

TARIFF APPLICABLE TO GAS SERVICE
OF
SPIRE ALABAMA INC.

Original Volume 1

Superseding:

- (a) The Company's Rules and Regulations for Gas Service approved by the Alabama Public Service Commission on December 3, 1963, in Docket 14971.
- (b) The Company's Conservation Plan in response to the Alabama Public Service Commission's order in Docket 15957 and filed November 6, 1970.
- (c) The Company's Curtailment Plan approved by the Alabama Public Service Commission on June 15, 1976 in Docket 17150.
- (d) The Company's Rate Schedules approved by the Alabama Public Service Commission on December 30, 1976 in Docket 17190.

Communications covering this Tariff should be addressed to:

Rates and Regulations
Spire Alabama Inc.
605 Richard Arrington Jr. Blvd. N.
Birmingham, AL 35203

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EXPLANATION OF SYMBOLS

When changes are made in any Tariff page, a revised page will be issued superseding the Tariff page affected; such changes will be identified through the use of the following symbols:

- (C) To signify changed regulation
- (D) To signify discontinued rate, regulation or text
- (I) To signify increase
- (N) To signify new rate and/or regulation, and/or text
- (R) To signify reduction
- (T) To signify a change in text but no change in rate or regulation

The above symbols will apply except where additional symbols are identified at the bottom of an individual page.

TWO HUNDRED SEVENTIETH REVISED SHEET NO.2
SUPERSEDING
TWO HUNDRED SIXTY-NINTH REVISED SHEET NO.2

SPIRE ALABAMA INC.

SPIRE ALABAMA INC.
SCHEDULE OF RATES APPLICABLE TO RATE SCHEDULES CONTAINED IN THE TARIFF
EFFECTIVE: January 1, 2023

RATE SCHEDULE	1-Jan-23 BASE RATES	RSE ADJUST. FACTORS	CCM ADJUSTMENT	GSA COST ADJ	TAX ADJ RIDER	EFFECTIVE RATE
R	\$7.93				\$0.05 *	\$7.98
CUSTOMER CHARGE						
COMMODITY CHARGE						
FIRST 50 CCF/CCF	1.2299	0.0000	0.0162	0.7273	(0.0011)	1.9723
NEXT 150 CCF	0.9636	0.0000	0.0137	0.7273	(0.0011)	1.7035
OVER 200 CCF	0.9078	0.0000	0.0138	0.7273	(0.0011)	1.6478
MH	\$19.95				\$0.05 *	\$20.00
CUSTOMER CHARGE						
COMMODITY CHARGE						
W/O DIST. SYS/CCF	1.0578	0.0000	0.0129	0.7273	(0.0011)	1.7969
WITH DIST. SYS.	1.1005	0.0000	0.0129	0.7273	(0.0011)	1.8396
SC & SI	\$14.97				\$0.05	\$15.02
CUSTOMER CHARGE						
COMMODITY CHARGE						
FIRST 150 CCF/CCF	1.1036	0.0000	0.0136	0.7273	(0.0011)	1.8434
NEXT 600 CCF	0.9423	0.0000	0.0117	0.7273	(0.0011)	1.6802
OVER 750 CCF	0.8688	0.0000	0.0110	0.7273	(0.0011)	1.6060
LC & LI	\$19.95				\$0.05	\$20.00
CUSTOMER CHARGE						
COMMODITY CHARGE						
FIRM:						
PRI 1/MCF (LC ONLY)	8.181	0.000	0.097	7.134	(0.011)	15.401
PRI 2	8.117	0.000	0.097	7.134	(0.011)	15.337
PRI 3 (LI ONLY)	8.001	0.000	0.097	7.134	(0.011)	15.221
INTERRUPTIBLE:						
PRI 3/MCF	7.729	0.000	0.097	4.851	(0.011)	12.666
PRI 4	7.596	0.000	0.097	4.851	(0.011)	12.533
PRI 5	7.488	0.000	0.097	4.851	(0.011)	12.425
PRI 6	7.359	0.000	0.097	4.851	(0.011)	12.296
T						
COMMODITY CHARGE						
FIRM:						
PRI 1/MMBTU (LC ONLY)	5.915	0.000	0.097	0.000	(0.011)	6.001
PRI 2	5.849	0.000	0.097	0.000	(0.011)	5.935
PRI 3 (LI ONLY)	5.733	0.000	0.097	0.000	(0.011)	5.819
INTERRUPTIBLE:						
PRI 3/MMBTU	5.461	0.000	0.097	0.000	(0.011)	5.547
PRI 4	5.329	0.000	0.097	0.000	(0.011)	5.415
PRI 5	5.221	0.000	0.097	0.000	(0.011)	5.307
PRI 6	5.091	0.000	0.097	0.000	(0.011)	5.177

* THIS CHARGE WILL BE MULTIPLIED BY THE NUMBER OF DWELLING UNITS WHERE SERVICE IS MASTER
METERED UNDER RATE SCHEDULES R & MH

ISSUED: 12/16/22

EFFECTIVE: 01/1/23

CANCELLATION OF TRANSITION TARIFF
CHILTON COUNTY GAS SYSTEM

CANCELLATION OF TRANSITION TARIFF OF
ALABASTER WATER AND GAS BOARD GAS SYSTEM

CANCELLATION OF TRANSITION TARIFF OF
THE CITY OF JASPER GAS SYSTEM

CANCELLATION OF TRANSITION TARIFF
EAST LAUDERDALE GAS SYSTEM

ACCELERATED INFRASTRUCTURE MODERNIZATION (AIM) PROGRAMPURPOSE:

To provide for revenue, not otherwise recovered through Rate RSE or another provision of the Company's tariff, resulting from the Company's AIM Program. The Commission has established this fifteen (15) year program to accelerate the replacement of the aging gas distribution pipeline facilities to improve system safety, increase pipeline integrity, enhance reliability, and upgrade the system. It will further accelerate current, prioritized efforts to replace cast iron and bare steel mains or services in service at the beginning of the AIM Program. This acceleration will allow for more strategic replacements and would be designed to complete the overall replacement for these existing targeted pipeline materials by the end of fiscal year 2033.

BASELINE PROGRAM MILES:

The Baseline Program Miles (BPM) are determined annually by dividing the number of miles of cast iron and bare steel pipeline (miles) remaining, as reported on the Department of Transportation (DOT) report to the Alabama Public Service Commission's (APSC) Gas Pipeline Safety Division, by the number of years remaining in the AIM Program at the beginning of each fiscal year. Below is an illustration of how BPM will be calculated:

- AIM year 1 BPM = beginning fiscal year balance of cast iron and bare steel gas mains in service divided by 15 years.
- AIM year 2 BPM = beginning fiscal year balance of cast iron and bare steel gas mains in service divided by 14 years, etc.

TREATMENT OF FUTURE ACQUISITIONS:

Replacement of any cast iron or bare steel mains or services associated with future acquisitions of gas distribution companies by the Company are not to be included in this program. Further, in the event the Company acquires a natural gas system during the 15-year term of the AIM Program, the treatment for replacement of the cast iron and bare steel pipe of the acquired distribution system will be considered during the approval process for the acquisition.

ACTUAL PROGRAM MILES:

The Actual Program Miles (APM) are the number of miles of cast iron and bare steel pipeline retired during each fiscal year as reported on the DOT report to the APSC Gas Pipeline Safety Division. Below is an illustration of how APM will be calculated:

- AIM year 1 APM = total miles of cast iron and bare steel mains replaced from the beginning of AIM year 1 to the end of AIM year 1.
- AIM year 2 APM = total miles of cast iron and bare steel mains replaced from the beginning of AIM year 2 to the end of AIM year 2, etc.

ACCELERATED INFRASTRUCTURE MODERNIZATION (AIM) PROGRAM – page 2PLANNING AND REPORTING:

During the annual Rate Stabilization and Equalization (RSE) budget process and review the anticipated range of Actual Program Miles to be replaced and how the work addresses priority and strategic objectives will be presented to the APSC and Attorney General's (AG's) Staff. It is understood that such plans need to retain a level of flexibility for changing conditions.

After the end of each fiscal year, in conjunction with the annual filing of the results for Rate RSE, proprietary documentation will be presented to the APSC and AG's Staff which calculates the annual Baseline Program Miles as compared to the annual Actual Program Miles for the prior AIM year.

