

# CONNECTICUT NATURAL GAS CORPORATION

## RATE LGS (LARGE GENERAL SERVICE)

### 1. **Availability:**

For service to commercial and industrial customers with actual or reasonably anticipated consumption greater than 30,000 Ccf per year and for service to separately metered cogeneration facilities of less than 1 MW.

### 2. **Facilities Requirement:**

If necessary, Customers must install the necessary telephone line(s) or extension(s), terminated near the Company's gas meter, to permit the installation of Company owned and operated daily demand metering equipment. Customers must certify by Company provided affidavit that they will thereafter maintain the telephone line(s) or extension(s) to allow usage to be reported to the Company on a daily basis. Once a functioning daily demand meter has been installed on the Customer's premise, the Customer will be subject to a daily demand metering charge as set forth in the Rate Per Month section of the tariff. In the event that the Company has installed a daily demand meter and the Customer has not yet provided the required suitable telephone line, the daily demand metering charge shall commence being charged. In addition, if the Customer has not provided the required suitable telephone line within ninety days of daily demand meter installation, the Company may install the necessary phone line and recover the actual installation costs plus applicable charged service work from the Customer.

### 3. **Definitions:**

- (a) The term "Average Daily Usage" is defined by dividing the total monthly billed consumption by the number of days a customer has received service during that billing month.
- (b) The term "Business Day" is defined as Monday through Friday, excluding Federal Banking Holidays for transactions in the United States.
- (c) The term "Company" shall mean Connecticut Natural Gas Corporation or successors, assigns, or divisions thereof.
- (d) The term "DDM" refers to a daily demand meter.
- (e) The term "Delivery Service" shall mean the physical act of moving natural gas across the Company's distribution system to a customer's facility.

Effective: 11/01/09

Supercedes: 06/01/09

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- (f) The term "HUDD" refers to the heat factor per degree day calculated using customer-specific actual average usage for the 5-month winter billing period of November through March.
- (g) The term "Hurdle Rate Model" refers to the Company's internal financial model that determines whether the expected revenues from a new customer will result in the return of the Company's initial investment, plus its allowed rate of return. Certain information from this model may be utilized in establishing a New Customer Peak Day MDQ.
- (h) The term "New Customer" is defined as a customer moving into a premise without established gas service, or an existing customer adding a new service and meter.
- (i) The term "3MBU" refers to the average daily base use calculated using customer-specific actual usage for the 3-month billing period of July, August and September.
- (j) The term "Peak Day" is defined as Customer's Maximum Daily Quantity (MDQ) of gas consumed on any individual day during the most recent five-month winter period of November through March (subject to minimum MDQ criteria).
- (k) The term "Supply Service" is defined as the activities associated with the supply of the natural gas supply only.
- (l) The term "Transfer Customer" is defined as a customer moving into a premise with established gas service and the customer intends to operate similar to the past occupant.

#### 4. **Delivery Service:**

All customers served under this tariff are deemed to be Company delivery customers. All delivery-related charges in Section 6 (a) are applicable.

#### 5. **Supply Service:**

**(a) Third-Party Supplier Service Option** - Customers served under this tariff schedule LGS have the option of selecting a third-party gas supplier. If such an election is made, the customer must have:

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- i. Arranged for and maintains service with a third-party gas supplier under the Company's Rate TRS (Transportation Receipt Service) to receive natural gas for the Customer's use; and,
- ii. Identified to the Company an individual or individuals, along with the appropriate telephone numbers, that are available on a twenty-four (24) hour basis to represent the Customer's interests as they apply to receiving natural gas under this Rate LGS and Rate TRS; and,
- iii. Provided the Company with a completed Transportation Election Agreement (TEA) or otherwise completed the Company enrollment process.

The Customer shall have the right to elect and/or modify certain information contained on the TEA by delivering a revised TEA to the Company five (5) business days prior to the effective date of the change(s). The information that the Customer may modify shall relate only to the following items: 24 hour Customer Contact, Customer Authorized Gas Supplier, and/or the Customer authorized entity providing service under Rate TRS.

**(b) Company Supply Service Option** – Customers served under this tariff schedule LGS that do not elect a third party supplier are deemed to be Firm Company Supply customers. All optional supply-related charges in Section 6 (b) are applicable in addition to charges otherwise applicable hereunder.

### 6. Rate per Month:

#### (a) Delivery Service (Applicable to all customers):

Customer Charge:	\$255.50
Daily Demand Metering Charge:	\$17.48 (Applicable to All Customers with an Installed and functioning Daily Demand Meter)
Demand Charge:	\$1.1783 per Ccf of Maximum Daily Demand
Delivery Charge:	
First 5000 Ccf:	\$0.0925 per Ccf
Over 5000 Ccf:	\$0.0250 per Ccf

Subject to the Conservation Adjustment Mechanism (CAM) as approved by the Department of Public Utility Control (DPUC) of the State of Connecticut.

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### (b) Supply Service Option:

#### 1) Company Sales Service Option:

Supply Charge: Established monthly in accordance with and pursuant to the Purchased Gas Adjustment Clause as approved by the DPUC.

Sales Services Charge: \$0.0324 per Ccf

#### 2) Third-Party Supplier Service Option:

Transportation Services Charge: \$0.0478 per Ccf

### 7. Minimum Monthly Charge:

Customer Charge and Daily Demand Metering Charge and Demand Charge as presented in Section 6 (a) above.

