

WASHINGTON GAS LIGHT COMPANY

Firm Delivery Service Gas Supplier Agreement

Rate Schedule No. 5

AVAILABILITY

For qualified Third Party gas suppliers where:

- A. The Supplier executes a Consent Form or the supplier receives agreement through the Internet with a Customer, or Customers, served under Delivery Service Rate Schedule No. 1A, 2A, or 6 to transport gas to the Company's City Gate for the account of such customer or customers.
- B. The Supplier executes a Gas Supplier Application Agreement with the Company to provide service to customers under this Schedule and agrees to abide by the terms of this rate schedule. A form Gas Supplier Application Agreement is annexed to Rate Schedule No. 5 and hereby incorporated by reference. Such application Agreement shall include, but not limited to data on the Required Operating Procedures as they apply to suppliers.
- C. The Supplier satisfies the Company's credit requirements as defined in this schedule.
- D. For participation in the Residential Firm Delivery Service Rate Schedule, the Residential customer must execute and the Company receive a Customer Consent Form or the supplier receives customer agreement through the Internet for a term of one-year commencing on or after January 1999 and not to extend beyond March 2001. Such agreement may provide for multiple District of Columbia customer delivery locations in order to aggregate individual customer usage to meet the third party supplier minimum requirement of at least 100 Dths of customers' daily contract quantity. However, each customer delivery location shall be billed separately for services provided by the Company.
- E. The supplier shall provide, for Internet enrollment, renewal, renegotiations and cancellation information transfer between the customer and the supplier, a secure environment to ensure privacy of customer information.
- F. A failure by a supplier to either provide its customer's DRV for five calendar days in a month, or for five consecutive calendar days over any time period, or to reconcile a FAILURE TO DELIVER THE DRV, as described below may be considered a breach of contract and the contract will be considered terminated at the Company's sole discretion. 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 on the day of the subsequent meter read of the customer. 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: February 20, 2004

Effective for service rendered on and after February 13, 2004

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

WASHINGTON GAS LIGHT COMPANY

GAS SUPPLIER APPLICATION AGREEMENT - RATE SCHEDULE NO. 5  
DISTRICT OF COLUMBIA

**A. APPLICANT INFORMATION**

Date \_\_\_\_\_

Applicant Name \_\_\_\_\_  
(Legal name under which business is licensed)

Business Trade Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone Number ( ) \_\_\_\_\_ Tax ID Number \_\_\_\_\_

Type of Business \_\_\_\_\_

**B. CREDIT INFORMATION**

1. Applicant must demonstrate that it has met the credit requirements of at least one independent (i.e. unaffiliated) Interstate Pipeline Company that is also a pipeline supplier of Washington Gas Light Company.

List of Independent Interstate Pipeline Companies the credit requirements of which Applicant has met. Provide documentation supporting credit qualification of at least one Interstate Pipeline listed below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

List Interstate Pipeline Companies with which Applicant is affiliated:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Has the Applicant filed for or is the Applicant currently under bankruptcy law protection?

Yes

No

**C. TARIFFS AND GENERAL SERVICE PROVISIONS**

Applicant agrees to comply with the provisions of Washington Gas Light Company's currently effective Rate Schedules, including but not limited to Rate Schedule Nos. 1A, 2A and 5, and General Service Provisions on file and approved by the District of Columbia Public Service Commission, as they may be amended or superseded by that regulatory authority, and are hereby incorporated into this Application Agreement by reference.

**D. CUSTOMERS TO BE SERVED BY APPLICANT**

The following customers of Washington Gas Light Company will be served by the Applicant in conjunction with Rate Schedule Nos. 2A and/or 5:

<u>Customer</u>	<u>Account Number</u>	<u>Daily Contract Quantity (DCQ) – Dth</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Attach separate sheet if necessary.

**E. PERSONAL JURISDICTION**

In any action or proceeding arising from, or related to, natural gas service provided pursuant to Rate Schedule No. 5 to a customer receiving service pursuant to Rate Schedule Nos. 1 A, 2A, or any other subsequent rate schedules approved by the Public Service Commission of the District of Columbia for delivery service, the Applicant hereby expressly consents to the personal jurisdiction of any District of Columbia court(s), the Public Service Commission of the District of Columbia or any other agency (ies) having subject-matter jurisdiction over the action or proceeding. Service of process shall be perfected by mailing a copy of any complaint or other pleading, postage prepaid, return receipt requested, to Applicant's address stated above. The Applicant also consents to the appointment of the Secretary of the Public Service Commission of the District of Columbia to accept service of process in any action or proceeding in the District of Columbia to which the Applicant shall be a party.