Spire Alabama reports monthly cast iron main retirements to the APSC's Gas Pipeline Safety Division. Under the AIM Program, Spire Alabama shall add retirements of bare steel mains to the Company's monthly report and submit a copy of that monthly report to both the Gas Staff in the APSC's Utility Services Division and to the AG's staff.

APPLICATION AND CALCULATION PROCEDURES:

During the AIM Program's 15-year term, in the years the RSE mechanism produces a revenue adjustment, the Company will be allowed to earn an additional ten (10) basis points (0.10%) above the ROE adjusting point if the Actual Program Miles (actual number of miles of cast iron and bare steel pipeline retired) exceeds the annual Baseline Program Miles (miles remaining divided by years remaining). In the event that the Actual Program Miles is less than the Baseline Program Miles, the Company will be required to reduce the ROE adjusting point by ten (10) basis points (0.10%).

APPLICATION OF FORCE MAJEURE CLAUSE:

In a year when APM are less than BPM due to extraordinary, non-recurring events, and/or events that are beyond the Company's ability to predict or control, this force majeure clause applies.

Force Majeure Defined:

For purposes of AIM, the term "force majeure" is defined as an event arising from causes beyond the control of Spire Alabama or any entity employed by the Company, including its consultants and contractors, which delays or prevents the performance of main replacement. Force majeure events include, but are not limited to, events that can be neither anticipated nor controlled, including acts of God, "excessive government mandated relocations," and "excessive work stoppages."

Mandated relocations occur when local, state, and federal governments mandate that gas mains be moved and/or re-routed. Mandated relocations that are greater than or equal to 11 miles during any AIM year constitute "excessive government mandated relocations," thus qualify for force majeure

ACCELERATED INFRASTRUCTURE MODERNIZATION (AIM) PROGRAM – page 3

consideration. If the mandated relocations involve bare steel or cast iron mains, such miles do not qualify as force majeure events.

Work stoppages are typically associated with labor contract disputes. “Excessive work stoppages” occur when Spire Alabama’s main replacement workforce stops for 30 days or more. Excessive work stoppages are subject to force majeure consideration.

Notice of Delay:

When circumstances are occurring, or have occurred which may delay main replacement, whether due or not due to a force majeure event, Spire Alabama shall notify the APSC and AG’s Staff in writing within fifteen (15) days after Spire Alabama knew, or should have known, of the delay or anticipated delay. The notice shall describe in detail the basis for Spire Alabama’s contention that it experienced or anticipates that it will experience a force majeure delay, the anticipated length of the delay, the precise cause or causes of the delay, the measures taken or to be taken to prevent or minimize the delay, and the timetable by which those measures will be implemented. Failure to notify the APSC and AG’s Staff shall constitute a waiver of any claim of force majeure as to the event in question.

Force Majeure Petition:

In any AIM year when Spire Alabama has notified the APSC and AG’s Staff in writing regarding a force majeure event, Spire Alabama may petition the APSC for approval to reduce the BPM due to such force majeure events in order to avoid an AIM Program reduction in the ROE due to these extraordinary circumstances. Spire Alabama shall have the burden of proving to the APSC and AG’s Staff that the delay is, or was, caused by a force majeure event. Adjustments to the BPM may be less than but not exceed 10% of the BPM. Any mileage replacement shortfall caused by a force majeure event is to be treated as all other shortfalls and added to the remaining mileage for the determination of BPM in the next fiscal year.

PROGRAM EVALUATION:

In March 2021, the AIM Program shall be evaluated to determine how effective it is in accelerating main replacement, if any substantive changes to the program need to be made, and if the program should continue. The APSC, Spire Alabama, and the Attorney General shall all be part of this evaluation.

At that time, further intermittent reviews of the AIM Program should be considered and scheduled throughout its 15-year duration.

RESIDENTIAL GAS SERVICE

RATE SCHEDULE R

AVAILABILITY:

This schedule is available to Consumers in the State of Alabama served by the Company's natural gas mains.

APPLICABILITY:

This schedule is applicable for residential use only. Gas Service under this schedule will be through a single Point of Delivery and shall NOT be resold.

RATE:

Customer Charge: Per month at the currently effective rate set forth on the current revision of Sheet No. 2.

Plus:

Commodity Charge: Per Ccf at the currently effective commodity rates set forth on the current revision of Sheet No. 2.

Minimum Bill:

The minimum monthly bill shall be the customer charge at the currently effective rate set forth on the current revision of Sheet No. 2.

Multiple Dwellings:

When the Company serves two but not more than four housekeeping apartments in a single building for residential purposes or separate dwelling houses under common ownership on the same premises, with Service through a single meter installation, the customer charge and the quantity of gas within each block of the Schedule of Rates for this Rate Schedule R as set forth on the current revision of Sheet No. 2 will be multiplied by the number of individual dwelling units in which gas is consumed.

RATE SCHEDULE R – page 2

HEATING VALUE:

The natural gas distributed under this schedule contains approximately 1,000 Btu per cubic foot.

PAYMENT:

Bills for Service rendered are payable within ten days from due date, and if not paid within such period become delinquent and subject to charges set forth in the Rules and Regulations for Gas Service.

TAX ADJUSTMENT RIDER:

The Tax Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

GAS SUPPLY ADJUSTMENT RIDER:

The Gas Supply Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RULES AND REGULATIONS FOR GAS SERVICE:

The Rules and Regulations for Gas Service approved by the Alabama Public Service Commission, and as amended from time to time, are applicable to this rate schedule and are made a part hereof.

RATE STABILIZATION AND EQUALIZATION FACTORS:

The Rate Stabilization and Equalization Factors (RSE) tariff provision approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

TEMPERATURE ADJUSTMENT RIDER:

The Temperature Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

MULTI-HOUSING GAS SERVICE
RATE SCHEDULE MH

AVAILABILITY:

This schedule is available to Consumers in the State of Alabama served by the Company's natural gas mains.

APPLICABILITY:

This schedule is applicable to Service by the Company through a single meter installation, to five or more housekeeping apartments, or other residential units where gas is supplied to each dwelling unit. Gas will be delivered through only one delivery point and shall NOT be resold. Multiple Housing Service will be contracted for on contract forms filed by the Company with the Alabama Public Service Commission.

RATE:

Customer Charge: Per month at the currently effective rate set forth on
the current revision of Sheet No. 2.

Plus:

Commodity Charge:

Separate firm commodity rates for Multi-Housing gas Service are set forth on the current revision of Sheet No. 2 for (1) Consumers who install and maintain the underground distribution system to individual dwelling units and for (2) Consumers who elect for the Company to install and maintain such systems.

Minimum Bill:

The minimum monthly bill shall be the customer charge of Rate Schedule R multiplied by the number of individual dwelling units in which gas is supplied.

HEATING VALUE:

The natural gas distributed under this schedule contains approximately 1,000 Btu per cubic foot.

PAYMENT:

Bills for Service rendered are payable within ten days from due date, and if not paid within such period become delinquent and subject to charges set forth in the Rules and Regulations for Gas Service.

TAX ADJUSTMENT RIDER:

The Tax Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RATE SCHEDULE MH – page 2

GAS SUPPLY ADJUSTMENT RIDER:

The Gas Supply Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RULES AND REGULATIONS FOR GAS SERVICE:

The Rules and Regulations for Gas Service approved by the Alabama Public Service Commission, and as amended from time to time, are applicable to this rate schedule and are made a part hereof.

RATE STABILIZATION AND EQUALIZATION FACTORS:

The Rate Stabilization and Equalization Factors (RSE) tariff provision approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

TEMPERATURE ADJUSTMENT RIDER:

The Temperature Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

SMALL COMMERCIAL FIRM SERVICE
RATE SCHEDULE SC

AVAILABILITY:

This schedule is available to Consumers in the State of Alabama served by the Company's natural gas mains.

APPLICABILITY:

This schedule is applicable to small commercial Consumers with a maximum daily firm requirement of less than 50 Mcf, and which purchase no Interruptible Service. Gas will be delivered through only one delivery point and shall NOT be resold.

RATE:

Customer Charge: Per month at the currently effective rate set forth on the current revision of Sheet No. 2.

Plus:

Commodity Charge: Per Ccf at the currently effective commodity rates set forth on the current revision of Sheet No. 2.

Minimum Bill:

The minimum monthly bill shall be the customer charge at the currently effective rate set forth on the current revision of Sheet No. 2.

HEATING VALUE:

The natural gas distributed under this schedule contains approximately 1,000 Btu per cubic foot.

