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      LEAF:      138.1
REVISION:      11
REVISION:      10

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RATE - FIVE PART - MONTHLY: (Cont'd.)

- (2) Over and Under-delivery Charges (Cont'd.)

- (d) Under-deliveries - Monthly

If there is an under-delivery at the end of the month, the under-delivered volumes will be sold to the customer by the Company at a rate equal to 105% of the monthly average of the highest daily "Midpoint" rates of the "Louisiana - Onshore South", "Tennessee" receipt points for the month published in Gas Daily in the table "Daily Price Survey", plus the Company's weighted average cost of transportation (WACOT) and fuel losses calculated at 100% load factor.

- (3) Scheduling Penalty Charge

Customers taking service under this Service Classification shall be subject to a penalty charge if on any day the quantity of gas scheduled by the customer for delivery to the Company's citygate varies by more than five percent from the actual quantity of gas delivered to the Company's citygate. The volume of gas in excess of five percent of the scheduled volume shall be subject to the rates set forth below.

	Rate
>5% up to and including 50%	\$0.35 per Mcf
>50%	\$0.70 per Mcf

In addition to the above charge, the customer will be liable for any imbalance penalties incurred by the Company on the pipeline as a result of the customers' inaccurate scheduling and nominating.

- (4) Supplemental Sales Service Charge

The rate for all Mcf delivered to a customer as Supplemental Sales Service shall be the "Unit Charge" for service rendered under Service Classification No. 3 of this tariff, but not less than the "Average Commodity Cost of Gas" for the month in which service is rendered.

- (5) Increase in Rates and Charges

The rates and charges under this Service Classification will be increased pursuant to General Information Section 15.

Issued By: John D. McMahon, President, Pearl River, New York
(Name of Officer, Title, Address)