**F. NO DISCRIMINATION**

The Applicant expressly agrees not to discriminate against any buyer or customer receiving natural gas service under Rate Schedule Nos. 1A, 2A, or any other subsequent rate schedules approved by the Public Service Commission of the District of Columbia for delivery service, on the basis of race, sex, political or religious affiliation or geographic location. The Applicant shall not grant any undue preference or advantage to any buyer or customer or subject any buyer or customer to any undue discrimination in the rates, charges or terms and conditions of service provided pursuant to Rate Schedule Nos. 1A, 2A and 5, or any other subsequent rate schedules approved by the Public Service Commission of the District of Columbia for delivery service.

**G. GOVERNING LAW**

This Gas Supplier Application Agreement shall be governed by and construed in accordance with the laws of the District of Columbia without regard to its rules on conflicts of laws.

**H. AUTHORIZATION, REPRESENTATION AND ACCEPTANCE**

Applicant represents that all information and documentation provided with respect to this Application Agreement is true, accurate and complete in all respects. All information provided will remain confidential and be used only for the purpose of evaluating the Applicant's creditworthiness.

**ACCEPTED:**

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

\_\_\_\_\_  
Signature of Authorized Person

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

If your application for credit is declined, you may request a statement of the reason for such action if a request is made within 60 days of notification from Washington Gas Light Company.

Firm Delivery Service Gas Supplier Agreement - Rate Schedule No. 5 (continued)

- G. 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. 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 effective with the subsequent meter read of the customer following a fifteen day notice period.
  - b) Any imbalance existing at that time will be reconciled through the supplier's Imbalance Account.
  - c) The capacity assigned shall revert back to the Company. Under such conditions, the new supplier will be assigned the capacity.
- H. 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).
- I. The Company will, upon the written request of interested customers, distribute in writing to non residential customers a listing of their historic weather-normalized average usages for a two-year period.
- J. 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.
- K. 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.

ISSUED: March 27, 2001

Effective for meter readings on and after April 1, 2001

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

Firm Delivery Service Gas Supplier Agreement - Rate Schedule No. 5 (continued)

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 CHARGE

A balancing charge shall be billed to suppliers pursuant to General Service Provision No. 23.

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 maybe 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 TRANSPORT THE DRV.

RESPONSIBILITY FOR GAS TRANSPORTATION DELIVERY

The Supplier shall have delivered the Company-specified DRV to the Company's City Gate each day unless under 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.

ISSUED: March 27, 2001

Effective for meter readings on and after April 1, 2001

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

Delivery Service Gas Supplier Agreement – Rate Schedule No. 5 (continued)

FAILURE TO TRANSPORT 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 TRANSCO's Zone 6, Non-New York 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. 5 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

ISSUED: March 27, 2001

Effective for meter readings on and after April 1, 2001

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

Firm Delivery Service Gas Supplier Agreement - Rate Schedule No. 5 (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. By the 9<sup>th</sup> calendar day of the month (next business day if holiday or weekend), each supplier shall provide to the Company the ADCQ and a list of customers to be supplied by that Supplier during the following month.
2. 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.
3. 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.
4. 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.
5. 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.
6. By 10 a.m. 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 10:00 a.m. 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.

Firm Delivery Service Gas Supplier Agreement - Rate Schedule No. 5 (continued)

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 transported prior to its physical delivery to the Company or after its re-delivery to the Customer.

CREDIT WORTHINESS

Prior to the Company approving an Application to provide service to customers and during the provision of service, the Supplier must demonstrate to the Company's satisfaction that it has met and continues to meet the credit worthiness criteria as set forth in the Application Agreement.