PAYMENT:

Bills for Service rendered are payable within ten days from due date, and if not paid within such period become delinquent and subject to charges set forth in the Rules and Regulations for Gas Service.

TAX ADJUSTMENT RIDER:

The Tax Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RATE SCHEDULE SC – page 2

GAS SUPPLY ADJUSTMENT RIDER:

The Gas Supply Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RULES AND REGULATIONS FOR GAS SERVICE:

The Rules and Regulations for Gas Service approved by the Alabama Public Service Commission, and as amended from time to time, are applicable to this rate schedule and are made a part hereof.

RATE STABILIZATION AND EQUALIZATION FACTORS:

The Rate Stabilization and Equalization Factors (RSE) tariff provision approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

TEMPERATURE ADJUSTMENT RIDER:

The Temperature Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

LARGE COMMERCIAL COMBINATION GAS SERVICE
RATE SCHEDULE LC

AVAILABILITY:

Available to Consumers in the State of Alabama served by the Company's natural gas mains.

APPLICABILITY:

This schedule is applicable to large commercial Consumers with a maximum daily firm requirement of 50 Mcf or more and to commercial Consumers with both firm and interruptible requirements. Service is not available under this rate schedule for total requirements in excess of 5,000 Mcf per Day. Gas will be delivered at a single point and will NOT be resold.

CHARACTER OF SERVICE:

Consumer may contract for Firm Service, Interruptible Service or a combination of Firm and Interruptible Service on contract forms filed by the Company with the Alabama Public Service Commission; however, the Company reserves the right to limit the quantity of Firm Service contracted for by any Consumer. Interruptible Service covers all gas delivered by the Company in excess of the specified firm volume and may be interrupted or curtailed at any time and from time to time by the Company upon notice to the Consumer as provided in the Rules and Regulations.

RATE:

Customer Charge: Per month at the currently effective rate set forth on the current revision of Sheet No. 2.

Plus:

Commodity Charge: Per Mcf by curtailment priority at the currently effective commodity rates set forth on the current revision of Sheet No. 2.

Determination of Deliveries:

The priority or priorities of a Consumer's purchases will be determined by the application of the Company's Curtailment Plan. Gas delivered to a Consumer each day will be priced by priority in the order listed on the current revision of Sheet No. 2 up to a Consumer's daily delivery amounts as contained in the Index of Requirements in the Company's Curtailment Plan.

Penalty for Taking Gas in Excess of Curtailment Orders:

For all volumes of gas taken in excess of curtailment orders (unauthorized overrun gas) given by Company pursuant to its Rules and Regulations for Gas Service, Section X as follows:

RATE SCHEDULE LC – page 2

For the first 10 Mcf of unauthorized overrun gas taken during a month, \$7.50 per Mcf.

For all unauthorized overrun gas taken during the same month in excess of 10 Mcf, \$20.00 per Mcf.

MINIMUM BILL:

The minimum monthly bill will be the Customer Charge for a Consumer purchasing firm gas; \$50.00 for a Consumer purchasing interruptible gas in Priority 3; and \$500.00 for a Consumer purchasing interruptible gas in Priorities 4 through 6. The Minimum Bill for Consumers purchasing both firm and interruptible gas will be the Customer Charge plus the Minimum Bill for such Interruptible Service. The Minimum Bill for Consumers purchasing gas in more than one interruptible priority will be the appropriate Minimum Bill for the highest numbered priority. In the event a Consumer is not offered \$50 or \$500 worth of gas, as applicable, during a calendar month, the Minimum Bill shall only be the Customer Charge.

HEATING UNIT AND ADJUSTMENT:

In the event the Btu content of the gas varies above or below 1,000 Btu per cubic foot of dry gas, the commodity charges will be adjusted by multiplying such charges by a fraction, the numerator of which shall be the monthly average of the daily average Btu content and the denominator of which shall be 1,000.

PAYMENT:

Bills for Service rendered are payable within ten days from due date, and if not paid within such period become delinquent and subject to charges set forth in the Rules and Regulations for Gas Service.

TAX ADJUSTMENT RIDER:

The Tax Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

GAS SUPPLY ADJUSTMENT RIDER:

The Gas Supply Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RATE SCHEDULE LC – page 3

RULES AND REGULATIONS FOR GAS SERVICE:

The Rules and Regulations for Gas Service approved by the Alabama Public Service Commission, and as amended from time to time, are applicable to this rate schedule and are made a part hereof.

COMPETITIVE FUEL CLAUSE:

The Company may, but shall not be required to, agree upon rate levels for specific Consumers lower than those shown on the current revision of Sheet No. 2 applicable to this rate schedule to remain competitive with other suppliers of energy, in accordance with the procedure set out in the currently effective Sheet Nos. 52 and 53.

RATE STABILIZATION AND EQUALIZATION FACTORS:

The Rate Stabilization and Equalization Factors (RSE) tariff provision approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

TEMPERATURE ADJUSTMENT RIDER:

The Temperature Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to Priority one (1) of this rate schedule and is made a part hereof.

LARGE INDUSTRIAL COMBINATION GAS SERVICE
RATE SCHEDULE LI

AVAILABILITY:

Available to Consumers in the State of Alabama served by the Company's natural gas mains.

APPLICABILITY:

Applicable to larger industrial Consumers with a maximum daily firm requirement of 50 Mcf or more and to industrial Consumers with both firm and interruptible requirements. Service is not available under this rate schedule for total requirements in excess of 5,000 Mcf per day. Gas will be delivered at a single delivery point and shall NOT be resold.

CHARACTER OF SERVICE:

Consumer may contract for Firm Service, Interruptible Service or combination of Firm and Interruptible Service on contract forms filed by the Company with the Alabama Public Service Commission; however, the Company reserves the right to limit the quantity of Firm Service contracted for by any Consumer. Interruptible Service covers all gas delivered by the Company in excess of the specified firm volume and may be interrupted or curtailed at any time and from time to time by the Company upon notice to the Consumer as provided in the Rules and Regulations.

RATE:

Customer Charge: Per month at the currently effective rate set forth on the current revision of Sheet No. 2.

Plus:

Commodity Charge: Per Mcf by curtailment priority at the currently effective commodity rates set forth on the current revision of Sheet No. 2.

Determination of Deliveries:

The priority or priorities of a Consumer's purchases will be determined by the application of the Company's Curtailment Plan. Gas delivered to a Consumer each day will be priced by priority in the order listed on the current revision of Sheet No. 2 up to a Consumer's daily delivery amounts as contained in the Index of Requirements in the Company's Curtailment Plan.

RATE SCHEDULE LI – page 2

Penalty for Taking Gas in Excess of Curtailment Orders:

For all volumes of gas taken in excess of curtailment orders (unauthorized overrun gas) given by Company pursuant to its Rules and Regulations for Gas Service, Section X as follows:

For the first 10 Mcf of unauthorized overrun gas taken during a month, \$7.50 per Mcf.

For all unauthorized overrun gas taken during the same month in excess of 10 Mcf, \$20.00 per Mcf.

MINIMUM BILL:

The minimum monthly bill will be the Customer Charge for Consumer purchasing firm gas; \$50.00 for a Consumer purchasing interruptible gas in Priority 3; and \$500.00 for a Consumer purchasing interruptible gas in Priorities 4 through 6. The Minimum Bill for Consumers purchasing both firm and interruptible gas will be the Customer Charge plus the Minimum Bill for such Interruptible Service. The Minimum Bill for Consumers purchasing gas in more than one interruptible priority will be the appropriate Minimum Bill for the highest numbered priority. In the event a Consumer is not offered \$50.00 or \$500.00 worth of gas, as applicable, during a calendar month, the Minimum Bill shall only be the Customer Charge.

HEAT UNIT ADJUSTMENT:

In the event the Btu content of the gas varies above or below 1,000 Btu per cubic foot of dry gas, the commodity charges will be adjusted by multiplying such charges by a fraction, the numerator of which shall be the monthly average of the daily average Btu content and the denominator of which shall be 1,000.

PAYMENT:

Bills for Service rendered are payable within ten days from due date, and if not paid within such period become delinquent and subject to charges set forth in the Rules and Regulations for Gas Service.

TAX ADJUSTMENT RIDER:

The Tax Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RATE SCHEDULE LI – page 3

GAS SUPPLY ADJUSTMENT RIDER:

The Gas Supply Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RULES AND REGULATIONS FOR GAS SERVICE:

The Rules and Regulations for Gas Service approved by the Alabama Public Service Commission, and as amended from time to time, are applicable to this rate schedule and are made a part hereof.

