RATE IS (MANUAL INTERRUPTIBLE SERVICE)

1. Availability:

Interruptible service for boilers, engines, turbines, or kilns (used for baking, drying or incineration) and qualifying cogeneration facilities of 1MW or larger in such quantities as the Company may offer from time to time, at locations where facilities or adequate capacity are available, subject to the conditions set forth below.

(a) Manual Interruptible customers must certify by Company provided affidavit that said customer has installed and maintained in operating condition standby equipment, state the volume of backup fuel either through on-site storage or under negotiated contract(s) adequate for its operation when natural gas supply is interrupted, and state the type of alternate fuel. Additionally, the customer must certify it is in compliance with the daily demand meter facilities requirement detailed in Section 2 of this Rate IS. The required certification must be signed by an authorized customer representative, must be renewed on an annual basis, and will include, among other things, an updated list of three customer contact names in the event of curtailment. This annual certification must be returned to the Company no later than October 15.

(b) All deliveries of gas hereunder shall be subject to curtailment on three hours notice except that the Company may provide shorter notice if it determines that such shorter notice is necessary or proper because of an unusual or emergency situation.

(c) All of the Company's Manual Interruptible services, including transportation, shall have a priority equivalent to each other and priority of interruption will be based upon margin contribution to the Company, subject to maintaining appropriate system operating conditions.

(d) Gas delivered hereunder will be separately metered and shall not be used interchangeably with gas supplied under any other rate schedule.

(e) The Customer has identified to the Company an individual or individuals, along with the appropriate telephone numbers, that are available on a twenty-four (24) hour basis to represent the Customer should the Company find it necessary to contact the Customer for any reason whatsoever.

2. Facility Requirement:

Customers must grant access to the Company’s meter to permit installation of daily demand meters. Once a daily demand meter has been installed on the Customer’s premise, the Customer will be subject to a daily demand metering charge as set forth in Section 6.

3. Definitions:

(a) The term “Agent” shall mean any third-party entity employed by a Rate IS customer for purpose of engaging, negotiating, or otherwise acting on behalf of said customer

in the administration and negotiation related to activity under this Rate IS.

(b) The term “Business Day” is defined as Monday through Friday, excluding Federal Banking Holidays for transactions in the United States.

(c) The term "Company" shall mean The Southern Connecticut Gas Company or successors, assigns, or divisions thereof.

(d) The term “Daily Demand Metering Charge” shall mean the monthly charge for the daily demand meter.

(e) The term “Delivery Service” shall mean the physical act of moving natural gas across the Company’s distribution system to a customer’s facility.

(f) The term “Emergency” is defined as an unforeseen and/or previously un-encountered boiler/process system problem which makes the use of alternative fuel impossible whether such Emergency exists at the onset of the interrupted period or during the interrupted period.

(g) The term “Manual Interruptible” shall mean any customer operating installed and in regular use dual-fuel consuming equipment with a nameplate rating that exceeds 3,000,000 BTU per hour on each piece of such equipment.

(h) The term "Supply Service" is defined as the activities associated with the supply of the natural gas supply only.

(i) The Term “Third-Party Supplier” shall mean a third-party gas supply agent (e.g., gas marketer, broker or producer) responsible for procuring gas on the customer’s behalf and making that gas available for delivery to the customer’s facility.

4. Delivery Service:

All customers served under this tariff are deemed to be Interruptible Company Delivery Customers.

5. Supply Service:

(a) **<u>Third-Party Supplier Service Option</u>** - Customers served under this tariff schedule IS have the option of selecting a third-party gas supplier. If such an election is made, the customer must have:

i. Arranged for and maintains service with a third-party gas supplier under the Company's Rate TRS (Transportation Receipt Service) to receive natural gas for the Customer's use; and,

ii. Provided the Company with a completed Transportation Election Agreement (TEA) or otherwise completed the Company enrollment process. The Customer shall have the right to elect and/or modify certain information contained on the TEA by delivering a revised TEA to the Company five (5) Business Days prior to the effective date of the change(s). The information that the Customer may modify shall relate only to the following items: 24 hour Customer Contact, Customer Authorized Gas Supplier, and/or the Customer authorized entity providing service under Rate TRS.

