

MARYLAND

Delivery Service Gas Supplier Agreement

Rate Schedule No. 8

AVAILABILITY

For qualified Third Party Gas Suppliers where:

- A. The Supplier enters into a contract with a Customer, or Customers, served under Firm Delivery Service Rate Schedule No. 1A, 2A, or 3A to transport gas to the Company's City Gate for the account of such customer or customers.
- B. The Supplier executes an Application Agreement with the Company to provide service to customers and agrees to abide by the terms and conditions of this rate schedule. Such Application Agreement shall include, but not limited to, data on the Company's Credit Worthiness Test.
- C. The Supplier satisfies the Company's credit requirements as defined in this schedule.
- D. A failure to either provide a customer with at least fifty percent of its DRV for fifteen consecutive days or to reconcile a FAILURE TO DELIVER THE DRV, as described below will be considered a breach of contract and the contract will be considered terminated. The applicable customer shall be returned to sales service at that time at no charge to the customer. Under such circumstances the customer will be billed as a full service customer under the appropriate rate schedule during that period for the volume provided by the Company. However, if the customer wishes to be provided service by another Supplier, and that Supplier complies with the requirements of this rate schedule, the customer can initiate service with that Supplier as provided for under EXCHANGE OF REQUIRED INFORMATION of this Rate Schedule.

Under the above circumstances, the applicable Supplier shall be responsible for, in addition to any other charge pursuant to the Company's Firm Delivery Service Rate Schedule(s), any penalty, fine or cost incurred by the Company as a result of such breach and termination.

ISSUED: July 16, 2010

EFFECTIVE: For meter readings on and after October 1, 2010

Roberta Willis Sims – Vice President, Regulatory Affairs & Energy Acquisition

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- E. If a customer decides to terminate service with their Supplier and that Supplier provides confirmation of their agreement to terminate their contract, such customer may return to Sales Service under the conditions specified under NOTICE OF RETURN TO SALES SERVICE under Rate Schedule Nos. 1A, 2A or 3A, as applicable. If such customer wishes to be provided service by another Supplier, and that Supplier complies with the requirements of this Rate Schedule, said customer can initiate service by that Supplier subject to the following:
 - a) Service will be initiated by the new Supplier and discontinued by the former Supplier as provided for under EXCHANGE OF REQUIRED INFORMATION of this Rate Schedule.
 - b) Any imbalance existing at that time will be reconciled through the Supplier's Imbalance Account.
 - c) The capacity assigned under the Capacity Assignment, as fully described below, shall revert back to the Company. Under such conditions, the new Supplier will be assigned the capacity.
- F. A Capacity Assignment is required to the extent described under that caption within this Rate Schedule. The Capacity Assignment shall immediately revert to the Company upon the expiration or early termination of the contract between the Supplier and their customer(s).
- G. A Supplier who is unable to produce a Customer Consent Form under Rate Schedule 1A, or a contract or consent form under either Rate Schedule Nos. 2A or 3A, when requested by the Company will be charged a penalty of \$40 to cover the cost of transferring the customer to sales service. If customer agreement was acquired through a recorded telephone call initiated by the customer and the Supplier is unable to produce the recording of such a call when requested by the Company, the Supplier will be charged a penalty of \$75. Further such recordings shall be maintained by the Supplier for the length of the customer contract and such recordings shall be made in conformance with all applicable federal and state laws.
- H. The Supplier agrees, in writing, to notify the Company of any significant known and/or anticipated changes in their customer's daily requirements. Such notification should include, but not be limited to, changes in the Company's rate classes.
- I. The Supplier agrees to enter into a contract with the Company to transfer title of gas for injections into storage under the Company's pipeline storage contracts whenever, in the opinion of the Company, such injections are required. Title shall revert back to the Supplier when such volumes are withdrawn from storage. This contract shall be made at no cost or charge to either party, however, for the provision of such service the Company will bill the marketer for the incremental costs to the Company of such transactions.
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- L. The supplier may elect to receive an offset to its collateral requirement as calculated herein, by maintaining a minimum inventory level in its balancing/storage pool. If elected, the amount of the offset will be calculated in accordance with paragraph 13 of the COLLATERAL REQUIREMENTS section of this Rate Schedule. A minimum inventory level must be maintained in the Supplier's storage/balancing pool, from November 1 through February 1 in order to receive a collateral offset for storage inventory detailed in paragraph 13 of the Collateral Requirements of this tariff. Other than as set forth in this paragraph, this minimum inventory level will not affect any other operational rules required by the Company with respect to storage operations. The minimum inventory level will be 30% unless Supplier designates a lower level in writing prior to November 1. If the Supplier's inventory level falls below 30%, or the previously designated lower amount at any time during the November 1 through February 1 period, the Supplier will have 1 business day, after notification by the Company, to reconcile the balance or be sold gas to ensure the minimum inventory level is maintained. In the event the Company must acquire gas to restore the minimum balance, the Supplier will be charged the actual cost of gas incurred by the Company or the Transco Zone 6 (Non-New York) Gas Daily Midpoint price for the day the purchase was made, whichever is higher, for the day on which the purchase was made. At the Company's discretion, Supplier inventories that fall below the agreed-upon minimum level during the November 1 through February 1 period due to the Company's daily, actualization process will not be subject to the 1 business day reconciliation process described above.

DEFINITIONS

- A. DRV (Daily Required Volumes): The amount of supplier gas to be delivered/received daily as determined by the Company and within the minimum/maximum volume requirements as provided by the Company in accordance with this Rate Schedule to be delivered by the interstate gas pipeline(s) to the Company's city gate each day of the month.
- B. Imbalance Account. The imbalance account shall represent the cumulative balance of daily delivered/received volumes authorized by the Company that are higher or lower than the supplier's actual customer requirements on any day.

BALANCING

A balancing charge shall be billed to suppliers pursuant to General Service Provision No. 28.

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Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

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DAILY REQUIRED VOLUMES

The Daily Required Volumes shall be calculated by the Company by a) multiplying the Suppliers weather gas factor, as estimated by the Company, times the forecasted HDD's, b) adding the base gas and c) adjusting the results to produce, in the aggregate of all Suppliers and the Company, the Company's total estimated sendout for that day. The Suppliers base and weather use factors will be based on such factors for each of their customers as estimated by the Company. The result of this calculation shall be adjusted for lost and unaccounted-for gas and Company Use and a wet to dry measurement basis. In addition, such daily deliveries may be adjusted by the Company to accommodate the Supplier's Imbalance Account. Except however, the company may, due to operational considerations, reduce or eliminate a Supplier's DRV on any day with twenty-four hours notice.

Failure to deliver the DRV occurs whenever a Supplier's DRV is more or less than actual deliveries to the city gate. Such over-or under-deliveries will be reconciled as set forth as herein described under FAILURE TO DELIVER THE DRV.

RESPONSIBILITY FOR GAS DELIVERY

The Supplier shall have delivered the Company-specified DRV to the Company's City Gate each day unless failure to deliver is due to force majeure as defined in this schedule and subject to the Company's operational ability to accept the DRV at the delivery point mutually specified by the Supplier and the Company. The Supplier will be deemed to have met its delivery obligations under this Rate Schedule if the Supplier has nominated and the upstream transporter has confirmed receipts equal to its DRV for re-delivery to the Company's city-gate.