COMPETITIVE FUEL CLAUSE:

The Company may, but shall not be required to, agree upon rate levels for specific Consumers lower than those shown on the current revision of Sheet No. 2 applicable to this rate schedule to remain competitive with other suppliers of energy, in accordance with the procedure set out in the currently effective Sheet Nos. 52 and 53.

RATE STABILIZATION AND EQUALIZATION FACTORS:

The Rate Stabilization and Equalization Factors (RSE) tariff provision approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

GAS SUPPLY ADJUSTMENT RIDER

1. Base Rates for gas service under the Company's rate schedules and under Special Contracts as determined in Alabama Public Service Commission (APSC) Docket No. 18046 and approved by the APSC shall be adjusted for (1) changes in the cost of gas supply under rates or contracts approved by the Federal Energy Regulatory Commission (FERC) or the APSC, including the cost of liquefied natural gas (LNG) storage, the cost of liquefied petroleum gas (LPG) included in Account 728 except as adjusted through Rate RSE, the cost of transportation services, the cost of storage services related to gas in storage underground (Underground Storage), the carrying charges applicable to Underground Storage, deferred charges and prepayments for gas to be delivered at a later date (prepayments), unaccounted for gas cost, and a total funding level for research and development equal to the Company's total funding level for the Gas Research Institute during Company's 1997 fiscal year (R&D Funding) and (2) the costs, carrying charges or benefits incurred under the Company's natural gas risk management program, including all costs associated with financial instruments purchased or sold and all gains or losses incurred under such program. Financial instruments include, but are not limited to, swaps, put or call options, collars and exchange traded commodity contracts. Cost benefits that may be received by the Company through the Company's ability to execute off-system sales of excess gas supplies and to sell a portion or portions of pipeline capacity dedicated to the Company in contracts shall be included as a credit adjustment to its cost of gas supply as outlined in the Off-System Sales and Capacity Release Program in Section 10 of this Gas Supply Adjustment Rider. The aforementioned costs and credits for which adjustments shall be made are referred to herein collectively as "GSA Cost". Adjustments to the Company's commodity rates for increases or decreases in GSA Cost shall be computed to the nearest 0.1 cent per Mcf in the following manner:
 - (a) A Base Cost of purchased gas for resale shall be computed by multiplying the Base Demand Charge in effect at November 16, 1980 by the billing demand units in effect at November 16, 1980 and the Base Weighted Average Unit Commodity Charge in effect at November 16, 1980 by the estimated commodity volumes of gas to be purchased from all suppliers of gas to be resold, excluding volumes designated for Underground Storage injection and including volumes of Underground Storage withdrawals for the Company's system use, during the twelve-month period commencing with the first day of the month in which the GSA Cost adjustments are to be made hereunder (the Base Period).
 - (b) A Current Cost of purchased gas for resale shall be computed by multiplying the estimated rates of each of the Company's suppliers (whether or not subject to refund) by the estimated billing determinants of gas to be purchased from each supplier during the Base Period, excluding volumes designated for Underground Storage injection, including the estimated volumes of Underground Storage withdrawals for the Company's system use. The Company shall use the weighted average price per Mcf of gas as computed at the end of the month prior to the month of withdrawal for determining the billing rates for Underground Storage withdrawals, adjusted by the average Btu factor for Underground Storage. The estimated cost of transportation services, of underground storage services, the estimated carrying charges applicable to changes in the cost of Underground Storage, deferred charges and prepayments, R&D Funding, the cost and carrying charges of financial instruments purchased or sold under the natural gas risk management program, all gains and losses incurred under the Company's natural gas risk management program, as described in Section 9 below, and any other amounts or costs which the FERC allows the interstate pipelines delivering gas to the Company to recover from the Company shall be added to the Current Cost of purchased gas to determine the Total Current

GAS SUPPLY ADJUSTMENT RIDER – page 2

Cost. Finally, the Total Current Cost will be reduced by the cost benefits received by the Company through the Company's ability to execute off-system sales of excess gas supplies and to sell a portion or portions of pipeline capacity dedicated to the Company in contracts as outlined in the Off-System Sales and Capacity Release Program in Section 10 below. The Base Costs shall be subtracted from the Total Current Cost to determine the Change in GSA Cost.

- (c) The Change in GSA Cost shall be divided by the estimated sales volumes in the Base Period to determine Unit Cost Changes (per CCF and per MMBtu, Firm and Interruptible) which shall be multiplied by a factor of adjustment of 1.05077 to yield the GSA Cost Adjustments to the Commodity Charges of the Company's Base Rates. The Company may adjust the Unit Cost Changes for rate schedules, portions of rate schedules or individual customers to meet competitive energy prices.
2. When refunds, if any, are received by the Company from the Company's suppliers that are applicable to the increased charges under this Rider, such refunds in amounts of \$2 million or less shall be applied to the GSA Account balance and interest shall be accrued on all outstanding refund balances at the 90-day Treasury bill rate; when such refund amounts to more than \$2 million the Company will, at an appropriate time, file an Application for the disposition of such refunds with the APSC.
 3. GSA Cost adjustments under Section 1 of this Rider will be effective on and after any date of change in supplier rates or monthly as required under Sections 5, 6 and 7 hereunder or following the initial date of the delivery of gas under a contract authorized by the FERC or the APSC, or any successor agency of either, in the manner set forth in Section XV of the Rules and Regulations for Gas Service.
 4. The factor of adjustment in Section 1 (c) above is applied to reflect the application of any tax, assessment, or fee measured by gross receipts of the Company. The computation of the factor of adjustment of 1.05077 will be recomputed and filed with the APSC whenever there is a change in the applicable gross receipts taxes, assessments and fees upon which it is based.
 5. The Company shall be entitled to recovery of all increases in GSA Cost and the Consumer shall be entitled to the benefits of all decreases in GSA Cost. The Company will determine GSA Cost changes and the recovery of such GSA Cost changes each month and record any over or under recovery of GSA Cost in an appropriate deferred account. The monthly carrying charges applicable to Underground Storage, deferred charges and prepayments shall be computed using the weighted average prime rate published in the Wall Street Journal for the previous month (the Prime Rate). For Underground Storage, the Prime Rate shall be multiplied by the difference between the current month cost of Underground Storage and the Base Cost. For Prepayments and deferred charges, the Prime Rate shall be multiplied by the balance at the end of the previous month. In the event that the Company reduces charges to a Consumer or Consumers under the Competitive Fuel Clause of the Company's Rate Schedules, the revenue lost by such action shall be recovered under the operation of this Section 5 and Section 6 below. Adjustments calculated pursuant to the Temperature Adjustment Rider shall be recovered or credited, as applicable, under the operation of this Section 5 and Section 6 below.
 6. The Company will increase or decrease its effective commodity charges under its rate schedules to the nearest 0.1 cent per Mcf for the succeeding twelve months according to the procedures in Section 7 below beginning on and after November 1, 1993 and monthly thereafter, in the manner

GAS SUPPLY ADJUSTMENT RIDER – page 3

set forth in Section XV of the Rules and Regulations for Gas Service, by an amount designed to increase or decrease the Company's operating revenues during the succeeding twelve months to eliminate the difference between GSA Cost Changes and the recovery of GSA Cost Changes. The rate adjustment shall include an adjustment for applicable taxes as described in Section 4. The Company may adjust its rates from time to time to keep the accumulated under or over recovery at September 30 each year within the range established in Section 7 below.