(b) Company Supply Service Option – Customers served under this tariff schedule IS that do not elect a third party supplier are deemed to be Interruptible Company Supply customers.

6. Rate per Month:

Customer Charge:	
Company Sales Customers	$150.00
Third-Party Supplier Customers	$150.00
Daily Demand Metering Charge:	$14.13

Rate per Ccf:

(a) A rate comprised of Delivery Service and the Company Supply Service Option (if selected). This rate will be established monthly based upon posted prices, market conditions and market clearing prices for competitive alternatives #2, #4 and #6 fuel oil, propane, kerosene, and jet fuel.

(b) If a customer can certify by affidavit or other form acceptable to the Company that the rate established under (a) exceeds the customer's cost of competitive alternatives, or, if the Company finds that market conditions have changed, the Company may flex the monthly rate.

(c) The Company may enter into flexible pricing agreements with customers that specify pricing formulas and Minimum usage quantities of gas. These flexible pricing agreements may be in the form of a fixed price, variable NYMEX plus price, interruptible transportation only price, or a combination thereof. Customer contracted utilization levels may be for less than the customer’s full annual gas requirements. Flexible pricing agreements are an additional, optional service. Neither the Customer nor the Company is obligated to enter into such an agreement.

7. Minimum Rate:

Customer Charge plus Daily Demand Metering Charge plus a minimum Delivery Charge of $.005 per Ccf for each Ccf transported and delivered. If the Company Supply Service Option is selected, the average Rate per Ccf charge shall not be less than the current commodity cost of gas per Ccf as estimated by the Company divided by 0.95 (or any

other factor reflecting the currently applicable taxes) unless authorized by the Authority as in the public interest.

In the event that the Company has sufficient supplies to meet its interruptible customers requirements and additionally determines that the rate(s) it is charging its customers are anticipated to be insufficient to meet the minimum rate, the Company will offer its interruptible customers a minimum rate clearing price. The customer will have the option of continuing to burn natural gas at the higher price or switching to their alternate fuel thereby rejecting the offer.

8. Service Obligation:

The Company's service obligation (except during periods of interruption or curtailment) for those customers electing the Third-Party Supplier Service Option under this Rate IS shall be limited solely to redelivering supplies and services purchased and received under Rate TRS (Transportation Receipt Service). The Customer acknowledges that it is paying solely for the costs associated with such limited service and that no ancillary services (other than those provided under Rate TRS) are being provided. The Company shall have no obligation to serve the Customer with natural gas at any time where the volumes and services purchased and received under Rate TRS are insufficient to meet the Customer's gas requirements.

9. Emergency Use:

(a) The customer immediately notifies the Company.

(b) The customer agrees to pay $1.00 per CCF plus the highest rate established in 6(a) in addition to charges otherwise applicable hereunder.

(c) The Company agrees that customer has a legitimate emergency which a supply of natural gas can remedy. When the emergency condition exists because of running out of standby fuel, or because of water in an oil tank or the failure to make reasonable attempts to make necessary repairs within 96 hours, the emergency use period will be limited to 96 hours, and all gas thereafter will be classified as Failure to Curtail.

10. Failure to Curtail:

(a) For any period that a customer fails to curtail the use of gas as required by the Company, the cost of gas consumed will be computed at a rate of $3.00 per Ccf plus the highest rate established in 6(a) in addition to charges otherwise applicable hereunder. The Company, for any violation of the "Failure to Curtail" provision, may immediately discontinue the supply of gas.