PRORATION OF DELIVERY VOLUMES

The Company will compensate the Supplier within 90 days of the first supply of gas to the customer for the first-month lag between what it delivers to the customer and what it bills the customer. This will be done through an adjustment of delivery volumes for the portion of the first month during which gas is delivered to the customer of the Supplier, but for which the Supplier has not billed the customer. The following method will be used for calculating the credit:

- a. Washington Gas will track new customer enrollments each month by cycle day for each Supplier.
- b. At the end of the month, Washington Gas will calculate new customer enrollment deliveries by day based on temperature, sendout and share of system load for the customers.
- c. Washington Gas will credit back to the Supplier the calculated volumes for the cycle days that the Supplier is not responsible for deliveries due to cycle billing.

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The Supplier may choose one of three credit options:

- a. reduction of daily required volumes for the following month; **OR**
- b. credit to the “accumulated unbilled” **OR**
- c. credit to Supplier “imbalance account”.

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UTILITY CONSOLIDATED BILLING

A Supplier shall notify Washington Gas of its customer's selection to use consolidated billing by Washington Gas for some or all of its customers.

A Supplier shall transmit billing and related data to Washington Gas using the uniform electronic transactions approved by the Commission.

A Supplier using utility consolidated billing shall have the same electronic access to customer bill information for each customer of the Supplier as provided to customers, subject to the execution of a data security agreement with Washington Gas.

Beginning with bills rendered on and after June 29, 2011, the Company shall purchase, at a Commission-approved discount rate, the receivables (excluding any non-commodity charges) of Suppliers for accounts billed using utility consolidated billing pursuant to COMAR 20.59.05.03 and the provisions set forth in the "Calculation of Discount Rate" section of this rate schedule. The discount rate will be reviewed and approved by the Commission on an annual basis, with an effective date of the first day of the July bill cycle each year. Supplier receivables will be purchased by the Company on a semi-monthly basis and shall include the current amount due for gas charges only. The Company shall not purchase any non-commodity charges. Any arrearage or past due amount due the Supplier will not be purchased by the Company and shall be collected by the Supplier on its own behalf. However, the Company will continue to bill the customer on behalf of the Supplier for up to 90 days.

CALCULATION OF DISCOUNT RATE

A. Using the criteria outlined in paragraph B, the Company will calculate two discount rates – one for receivables applicable to residential customers and one for receivables applicable to non-residential customers.

B. Components of the purchase of receivables (POR) discount rate:

1. Component No. 1 - Bad Debt Expense – The percentage of actual net bad debt write-offs (bad debt write-offs less bad debt write-off recoveries for residential sales and non-residential sales customers) for the most recent historical 12 month period applied to commodity sales will be included as an annual cost in each annual calculation of the discount rate. The percentage applied in the POR discount rate will be updated on an annual basis based on the percentage of actual net bad debt write-offs experienced with the purchased accounts for residential and non-residential customers.
2. Component No. 2 - Information Technology (IT) Implementation Costs – The total actual incremental IT implementation costs will be collected through the POR discount rate using a two-year amortization period. In Year 1, the estimated total IT implementation costs will be divided by two years and that amount will be included in the calculation of the total annual costs for the POR discount rate. In the second year, the updated estimate of total incremental IT implementation costs minus the amount collected to date will be amortized over the remaining year. If the IT costs are not fully recovered in the first two years of the POR Program, these costs will be included in a year or years beyond the first two years. Any additional IT implementation Costs related to the POR Program incurred by the Company at any time will be included in the POR discount rate calculation as part of Component No. 2.

ISSUED: June 29, 2011

EFFECTIVE: For meter readings on and after June 24, 2011

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3. Component No. 3 - Incremental Collection Costs – Annual incremental collection costs will be calculated as the estimated increase in annual collection costs to be incurred as a result of the implementation of the POR Program. This level of collection costs related to the POR Program will be updated annually in calculating the POR discount rate.
4. Component No. 4 - Risk Factor – Pursuant to the Commission’s June 30, 2010 Letter Order, this factor is set at 0.00% of annual CSP commodity sales for the period June 29, 2011 through the conclusion of the June 2012 bill cycle (Year 1). An assessment will be done annually to evaluate any adjustments, if applicable, to the risk factor used in the calculation of the POR discount rate, subject to Commission approval.
5. Component No. 5 - Reconciliation Factor – This factor will adjust for any over- or under-collection of costs (other than Component 1 – Bad Debt Expense) associated with the POR Program.
6. POR Discount Rate – The addition of the annual costs of Components Nos. 1 through 5 will result in the total annual costs to be collected through the POR discount rate. The total annual costs will be divided by the estimated annual CSP commodity sales, calculated as the rolling five year historical average of annual CSP commodity sales, resulting in the POR discount rate to be used for the POR Program for the current year.
7. Pursuant to the Commission’s June 9, 2011 Letter Order, the discount rate for Year 1 will be 4.39% for residential accounts and 0.83% for non-residential accounts.

PAYMENT TO SUPPLIERS

The Company will process and submit payments twice a month (five (5) business days after (a) the 15th of each month, and (b) the end of the month) to each Supplier using consolidated billing. The payments will include the Supplier’s portion of its customers’ bills that were due between the 1st and 15th of each month and between the 16th and the last day of each month, respectively, less any prior-period adjustments or cancellations, and the POR discount rate approved by the Commission.

BUDGET BILLING

Customers of a Supplier who receive a Utility Consolidated Bill may utilize a Budget Plan for Supplier charges in accordance with General Service Provision No. 4A. Budget Plan.

UTILITY RESPONSIBILITIES IN THE EVENT OF A SUPPLIER DEFAULT

A Supplier whose gas license is suspended or revoked by the Commission is a considered a defaulted Supplier.

If a defaulted Supplier uses consolidated billing by Washington Gas for some or all of its customers, Washington Gas will include Supplier charges on the consolidated bill following suspension or revocation by the Commission of the Supplier's license unless prohibited by the Commission.

A defaulted Supplier using utility consolidated billing services must provide Washington Gas with information necessary to allow consolidated billing to be completed through the conclusion of the billing cycle.

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Delivery Service Gas Supplier Agreement - Rate Schedule No. 8 (Continued)

FAILURE TO DELIVER THE DRV

Failure to deliver the DRV occurs whenever a supplier's DRV is more or less than its deliveries. This failure, whether an over- or under-delivery, will be reconciled through an adjustment to the supplier's Imbalance Account. The Supplier shall be charged a penalty of \$25 per Dth of under-delivery in addition to any penalty, fine or cost incurred by the Company as a result of the under-delivery. When conditions are deemed critical by the Company such that the average daily temperature is expected to be 32 degrees Fahrenheit or lower as otherwise provided, a Critical Day may be declared without notice. On such a Critical Day, the supplier must supply the required DRV. Penalties for non-delivery, at the rate of \$50 per Dth of under-delivery, will accrue as of the date of the non-delivery.

