

TERMS AND CONDITIONS

The following Terms and Conditions, where not inconsistent therewith, are a part of all rates, and the compliance thereof by the Customer is a condition precedent to the initial and continuing supply of gas and/or transportation services by the Company:

1. For the purpose of determining the amount of gas delivered, meter(s) of either the indoor or outdoor type shall be installed by the Company at location(s) to be designated by the Company. The Company may at any time change any meter installed by it. The Company, for its own convenience, may also change the location of any meter or change from an indoor type to an outdoor type, provided that all expense of so doing is borne by the Company. Customer may request the relocation of a meter for Customer's convenience, in which event Customer shall pay the cost of such meter relocation. Upon the reading of the Company's meter all bills shall be computed. However, the Company may periodically use estimated meter readings for billing purposes whenever the Company, with reasonable effort, is unable to actually read the meter(s). If more than one meter is installed, except for the Company's convenience, a separate bill shall be computed for each meter based upon the applicable meter reading.
2. The Customer shall furnish free of cost upon its premises the necessary space for meter(s) and other apparatus required in connection with the supply and/or transportation of gas whether such equipment is furnished by the Customer or the Company.
3. The Customer shall not permit access for any other purpose whatsoever, except by authorized employees or agents of the Company, to the meter or other appliances and equipment of the Company, or interfere with the same, and shall provide for their safe keeping. In case of loss or damage of the Company's property directly or indirectly due to Customer's fault or negligence, the Customer shall pay to the Company the replacement value of such property or the cost of making good the same.
4. The Company shall have the right of access to the Customer's premises at all reasonable times for the purpose of maintaining or removing the Company's meters, regulators, pipes, fittings and equipment for supplying or regulating the supply of gas and of ascertaining the quantity of gas consumed or supplied.
5. All bills shall be due and payable upon presentation.

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6. For any Customer using personal and/or business checks for payment to the Company, Customer shall pay a \$25 charge for each check returned to the Company due to Customer's insufficient funds.
7. Upon request of any Customer, Company shall test without charge the meter used to measure gas sold to such Customer if such test is requested more than twelve (12) months after the date of meter installation or after the last previous test.
8. When a Customer demands a meter test within twelve (12) months after the date of meter installation or after the last previous test, Customer shall pay Company for such test if the meter on test shows a negative average error or a positive average error of less than two percent (2%).
9. A written report giving the test results of a meter, made pursuant to a demand by any Customer, shall be made to the Customer by the Company within a reasonable time after completion of the test. If a meter is found to be in error and reads in excess of two percent (2%) positive error, the Company shall make a refund to the Customer for the excess gas billed from the date two months prior to the last meter reading. If a meter is found to be in error and reads in excess of percent (2%) negative average error, Customer shall pay Company for the unbilled gas from the date two months prior to the last meter reading.
10. Upon satisfactory receipt of all applicable permits, authorizations, easements, and other necessary approvals, the Company will extend its mains for any Customer, except for temporary service, up to a maximum of one hundred (100) feet without charge to the Customer. If a main extension of more than one hundred (100) feet is necessary to render service to the Customer and if the service will yield the Company adequate revenue at its regular rates to justify the expenditure for such extension, Company will extend its main without charge to the Customer; otherwise, Customer shall make such contribution to the Company, as may be reasonable and just in each case, to warrant the expenditure by the Company.

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11. Upon satisfactory receipt of all applicable permits, authorizations, easements, and other necessary approvals, the Company will install a service line for any Customer, except for temporary service, for a distance of up to one hundred (100) feet from the nearest curb to the meter location without charge to the Customer. Any excess footage shall be paid for by the Customer unless the service to be rendered to the Customer at the Company's regular rates will yield adequate revenue to justify the expenditure by the Company for such excess footage.
12. For all new services or service reconnections, the applicable tariff charges shall be effective the earlier of the Customer's actual gas usage or requested service date.
13. Temporary service is service which will not continue for a sufficient period to yield the Company adequate revenue at its regular rates to justify the expenditures necessary to provide such service. Temporary service will be supplied if the Customer shall make such payment(s), in addition to the payments for gas at the regular rates, as may be reasonable and just in each case.
14. The Customer's piping, apparatus and equipment shall, at all times, conform to the requirements of any constituted authorities and to those of the Company, and the Customer shall keep such piping apparatus and equipment in proper repair.
15. The Company shall make, or cause to be made, application for any necessary street permits, and shall not be required to supply service until a reasonable time after such permits are granted. The Customer shall obtain or cause to be obtained all permits or certificates, except street permits, necessary to give the Company or its agents access to the Customer's equipment and to enable its service to be connected therewith.
16. The Customer shall pipe to the point designated by the Company, at which point the Company will connect its service, at the meter outlet.
17. DEPOSIT POLICY The Customer shall pay in full any prior indebtedness or reach a satisfactory agreement with the Company to cover such payment as a condition of service at a new address or reconnection at a current address. The Company may require a cash deposit as a condition of service: (i) for a new customer, or (ii) for a former customer at a new address or reconnection at a current address subject, however, to the following rules:

