers and people, civil disturbances, federal, state or other governmental laws,

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GENERAL TERMS AND CONDITIONS (continued)

6. Force Majeure (continued)

orders, decrees, restraints or regulations, the Company's inability to secure natural gas, or failure of the natural gas supply, or curtailment or diminution of natural gas deliveries to the Company by its supplier and any other causes or contingencies not within the control of the party whose performance is interfered with, whether of the kind herein enumerated or otherwise. Settlement of strikes and lockouts shall be wholly within the discretion of the party having the difficulty. Such causes or contingencies affecting performance shall not relieve the Company or Customer of liability in the event of its concurring negligence or in the event of failure of either to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies or any thereof relieve either from its obligation to pay amounts due hereunder or to pay demand charges or minimum bills accruing during such interruption or suspension of service.

7. Availability for Resale

The prohibition of availability for resale to others under any of rate schedules of the Company specifically does not apply where the resale is by a Customer-operated and owned or leased CNG facility for the limited purpose of providing compressed natural gas service for sale for use in appropriately equipped natural gas powered vehicles.

8. Ownership and Maintenance of Compression Equipment

Unless stated otherwise in the Customer's Service Agreement with the Company for service hereunder, the compression of natural gas for its use as a motor vehicle fuel shall be performed by compression equipment operated, owned or leased, and maintained by the Customer at the Customer's CNG facility. The Customer's utilization of such equipment shall not cause interference with the Company's supply system or cause interference with proper metering of gas service provided to the Customer by the Company. In the event that such interference occurs, suitable facilities shall be provided at the Customer's expense to eliminate such interference.

The Customer may install and use of Company-owned compression equipment at the Customer's operated and owned or leased CNG facility, excluding equipment to be installed

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GENERAL TERMS AND CONDITIONS (continued)

8. Ownership and Maintenance of Compression Equipment (continued)

on motor vehicles. A suitable Service Agreement shall be entered into with the Customer and such Service Agreement will detail the size, type, value and site requirements of all necessary compression equipment to be provided, installed, and maintained by the Company at the Customer's CNG facility. The Customer shall provide electrical service and power to such compression equipment. In addition to the charges listed in this Rate Schedule, the Customer shall agree to pay, on a monthly basis, a negotiated percentage ranging between 1.0% and 2.20% of the installed cost of the Company-owned compression equipment as listed in the Service Agreement hereunder. The Company may establish minimum criteria and contractual provisions for installing compression equipment to justify the required investment in the Customer's installation, and may discontinue service hereunder and remove all Company-owned equipment installed at the Customer's premises upon thirty days' written notice to the Customer if, at the sole discretion of the Company, such contractual provisions are not being fulfilled. In the event that service is discontinued under such circumstances, all amounts due the Company shall be paid, including the Monthly Customer Charge for the term of the Service Agreement.

9. Certification to Receive CNG Service From Company-owned Facilities

The Customer must be certified by the Company to receive CNG service from designated Company-owned facilities. In order for the Customer to obtain certification by the Company, the Customer must 1) present to the Company evidence that each vehicle to be fueled for the Customer by the Company has been properly certified within the state that the vehicle is registered for use of CNG as motor fuel, 2) obtain an inspection of each vehicle to be fueled for the Customer by the Company by designated Company personnel and satisfy the Company's requirements of vehicle suitability for CNG fueling, and 3) obtain the proper identification and training required by the Company to receive CNG service. The Customer's certification for service will be for the period of one year, with renewal available upon fulfilling the requirements for certification as stated herein. Any maintenance or repair of any vehicle to be fueled for the Customer by the Company will be the responsibility of the Customer, including any maintenance or repair needed to meet the requirements of certification by the Company.