### 8. Monthly Demand Charge:

#### i. Existing Customers

For existing customers with an installed daily demand meter who have received service for greater than one year, the Maximum Daily Quantity (MDQ) will be determined based upon the customer's highest actual daily usage for the most recent 5-month winter-period (November through March). If daily demand metering data is not available or a daily demand meter is not installed, the MDQ will equal the 3MBU plus the HUDD times the heating degree days [Peak load demand MDQ = 3MBU + (HUDD \* degree days)].

#### ii. Transfer Customers

For a transfer customer that intends to operate similar to the past occupant, the initial MDQ will be based on the historical profile of the past occupant.

For DDM equipped customers, the initial MDQ will continue to be used for billing until it is surpassed by an actual, winter-period (November - March) DDM read or becomes more than 12-months old. Actual, not normalized, DDM reads will be used for demand billing. If a DDM read is unavailable during a winter-period month, that month's MDQ will be calculated using the same base-thermal formula applicable to non-DDM customers.

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For customers that do not require DDM equipment, the initial MDQ will continue to be used for billing until surpassed by a winter-period calculated MDQ or becomes more than 12-months old. Each winter month billing MDQ calculation will multiply the customer's 5-month average HUDD times actual HDDs for the month and add the 3MBU.

### **iii. New Customers**

For new customers, the initial estimated MDQ will be based on the Hurdle Rate model's calculated 3MBU and HUDD. The resulting MDQ will be calculated by multiplying the HUDD by design day HDDs and adding the 3MBU. The Hurdle Rate HUDD and 3MBU will be used for all billing requirements, such as bill estimation and cancel and re-bill, until updated by actual consumption.

For DDM equipped customers, the Hurdle Rate MDQ will continue to be used for billing until it is surpassed by an actual, winter-period (November-March) DDM read or becomes more than 12-months old. Actual, not normalized, DDM reads will be used for demand billing. If a DDM read is unavailable during a winter-period month, that month's MDQ will be calculated using the same base-thermal formula applicable to non-DDM customers. For customers that do not require DDM equipment, the Hurdle Rate MDQ will continue to be used for billing until surpassed by a winter-period calculated MDQ or becomes more than 12-months old. Each winter month billing MDQ calculation will multiply the customer's 5-month average HUDD times actual HDDs for the month and add the 3MBU.

### **iv. Minimum MDQ**

In no instance shall any customer's MDQ be less than the Average Annual Daily usage, calculated monthly, for the most recent 12-month period or less than 82 ccf.

### **v. Winter Period Ratchets**

All MDQ values, for all customer types (i.e., existing, new and transfer), are subject to increases based on actual usage data (either actual DDM data or monthly base/thermal formula estimated MDQs) during the five winter period months of November through March.

### **vi. Normalization**

MDQs will not be normalized.

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### 9. Annual Qualifications:

Customers are subject to an annual consumption review. Upon review customers deemed to be no longer qualified for Rate LGS may be reassigned to the appropriate rate then in effect.

### 10. Service Obligation:

The Company's service obligation for those customers electing the Third-Party Supplier Service Option under this Rate LGS shall be limited solely to redelivering supplies and services purchased and received under Rate TRS (Transportation Receipt Service). The Customer acknowledges that it is paying solely for the costs associated with such limited service and that no ancillary services (other than those provided under Rate TRS) are being provided. The Company shall have no obligation to serve the Customer with natural gas at any time where the volumes and services purchased and received under Rate TRS are insufficient to meet the Customer's gas requirements.

The Company may suspend or terminate service to the Customer when the Customer fails to maintain gas service under Rate TRS and continues to consume gas at the delivery point. In this situation the Company may, at its discretion, assume that the Customer has elected service under Rate TRS in which case the Customer will immediately assume all rights and obligations associated with receiving service under Rate TRS in addition to receiving service under this rate schedule.

### 11. Payment:

Bills will be rendered monthly and are due and payable upon presentation.

### 12. Delayed Payment Charge:

Bills not fully paid within twenty-eight (28) days of the billing date shall be subject to interest charges on the unpaid balance at the rate of 1% per month.

### 13. Term of Service:

For an initial period of not less than one year, a customer cannot switch between either the Third-Party Supplier Service Option or the Company Supply Service option before fulfilling 12 months of continuous service under either Supply Service option.

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New customers that qualify for the Third-Party Supplier Option but have commenced service under the Company Supply Service Option have (3) months from their initial gas flow to elect to switch to the Third-Party Supplier Service Option. However, these new customers may not switch during the winter months of November – March.

Once the new customer's three-month window in which the customer may select service expires, the customer must continue service under the selected service for 12 months.

### **14. Service Regulations:**

The Company's Service Rules and Regulations shall apply to service under this Rate LGS, to the extent not inconsistent with the terms and conditions of this rate LGS. Bill less than 28 days or more than 34 days will be prorated.

### **15. Return to Supply Service:**

Should the Customer request a switch from the Third-Party Supplier Service Option to the Company's Supply Service Option, the Company will evaluate such request based upon its then current ability to serve the Customer considering its interstate transportation, storage and supply position.

The Company will endeavor to accommodate such requests but may be required to charge the Customer higher costs that it may incur for newer, higher cost interstate pipeline capacity (incremental facilities) to accommodate such request.

New customers that have initially elected the Third-Party Supplier Service Option and qualify for return to Company Supply Service Option are subject to the limitations outlined in Section 13 above, and cannot return during the winter months of November through March.