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- (A) The deposit amount for Customers other than seasonal residential Customers shall be equivalent to two-twelfths (2/12ths) of the estimated charge for service for the ensuing twelve (12) months. The deposit for Customers obtaining service for a seasonal residence (a residence which is determined not to be a Customer's primary residence) shall be the greater of one half (1/2) of the estimated charge for the ensuing service or two twelfths (2/12ths) of the estimated charge for twelve (12) months of service. In any event, the Company shall not collect a minimum deposit which exceeds the reasonable estimated charge for the ensuing service.
- (B) The Company shall pay interest at a constant rate established each calendar year upon any such deposit. The rate shall be equal to the Prime Lending Rate, as reported by the Federal Reserve Bank of New York, on November 1 of the preceding calendar year, minus two hundred basis points (2%).
- (C) Interest on each deposit shall be calculated using a simple interest formula using the rate described under section 17(B) above that exists on the date the deposit is made. That rate shall be applied to the entire term of the deposit, up to twelve months.
- (D) If the deposit is kept longer than one year, interest shall be credited to the customer's bill during the billing period that includes the anniversary of the deposit. Thereafter, interest shall be accrued as though the continuing deposit had been newly made.
- (E) A Customer's deposit shall be refunded along with accrued interest if the Customer's account is current either after twelve (12) consecutive months in which the Customer has not been disconnected and has not received four or more disconnection notices, or after termination of service, when it occurs prior to twelve (12) consecutive months of service. When a deposit is refunded, it shall be in the form of:
- (1) a single cash payment within thirty (30) days of receipt of the Customer's final payment, or
 - (2) a credit to the Customer's account at the time of the next billing, if this event should come sooner.
- (F) The Company will require a deposit from new Customers obtaining service for their primary residence only if the Customer is a credit risk as specifically defined in Public Utility Commission ("PUC") Rule 3.203 . A deposit may be required of an existing or former Customer if such Customer has been disconnected for non-payment of valid charges under PUC Rule 3.300.

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- (G) When a deposit is required of a Customer, the Company will inform the Customer of the reason(s) for and the calculation(s) used to determine the amount of the deposit, and that the Customer has the right to dispute or make complaint to the Consumer Affairs Division of the Department of Public Service about the reason for or the amount of the deposit. In connection with such advice, the Company will also inform the Customer of the address and telephone numbers (including the toll free number) of the Consumer Affairs Division.
- (H) When a deposit is required from a Customer obtaining service for a primary residence, the Company shall advise the Customer of the right to pay the deposit, at a minimum, in three equal payments with one-third (1/3) due immediately, one-third (1/3) due within thirty (30) days, and the final one-third (1/3) due within sixty (60) days.
18. The Company shall not be liable for any interruption or discontinuance of its service, due to causes beyond its immediate control, whether due to accidents, labor difficulties, conditions of fuel supply, the attitude of any public authority, failure to receive any gas in any manner for which it has contracted or inability for any other reason to maintain uninterrupted and continuous service.
19. The Company shall not be liable for damage to the person or property of the Customer or any other persons resulting from the use of gas or the presence of the Company's appliances and equipment on the Customer's premises.
20. (a) Whenever a Customer requests the Company to reconnect gas during normal business hours, the Customer shall pay the Company a reconnection fee of \$ 45 if gas service was disconnected by Customer at the same location within six months preceding.
- (b) Except in extraordinary circumstances, reconnections will be scheduled for normal business hours. In the event that extraordinary circumstances occurring and the Customer requests the Company to reconnect gas outside of normal business hours, the Customer shall pay the Company a reconnection fee of \$55 if gas service was disconnected by Customer at the same location within six months preceding.