In the event that the supplier has delivered more than its DRV, the over-Delivery shall be reconciled by an adjustment to the supplier's Imbalance Account. The supplier shall be charged a penalty of \$25 per Dth of over-delivery.

If, in the Company's opinion, a supplier's deliveries of gas may impact the operation of the Company's distribution system, the Company has the right to 1) refuse delivery of the supplier's gas, or 2) require the supplier to provide the delivery to a different receipt point on its system. The Company agrees to issue the Operational Flow Order no later than 10 a.m. for next day deliveries. A penalty of \$25 per Dth will apply for suppliers not in compliance with an Operational Flow Orders.

The above penalties shall be in addition to any penalty, fine, charges or cost incurred by the Company as a result of any under and/or over delivery of gas by the supplier plus the supplier shall be charged for all under/over deliveries, per Dth, at the TRANSCO Zone 6 (Non-New York) Midpoint commodity rate.

SUPPLIER'S RESPONSIBILITY TO COOPERATE WITH THE COMPANY

The provisions of this Rate Schedule are predicated upon the Supplier's cooperation not to materially affect the Company's operations. Continued failure to cooperate following a single warning by the Company shall, in the opinion of the Company, result in disqualification of the Supplier from the Schedule No. 8 participation. To be reinstated as a qualified Delivery Service Supplier, in addition to meeting all other applicable qualification criteria, the Supplier shall deposit with the Company for a period of one year, a security deposit in the amount of the product of (1) the Supplier's maximum DRV during the immediately prior twelve month period, (2) 30 days and (3) the Purchased Gas Charge (General Service Provision No. 16), all determined at the time the Supplier applies for re-qualification. At the conclusion of one year and upon the Supplier's request, the Supplier's security deposit shall be returned to the Supplier if there has not been another occurrence of non-compliance with the delivery requirements by the Supplier. If there is an additional occurrence of non-compliance with delivery requirements during the one-year period, the security deposit shall be forfeited and the Supplier shall be ineligible for requalification for an additional consecutive year.

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Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

Delivery Service Gas Supplier Agreement - Rate Schedule No. 8 (Continued)

EXCHANGE OF REQUIRED INFORMATION

The following procedures shall be followed by the Company and the Supplier to exchange the information required to serve customers:

1. Suppliers and the Company will use the electronic standard messaging protocol approved by the Commission when exchanging data. This includes requests for pre-enrollment information, enrollments, drops, and all billing transactions.
2. Prior to enrolling a customer, a Supplier may obtain pre-enrollment information from the Company. Prior to making such request, the Supplier must notify the customer of its intention to make such a request. (COMAR 20.59.03.01A(1))
3. When making a request for pre-enrollment data, the Supplier **must** include the Customer's utility account number, if available. If the customer's utility account number is not available to the Supplier, the request for pre-enrollment information **must** include the customer's name and service address exactly as it appears on the customer's bill.
4. Upon the receipt of a valid request of a Supplier, the Company will provide the pre-enrollment information using the electronic transaction process approved by the Commission. (COMAR 20.59.03.02A) Pursuant to COMAR 20.59.03.02A and B, the pre-enrollment information will include the following:
 - a. account name;
 - b. billing address;
 - c. service address;
 - d. utility account number;
 - e. bill cycle;
 - f. utility rate class or code; and,
 - g. monthly historical consumption for the previous 12 months.
5. Pursuant to COMAR 20.59.06.05B and 20.59.07.09B, when enrolling a customer, the Supplier shall provide the following information via the electronic transmission procedure approved by the Commission:
 - a. customer account name;
 - b. customer service address;
 - c. billing name;

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EXCHANGE OF REQUIRED INFORMATION (Continued)

- d. billing address;
 - e. utility name;
 - f. utility account number;
 - g. Supplier name;
 - h. Supplier identifier;
 - i. commodity provided; and
 - j. effective date of the enrollment.
6. Enrollment transactions received by the Company no later than 5:00p.m. Eastern Time on the 12th calendar day before the first of the next month will be effective the 1st day of the following month. (*COMAR 20.59.04.02A(1)*) Enrollment transactions received after 5:00p.m. Eastern Time on the 12th calendar day before the first day of the next month will be effective the 1st day of the next subsequent month. (*COMAR 20.59.04.02A(2)*)
7. Enrollments shall be processed on a first-in basis as they are received throughout the month (*COMAR 20.59.04.02A(3)*). In the event two or more enrollments are received for the same customer before the enrollment deadline as described above, the first enrollment received by the Company will be processed. Any subsequent enrollments received during the same enrollment period will be rejected.
8. When submitting a request to drop a customer, the Supplier shall provide the following information via the electronic transmission procedure approved by the Commission:
- a. customer account name;
 - b. customer service address;
 - c. billing name;
 - d. billing address;
 - e. utility name;
 - f. utility account number;
 - g. Supplier name;
 - h. Supplier identifier;
 - i. commodity provided; and
 - j. effective date of the drop.
9. Drop transactions received by the Company no later than 5:00p.m. Eastern Time on the 12th calendar day prior to the first day of the next month will be effective the 1st day of the next month. (*COMAR 20.59.04.03B(1)*) Drop transactions received by the Company after 5:00p.m. Eastern Time on the 12th calendar day prior to the first day of the next month will be effective the 1st day of the next subsequent month. (*COMAR 20.59.04.03B(2)*)
10. If a customer is enrolled with a Supplier when the Company receives an enrollment from a different Supplier, the Company will drop the customer from its current supplier and process the enrollment pursuant to the first-in protocol described in paragraph 6, regardless of whether or not a drop has been received prior to the receipt of the enrollment.

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EXCHANGE OF REQUIRED INFORMATION (Continued)

11. If the Company receives a drop from the customer's current Supplier, and an enrollment is not received from a different Supplier, the Company will return the customer to utility service.
12. A Supplier shall process a non-residential customer's request to cancel supply service within two (2) business days of receipt of the request.
13. Within one (1) business day after the Company processes the enrollment, both the Company and the Supplier shall send written notice of the enrollment to the customer. (*COMAR 20.59.06.05A(1) and 20.59.07.09B(2)*) The notice shall include the following information: customer name; customer service address; billing name; billing address; utility name; utility account number; Supplier name; Supplier identifier; commodity provided; and, effective date of the enrollment. (*COMAR 20.59.06.05B(2) and 20.59.07.09B(3)*)
14. Service to added customers shall commence with the first calendar day of the month following the notification requirements as described above and the notification requirements as described under the Availability section of this Rate Schedule.
15. Notice to Suppliers provided for and/or required under the Company's Firm Delivery Service Rate Schedules shall be made by postings to its GAS MANAGEMENT SYSTEM (GMS). It shall be the responsibility of the Supplier to monitor the GMS and comply with its postings. The Company may supplement such notification through the use of, for example, telephone or facsimile.
16. It is the responsibility of the Supplier to notify the Company of the unavailability or inaccessibility of the GMS to the Supplier. Such notification must be made within twelve hours of the time of failure to access the GMS. Absent such notification the Supplier is deemed to have received all communications and is responsible for complying with all postings.
17. Questions concerning data posted to the GMS, and related billing transactions, must be brought to the attention of the Company within sixty days of its posting. It is the responsibility of the Supplier to bring such questions to the attention of the Company. Any billing complaints or requests for adjustments arising from GMS posted data beyond this time frame will not be recognized by the Company.
18. By 10:00am Eastern Time each day, the Company shall provide to each Supplier their minimum and maximum gas deliveries and the required allocation of such deliveries by WG's gate station(s) for the following gas day beginning at 10:00am Eastern Time. In addition, the Company will be providing Suppliers a five-day forecast of their estimated deliveries.