(b) After discontinuance of gas service for failure to curtail, the customer must reapply to the Company for service. The reapplication to be considered must be accompanied by all applicable payments for the unauthorized use of gas and a letter of agreement

of the applicant to abide by all provisions of the tariff.

(c) The Company, on receipt of the applicable payments for the unauthorized use of gas and letter of agreement may, at its sole discretion, reinstitute interruptible service to the customer or may offer all future service at the appropriate firm rate applicable to the customer's use of gas.

11. Delayed Payment Charge:

Billings not fully paid within twenty-eight (28) days of billing date shall be subject to the interest charges on the unpaid balance at the rate of 1.25% per month.

12. Agents Acting On Behalf Of Customer:

Any Customer who wishes to be represented by an Agent must return a completed Agency Agreement (Appendix 1 to the Rate IS) executed by the Customer, its Agent, and the Company.

13. Term of Service:

For an initial period of not less than one year and thereafter until terminated by either party on thirty (30) days written notice. In the event of termination of interruptible service pursuant to this rate, a customer may not again qualify for interruptible service until 12 months have expired since the date of termination.

New customers that have commenced service under the Company Supply Service Option in paragraph 6(a) above, have three (3) months from their initial gas flow to elect to switch to the Third-Party Supplier Service Option in paragraph 5(a) above. However, these new customers may not switch during the winter months of November through March.

14. Restriction On Transfer To Firm Service:

The Customer agrees that it shall not be eligible to transfer to firm service for the gas use stated above unless, in the sole judgment of the Company, such transfer would not jeopardize the ability of the Company to balance its load. The Company will evaluate such request based upon its then current ability to serve the Customer considering its interstate transportation, storage and supply position. The Company will endeavor to accommodate such requests.

If the customer switches from interruptible service (IS) to Firm Service, the Customer must receive service under the applicable Firm rate for a minimum of one year before becoming available for a return to IS Service.

RATE IS (MANUAL INTERRUPTIBLE SERVICE)

15. Switching Between Third-Party Supplier Service and Company Supply Service:

Customers under this tariff may elect to switch between the Third-Party Supplier Service Option and the Company Supply Service Option on a monthly basis. Switches between these options must comply with the terms and conditions of Rate TRS. If the Customer elects firm service and the Company accommodates such request pursuant to Section 14 above, the Customer must receive service under the applicable firm rate for a minimum term of twelve (12) months.

16. Service Regulations:

The Company's Service Rules and Regulations shall apply to service under this Rate IS, to the extent not inconsistent with the terms and conditions of this Rate IS.

THE SOUTHERN CONNECTICUT GAS COMPANY
GAS TARIFF

RATE IS (MANUAL INTERRUPTIBLE SERVICE)

RATE IS – APPENDIX 1
DESIGNATION OF AGENT AGREEMENT

_____ (Customer), a corporation duly organized pursuant to the laws of the State of_____, having its principal place of business at_____, does hereby appoint_____
(Authorized Customer Agent), a corporation duly organized pursuant to the laws of the State of _____, having its principal place of business at _____ _____, as its agent and attorney in fact to act in any way in which Customer could act, in connection with The Southern Connecticut Gas Company (SCG or Company) Rate IS program.

Customer hereby authorizes Authorized Customer Agent to act in its name, place and stead in any way in which Customer could act, to perform the following activities:
_____
_____
_____ [write in "None" if not applicable]. Such authorization shall continue unless and until Customer changes such designation in writing and promptly provides written notification to the Utility. Any activities not identified above shall be in all respects the obligation of Customer to perform.

Authorized Customer Agent hereby accepts full responsibility to perform all services that Customer is obligated to perform in connection with the Rate IS program. Authorized Customer Agent shall be bound by and perform in accordance with the Utility's Tariffs and Rules and Regulations to the Program, as the same may be amended, modified, clarified, superseded or supplemented.