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- (c) Normal business hours are considered to be Monday through Friday, excluding Vermont legal holidays or any day when the company's business offices are not open to the public, between the hours of 8:00 a.m. and 4:00 p.m., or such extended hours deemed appropriate by the Company.
21. The Customer may, upon request to the Company, change from the rate under which he is purchasing gas service to any other rate applicable to the character of service which he/she is receiving; provided that such change shall not (i) be retroactive; (ii) reduce, eliminate, or modify any contract period, provision, or guarantee made in respect of any line extension or other special condition; and (iii) cause gas service to be billed at any rate for a period less than that specified in such rate schedule. It is provided further that a Customer having changed from one rate to another may not again change within twelve (12) months.
22. The Company may continue to sell and/or transport gas to present and future Industrial and Commercial customers on an interruptible basis as approved by the State of Vermont Public Utility Commission. Deliveries of gas to such interruptible customers will be interrupted or curtailed by the Company at any time or period of time in order to safeguard the supply of gas to firm gas customers or when the daily supply of gas is insufficient to supply the aggregate of the requirements of all firm gas customers and interruptible customers. Services to such customers provide, in effect, that the quantities of gas available for sale to the Customer shall be determined by the Company in its sole discretion. The Company will curtail or interrupt deliveries of gas to interruptible Customers, except in the event of force majeure or other justifiable circumstances, in the order of the sales or transportation margins by Customers at the time of curtailment or interruption; Customers contributing the lowest margins will be curtailed or interrupted first and deliveries will be restored to such Customers in the inverse order.
23. The Company shall have the right to discontinue service to the Customer immediately and without notice for any of the following reasons:
- (A) If Customer violates a rule or regulation of the Company on file with the Public Utility Commission, and the violation of the rule is such as to cause a hazard to life and/or property.
 - (B) Disconnection if necessary for reasons of health, safety or state of national emergency.
 - (C) If ever a fraudulent use of service by the Customer is detected.
24. The Company shall have the right to discontinue its service to any Customer in the event Customer fails to pay any proper bill for gas service within thirty (30) days of the verifiable transmittal date

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of the bill or at least thirty (30) days of the due date printed on the bill. The discontinuance of service must be in accordance with the following disconnection policies and the provisions of PUC Rules 3.300 and 3.400:

DISCONNECTION POLICY - RESIDENTIAL CUSTOMERS

- (A) (1) Within seventy (70) days, but not less than thirty (30) days, after the verifiable transmittal date of a bill in the amount of \$50.00 or more, the Company must send a Customer a written disconnect notice containing the provisions required by PUC Rule 3.303 if payment of such bill has not been received by the Company.
- (2) The earliest disconnection date stated in the disconnect notice must be at least fourteen (14) days and not more than twenty (20) days subsequent to the date of transmitting such disconnect notice.
- (B) Disconnection will not occur if:
- (1) the delinquent bill or charge, or aggregate delinquent bills and charges, do not exceed \$50.00;
 - (2) the only charges or bills constituting the delinquency are more than two years old;
 - (3) the delinquency is due solely to a disputed portion of a charge which has been referred to the Public Utility Commission by the Customer or the Company, and the Commission has advised the Company not to disconnect service;
 - (4) the delinquency is due to a failure to pay a line extension, special construction charge, or other non-recurring charge, except that this exception does not apply to reconnection charges or charges for personal visits to collect delinquent accounts or efficiency measures;
 - (5) the disconnection would represent an immediate and serious hazard to the health of the Customer or a resident within the Customer's household, as set forth in a physician's certificate furnished to the Company. In lieu of the physician's certificate, other notice, by telephone or otherwise, that a physician's certificate is forthcoming will be the same as receipt of such certificate, provided that actual receipt of the certificate is provided to the Company in seven (7) days. The use of the physician's certificate to prevent disconnection is limited to two (2) consecutive 30 day periods and must not exceed three (3) 30-day periods in any calendar year, except upon written order of the Public Utility Commission;