FORCE MAJEURE FOR FAILURE TO DELIVER THE DRV

Force Majeure, for purposes of this Schedule, shall be any sudden, unforeseeable event which causes a physical inability to transport gas to or receive gas at the designated point of delivery and which could not have been prevented or overcome by the reasonable efforts of the party claiming Force Majeure. In the event of Force Majeure, the Supplier shall give as soon as possible after the occurrence of Force Majeure written notice and full particulars of such Force Majeure including the extent, if any, to which the Supplier remains able to carry out its obligations and a good faith estimate of when the Supplier expects to recover its ability to fully perform.

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CREDIT-WORTHINESS

Prior to Washington Gas approving a Gas Supplier Application and Agreement to participate in the Company's Firm Delivery Service program and continuing thereafter, the Supplier must demonstrate to the Company's satisfaction that it has met and continues to meet the creditworthiness criteria set forth in this section.

At the time of the review, to be deemed an unsecured supplier under the Company's creditworthiness criteria a Supplier or its guarantor must have an investment grade rating on its unsecured long-term debt from at least two of Standard & Poor's, Fitch, and Moody's. If a Supplier or its guarantor does not have an unsecured long-term debt rating, then a "Corporate" or similar rating may be substituted at the Company's discretion.

If a Supplier or its guarantor is not rated by the above mentioned credit rating agencies, Supplier or its guarantor may choose to provide audited financial statements to the Company for review.

If the Supplier's unsecured long-term debt rating is below investment grade, or if the Company, in its sole judgement, determines that it will not provide unsecured terms for the unrated Supplier, the Supplier must provide Washington Gas with acceptable credit security in the form of a letter of credit, cash deposit, surety bond, or guaranty of payment.

The Company's requirements for the acceptable credit securities are found in the COLLATERAL REQUIREMENTS section, below. The Company's requirements for financial statements from unrated Suppliers are found in the FINANCIAL INFORMATION section, below.

The Company will apply the provisions of this credit-worthiness section for two separate periods each year: for the winter season (November 1 through March 31), and for the summer season (April 1 through October 31). During the first week of September (for the winter season) and February (for the summer season), the Company will notify Suppliers of the required collateral amounts if any. The amount of credit security required for each season will be determined according to the formulas shown in the CREDIT COLLATERAL AMOUNT section, below.

CREDIT COLLATERAL AMOUNT

The credit collateral amount will be the sum of the Company's risk exposures as provided below:

A. Replacement Gas Exposure

The determination of the risk exposure for replacement gas is a two step process and is the product of the (a) daily volumes at risk, (b) price at risk, and (c) number of days at risk.

1. The first step in calculating the risk exposure for replacement gas reflects the period of time of non-delivery of gas to the Company's City Gate.
 - (a) The daily volumes at risk are the estimated average normal weather DRVs for the upcoming January for the winter (November 1 through March 31) season and April for the summer (April 1 through October 31) season, respectively, as calculated by the Company.

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(b) The price risk for the winter and summer periods will be the average of (1) the highest monthly average Transco Zone 6 (Non-New York) Gas Daily Midpoint price during the preceding three (3) winter and the preceding three (3) summer periods as quoted in Platt's Gas Daily Midpoint, and (2) the sum of (a) the New York Mercantile Exchange (NYMEX) futures prices as quoted in Platt's Gas Daily, and (b) the Transco Zone 6 Non-New York basis, both for January and April as of the last business day of August and January, respectively. The applicable Transco Zone 6 Non-New York basis will be determined by the Company based on general market investigation, which may include any input previously received from Suppliers.

(c) The number of days at risk is ten (10) calendar days.

2. The second step reflects gas purchases for the remainder of the month.

(a) The daily volumes at risk are the estimated average normal weather DRVs for the upcoming January and April for the winter and summer seasons, respectively, as determined in 1(a).

(b) The price risk will be the largest positive difference between (1) the highest monthly average Transco Zone 6 (Non-New York) Gas Daily Midpoint price during the preceding three (3) winter and the preceding three (3) summer periods as quoted in Platt's Gas Daily, and (2) the Company's Purchased Gas Cost rate for the corresponding month.

(c) The number of days at risk is twenty (20) calendar days.

B. Services Provided Exposure

The risk exposure for services provided to the Supplier by the Company will be determined as the average of the prior winter or summer bills, adjusted for the customer growth, for the upcoming winter and summer seasons, respectively.

COLLATERAL REQUIREMENTS

General terms:

- 1) For Suppliers newly entering the Company's Delivery Service Program, the amount of the collateral will be initially set at a minimum of \$10,000 for the summer and \$50,000 for the winter. However, larger amounts may be required if the estimated risk exposure calculations so warrant.
- 2) The Company will notify Suppliers of required collateral amounts for the winter and summer seasons during the first week of September and February, respectively. The Company will notify the Supplier by overnight delivery, facsimile or e-mail.

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- 3) Unless approved by the Company as able to operate under unsecured terms, the Supplier will be required to provide collateral which must be in the form of a Cash Deposit, a Letter of Credit or Surety Bond from an investment grade company, or a Guaranty from an acceptable party pursuant to the creditworthiness requirements of this Rate Schedule. The collateral must be for an amount equal or greater than the amounts calculated pursuant to this Rate Schedule.
- 4) Effective Date: Suppliers shall provide the required collateral by no later than October 15 and March 15 for the winter and summer seasons, respectively. If the required collateral is not in place by the respective due dates, the Company will suspend the Supplier's ability to add new customers until the required collateral is provided to the Company. If the required collateral is not in place by October 31 or March 31 for the winter and summer seasons, respectively, the Supplier will be disqualified from serving customers in the Company's service area in Maryland.
- 5) Validity Term: The minimum required validity term for winter credit collateral is October 15 through March 14 of the following year, and for summer credit collateral is March 15 through October 14. If the new season's credit collateral amount is lower than the prior season's credit collateral amount, the Company, upon written request from the Supplier, will within ten (10) business days amend, return, or otherwise adjust for, the reduced collateral amount.
- 6) The required collateral may be called upon to satisfy any costs incurred by the Company related to the Supplier's participation in the Firm Delivery Service program, including, but not limited to, legal and collection costs associated with the Supplier's failure to comply with the terms and conditions of the Company's applicable tariffs and the General Service Provisions.
- 7) The Company reserves the right to require additional collateral if the credit collateral amount (as computed above) increases by more than 20 percent. Likewise, the Supplier may request an adjustment to its security requirement if the credit collateral amount decreases by more than 20 percent.
- 8) The Company reserves the right to require new, additional or revised collateral calculated under this tariff if there is a material adverse change that may affect the Supplier's or its Guarantor's financial condition, ownership or corporate structure. A material adverse change is any change in the Supplier's or Guarantor's financial or other condition that might reasonably affect the amount of credit extended to that Applicant or Guarantor or may impact the Applicant's or Guarantor's ability to perform on its obligations. Examples of a material adverse change includes, but are not limited to: a transfer, sale, or assignment of a material portion of the Supplier's or its Guarantor's assets; the Supplier or its Guarantor filing a petition for bankruptcy; the Supplier's or Guarantor's assets come into the possession of a receiver, trustee, or custodian. The Supplier or Guarantor shall notify the Company within five (5) business days of any such circumstance noted above.

