

GENERAL SERVICE PROVISIONS (Continued)

27. MARYLAND FRANCHISE TAX SURCHARGE

Distribution Charges set forth in Rate Schedule Nos. 1, 1A, 2, 2A, 3 and 3A and billings under Rate Schedule Nos. 4 and 5 shall include a surcharge for the recovery of the Maryland Franchise Tax. Such surcharge shall be applied to total throughput, expressed on a therm basis, and will be based on The Maryland Franchise tax rate effect at that time. Such surcharge shall be adjusted for any taxes levied

Upon the Company which are based upon revenues by dividing the tax rate by the complement of the Tax rate on such revenues.

In the event that the surcharge changes the Company will file with the Commission a copy of the Computation of any changed surcharge at least ten days prior to application on customers' bills.

28. BALANCING CHARGE

I. PROVISION FOR CHARGE

Suppliers providing service under the Company's Rate Schedule No. 8. shall be billed monthly a charge for the recovery of peaking operations and other gas costs appropriately assigned for providing delivery service. The charge factors will be determined as described below.

II. APPLICATION

A. The charge shall be comprised of: (a) a "current factor and (b) a "reconciling factor" applicable to the previous twelve month determination

B. Computation

1. Current factor

This charge shall be calculated annually to be effective with the December billing period each year to recover the projected annual expense of the Company, as assigned and/or allocated, applicable to firm delivery service customers. This charge shall be calculated to the nearest .01¢ per therm by dividing the projected annual peaking costs by the normalized firm throughput for the twelve months ended the immediately prior August.

2. Reconciliation factor

A reconciliation will be performed each year, which compares the actual costs of the Company applicable to this General Service Provision with related collections to reconcile any over or under collections. This factor shall be calculated to the nearest .01¢ per therm by dividing the net amount of actual peaking costs incurred applicable to delivery service versus actual collections. This net amount shall be divided by firm normalized throughput applicable to delivery service customers for the twelve months ended the immediately prior December. Billing of this reconciling factor shall commence with the March billing cycle of each year.

GENERAL SERVICE PROVISIONS (Continued)

28. BALANCING CHARGE (Continued)

3. The charge for billing, each month, shall be the current factor as determined in 1. above plus or minus, as applicable, the Reconciliation factor as determined in 2. Above times one-twelfth of the aggregated annual normal weather usage of the suppliers customers.
4. Revenues received pursuant to this General Service Provision, excluding Gross Receipts Tax, shall be reflected as a credit in the determination of rates pursuant to General Service Provision No. 16.

III. Filing

The Company shall file with the Commission the above factors at least ten days prior to their effective date. Such filing shall be made concurrent with the Company's annual ACA Filing.

- IV. The company may file a surcharge factor at intervals other than specified above to recognize, as necessary, changes in costs and or collections. The commission staff may direct the company to adjust the above factors for the purpose of minimizing the level of any subsequent reconciliation. The company shall furnish staff data in a form and quantity acceptable to staff for its own evaluations.

29. INSTALLATION OF METER PULSE EQUIPMENT

I. PROVISION OF NOTICE

Upon notice to the Company by a non-residential firm or interruptible customer, the Company will provide a pulse initiation device ("PID") at the meter and the Customer may arrange for the connection of equipment to the Company's PID in order to obtain energy consumption data from the meter for the purpose of managing the Customer's energy consumption.

II. REQUIREMENTS FOR SERVICE

The Company will allow a Customer to make a connection to the Company's PID provided:

- A. The Customer acquire an intrinsically-safe barrier of a model and type acceptable to the Company for use in protecting the Company's meter from potentially hazardous electrical energy emanating from the Customer's equipment; and

GENERAL SERVICE PROVISIONS (Continued)

29. INSTALLATION OF METER PULSE EQUIPMENT (Continued)

- B. The Customer utilizes a contractor approved by the Company to install such intrinsically-safe barrier and to make the connection to the Company's PID. The Customer shall notify the Company prior to the commencement of work by an approved contractor to install the equipment. Upon request, the Company will provide the Customer with a list of approved contractors and approved intrinsically safe barriers and connections. The Company shall have the right to disconnect at the Customer's expense any equipment connected to a PID that was not installed by an approved contractor.

The Customer may request the Company to approve/authorize a contractor and/or an intrinsically safe barrier of their choice for the purposes of the General Service Provision.

III. PRICING OF ACCESS TO COMPANY METER

For Customers with a meter on which a PID has been previously installed, the Customer shall pay a charge of \$90 to the Company. For Customers with a meter that does not have a previously installed PID, the Customer shall pay a charge of \$150 to the Company

IV. OWNERSHIP OF METER

The meter and the PID shall at all times remain the property of the Company.

V. METER READING

The Company's meter reading shall be controlling in all cases for billing purposes. The Customer shall also pay all applicable charges for natural gas delivered by the Company to the Customer which does not register on the Company's meter as a result of the installation, operation or failure of the intrinsically safe barrier or connection to the PID. In determining the volume of gas delivered by the Company to the Customer that does not register on the Company's meter, the Company may rely on the Customer's actual natural gas usage during similar periods and under similar conditions.

VI. LIABILITY

The Customer shall pay for any damage to the Company's meter or other equipment caused as a result of the installation, operation, or failure of the intrinsically-safe barrier or connection to the Company's meter. The Customer shall be responsible for arranging for the reconnection of its equipment to the PID if it should be necessary for the Company to disconnect the equipment in order to perform maintenance on, or to replace, its meter.

The Company shall not be responsible for the loss of any data, or for any costs incurred by the Customer, as a result of the performance of work by the Company or its agents on its meter. The Company shall have the right to disconnect at the Customer's expense and without liability any equipment connected to a PID that was not installed by an approved contractor.

ISSUED: December 8, 2003

EFFECTIVE: For meter readings on and after December 15, 2003

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