7. The balance in the deferred GSA account at September 30, shall be estimated each month using current recovery rates. If such balance (+ or -) does not exceed one-half the Average Monthly GSA Cost, i.e., the GSA Cost divided by 12, (AMGC), no change will be made to recovery rates; if the balance (+ or -) exceeds one-half but is less than the AMGC, the Company may, but shall not be required to adjust recovery rates; if the balance (+ or -) exceeds the AMGC the Company shall adjust its recovery rates by the amount required to restore the estimated balance in the deferred GSA account at September 30 to zero, except however that if the change to the Company's effective residential billing rates shall exceed 5% (+ or -) the rate adjustment shall be limited such that its effect on billing rates shall not exceed 5% (+ or -). The above notwithstanding, in the event that the estimated balance in the deferred GSA account is within the optional or no change range at September 30 of the rate year following the current rate year, then the Company shall not be required to make an adjustment under this Section 7.
8. Monthly bills rendered to each Consumer served under applicable special contracts approved by APSC shall also be adjusted by the addition of a surcharge, as applicable, in the same amount that would be added to such Consumer's bill if the Consumer were served under Rate Schedules LC or LI.
9. Financial instruments held pursuant to the Company's energy risk management activities will be recorded at fair value on the Company's statement of financial position. Changes in the fair value of such financial instruments during a given reporting period will be recorded in the appropriate deferred asset or liability account. Gains or losses resulting from fair value changes before settlement or expiration of the financial instrument will not be included in the calculation to determine the Change in GSA Cost. Upon settlement or expiration of the financial instrument, all associated costs and any realized gain or loss will be included in Total Current Costs when determining the Change in GSA Cost.
10. **Off-System Sales and Capacity Release Program**
Off-System Sales (OSS) is defined as any Company sale of gas, or gas bundled with pipeline transportation, made to parties at locations off the Company's distribution system.

Capacity Release (CR) is the sale of reserved transmission capacity, including storage volumes, on pipelines used by the Company for transporting purchased gas supplies. The Company pays monthly fixed charges to pipeline carriers for reserving volumetric transmission capacity regardless of whether the transmission capacity is used.

GAS SUPPLY ADJUSTMENT RIDER – page 4

Capacity Release Revenues (CR Revenues) are the actual revenues received by the Company from the sale of reserved pipeline capacity.

Cost of Gas (COG) is the commodity cost related to the purchase of gas supply, exclusive of transportation costs.

Cost of Gas Schedule (COGS) is a listing of contract volumes, scheduled volumes, available volumes, unit commodity cost of gas, and unit transportation costs associated with the eventual delivery of gas to the Company's city gates for all the Company's gas supply contracts (including gas purchased for storage). Additionally, the COGS or an addendum thereto, shall identify all volumes purchased by the Company for third parties, i.e., not associated with delivery to the Company's contracted gas storage facilities or to its city gates.

Off-System Sales Cost of Gas (OSS-COG) is predicated upon the COG Schedule and is used for determining the margin applicable to a proposed OSS. Unless a lower COG is fully documented and supported, the COG for a proposed OSS shall be calculated using the highest available COG from supply sources in the COGS, ranked in descending order from highest to lowest COG, until the equivalent gas quantity required for the proposed OSS is filled. The total OSS-COG shall be equal to the sum of OSS gas costs.

Off-System Sales Cost of Transportation (OSS-COT) is the cost of transportation related to the gas supply for an OSS to the point of delivery. The OSS-COT shall include all commodity related transportation costs, including fuel, associated with the OSS. The OSS-COT shall not include non-commodity related LDC system supply transportation costs.

Off-System Sales Revenues (OSS Revenues) are the actual revenues received by the Company from an OSS.

Off-System Sales Net Revenues (OSS Net Revenues) is equal to OSS Revenues less OSS-COG and OSS-COT. OSS Net Revenues and the term "margin(s)" are used interchangeably in this document.

$$\text{OSS Net Revenues} = [\text{OSS Revenues} - (\text{OSS-COG} + \text{OSS-COT})]$$

Sharing of Off-System Sales and Capacity Release Revenues

The Company and its Firm Sales (FS) customers shall share the OSS Net Revenues and CR Revenues realized by the Company. FS customers shall retain 75% of the annual OSS Net Revenues and CR Revenues and the Company shall retain 25% of such margins. The Company will record in an OSS-CR Revenue Account the portion of revenue retained by the Company according to the sharing percentages.

The customers' share of OSS Net Revenues and CR Revenues shall be credited to a separate

GAS SUPPLY ADJUSTMENT RIDER – page 5

Deferred Gas Supply Adjustment (GSA) account. The customers' share of OSS margins shall be allocated to FS customers based on the contribution that each customer class made to the recovery of the Company's gas supply demand charges and capacity reservation charges in accordance with the GSA. The customers' share of the CR revenues shall also be allocated to FS customers based on the contribution that each customer class made to the recovery of the Company's capacity reservation charges in accordance with the GSA.

The Company's portion of OSS and CR income shall be excluded from RSE. Any benefit retained by the Company will not be included in RSE income or retained as equity for RSE purposes.

Affiliated Transactions

For OSS or CR sales to affiliates, the Company shall comply with Section 37-4-26, Code of Alabama 1975 (Intercorporate Relations - Agreements with holding companies or affiliated interests), and all Commission rules and guidelines.

The Company shall engage in OSS and CR sales in such a way as not to provide any preferential service, information, or treatment to an affiliated entity over another party at any time.

More stringent documentation is required to support OSS and CR sales to the Company's affiliates, including, but not limited to, supporting documentation demonstrating that the Company offered CR to the highest bidder, on the pipeline carrier's electronic bulletin board service, for the average duration applicable to comparable CR sales. Additionally, the Company must demonstrate that it received at least two competing offers for the CR from prospective buyers that are non-affiliates.

OSS to affiliates is limited to the Company's highest COG from the COGS for the pipeline associated with the OSS. Additional documentation is required for OSS to affiliates, including, but not limited to, the Platts Gas Daily price index settlement report by region on the date of any OSS to affiliates.

Accounting, Record Keeping and Reporting Requirements

The Company shall maintain separate accounts to record its OSS (revenue and expense accounts) and CR (revenue account) transactions. Each OSS and CR transaction shall be accounted for and analyzed separately. The Company shall provide monthly detailed information to the Natural Gas Section staff of the Commission's Utility Services Division and the staff of the Office of the Attorney General (collectively, "the parties") for each OSS, CR, and affiliate transaction.

The Company shall construct and retain a COGS for the first day of each month and for each day where a subsequent change in the cost of gas supplies or in the cost of delivery thereafter occurs.

GAS SUPPLY ADJUSTMENT RIDER – page 6

This COGS shall provide contract volumes, scheduled volumes, available volumes, unit commodity cost of gas, and unit transportation costs associated with the delivery of gas to the Company's city gates for all the Company's gas supply contracts.

The COGS shall also provide information relating to any OSS not previously reported to the Commission in an earlier COGS. This information will include (for each sale transaction) the date and location of sale, volume sold, sales price, total revenue from the sale, the unit commodity cost of gas used for the sale, unit transportation costs to point of sale, any other costs or cost reductions associated with the sale (e.g. avoided penalty costs), the total costs associated with the sale, and the OSS Net Revenue applicable to the sale.

Additionally, the Company shall provide the monthly beginning quantity of gas available at its LNG facilities, the monthly beginning balance of gas available for withdrawal from each storage facility and shall provide data to the parties related to capacity reservation, capacity release, gas inventory, and gas demand.

Should the OSS-COG differ from the COG in the COGS, the Company shall submit documentation explaining such differences to the parties.

In the event that an OSS-COG is less than the highest priced gas from the COGS, the Company shall, no later than five (5) business days following delivery of the gas to the buyer, submit to the parties support and documentation justifying the sale.

Documentation shall include the specific supply source from the most recent COGS, date and location of the sale, volume sold, sales price, total revenue from the sale, the unit commodity cost of gas used for the sale, unit transportation costs to point of sale, any other costs or cost reductions associated with the sale (e.g. avoided penalty costs), the total costs, the OSS Net Revenue applicable to the sale, and a detailed explanation as to why the highest COG in the COGS was not selected for the sale.

The Company's selection of a lower priced gas supply from the COGS for an OSS may be considered justified when the Company demonstrates to the Commission's satisfaction that it is the only reasonably available option for effectuating an OSS that generates net cost savings for the Company's customers in the GSA.

Reviews, Challenges, and Potential Adjustments

Nothing in this tariff shall preclude the review of OSS or CR sales transactions nor impair a party's right to propose an adjustment in connection with such transaction.

In the event there is a dispute over any OSS, CR, or affiliate transaction, each party and the Company will be notified of the disputed transaction, the underlying justification for the dispute, and any proposed adjustments to the OSS Net Revenues or CR Revenues calculation. The Commission's available remedies shall include, but are not limited to, modifying the underlying

GAS SUPPLY ADJUSTMENT RIDER – page 7

costs in the OSS Net Revenue calculation, modifying costs or revenues applicable to a CR sale, or modifying the COG to reflect the highest COG in the COGS at the time of the sale. The Commission may thereafter recalculate the OSS Net Revenues and/or CR Revenues, then modify the revenue sharing amounts accordingly.