ISSUED: November 10, 2004

EFFECTIVE: For meter readings on and after November 10, 2004

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

Delivery Service Gas Supplier Agreement – Rate Schedule No. 8 (Continued)

- 9) Time Limits: If the Company requires an increase or change in credit collateral based on any of the circumstances described in Paragraph 7 or 8 above, the Supplier shall provide the required credit collateral within five (5) business days of the Company's demand. If the required credit collateral is not received within five (5) business days, the Company will have the right to disqualify the Supplier from serving customers in the Company's service area.
- 10) In the event of a dispute between the Company and the Supplier regarding the amount of credit security, the Supplier shall give notice to the Company that it disputes the credit security and the basis of the dispute within five (5) business days of receipt of the request for security. The Supplier and the Company will work to resolve the dispute on a reasonably prompt basis. However, the Supplier must provide the disputed amount to the Company pending resolution of the dispute. If dispute is decided in favor of the Supplier the collateral amount will be adjusted (if the collateral is in the form of a cash deposit the disputed amount will be returned to the Supplier with interest at the Company's earnings credit rate).
- 11) Upon the Supplier's failure to satisfy the credit requirements and upon notification by the Company that the supplier no longer satisfies the Company's credit criteria as detailed in this provision, the Supplier is subject to disqualification at the sole discretion of the Company. Such disqualification shall remain effective until such time as satisfactory evidence is provided by the Supplier that the Supplier again meets the Company's credit criteria by the supplier providing collateral acceptable to the Company.
- 12) The Supplier may substitute an alternative collateral instrument (e.g., letter of credit, surety bond, cash or payment guarantee) of an amount at least equal to the collateral currently held by the Company provided there is no time gap and the substitute instrument satisfies all collateral requirements.
- 13) Subject to the Supplier providing assurance acceptable to the Company that the Storage/Balancing Pool inventory gas and/or the Supplier's remittances have not and will not be either pledged as collateral or assigned to a third party, and that the Supplier agrees not to challenge the Company use of these assets as detailed in paragraph 6, above. the Supplier may elect to reduce its collateral by one or both of the following offsets. The Supplier shall deliver the written assurance that the above assets have not, and will not, be pledged as collateral or otherwise be encumbered to the Company at least thirty (30) business days prior to the required Effective Dates for each of the winter and summer periods. However, unless the Supplier is rated unsecured, in no event shall the amount of collateral be less than \$10,000 for the summer season and \$50,000 for the winter season (these minimum amounts shall be increased by \$10,000 if the provided collateral is in the form of a guaranty).

ISSUED: November 10, 2004

EFFECTIVE: For meter readings on and after November 10, 2004

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

Delivery Service Gas Supplier Agreement – Rate Schedule No. 8 (Continued)

- (a) The value of the Supplier's Storage/Balancing Pool inventory as determined by multiplying (i) the minimum required amount of gas stored as of February 1 for winter and June 1 for summer, respectively, times (ii) the estimated weighted average cost of the Company's storage inventory as of August 31 for Winter and January 31 for Summer, respectively.

If a Supplier designates a lesser minimum storage inventory level for the November 1 through February 1 period, the Supplier's collateral amount will be adjusted accordingly, to reflect the reduced minimum required level of gas in storage for collateral purposes.

This flexibility in Suppliers' storage/balancing pool inventory for collateral offset purposes does not eliminate the Supplier's responsibility to adhere to the daily/monthly operational storage parameters for Suppliers participating in the Company's Delivery Service program.

- (b) If the Company currently bills on behalf of the CSP, the estimated amount of remittances as determined from the average monthly remittance amount from the prior winter or summer period adjusted by the customer growth / percentage change in the estimated DRVs.

FINANCIAL INFORMATION

If Supplier does not have a published credit rating by the above mentioned credit rating agencies, Supplier may request a financial review of its audited financial statements for further determination of its creditworthiness by the Company.

Supplier shall deliver its audited financial statements to the Company at least thirty (30) business days prior to the required Effective Date for each of the winter and summer periods. For purposes of this section, Financial Statements include (1) a copy of Supplier's or its guarantor's annual reports containing audited consolidated financial statements (including Balance Sheets, Income Statements, Statement of Cash Flows, and any other material information identified by the Company) for the most recent three (3) fiscal years and (2) a copy of Supplier's or its guarantor's quarterly reports containing un-audited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles. All non-public information and supporting documents provided by the supplier or Guarantor for the purposes of credit evaluation shall be held confidential by the company except to the extent the Company is directed to disclose such information and documents by the Public Service Commission, a court of competent jurisdiction or upon the mutual agreement of the Company and the Supplier.

The Company will apply, in its sole judgment and on a non-discriminatory basis, financial standards to determine the acceptability of the Guarantor's or the Supplier's overall financial condition. Such credit appraisal will include, but not be limited to, (1) a review of the Guarantor's or Supplier's Balance Sheet, Income Statement, Statement of Cash Flows, and any other material information identified by the Company, and (2) the calculation of various financial ratios focusing on the Guarantor's or Supplier's liquidity, profitability and capital structure.

ISSUED: November 10, 2004

EFFECTIVE: For meter readings on and after November 10, 2004

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

Delivery Service Gas Supplier Agreement – Rate Schedule No. 8 (Continued)

ACCEPTABLE CREDIT COLLATERAL

In an amount equal to or greater than the required collateral amount, the following forms of credit collateral are acceptable to the Company:

1. Cash Deposit: If a Supplier chooses to provide cash deposit as the credit collateral, funds must be wire transferred to the Company's corporate account in accordance with directions provided by the Company. All cash deposits will earn interest at the Company's Earnings Credit Rate until the funds are returned to Suppliers.
2. Letter of Credit: If a Supplier chooses to provide credit collateral in the form of a letter of credit, it must be issued by a bank with an investment grade unsecured long-term debt rating by at least two of Standard & Poor's, Fitch and Moody's. In the case of a split credit rating, the lowest of the ratings will be utilized to determine the acceptability of the bank. A letter of credit shall be substantially in the form shown in Exhibit II. If the provider of the letter of credit prefers a different form, then such letter of credit shall reflect only the documentary requirements found in either (1) or (2) of the attached format and will reflect Special Conditions (A) through (D) found in the format shown in Exhibit II.
3. Surety Bond: If a Supplier chooses to provide a surety bond as the credit collateral, it must be from a surety company with an AM Best rating of A-VIII or better. A surety bond shall be substantially in the form shown in Exhibit III.
4. Payment Guarantee must be from an entity with the minimum credit ratings described herein. A payment guarantee, by a guarantor shall be substantially in the form shown in Exhibit IV. In addition, the Guarantor must provide the following:

A Certificate of Authority of the individual signing the contract and/or ancillary documents;

Documented evidence acceptable to the Company demonstrating that the Guarantor has a financial interest in the Supplier and can guarantee this type of transaction for the Supplier.

