

GENERAL SERVICE PROVISIONS (Continued)

23. BALANCING CHARGE

I. PROVISION FOR CHARGE

Suppliers providing service under the Company's Rate Schedule No. 5. shall be billed monthly a charge for the recovery of a pro rata portion of the applicable fixed and variable capacity costs and associated peaking operations and other gas costs, including hexane, 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's costs applicable to this General Service Provision as assigned and 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 incurred by the Company of the pro rata portion of the fixed and variable capacity costs and associated peaking operations costs and the recovery of hexane costs deferred through December 30, 2009, the effective date of the tariff, over a two-year period 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 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.

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 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.

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.

ISSUED: February 26, 2010

Effective for service rendered on and after November 24, 2010

Roberta W. Sims - Vice President, Regulatory Affairs & Energy Acquisition