If the dispute cannot be resolved, furthermore, the Commission may hold limited complaint proceedings (Section 37-1-83, et seq.) to inquire into the compliance with the OSS and CR program. In any such complaint proceedings, the burden of proof as to the amount and verification of transactions as to conformity with the OSS and CR Program shall be upon the Company.

Limitations Applicable to Off-System Sales and Capacity Release Program

The OSS and CR program is intended to reduce commodity charges associated with the GSA rider as excess gas supplies and/or unneeded pipeline capacity become available in the normal course of operations. The Company shall prioritize gas supplies to satisfy forecasted demand for Firm Service followed by Interruptible Service. The Company shall at no time engage in OSS or CR at the expense of any sales customers. Due to the nature of the utility business and the potential of service interruption, all contracts for OSS shall be interruptible and CR shall be recallable.

Upon determination that a service interruption is possible for any of the Company's customers, including those billed in accordance with Rate Schedule P in this tariff, the Company shall notify the parties of the potential for a service interruption, recall CR to any 3rd party and cancel all scheduled OSS applicable to the period wherein the potential exists for such service interruption. Furthermore, at no point shall the Company interrupt service to any customers, including those billed under Rate Schedule P, for the benefit of the OSS and CR Program. The Company's current Bundled Gas and Transportation Service Program under Rate Schedule P, and its gas cost saving benefits, shall remain intact.

The Company's OSS and CR program shall be made on an as-available basis. The Company shall make no individual OSS where a negative margin results, unless the Company determines and documents, to the Commission's satisfaction, that such a transaction is not detrimental to the Company's customers.

Unless otherwise approved by the Commission, any negative margin associated with an OSS transaction may be fully assignable to the Company's shareholders. Other remedies may include suspension or termination of the OSS and CR program.

Any incremental costs attributable to implementation of this plan shall be borne by the parent company's shareholders. Additionally, there shall be no incremental increase in allocated costs from the parent company to Spire Alabama attributable to implementation of this plan.

Initial Term and Annual Review for the Off-System Sales and Capacity Release Program

The program shall be approved through September 30, 2022, unless the Commission suspends or terminates the program prior to this date. Initial approval is subject to annual review by the parties and the Company wherein changes to the program may be proposed for Commission consideration.

TAX ADJUSTMENT RIDERIncome Tax Rate Adjustment

In the event that the rate of the Federal or State income tax applicable to the Company shall be increased or decreased subsequent to January 1, 1977, the Company shall file with the Alabama Public Service Commission (the Commission) new rate schedules to reflect such increase or decrease.

General Tax Provisions

In the event that any statute or ordinance levying or authorizing the levy by the State of Alabama, or any agency thereof or county or municipality therein of any ad valorem, license, privilege or franchise tax or fee or the levy of the Alabama Public Service Commission fee subsequent to January 1, 1977, shall be repealed or should the rate of any one or more of such ad valorem, license, privilege or franchise tax, or fee be reduced, the Company shall refund to its Consumers the difference, if any, as of the effective date of such repeal or reduction in rate, between: (a) the amounts of such taxes and fees included by the Company in bills rendered to its Consumers for service under rates approved or permitted to become effective by the Commission and (b) the amount of such taxes and fees which the Company shall have paid or shall be obligated to pay. Such refund or refunds shall be made in the manner as directed by order of the Commission.

In the event that any such statute or ordinance shall be repealed or the rate of any such ad valorem, license, privilege or franchise tax or fee shall be increased or decreased, the Company shall file with the Commission new rate schedules to reflect such repeal or such increase or decrease.

Adjustment for Local Taxes

In the event that subsequent to January 1, 1977, any privilege, franchise, license, occupational, gross receipts, excise, or other similar county or local tax is imposed upon the Company or increased because of a local act of the Alabama Legislature, or by or pursuant to a general act of the Alabama Legislature having local application, or by or pursuant to any authority granted by or in any such act, and such taxation is limited to a county or local area there shall be added to the rates specified in any of the Company's filed rate schedules amounts which in total shall be equal to the amount of any such taxes increased or imposed upon the Company. The Company shall add to the bills of its Consumers in such county or local area pro rata, on the basis of the revenue derived by the Company from the sale of gas to each such Consumer an amount sufficient to recover any such effective tax or taxes including the total of franchise taxes or fees levied pursuant to a franchise agreement between the Company and any governmental entity. Local governmental entities with whom the Company has entered into franchise agreements, the percentage fee assessed by each entity and the revenue to which the fee applies are submitted to the APSC.

Definition

The term "taxes" or "tax", other than income taxes, as used herein shall mean any tax, license, fee or charge now or hereafter levied, assessed or made by any governmental authority, on the gas itself or the properties of the Company, or on the act, business, right, or privilege of production, severance, gathering, transportation, handling, sale, or delivery of gas which is measured by the volume, value, sales price of gas or by the gross receipts of the Company from the sale thereof.

General

Rate changes under this Rider will be effective, in the manner set forth in Section XV of the Rules and Regulations for Gas Service, on and after the effective date approved by the Alabama Public Service Commission. Refunds under this Rider are subject to Rules and Regulations prescribed by the Alabama Public Service Commission.

CANCELLATION OF SHEET 25A

CANCELLATION OF
DEMAND CHARGE CREDIT ACCOUNT AND ANNUAL
BALANCING ADJUSTMENT

TEMPERATURE ADJUSTMENT RIDER

Charges for Gas Service to Consumers served under Rate Schedules R, MH, SC, and SI, and Firm Priority 1 Gas Service only under Rate Schedules LC shall be adjusted by an amount designed to reduce the net operating revenue and taxes contained in the Commodity rates for any volumes used as a result of the occurrence of Heating Degree Days exceeding the normal level and shall be increased by an amount designed to recover the net operating revenue and taxes contained in the Commodity rates for volumes not used as a result of the occurrence of Heating Degree Days in deficiency of a normal level.

Normal Heating Degree Days shall be those used to determine normal sales volumes in the Company's current budget and shall be determined by reference to the National Oceanic and Atmospheric Administration's ("NOAA") temperature data for Birmingham, Alabama for the northern portion of the distribution system, and for Montgomery, Alabama for the southern portion of the distribution system, or, in consultation with the APSC's Utility Services, and Legal Divisions, by otherwise best available weather data. Actual Degree Days used to calculate the adjustment shall begin on the first day of budgeted Normal Heating Degree Days and end on the last day of Normal Heating Degree Days.

DEGREE DAY ADJUSTMENT:

Volumes in excess of, or less than, usage associated with Normal Heating Degree Days shall be determined by customer in the month of billing and shall be computed by multiplying the degree day variance from normal by the quotient of the actual Ccf (Mcf for Rate Schedule LC) used, less the average usage of the previous summer billing months of July, August and September (the Base Load), divided by the actual degree days, in the form:

$$\text{Volume Ccf Adjustment} = \frac{\text{Actual Ccf} - \text{Base Load Ccf}}{\text{Actual Degree Days}} \times \frac{\text{Normal Degree Days} - \text{Actual Degree Days}}{\text{Actual Degree Days}}$$

TEMPERATURE ADJUSTMENT RIDER – page 2

For Rate Schedule R customers whose Base Load cannot be accurately determined (i.e. customers without three months of summer usage history), a Base Load equivalent to the average base load contained in Company's current budget shall be used. For Rate Schedule MH, SC, SI and Firm Priority 1 customers whose Base Load cannot be accurately determined, the Base Load of zero shall be used. For all customers classified as Heat Only whose average summer usage is less than 10 Ccf, the Base Load of zero shall be used.

TEMPERATURE ADJUSTMENT CALCULATION:

Volume adjustments by customer determined by the Degree Day Adjustment shall be priced at the appropriate Temperature Adjustment Rate step (as define below) continuous with the actual volume usage. The total computed Temperature Adjustment Revenue excess or deficiency, net of applicable revenue taxes, shall be debited or credited, as appropriate, to the Deferred Gas Supply Adjustment Account each month and recovered or credited to customers in accordance with Paragraphs 5 and 6 of the Gas Supply Adjustment Rider.

TEMPERATURE ADJUSTMENT RATES:

Rates used in the computation of the Temperature Adjustment shall be determined by subtracting from the currently effective applicable block rate the cost of gas, revenue taxes contained in the base rates, and gas supply (GSA) adjustments, and then adding the appropriate revenue taxes. Local franchise fees shall be added where applicable.