CAPACITY ASSIGNMENT

A Capacity Assignment will be made by the Company to approximate each customer's design day requirements. This assignment shall be comprised of firm transportation, storage (the Company will retain the contractual rights to this capacity but allow the supplier to utilize it when necessary) and peaking. Such assignment will be determined by the Company based on the Company's gas purchasing portfolio mix at that point in time. Storage/balancing assignments will be mandatory and the supplier must show that they have met the Primary Delivery Point requirements for firm transportation as shown below. The levels of each type of supply will be determined by the Company and be re-evaluated/recalculated annually for allocation of capacity resources and monthly for the allocation amongst the suppliers. The supplier, at the sole discretion of the Company, may exercise an option of an assignment of the Company's firm transportation for up to 100%.

- A. If a customer requests to return to sales service, the associated assigned capacity shall return to the Company for use in serving the customer. This would occur whether at contract expiration or if the customer returns prior to contract expiration.

ISSUED: November 10, 2004

EFFECTIVE: For meter readings on and after November 10, 2004

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

Delivery Service Gas Supplier Agreement - Rate Schedule No. 8 (Continued)

B. Storage Gas Inventory

1. If a supplier receives an assignment of storage on April 1 then that supplier must purchase a prorata portion of the Company's storage gas inventory at that time. If a supplier receives an assignment of storage at any other time then the supplier must purchase from the Company an amount of storage gas inventory necessary so that, based on pro rata injections, the supplier has the total amount required by the end of the injection period, October 31st of each year. The purchase price shall be determined based on the volumes purchased, as if they had been injected into storage on a pro rata basis over the time from the prior April 1st at the injection price paid by the Company during those months.
2. If the requirement for storage gas inventory occurs after the end of the injection period then the supplier must purchase the amount of storage gas inventory that the Company would have remaining on its books applicable to their customers. The price for such purchases shall be the weighted average rate of storage gas inventory on the Company's books at that time.
3. All purchase prices, as determined above, shall include carrying costs based on the Company's then authorized pre-tax rate of return.
4. If the supplier's requirements are decreased then the supplier must sell to the Company the amount of storage gas inventory no longer required and it shall be priced as described in 1 or 2 above. If the suppliers requirements are increased and that change coincides with the beginning of the injection period the Company will inject, on a pro rata basis, the supplier's requirements and bill them at the prices paid by the Company during those months.

ISSUED: November 10, 2004

EFFECTIVE: For meter readings on and after November 10, 2004

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

Delivery Service Gas Supplier Agreement – Rate Schedule No. 8 (Continued)

CAPACITY ASSIGNMENT (continued)

In addition to the above, suppliers will be required to demonstrate that a certain percentage, as determined by the Company of their firm transportation capacity requirements during the winter months have the Company's city-gate as the primary delivery point. This requirement will be reviewed annually by the Company and non-compliance will make the supplier ineligible for participation under this rate schedule. Suppliers may be able to acquire the Company's firm transportation capacity to meet this requirement.

EQUALIZATION CHARGE

An Equalization Charge shall be computed and billed to suppliers applicable to service during the current billing month which shall be the product of: (1) the customer's assigned pipeline and storage capacity, and (2) the Equalization Charge, per type of capacity, per Dth. Such charge is subject to re-determination to be effective with the annual ACA for the December billing period each year.

LIABILITY LIMITS

The Company shall not be liable for any loss, cost, damage or expense occasioned by the calculation of the DRV. The Supplier shall warrant that, at the time of delivery of gas to the customer, it will have good title to deliver all gas volumes. The Company shall have no liability with respect to all gas delivered prior to its physical delivery to the Company or after its re-delivery to the Customer.

GAS QUALITY STANDARDS

The Supplier warrants that gas delivered to the Company conforms to the quality standards stated in the transporting interstate gas pipeline's FERC approved Tariff.

BILLING

At the request of a supplier, the Company will include the supplier's billing amount on the Company's bill. Billing by the Company of the supplier's charges shall be performed under a "rate ready" protocol. The terms and conditions of such service will be stated in a separate contract between the supplier and the Company.

PAYMENT TERMS

Bills are due and payable upon presentation. The final date for payment of the net amount shown on the bill is 10 days from the date of rendition of the bill. Failure to receive the bill does not excuse the Supplier from payment obligations and payments shall be made without regard to any counterclaim whatever. Bills remaining unpaid at the expiration of the net payment period shall be subject to a Late Payment Charge of 1.5% per month applied to any unpaid amount.

COST RESPONSIBILITY

The supplier shall be responsible for the payment of any tax or assessment levied by any jurisdiction related to the acquisition, delivery or use of delivered gas.

REVENUE ACCOUNTING

Revenues received from penalties and other charges imposed through this rate schedule shall be credited in the calculation of the Purchased Gas Charge set forth in General Service Provision No. 16.

GENERAL SERVICE PROVISIONS

Except as otherwise specifically provided herein, the application of this schedule is subject to the General Service Provisions of the Company as they may be in effect from time to time, and as filed with the Public Service Commission.

ISSUED: November 10, 2004

EFFECTIVE: For meter reading on and after November 10, 2004

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

Delivery Service Gas Supplier Agreement – Rate Schedule No. 8 (Continued)

CURTAILMENT OF SECONDARY FIRM CAPACITY DELIVERIES

The Company has contracts in place with four major interstate pipelines for delivery of capacity, including storage capacity, to the Company's city gates. Each city gate has a firm entitlement volume and hourly limitations on the flow of gas through the gate station. The Company works to accommodate all deliveries to its gate stations on a best-efforts basis. However, for deliveries using the Columbia Gas Transmission pipeline, should the Company confirm deliveries using secondary firm capacity to its city gate that are indicated by Columbia Gas Transmission to be available, the Company may forfeit the right to use its contracted capacity on the Columbia Gas Transmission pipeline without exceeding either the Company's primary firm capacity entitlement, the maximum hourly flow limits, or both. So long as this situation remains in effect, the Company may curtail secondary firm capacity deliveries on the Columbia Gas Transmission pipeline subject to the provisions contained herein. Should this situation change, due to a change in tariff from Columbia Gas Transmission or due to contract re-negotiation, the Company shall notify the Commission and shall post a notice of the suspension of these provisions on websites or bulletin boards described herein within five (5) business days.