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- (6) the Customer has not been given an opportunity to enter into a reasonable repayment plan or, having entered into such a plan, has paid at least 75 percent of each agreed-upon payment as due;
 - (a) When negotiating repayment plans with delinquent Customers, the Company must take into consideration the income and income schedule of the Customer (if offered by the Customer), Customer payment history, the size of the arrearage and the current bill, the amount of time and the reason for the outstanding bill, and whether the delinquency was caused by unforeseen circumstances.
 - (b) Repayment plans between Customers and the Company will be in writing and will notify the Customer that failure to pay at least 75 percent of each agreed-upon payment as due could lead to disconnection following prior notice consistent with PUC Rule 3.305.
 - (7) the Customer has not been offered the opportunity to enter a budget billing plan as defined in PUC Rule 3.302(D) for the payment of future bills;
 - (8) the proposed disconnection dates fall between November 1 and March 31, inclusive, unless the Company has complied with the additional specific requirements of PUC Rule 3.304;
 - (9) the proposed disconnection dates fall between November 1 and March 31, inclusive, and the Company has been provided with written evidence that a member of the household to be disconnected is age 62 or older, unless the Company has complied with the specific requirements of PUC Rule 3.303(I); or
 - (10) the household to be disconnected by the Company is a rental unit or contains one or more rental units, unless the company has complied with the specific requirements of PUC Rule 3.302(C).
- (C) (1) Pursuant to due notice as required by PUC Rule 3.300, service may be disconnected by Company between the hours of 8:00 a.m. and 5:00 p.m. on the date specified in the notice, or within four (4) business days thereafter between April 1 and October 31, inclusive and within eight (8) days thereafter between November 1 and March 31, inclusive. Service may be disconnected on any Monday through Thursday which is not a Vermont legal holiday or a day when the Company's business offices are not open to the public, or any day preceding a day when the Company's business offices are not open to the public.

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- (2) When service is disconnected, the individual making the disconnection must immediately inform a responsible adult on the premises that service has been disconnected or, if a responsible adult is not on the premises at the time of disconnection, such individual must leave on the premises, in a conspicuous and secure place, a notification advising that service has been disconnected and what the customer has to do to have service restored.
- (D) In the event Company sends an employee to the Customer's premises for the purpose of disconnecting service for non-payment of a bill and Customer makes payment to such employee in order to prevent disconnection, the Company will charge the Customer \$15.00 for sending such employee to the premises.
- (E) Consistent with PUC Rule 3.302, the Company must provide notice to the property owner of a residential rental property if service to the property has been disconnected, even if the tenant is the customer.

DISCONNECTION POLICY - NON-RESIDENTIAL CUSTOMERS

- (A) (1) Within seventy (70) days, but not less than thirty (30) days, after the verifiable transmittal date of a bill, the Company must send a Customer a written disconnection notice containing the provisions required by PUC Rule 3.403 if payment of such bill has not been received by the Company.
- (2) The earliest disconnection date stated in the disconnect notice must be at least fourteen (14) days, or seven (7) days if a Customer has failed to abide by the terms of a repayment agreement, and not more than twenty (20) days subsequent to the date of transmitting such disconnect notice.
- (B) Disconnection will not be permitted if the delinquency is due solely to a disputed portion of a charge which has been referred to the Public Utility Commission by the Customer or the Company, and the Commission has advised the Company not to disconnect service.
- (C) (1) Service may be disconnected, pursuant to due notice, by Company between the hours of 8:00 a.m. and 5:00 p.m. on the date specified in the notice, or within four (4) business days thereafter between April 1 and October 31, inclusive, and within eight (8) days thereafter between November 1 and March 31, inclusive. Service may be disconnected on any Monday

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through Thursday which is not a Vermont legal holiday or a day when the Company's business offices are not open to the public, or any day preceding a day when the Company's business offices are not open to the public.

- (2) When service is disconnected, the individual making the disconnection must immediately inform a responsible adult that service has been disconnected or, if a responsible adult is not on the premises at the time of disconnection, must leave on the premises, in a conspicuous place, a note or letter advising that service has been disconnected and what the customer has to do to have the service restored.