Temperature Adjustment Rates, so computed, shall be adjusted by any base rate changes subsequent to October 1, 2008, plus any applicable franchise fees.

HEAT UNIT ADJUSTMENT:

In the event the BTU content of the gas varies above or below 1,000 Btu per cubic foot of dry gas, the temperature adjustment charges for Firm Priority 1 Service will be adjusted by multiplying such charges by a fraction, the numerator of which shall be the monthly average of the daily average Btu content and the denominator of which shall be 1,000.

TEMPERATURE ADJUSTMENT RIDER – page 3

TAX ADJUSTMENT RIDER:

The Tax Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate rider and is made a part hereof.

COMPETITIVE FUEL CLAUSE:

The Company may, but shall not be required to, agree upon rate levels for specific Consumers of Firm Gas Service lower than those shown above to remain competitive with other suppliers or energy, in accordance with the procedure set out in the currently effective Sheet Nos. 52 and 53.

RATE STABILIZATION AND EQUALIZATION FACTORS:

The Rate Stabilization and Equalization Factors (RSE) tariff provision approved by the Alabama Public Service Commission, as amended from time to time, is applicable to this rate rider and is made a part hereof.

CANCELLATION OF TRANSITION

TARIFF – DEMOPOLIS, ALABAMA

Third Revised Sheet No. 33
Superseding Second Revised Sheet No. 33
and First Revised Sheet Nos. 33, 34, 36
and Second Revised Sheet No. 35

Spire Alabama Inc.

CANCELLATION OF
TRANSITION TARIFF – RAINBOW CITY, ALABAMA

Notice is hereby given that effective December 1, 1979, the Transition Tariff – Rainbow City, Alabama, constituting Original Sheet Numbers 33, 34, and 36, and First Revised Sheet No. 35 of the Tariff Applicable to Gas Service of Spire Alabama Inc., is to be cancelled.

SMALL INDUSTRIAL FIRM SERVICE
RATE SCHEDULE SI

AVAILABILITY:

This schedule is available to Consumers in the State of Alabama served by the Company's natural gas mains.

APPLICABILITY:

This schedule is applicable to small industrial Consumers with a maximum daily firm requirement of less than 50 Mcf, and which purchase no Interruptible Service. Gas will be delivered through only one delivery point and shall NOT be resold.

RATE:

Customer Charge: Per month at the currently effective rate set forth on the current revision of Sheet No. 2.

Plus:

Commodity Charge: Per Ccf at the currently effective commodity rates set forth on the current revision of Sheet No. 2.

Minimum Bill:

The minimum monthly bill shall be the customer charge at the currently effective rate set forth on the current revision of Sheet No. 2.

HEATING VALUE:

The natural gas distributed under this schedule contains approximately 1,000 Btu per cubic foot.

PAYMENT:

Bills for Service rendered are payable within ten days from due date, and if not paid within such period become delinquent and subject to charges set forth in the Rules and Regulations for Gas Service.

TAX ADJUSTMENT RIDER:

The Tax Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RATE SCHEDULE SI – page 2

GAS SUPPLY ADJUSTMENT RIDER:

The Gas Supply Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RULES AND REGULATIONS FOR GAS SERVICE:

The Rules and Regulations for Gas Service approved by the Alabama Public Service Commission, and as amended from time to time, are applicable to this rate schedule and are made a part hereof.

RATE STABILIZATION AND EQUALIZATION FACTORS:

The Rate Stabilization and Equalization Factors (RSE) tariff provision approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

TEMPERATURE ADJUSTMENT RIDER:

The Temperature Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

UNMETERED GAS LIGHT SERVICE
RATE SCHEDULE GL

AVAILABILITY:

This schedule is available to Consumers in the State of Alabama served by the Company's natural gas mains.

APPLICABILITY:

This schedule is applicable to unmetered firm gas service previously provided under a Special Negotiated Contract for Flat Rate Gas Lights. This rate schedule supersedes all such contracts. For all lights with an input rating of over 2.8 cubic feet per hour, each mantle or each additional 2.8 cubic feet will be considered as a separate light.

MONTHLY RATE:

The commodity charge under Rate Schedule Residential for consumption between 51 and 200 Ccf per month x 20 Ccf per month per light.

MINIMUM BILL:

The minimum bill shall be the amount computed under MONTHLY RATE above.

PAYMENT:

Bills for service rendered are payable within ten days from due date and if not paid within such period become delinquent and subject to charges set forth in the Rules and Regulations for Gas Service.

TAX ADJUSTMENT RIDER:

The Tax Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

GAS SUPPLY ADJUSTMENT RIDER:

The Gas Supply Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RATE SCHEDULE GL – page 2

RULES AND REGULATIONS FOR GAS SERVICE:

The Rules and Regulations for Gas Service approved by the Alabama Public Service Commission, and as amended from time to time, are applicable to this rate schedule and are made a part hereof.

RATE STABILIZATION AND EQUALIZATION FACTORS:

The Rate Stabilization and Equalization Factors (RSE) tariff provision approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

REVISED AND REPLACED BY SHEET NOS. 41a AND 41b

CANCELLATION OF
MOTOR VEHICLE FUEL SERVICE
RATE SCHEDULE MVF

CANCELLATION OF
MOTOR VEHICLE FUEL SERVICE
RATE SCHEDULE MVF – page 2

REVISED AND REPLACED BY SHEET NOS. 42a AND 42b

MOTOR VEHICLE FUEL TRANSPORTATION SERVICE
RATE SCHEDULE MVF-T

AVAILABILITY:

This schedule is available, on a promotional basis, to Consumers who own and deliver gas (Transportation Quantities) to the Company at an acceptable point of connection with Company's facilities in the State of Alabama for redelivery to Consumer's facility where such gas will be compressed by Consumer for sale or use as a motor vehicle fuel.

APPLICABILITY:

This schedule is applicable to public compressed natural gas (CNG) refueling stations and private CNG fleet stations with requirements of 100 Mcf per day or more, on a production day basis and excluding seasonal space heating loads, for the transportation of gas through Company's distribution system in accordance with the provisions of Rate Schedule T or P, as applicable, for delivery to Consumer's facilities in the State of Alabama to be compressed by Consumer and consumed or sold as a motor vehicle fuel. Gas transported hereunder shall not be used by Consumer for any purpose other than for use as a motor vehicle fuel and shall not be used interchangeably with gas supplied under any other rate schedule. Service by Company to Consumer for sale or use as a motor vehicle fuel shall be provided at distribution system pressure as Firm Service under this Rate Schedule through a separate meter and under the terms of individual contract(s) between Company and Consumer. Service shall be subject, in Company's sole judgment, to the Company's own operating and system requirements, and Company at all times reserves the right to limit the quantity of Firm Service.

The above notwithstanding, during a Promotional Period defined as the first day of the first month following approval of this Rate Schedule by the Alabama Public Service Commission (the Promotional Period Effective Date) and ending on the fifth anniversary of the Promotional Period Effective Date, Applicant, in order to support development of the market for CNG as a motor vehicle fuel, will waive the 100 Mcf per day minimum throughput requirement of Rate Schedule T for any applicable Consumer who, pursuant to contracts with third parties, purchases gas and has such gas transported to Company's distribution system for redelivery to Consumer who then compresses said gas for use or sale as a vehicle fuel. Consumer shall, at all times, be solely responsible for the procurement and transportation of its gas to Company's facilities and shall also be responsible for the daily balancing and monthly cash-out charges pursuant to Rate Schedule T. In addition, Consumers at all times will be subject to the provisions of Rate Schedule T and any and all other applicable Tariff provisions, Rules and Regulations. At the conclusion of the Promotional Period, Applicant may, but shall not be required to, petition the Commission for an extension of the 100 Mcf per day transportation minimum throughput waiver for CNG refueling stations, said extension to be for an additional period of no more than five years.

RATE SCHEDULE MVF-T – page 2

MONTHLY RATES:

Customer Charge: Per month at the currently effective rate set forth on the current revision of Sheet No. 2 for Rate Schedules LC/ T

Plus:
Transportation Charge: During the Promotional Period, per MMBtu at a rate equal to 0.7 multiplied by the sum of: (1) the total effective Commodity Charge set forth on the current revision of Sheet 2 for Rate Schedule T, Priority Firm - 2 Service and (2) the absolute value of the current NSR passback commodity charge component for Rate Schedule T, Priority Firm - 2 service. At the conclusion of the Promotional Period, the Transportation Charge shall revert to the applicable Tariff rate.