Curtailments may occur under the following conditions:

1. When the dry bulb temperature at Reagan International Airport is thirty (30) degrees Fahrenheit, or below, during the winter months beginning December 1 through the last day of February.
2. During periods when gate station outages prohibit the Company from accepting secondary firm deliveries indicated to be available by Columbia Gas Transmission.
3. During periods when confirmation by the Company of secondary firm capacity deliveries are anticipated to prevent the Company from making withdrawals from storage at the maximum amount consistent with the Company's Columbia Gas Transmission contracts and maintain deliveries of firm primary transportation at the maximum entitlement amount contained in the Company's transportation contracts.
4. During other emergency circumstances. Specifically, this would include any force majeure situation that is unforeseen or uncontrollable by the Company.

The Company shall post on both its website (www.washingtongas.com) or other suitable website accessible by both potential and current Suppliers, and on its bulletin board established for current Suppliers serving customers within the Company's service territory, notices indicating the Company's intention to refuse to confirm or curtail secondary firm capacity deliveries to its city gate. The Company will provide notices to Suppliers, on its website and bulletin board for current Suppliers, of the Company's intention not to confirm secondary firm capacity deliveries by 9:30 a.m. of the day prior to the actual gas day flow. The Company may also curtail secondary firm capacity deliveries within a gas flow day, due to equipment failure, issuance of a pipeline OFO, or force majeure event, and will provide a two (2) hour prior notice to Suppliers via telephone and electronic means.

ISSUED: December 1, 2004

EFFECTIVE: For meter reading on and after December 1, 2004

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

Delivery Service Gas Supplier Agreement – Rate Schedule No. 8 (Continued)

A. Secondary Firm Capacity Curtailment Parameters

If (i) the Company has not noticed its intention to curtail secondary firm capacity deliveries by 9:30 a.m. on the day prior to the actual gas day, and (ii) on the day prior to the actual gas day, Columbia Gas Transmission indicates that secondary firm capacity deliveries to the Company's city gate are available, and (iii) a Supplier schedules secondary firm capacity deliveries for the actual gas day that is not confirmed by the Company, or is confirmed and subsequently denied in whole or in part by the Company, or (iv) when equipment failure, issuance of a pipeline OFO, or force majeure shall directly cause the Company to cancel or prorate a scheduled and confirmed delivery during an actual gas day, the following provisions shall apply:

1. The Company shall notify simultaneously all Suppliers on its system through electronic means, on its website (www.washingtongas.com) or other suitable website and on its bulletin board for current Suppliers of its action to deny secondary firm capacity deliveries.
2. The Company shall waive all penalties for failure to deliver and shall not consider the day as an incident of failure to deliver should the delivery amount denied by the Company otherwise cause the Supplier to incur penalties.
3. The Company shall waive the pipeline allocation percentage requirements for the day.
4. Should the non-confirmation of the secondary firm capacity delivery cause the Supplier to require replacement gas to meet the DRV for the gas day as defined by this rate schedule, the Supplier shall be assessed the cost of replacement gas using the Company's actual cost of replacement gas, for the gas day at issue.
5. In the event the Company confirms secondary firm capacity deliveries and then subsequently curtails those deliveries any restriction of those deliveries shall be performed on a pro-rata basis.

B. Secondary Firm Capacity Curtailment Reporting

- I. The Company shall provide on its website (www.washingtongas.com), or other suitable website accessible to all potential Suppliers, and on its bulletin board established for current Suppliers, the following information:
 1. The Company's forecasted system load for the current gas day and the next five (5) gas days.
 2. The Company's forecasted daily load associated with the Columbia Gas Transmission pipeline for the current gas day and the next gas day.
 3. The Company's forecasted Columbia Gas Transmission and storage resources available to meet the forecasted load for the current gas day and the next gas day.
 4. The Company's forecast of the total withdrawal or injection for Columbia Gas Transmission storage resources expected to be made for the current gas day and the next gas day.
 5. Information on planned gate station outages for the next two (2) months, by day, station, amount of capacity affected, and historical information as described in the archive discussed immediately below.

ISSUED: December 1, 2004

EFFECTIVE: For meter reading on and after December 16, 2004

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

Delivery Service Gas Supplier Agreement – Rate Schedule No. 8 (Continued)

The Company shall maintain an archive containing this information on a website accessible by all potential and current Suppliers for the current winter period (December 1 through the end of February) and for the two (2) previous winter periods.

- II. Within ten (10) days of the completion of each calendar month in which either the Company issues a notice of its intention to not confirm a secondary firm capacity delivery that was indicated by Columbia Gas Transmission to be available and subsequently does not confirm the delivery, or in which the Company cancels or curtails a secondary firm capacity delivery that was scheduled with Columbia Gas Transmission and confirmed by the Company, the Company shall file with the Commission, under confidentiality seal, a report containing the following information:
1. The date of each such action.
 2. The amount of secondary firm capacity indicated by Columbia Gas Transmission to be available for delivery to the Company's city gate on its day-ahead screen of the bulletin board.
 3. The amount of capacity forecasted to be available, so as to not impinge on the Company's contractual entitlements.
 4. The date and time the Company noticed its intention to not confirm secondary firm capacity deliveries for that day.
 5. The amount of secondary firm capacity deliveries that were scheduled with Columbia Gas Transmission and not confirmed, or that were confirmed and subsequently cancelled or curtailed.
 6. The parties for whom Washington Gas failed to confirm, cancelled or curtailed deliveries, and the amount of each delivery not confirmed, cancelled or curtailed.
 7. The reason for curtailing deliveries, each day the curtailment was effective.
 8. A listing of the Company's on-system assets and contracted interstate pipeline capacity available, but not chosen to avoid the restriction.
 9. All documentation and correspondence, including electronic, oral and written exchanged between the Company and Columbia Gas Transmission regarding the curtailment of secondary firm capacity deliveries.
 10. All other pertinent data relied upon by the Company to conclude its actions were appropriate.

ISSUED: December 1, 2004

EFFECTIVE: For meter reading on and after December 1, 2004

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

WASHINGTON GAS LIGHT COMPANY

GAS SUPPLIER APPLICATION AND AGREEMENT - RATE SCHEDULE NO. 8
MARYLAND

A. APPLICANT INFORMATION

Date _____

Applicant Name _____
(Legal name under which business is licensed)

Business Name _____

Address _____

City _____ State _____ Zip _____

Telephone Number () _____ Tax ID Number _____

Type of Business _____

Application to deliver gas to customer in (mark all that apply):
District of Columbia
Maryland
Virginia

B. CREDIT INFORMATION

As of the date of this application, the Applicant states that it meets the following standards:

1. The Applicant is licensed as a gas supplier by the Public Service Commissions of the District of Columbia (to provide service in District of Columbia) and/or Maryland (to provide service in Maryland) and/or the Virginia State Corporation Commission (to provide service in Virginia). The Applicant must provide a copy of all applicable licenses when submitting this Application.
2. The Applicant agrees to comply fully with the Washington Gas Creditworthiness requirements as stated in its tariffs.

