

RATE SCHEDULE NO.165

SPECIAL TRANSPORTATION RATE

This Rate Schedule is available to any Rate Schedule No. 180 Customer that has installed and operable alternate fuel capability on those occasions when PSNC has transportation Service available that is not needed to provide Service under its other Rate Schedules containing fixed rates. PSNC may require Customer to demonstrate that its alternate fuel capability is able to operate prior to providing Service under this Rate Schedule. This Rate Schedule is designed to permit PSNC to sell such transportation Service. All sales under this Rate Schedule are provided only in accordance with PSNC's guidelines as may be revised from time to time.

All transportation Service purchased under this Rate Schedule shall be measured separately from Gas purchased or transported under any other Rate Schedule. Service under this Rate Schedule is temporary and PSNC has the right to discontinue such Service on two hours' notice. Service under this Rate Schedule will be provided at PSNC's sole discretion.

In order to receive Service under this Rate Schedule, Customer must maintain separately metered Accounts for each type of alternate fuel. On any given Account, all equipment must be able to accept 100% curtailment on two hours' notice and be capable of burning the same type of alternate fuel. Customer must be capable of being 100% curtailed on two hours' notice. In case of non-compliance with a curtailment order, PSNC shall have the right to valve off Service when it is necessary in PSNC's sole opinion to protect Service to higher margin Customers.

Rate

Customer shall pay PSNC for all Service provided under this Rate Schedule at a rate determined prior to delivery, plus the Facilities Charge which is set forth on the currently effective Summary of Rates and Charges of this Tariff and incorporated herein by reference.

Payment of Bills

Bills are due and payable upon receipt and become past due 15 days after the billing date. Late payment charges will be added to the total balances in arrears on the next billing date at the rate of 1% per month. A charge will be imposed for checks and drafts returned to PSNC. Reconnection charges will be made to restore Service for: (a) Customers whose Service was discontinued for nonpayment of bill or (b) Customers whose Service was discontinued and reconnected at the request of Customer at the same Premises within the past year.

The charges above are set forth in the currently effective Summary of Rates and Charges of this Tariff under the heading of Miscellaneous Fee Schedule and are described in PSNC's approved Rules and Regulations.

Unauthorized Gas

At PSNC's sole discretion, and upon prior written notification and approval, emergency Service as defined in Rider A of this Tariff shall be available to Customers served during any billing period when Customer is served under this Rate Schedule. If PSNC does not authorize emergency Service, and in the event a Customer fails to discontinue the use of Gas after two hours' notice that Service under this Rate Schedule is not available, all Gas so used shall be paid for by Customer at the rate for Unauthorized Gas set forth in the currently effective Summary of Rates and Charges of this Tariff plus the cost of Gas used, as calculated under Rider A of this Tariff. In addition, Customer shall reimburse PSNC for any expenses and liabilities imposed on PSNC caused by Customer's failure to discontinue use of Gas.

Rules and Regulations

Service under this Rate Schedule is subject to all lawful orders, rules, and regulations of duly constituted governmental authorities having jurisdiction over either PSNC or Customer, or both, including any orders of the Commission requiring PSNC to curtail or discontinue Service hereunder or setting priorities for such curtailment or discontinuance of Service. PSNC shall not be liable for any damages that may result to Customer or any other person, firm, or corporation by reason of PSNC's curtailing Service in accordance with any order by a duly constituted governmental authority or in accordance with any order of priorities which may be deemed practicable under existing conditions by PSNC. Service under this Rate Schedule is subject to PSNC's Rules and Regulations as approved by the Commission, which are incorporated herein by reference.