

SERVICE CLASSIFICATION NO. 8 (Cont'd)

(4) Over and Under-delivery Charges

If the amount of gas delivered to the boundary of the Company's service area on behalf of a customer varies from the amount of gas used by the customer on a daily basis, the customer will have an over-delivery or an under-delivery.

Over and under-deliveries shall be determined as specified below. However, if the pipeline transporting gas to the Company's system boundary imposes more stringent over or under-delivery limits or purchases or sales rates on the Company, such limits and rates shall apply to the customer and will supersede those contained herein. Additionally, a customer transporting gas on more than one pipeline serving the Company shall have over or under-deliveries calculated on each transporting pipeline. The over and under-delivery shall be allocated proportionally to each pipeline based on the nominated volumes.

If on any day the over-delivery or under-delivery is less than 2% of a customer's actual daily usage, the customer may adjust subsequent daily deliveries to the Company by an amount not to exceed 2% of any day's usage to eliminate any over or under-deliveries by the end of the month. Any over or under-delivery remaining at the end of each month will be cashed out. To cash out over and under-deliveries, the customer must sell the over-delivered volumes to the Company or purchase the under-delivered volumes from the Company as specified below.

(a) Over-deliveries - Daily

If on any day a customer's over-delivery is greater than 2% of a customer's actual usage, the over-delivered volumes in excess of 2% will be purchased by the Company at a rate equal to 80% of the Company's average commodity cost of gas.

(b) Over-deliveries - Monthly

If there is an over-delivery at the end of the month, the over-delivered volumes will be purchased by the Company at a rate equal to 95% of the Company's average commodity cost of gas.