Based on the Company's credit worthiness criteria, a supplier may be required to post security with the Company. The security amount shall be computed and billed to Suppliers for the winter season, November through March, and for the summer season, April through October. Such security amounts shall be the product of (1) volumes at risk, (2) price at risk, (3) time at risk as computed in the following manner:

- A. The volumes at risk shall be computed as the Suppliers' allocated design day demand less peaking as calculated on or around September 1 for the winter season, and the suppliers' allocated design day demand less peaking and storage as calculation on or around February 1 for the summer season.
- B. The price risk for the winter season shall be equal to the highest fifteen-day rolling average winter (November – March) delivered cost of gas to the Company from the previous five years. The price at risk for the summer season shall be equal to the highest fifteen-day rolling average summer (April – October) delivered cost of gas to the Company from the previous five years.
- C. The time at risk shall be the sum of five calendar days of possible non-performance and ten days of administration per month, which includes time for Commission and customer notification.

The security amounts for the winter and summer seasons, computed as set forth in this rate schedule, shall be posted with the Company by October 15 and March 15, respectively. As an initial credit measure, the Company will assess Suppliers joining the Delivery Service Program for the first time a five thousand dollar (summer season) or ten thousand dollar (winter season) security amount. The Company reserves the right to adjust the security amount requirement if the Supplier's customer enrollment level changes by more than twenty percent between the seasonal security posting periods.

Upon notification by the Company that the Supplier no longer satisfies the credit criteria or has failed to timely pay any bill rendered under this schedule, the Supplier is disqualified until such time as satisfactory evidence is provided by the Supplier that the Supplier's overall financial condition again meets the Company's credit criteria or an acceptable credit enhancement, including but not limited to a cash deposit, letters of credit or surety bonds, is furnished to the Company.

GAS QUALITY STANDARDS

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

ISSUED: February 20, 2004

Effective for service rendered on and after February 13, 2004

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

Firm Delivery Service Gas Supplier Agreement – Rate Schedule No. 5 (continued)

DELIVERY TAX CHARGE

For bills rendered on and after December 2, 2005, all customer gas consumption under this rate schedule shall also be billed an amount per therm for District of Columbia Delivery Tax in accordance with the applicable sections of the District of Columbia Official Code. This charge replaces the Gross Receipts Tax Charge that was based on the effective tax rate along with the billing of revenues to which it applied.

BILLING

At the request of a supplier, the Company will include the supplier's billing amount on the Company's bill. The Company will charge the supplier 50¢ per account each month. 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.

REVENUE ACCOUNTING

Revenues received from penalty charges 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.

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 included but not limited to District of Columbia Receipt Tax.

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 Dth. Such charge is subject to re-determination to be effective with the annual ACA for the December billing period each year.

CAPACITY ASSIGNMENT

In order to assign capacity consistent with the terms below the Company will determine the capacity requirements to serve the design day demand of each supplier's customers. The supplier's demand will be served with capacity 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. Assignment of capacity from these resources will be determined by the Company based on the Company's portfolio mix at that point in time. Storage and peaking capacity assignments will be mandatory and firm transportation capacity will be partially mandatory as described below.

The capacity level of each resource will be determined by the Company; annually for the allocation amongst the types of capacity resources and monthly for the capacity allocation amongst the suppliers. Washington Gas will assign suppliers with 50 percent of their transportation capacity requirement from the Company's current portfolio of firm primary point transportation contracts.

ISSUED: November 21, 2005

Effective for service rendered on and after December 2, 2005

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

Firm Delivery Service – Gas Supplier Agreement – Rate Schedule No. 5 (Continued)

Suppliers may avoid the mandatory assignment of transportation capacity if the supplier can demonstrate that they have primary point transportation capacity under contract for a minimum of five years (firm for the period of the contract or one year firm with annual renewal). These contracts must cover the supplier's firm design day transportation requirements for the months of January and February. If the supplier's contracted level of firm, primary point transportation capacity is less than 50 percent of their design day requirements for January and February; the Company will assign the remaining amount to the supplier.

The supplier, at the sole discretion of the Company, may exercise an option of a voluntary assignment of firm transportation for up to 100 percent of its firm transportation requirement.

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.

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 31<sup>st</sup> 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 1<sup>st</sup> 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

The Company will monitor the supplier's compliance with these capacity assignment requirements and non-compliance will make the supplier ineligible for participation under this rate schedule.

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.