RATE 347
RATE FOR GAS SERVICE
GAS PARKING SERVICE (GPS)

TO WHOM AVAILABLE

This experimental Rate for Parking and Interchange Service is available to Zone A and Zone B Customers receiving service under Rate Schedules 328, 336, 338, Firm Distribution Transportation Service (FDTS), Firm Transportation Service (FTS), and suppliers and marketer aggregators utilizing Supplier Aggregation Service (Qualifying Customers), who shall execute a Service Agreement with the Company for service hereunder.

CHARACTER OF SERVICE

Service hereunder shall be available, on a transaction by transaction basis at the sole discretion of the Company, to any Qualifying Customer, who from time to time, may require a service to temporarily store ("Park") certain volumes of natural gas for a designated period of time and then have the natural gas delivered back to the Qualifying Customer. Parking Service shall be limited to a period of not more than five (5) consecutive days and not more than ten (10) days in total in any month unless otherwise agreed to by the Company.

Parking Service shall be offered at the interconnections of the Company's transmission system and Natural Gas Pipeline of America (NGPL), American Natural Resources (ANR), Trunkline Gas Company (Trunkline), Crossroads Pipeline Company (Crossroads), and Panhandle Eastern Pipeline Company (PEPL), in the supply areas serviced by NGPL, ANR, Trunkline, PEPL, or Tennessee Gas Pipeline Company (TGPL) or as an interchange service. An interchange service shall occur when deliveries at the Company's citygate are redelivered in the supply area and supply area supplies are redelivered at the citygate.

Company shall provide this service to Qualifying Customers on a transaction by transaction basis subject to mutually agreeable terms and conditions. Each transaction hereunder will be individually negotiated by the Qualifying Customer and the Company and set forth in request to initiate service.

Service under this Rate Schedule shall be nominated on a daily basis, as provided in the applicable Parking Service Agreement hereunder, and is subject to interruption by the Company, in its sole discretion, as it deems necessary to meet its contractual and operational obligations.

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SERVICE AGREEMENT

As a condition for receiving service hereunder, Qualifying Customer shall be required to execute a Parking Service Agreement, prior to initiating requests for transactions and the commencement of service hereunder.

REQUEST TO INITIATE A TRANSACTION

For each transaction under the Parking Service Agreement, Qualifying Customer shall submit a request to initiate a transaction with the Company. Such request will include information required to determine whether Company's available service can accommodate Qualifying Customer's transaction requirements. This information may include, but is not limited to:

a. the total and daily volume of natural gas in need of Parking Service;

b. the number of days the Qualifying Customer requires the Parking Service;

c. the location where the Qualifying Customer desires to deliver the gas;

d. the location where the Qualifying Customer desires to receive the gas and the number of days over which the gas will be received; and

e. any other information the Company deems necessary in order to determine the availability of the service.

Based on the information provided by the Qualifying Customer in the request to initiate a transaction hereunder, the Company will, in its sole discretion, determine whether it can provide the requested transaction consistent with its other contractual commitments and its overall operational requirements. Once the request is executed by the Company, its terms and conditions will be incorporated by reference into the Parking Service Agreement, and service will commence hereunder.

Requests for transactions shall be considered on a first-come, first-served basis. In the event that requests for transactions under Parking Service are received simultaneously and exceed available capacity, the requests yielding the greatest economic benefit to the Company, as determined by the Company, shall be granted first. As used in this paragraph "economic

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REQUEST TO INITIATE A TRANSACTION (continued)

benefit" shall be determined, on a net present value basis, based upon: 1) the proposed contract rate to be paid for the GPS service, 2) the proposed term of the GPS service agreement and, 3) the proposed MDQ for the GPS service. In the event the net present value is equal among requests, then available capacity will be allocated on a pro rata basis among requesting Qualifying Customers. Allocation of capacity pursuant to this section shall not change the otherwise applicable curtailment priority of GPS service.

Company shall notify Qualifying Customer whether it can provide the requested Parking Service transaction.

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Upon electing GPS, and a determination by the Company that service to the Qualifying Customer hereunder is available, Qualifying Customer will be billed and obligated to pay the following charges for service, such charges to be stated in the Qualifying Customer's Service Agreement:

Service Charge
$250.00 per transaction. The Service Charge shall be the minimum amount charged per transaction. The Service Charge shall offset the first $250.00 of Commodity Charges incurred per transaction under this Rate Schedule.

Commodity Charge
The Commodity Charge will be comprised of a Parking Fee as well as applicable interchange charges, fuel, and surcharges. The Commodity Charge shall be mutually agreed upon by the parties at the time of the transaction. The Commodity Charge shall be multiplied by the quantity of gas specified in the Parking Service Agreement multiplied by the number of days the gas volume is parked.

IMBALANCE PENALTIES

Unless an extension of Parking Service is requested by the Qualifying Customer at least twenty-four (24) hours prior to the end of the term of the Parking Service Agreement and is otherwise agreed to by the Company, in its sole discretion, and the Qualifying Customer fails, for any reason, to receive or cause the receipt of parked gas at the end of the agreed

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IMBALANCE PENALTIES (continued)

upon service period, all "unclaimed" parked volumes will be purchased by the Company at a price equal to 50% of the applicable index price as defined in the Parking Service Agreement.

MINIMUM PAYMENT

The Qualifying Customer's minimum payment per transaction under this Rate Schedule shall be the Service Charge.

DEFERRED PAYMENT

All bills for Parking Service 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.

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 staff.