The Utility may rely upon any instructions, whether oral or written, from Authorized Customer Agent, and may take any actions pursuant to such instructions, which the Utility deems reasonable and appropriate. Customer and Authorized Customer Agent hereby agree to indemnify, defend and hold harmless the Utility from and against any and all claims, demands, suits, actions, proceedings, damages, liabilities, costs and expenses (including reasonable attorneys' fees) arising out of, caused by or related to the Utility's reliance on such instructions or the provisions of this instrument.

Authorized Customer Agent agrees to keep confidential any customer information (usage, billing, and negotiated rate information) obtained from the Utility or Customer and shall not use any such information in representing or serving other customers. This information shall not be disclosed to any person, unless otherwise authorized by both the Customer and SCG in writing. Any other customer information, including, but not limited to, account numbers (and any passwords used, if applicable), telephone numbers and service addresses, shall also be kept confidential and not disclosed to any person (other than the Customer), unless otherwise authorized in writing by both the Customer and SCG.

RATE IS (MANUAL INTERRUPTIBLE SERVICE)

RATE IS – APPENDIX 1
DESIGNATION OF AGENT AGREEMENT
CONTINUED

The Utility will not disclose a Customer's usage, billing, and negotiated rate information, or any other customer information, including, but not limited to, account numbers (and any passwords used, if applicable), telephone numbers and service addresses, to any person if that Customer has notified the Utility, in writing, that such information should not be disclosed.

The information may thereafter be disclosed to Customer or Authorized Customer Agent only with the Customer's prior written authorization, or as required by law or regulatory requirement.

Authorized Customer Agent shall provide the Utility with a duly executed copy of this instrument, and any additions, modifications or changes to the same, and the modification, revocation or termination hereof shall be ineffective as to the Utility unless and until actual written notice of modification, revocation or termination shall have been received by the Utility from Customer.

In order to address additional administrative and operational requirements of the State of Connecticut Public Utilities Regulatory Authority, the Utility reserves the right to modify this Agreement, as necessary, to comply with any such requirements. This Agreement will continue in effect until such time as the parties give the Utility written notification that this Agreement is terminated.

Customer designates the following persons as contact persons:
(full name & title of contact person): _____
(contact person's address): _____
(contact person's work phone number): _____
(contact person's fax number): _____
(contact person's E-mail address): _____

Customer may change the contact person, addresses or numbers set forth above upon not less than five (5) business days' prior written notice to the Utility. Any and all notices to the Utility shall be sent by registered or certified mail return receipt requested, postage prepaid, addressed as follows:

The Southern Connecticut Gas Company
Attention: Sales Department
60 Marsh Hill Road
Orange, CT 06477-3624

RATE IS (MANUAL INTERRUPTIBLE SERVICE)

RATE IS – APPENDIX 1
DESIGNATION OF AGENT AGREEMENT
CONTINUED

The Company person or address to which notices to SCG are to be sent may be changed by SCG upon not less than five (5) business days' prior written notice to Customer.

Dated: _____

[Customer]

_____ By: _____

Secretary

[Authorized Customer Agent]

_____ By: _____

Secretary

[Customer]

STATE OF _____:

: ss.:

COUNTY OF _____:

On this ____ day of _____, ___, before me personally came _____ _____, to me known, who being by me duly sworn, did depose and say that he/she resides in _____, that he/she is the _____ of [Customer], the corporation described in and which executed the above Designation of Agent Agreement; and that he/she signed his/her name thereto by authority of the board of directors or by-laws of said corporation.

_____

Notary Public

[Authorized Customer Agent]

STATE OF _____:

: ss.:

COUNTY OF _____:

On this ____ day of _____, ____, before me personally came _____, to me known, who being by me duly sworn, did depose and say that he/she resides in _____,that he/she is the_____ of [Authorized Customer Agent], the corporation described in and which executed the above Designation of Agent Agreement; and that he/she signed his/her name thereto by authority of the board of directors or by-laws of said corporation.

_____

Notary Public