C. TARIFFS AND GENERAL SERVICE PROVISIONS

Applicant agrees to comply with the provisions of Washington Gas's currently effective rate schedules, tariffs, and the General Service Provisions on file and approved by the appropriate public service commissions, as they may be amended or superseded by those regulatory authorities, and which are hereby incorporated by reference in this Application

ISSUED: -----

For service rendered on and after -----

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

WASHINGTON GAS LIGHT COMPANY

GAS SUPPLIER APPLICATION AND AGREEMENT - RATE SCHEDULE NO. 8
MARYLAND

D. REPRESENTATION, AUTHORIZATION & ACCEPTANCE

The Applicant represents that all information and documentation provided with respect to this Application is true, accurate and complete in all respects. Applicant agrees to comply with the federal and state requirements to supply natural gas, to comply with the tariffs regulating operations on the Washington Gas system, to comply with the operating procedures of Washington Gas. Applicant authorizes Washington Gas to contact trade references and financial institutions regarding the operations of the Applicant.

If the application is accepted, Applicant will receive a copy signed by Washington Gas, confirming that all required information has been submitted and that Applicant has been accepted to deliver gas to customers.

ACCEPTED:

Authorized Officer, Member or General Partner of Applicant (please type or print)

Signature of Authorized Person

Date

Title

If the application is denied, Applicant may request a statement of the reason for such action, provided that such request is made within sixty (60) days of notification by Washington Gas.

ISSUED: -----

For service rendered on and after -----

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

WASHINGTON GAS LIGHT COMPANY

IRREVOCABLE STANDBY LETTER OF CREDIT - RATE SCHEDULE NO. 8
MARYLAND

Applicant:

Company name:

Address:

Attn:

Phone: Fax:

Beneficiary:

Washington Gas Light Company

101 Constitution Avenue NW, Washington, DC 20080

Attn: Area Head, Risk Analysis and Mitigation

Phone: 202-624-6561 Fax: 202-624-6161

Credit Number: Effective Date:

We hereby establish our Irrevocable Standby Letter of Credit in favor of Washington Gas Light Company ("Beneficiary"), for the aggregate amount not exceeding United States Dollars (\$,00), available to the Beneficiary for payment at sight upon demand at our counters at on or before the expiration hereof against presentation to us one of the following :

Either (1) a copy of a commercial invoice(s) marked "UNPAID" accompanied by a statement of the Beneficiary, signed by an authorized representative of the Beneficiary, stating that the invoice was presented to applicant in accordance with the terms and conditions of the Washington Gas Light Company tariffs/rate schedules/ General Service Provisions which governs the business relationship between the Beneficiary and the applicant, and remains unpaid, or

(2) a statement by Beneficiary, signed by an authorized representative of Beneficiary, stating that the applicant has violated the terms and conditions of the Washington Gas Light Company tariffs/rate schedules/ General Service Provisions that is governing the business relationship between the Beneficiary and the applicant and that applicant's violation has caused Beneficiary to incur costs/expenses/damages of \$, that Beneficiary has demanded payment of applicant, but that the amount remains outstanding.

SPECIAL CONDITIONS

- A) All letter of credit charges are for the account of the Applicant.
- B) Partial and multiple drawings are permitted hereunder however drawings cannot exceed the total value of this letter of credit.
- C) We hereby agree with you that documents drawn under and in compliance with the terms of this Letter of Credit shall be duly honored upon presentation as specified.
- D) The current expiration date of this letter of credit is . It is a condition of this letter of credit that it shall be deemed automatically extended without amendment for six months from the current and/or future expiration date(s) unless thirty (30) days prior to any expiration date we (issuing/confirming bank) send a notice to you (the beneficiary) by registered mail that we the issuing bank/confirming bank elect not to consider this Letter of Credit renewed for any such additional period.

This Letter of Credit shall be governed by the Uniform Customs and Practice for Documentary Credits, 1993 Revision, International Chamber of Commerce Publication No. 500 (the "UCP").

ISSUED: -----

For service rendered on and after -----

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

WASHINGTON GAS LIGHT COMPANY

GUARANTY - RATE SCHEDULE NO. 8
MARYLAND

This Guaranty is executed as of the _____ day of _____, 200____ between _____, a _____ corporation (the "Guarantor") and Washington Gas Light Company, a District of Columbia and Virginia corporation (the "Counterparty").

Whereas, _____, a _____ corporation (the "Company") and a _____ of Guarantor desires to participate in the Counterparty's Firm Delivery Service program (the "Program") pursuant to the terms and conditions of the Counterparty's Tariffs, Rate Schedules, and General Service Provisions that govern(s) the Program (collectively, the "Agreement(s)"), and

Whereas, Counterparty will not allow Company to participate in the Program unless Company provides proof of creditworthiness, and

Whereas, it is to Guarantor's benefit that Company participate in the Program.

The Guarantor agrees as follows:

1. Subject to the limits set forth herein, Guarantor hereby absolutely, irrevocably and unconditionally guarantees the prompt payment of sums due under the Agreement(s), that are now or may hereafter become payable to Company, including interest and expenses of all collection and counsel fees incurred by Company by reason of Company's default. This is a guaranty of payment and not of collection.
2. The obligation of Guarantor is a primary and unconditional obligation and covers all obligations of Company to Company that arise under the Agreement(s). This obligation shall be enforceable before or after proceeding against Company and shall be effective regardless of the solvency or insolvency of Company at any time, or the extension or modification of the indebtedness of Company by operation of law.
3. This guaranty shall remain in full force and effect until the earlier of (i) the termination of the Agreement(s), or (ii) thirty (30) days after Counterparty's receipt of written notice of revocation of this Guaranty from Guarantor. Termination shall not eliminate Guarantor's liability occurring under transactions entered into prior to such termination, including any subsequent interest or late charges; provided however, termination of this Guaranty shall relieve Guarantor of any liability for transaction occurring after such termination, including any subsequent interest or late charges.
4. The Guarantor waives notice of acceptance of this guaranty, diligence, presentment, demand, protest, notice of dishonor, and notice of transactions with Company, as well as all other suretyship defenses.

ISSUED: -----

For service rendered on and after -----

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition

WASHINGTON GAS LIGHT COMPANY

GUARANTY - RATE SCHEDULE NO. 8
MARYLAND

5. Upon making any payment hereunder, the Guarantor shall be subrogated to the rights of Counterparty against the Company with respect to such payment, provided that Guarantor shall not enforce any right or receive any payment by way of subrogation until all of the obligations of Company to Counterparty under the Agreement(s) then due shall have been paid in full, and Counterparty agrees to take, at Guarantor's expense, such steps as the Guarantor may reasonably request to implement such subrogation.
6. Notwithstanding anything in this guaranty to the contrary, Guarantor's liability under this guaranty and the Counterparty's right of recovery shall be limited to an aggregate amount of _____ and 00/100 Dollars (\$_____00). Guarantor's liability hereunder shall be and is specifically limited to payments expressly required to be made under the Agreement(s) (even if such payments are deemed to be damages); and in no event, shall Guarantor be subject hereunder to consequential, exemplary, equitable, loss of profits, punitive or other damages, except to the extent specifically provided in the Agreement(s) to be due from Company.

In witness whereof, the Guarantor has caused this guaranty to be executed as of the date first written above.

(Guarantor) _____ Signed By: _____
(Name and Title)

ISSUED: -----

For service rendered on and after -----

Adrian P. Chapman - Vice President, Regulatory Affairs & Energy Acquisition