- (D) In the event Company sends an employee to the Customer's premises for the purpose of disconnecting service for non-payment of a bill and Customer makes payment to such employee in order to prevent disconnection, the Company will charge the Customer \$15.00 for sending such employee to the premises.

- (E) Consistent with PUC Rule 3.402, the Company must provide notice to the property owner of a rental property if service to the property has been disconnected, even if the tenant is the customer.

25. RESTORATION OF SERVICE

- (A) In the event the cause for a disconnection has been removed, an agreement has been reached between the Company and the Customer with respect to the dispute which led to disconnection, or the Public Utility Commission has directed restoration of service, service restoration must occur within twenty-four (24) hours unless a longer period of time is requested by the Customer.

- (B) In the case of residential customers, the Company must also restore service to a disconnected Customer if such Customer pays one-half ($\frac{1}{2}$) of the delinquent bill, or a lesser negotiated amount before restoration and enters into a repayment agreement to pay the balance over a minimum period of three (3) months. The Company is not required, however, to enter into more than two (2) such restoration/repayment agreements with any such Customer within a calendar year.

- (C) In the case of residential customers, if the Company receives from a disconnected Customer a physician's certificate as previously described in Section 24 of this tariff, the Company must restore service as soon as possible, but in no event longer than twenty-four (24) hours.

- (D) In the case of residential customers, the Company must not require as a condition of restoration of service the prepayment of any nonrecurring charges associated with such restoration. Such

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charges must be paid, however, within thirty (30) days unless otherwise agreed upon between the Customer and the Company.

- (E) For restoration of service after discontinuance pursuant to Sections 24(A), 24(C) or 25 of this tariff, a reconnection charge of \$45.00 will be levied when such restoration is made between the hours of 8:00 a.m. and 4:00 p.m. on Monday through Friday, except holidays. To the extent feasible, the Company will avoid performing restorations which would incur overtime rates, but when restoration is done outside the hours of 8:00 a.m. to 4:00 p.m. Monday through Friday (or on holidays falling on a Monday through Friday, inclusive), the charge for restoration will be \$55.00.
- (F) Pursuant to Section 17 of this tariff, a deposit may be required prior to reconnection.

26. SERVICE GUARANTEE CREDITS

- (A) Customer shall be entitled to a \$15 credit if the Company does not initiate service within five business days of the service initiation date agreed upon by Customer and the Company provided that all necessary distribution and service lines have been installed prior to the requested date. As used herein, service will be considered initiated when the natural gas meter is turned on and the account associated with that meter is in the Customer's name.
- (B) Customer shall be entitled to a \$10 credit if the Company fails to make a final meter reading within five business days of the service termination date agreed upon by Customer and Company.
- (C) Customer shall be entitled to a \$10 credit if the Company does not render a bill for gas service within seven days of the scheduled billing cycle.
- (D) Customer shall be entitled to a \$10 credit if Customer receives an inaccurate bill for gas service. Multiple bills for a customer that are caused by the same error shall be counted as one incident
- (E) The credit described in (D) shall not apply in the following circumstances:
 - (1) The inaccuracy favors and the Company chooses not to collect the difference;
 - (2) The inaccuracy is strictly as result of estimation;
 - (3) Bills where the inaccuracy does not effect the calculation of the bill;
 - (4) Inaccuracy where the fault does not lie with the Company.

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- (F) In the event of systemic errors that affect in excess of 500 customers in the same manner and the same incident, the amount of service guarantee credits pursuant to (C) and (D) shall be capped at \$5000 per incident. The \$5000 shall be divided equally among all affected customers.
 - (G) In the event that the meter is located indoors or otherwise requires the Customer to provide the Company access to the meter, Customer shall not be entitled to the credits described in (A) and (B) if Customer did not provide reasonable access to the meter at the time agreed to by Customer and Company.
 - (H) Any credits owing to Customer pursuant to (A), (B), (C) and (D) will be applied to the Customer's account unless the account has been closed. If the account has been closed, Company will first apply the credit to any outstanding balance and then will mail a check for any remaining amount of credit to the Customer's last known address.
27. Other Rules and Regulations prescribed by the Public Utility Commission not covered by these Terms and Conditions, are hereby made a part thereof and service to Customers shall be subject thereto.

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Reserved for Future Use