

RATE SCHEDULE 208
NEGOTIATED SERVICE

Applicability and Character of Service

On occasions, the Company may have gas that it cannot sell or transportation service that it cannot provide pursuant to its rate schedules because its maximum rates are not competitive with alternate fuels or energy sources. On such occasions, a service opportunity is lost to the Company and to its Customers. This Rate Schedule is designed to permit the Company to provide services at negotiated rates.

Gas service under this Rate Schedule is available on a limited term basis to all non-residential Customers in the area served by the Company in the State of South Carolina who receive services under the Company's Rate Schedules 202, 232, 252, 262, 242, 203, 213, 204 or 214. The Company may provide negotiated transportation and sales service to Customers who receive service under Rate Schedule 214 in order to compete with alternate fuels or energy sources. Unless otherwise agreed to by the Company, service under this Rate Schedule is interruptible and the Company has the right to discontinue such service on one hour's notice.

Rate

The rate to be charged for gas service pursuant to this Rate Schedule is subject to negotiation between the Customer and the Company.

Payment of Bills

Bills are net and due upon receipt. Bills become past due 15 days after bill date.

Late Payment Charge

A late payment charge of one and a half percent (1 ½%) per month will be applied to all balances not paid prior to the next month's billing date.

Service Interruption and Curtailment

Gas service under this Rate Schedule is subject to the provisions contained within Rate Schedule 206, "Schedule for Limiting and Curtailing Service".

Applicable Documents Defining Obligations of the Company and Its Customers

Service under this rate schedule is subject to the Rules and Regulations of the Public Service Commission of South Carolina ("Commission Rules") and to the Company's Service Regulations. Among other things, the Commission Rules and the Company's Service Regulations permit the interruption or curtailment of service under certain conditions, including events of *force majeure* and operating conditions. A copy of the Commission's Rules may be obtained from the Public Service Commission of South Carolina, 101 Executive Center Dr., Columbia, SC 29210, upon payment of the applicable fee. The Company's Service Regulations may be obtained at each of the district offices of the Company. Unofficial copies of the Company's Service Regulations are available at the Company's Web Site at www.piedmontng.com.