

**NATURAL GAS CURTAILMENT PLAN – SCHEDULE CP-1**

a. During periods when the demand for natural gas service exceeds available supplies, the public interest requires the curtailment of natural gas service be controlled in a manner which will be equitable to all customers, will provide the greatest benefit for the greatest number of people and will be consistent with the way in which gas service is supplied to a utility by its pipeline supplier. Accordingly, the Company shall limit or deny service to its customers in a uniform manner. Curtailment of natural gas service shall be in accordance with the priority categories set forth below, following the order of categories listed as closely as reasonably practicable. Curtailment shall be implemented in the inverse order of the categories listed (beginning with Priority 7). 100% of the assigned curtailment is to be directed and achieved in each priority category before proceeding to the next category, if reasonably practicable. Curtailment shall be terminated in the reverse order as natural gas supplies permit.

The Company may, due to localized restrictions in natural gas supply or localized problems or *force majeure* events on the Company's distribution system or on interstate pipelines, curtail only specific locations on the Company's distribution system if this limited curtailment is sufficient to control natural gas usage within acceptable limits. The order of categories listed need not be followed in this localized area, and the Company may limit or deny service in a manner that maintains service to the largest number of customers.

b. The Company reserves the right to physically control a customer's natural gas supply if the customer does not comply with an order to curtail usage.

c. Customers are responsible for an additional charge for unauthorized use upon failure to curtail natural gas requirements when notified by the Company. The additional charge for unauthorized use shall be assessed as follows:

1. During a curtailment when interstate pipeline capacity is not limited, the additional charge shall be the greater of incremental cost to the Company that results from a failure to curtail or interrupt, or \$2.50 per therm for natural gas used in excess of the maximum quantity level allowed by the Company.
2. During a curtailment due to capacity limitations on interstate pipelines, the additional charge shall be the greater of incremental cost to the Company that results from a failure to curtail or interrupt, or \$10.00 per therm for natural gas used in excess of the maximum quantity level allowed by the Company.

Incremental cost, as referenced above, shall include any interstate pipeline penalties incurred as a result of customers' failure to curtail or interrupt, as well as the total cost of incremental interstate pipeline capacity and/or natural gas commodity purchased to serve customers' load on the day(s) of curtailment or interruption.

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d. Curtailement Priority Categories:

Priority 1 - Residential requirements for any purpose.

Priority 2 - Requirements for in session schools, hospitals, sanitation facilities, police protection and fire protection, except where the use of a fuel other than natural gas is reasonably available.

Priority 3 - Requirements for essential feedstock uses, other than when production operations are shut down, except where the use of a fuel other than natural gas is reasonably available.

Priority 4 - Commercial and industrial requirements having a maximum day requirement of 30 Mcf per day or less.

Priority 5 - Commercial and industrial requirements having a maximum day requirement in excess of 30 Mcf per day.

Priority 6 – Small volume interruptible requirements (Ig-1 customers).

Priority 7 – Large volume interruptible requirements (Ig-2 customers).

e. Definitions:

Curtailement: When the Company does not have adequate supplies to service existing requirements due to restrictions of natural gas supply or problems or *force majeure* events on the Company's distribution system or on interstate pipelines, the Company shall curtail service to customers beginning with the lowest priority category (Priority 7) until supplies are adequate to serve all remaining customers.

Interruption: A short-term restriction of supply to customers to enable a utility to avoid exceeding its daily entitlement and to avoid penalty charges or restricting provisions from the pipeline company. Interruptible customers will generally be interrupted to allow a utility to stay within its contract demand with the pipeline but may also occur because of emergency situations which arise on a utility's system.