Minimum Bill: The Minimum Bill will be the Monthly Customer Charge.

PAYMENT:

Bills for service rendered are payable within ten days from due date, and if not paid within such period become delinquent and subject to charges set forth in the Rules and Regulations for Gas Service.

HIGHWAY AND OTHER FUEL TAXES:

The rates charged for transportation service pursuant to this Rate Schedule do not include applicable Federal, State and/or local highway motor fuel sales and use taxes and fees which taxes and fees shall be the responsibility of the Consumer. To the extent Company is responsible for collecting such taxes and fees, then Consumer will be billed for same and agrees to pay such taxes and fees to Company in additions to all other applicable rates and charges.

TAX ADJUSTMENT RIDER:

The Tax Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RULES AND REGULATIONS FOR GAS SERVICE:

The Rules and Regulations for Gas Service approved by the Alabama Public Service Commission, and as amended from time to time, are applicable to this rate schedule and are made a part hereof.

RATE SCHEDULE MVF-T – page 3Rider SCOS – Sales from Company-Owned Stations

As a further inducement for customers to use CNG as a vehicular fuel in the State of Alabama, the Company may, but shall not be required to, provide CNG as a vehicular fuel directly to consumers from fueling stations which Company owns and operates for its own fleet vehicles and which, in Company's sole judgment, have capacity available to provide such service in areas that are unserved or underserved by public CNG stations. Notwithstanding the above, such service shall be on an interruptible basis at Company's sole discretion, and Company shall have no public service obligation to provide such direct service to CNG-fueled vehicles from any of its stations.

The price per Mmbtu for CNG sold from Company-owned CNG stations shall be the sum of the Program Gas Cost for the next preceding month (for example, April CNG sales will be priced using the Program Gas Cost applicable for February) plus the cost of interstate pipeline transportation pursuant to Rate Schedule P of the Tariff plus the applicable Transportation Charge under this Rate Schedule MVF-T or Rate Schedule T, as applicable, plus a Compression Charge as described below plus applicable taxes (the CNG Sales Price/Mmbtu). The CNG Sales Price/MMbtu will be converted to a price per gasoline gallon equivalent (GGE) by dividing the CNG Sales Price/MMbtu by a factor of 8 (The Pump Price).

The Compression Charge shall be calculated to recover direct and allocated CNG station costs using a rate design based on a 25% utilization of station capacity available for public use. In the event the utilization increases above 25%, Company may, but shall not be required to, adjust the Compression Rate to reflect the higher utilization without further Order of the Commission.

The Riders applicable to Rate Schedule MVF-T are applicable to this Rider SCOS.

Promotion of CNG as a Vehicle Fuel

Company will use reasonable efforts to promote the use of economical, clean-burning, domestically-produced natural gas as a vehicle fuel.

SPIRE ALABAMA INC.

RESIDENTIAL CONSERVATION SERVICE (RCS) PROGRAM
COST RECOVERY

1. Pursuant to the provisions of the Alabama State Plan for Residential Conservation Service the Company shall issue offers for residential audits beginning in the summer of 1988 and until termination of the program on June 30, 1989.
2. The Company will charge for each residential audit performed the fee of fifteen (\$15.00) as provided under the Alabama State Plan.
3. Amounts expended less the monies collected from the customers for the Residential Conservation Service program shall be treated as a current expense of providing utility service and recovered in the same manner as other current operating expenses through the normal base rate adjustments under the Rate Stabilization and Equalization (RSE) Factors provision of the Tariff.

RATE STABILIZATION AND EQUALIZATION FACTORS (RSE)APPLICABILITY:

Applicable as an integral part of each rate schedule of the Company in which reference is made to Rate Stabilization and Equalization Factor (RSE) and to Special Contracts as applicable.

EXPLANATORY STATEMENT:

It is the purpose of the RSE to lessen the size of rate increases by permitting the Company, through the operation of a filed and approved tariff provision, to adjust its base rates more readily to achieve the rate of return allowed it in the rate orders of the Commission. By the provisions hereof the base rates are also decreased if the designated rate of return is exceeded. Other provisions limit the impact of any one adjustment.

APPLICATION OF RSE FACTOR AND CALCULATION PROCEDURES:

An RSE shall be computed to be effective December 1, 2022 and each December 1 thereafter. Rates effective December 1 shall be adjusted (increased or decreased) in accordance with the RSE computed with respect to the return on average common equity (RCE) produced by the Company's budget, as approved by its Board of Directors, for the Rate Year beginning October 1, 2022 and each October 1 thereafter using base rates in effect on the immediately preceding October 1. Should the return produced by such budget produce a return on average common equity at the end of the Company's Rate Year that is higher than the RCE range, rates shall be reduced to produce a return on average common equity at the Adjusting Point of the RCE range by the end of the Company's Rate Year in accordance with the provisions herein. Similarly, if the return on average common equity produced by such budget is below the RCE range, rates shall be increased to produce a return on average common equity at the Adjusting Point of the RCE Range by the end of the Company's Rate Year in accordance with the provisions herein. If such return on average common equity is within the RCE Range, no RSE rate adjustment will be made.

CANCELLATION OF SHEET 44A

RATE STABILIZATION AND EQUALIZATION FACTORS (RSE) – page 2:

If the RCE computed with respect to the Company's budgeted Rate Year ending September 30 shall be less than 9.50% or greater than 9.90%, the base rates under the respective rate schedules and Special Contracts as applicable shall be adjusted by the amount necessary, in total, to restore the RCE to 9.70%, except that only rate decreases shall be allowed for the RSEs effective June 1 and September 1. The above notwithstanding, in any year in which the RSE mechanism produces a revenue adjustment, the Company will be allowed to earn an additional ten (10) basis points (0.10%) above the 9.70% adjusting point of the RCE range in the event the Company performs according to the Accelerated Infrastructure Modernization (AIM) Program on tariff Sheet Nos. 7-9. Conversely, in any year in which the RSE mechanism produces a revenue adjustment, the Company may be required to reduce the 9.70% adjusting point of the RCE range in accordance with the Accelerated Infrastructure Modernization (AIM) program as outlined on tariff Sheet Nos. 7-9.

The RSE shall be developed by the formula attached as Appendix A hereto. The RCE shall be computed through the tabulations specified on Appendix B hereto directly from the actual results recorded in the books of account of the Company, kept as required by the Uniform System of Accounts, and by the Company's budget as approved by its Board of Directors. Such Appendices, including the definitions therein, and the Special Rules Governing Operation of the RSE constitute an integral part of this tariff provision.

RSEs computed to be effective December 1, 2022 and thereafter, as allowed, shall be placed on the commodity charges of all rate schedules and Special Contracts to which the RSE is applicable. Commodity charges of the Company's rate schedules and applicable Special Contracts, as adjusted, shall be further adjusted by applying the current quarterly RSE adjustments, as allowed, to the total of the previously effective adjustments.

RATE STABILIZATION AND EQUALIZATION FACTORS (RSE) – page 3:

Since the Company's budget will be used to compute the annual adjustment, reviews of the Company's return on average common equity at the end of the Rate Year using a combination of actual and budget results will be made. Rate reductions will be allowed if the reviews indicate that the Company's return on average common equity at September 30 will be above the applicable RCE range, such rate reductions to be effective June 1, September 1 and December 1 of each year as appropriate. However, no rate increases will be allowed as a result of the reviews which would otherwise be effective on, June 1 and September 1 of each year.

Calculations of the reviews of the RCE shall be made with the closing of the Company's books as of March 31 and June 30 (the Points of Test). The RSE effective June 1 will be derived following a Point of Test at March 31 and the RSE effective September 1 derived following a Point of Test at June 30. In addition, there will be a Rate Year end review of the RCE at September 30, with an RSE effective December 1, as applicable, derived following a year end Point of Test at September 30.

RATE STABILIZATION AND EQUALIZATION FACTORS (RSE) - page 4:PERCENTAGE LIMITATION:

Annual increases or decreases derived by the operation of the RSE shall be limited to not more than four percent (4%) of the Annual Revenue (AR) as hereinafter defined.

EFFECTIVENESS:

Each year, the Company shall file its December 1 filing and supporting schedules with the Commission on or before October 26. In the event October 26 falls on a Saturday or Sunday, the filing shall be due on the first business day following October 26. All other RSE filings and supporting schedules shall be filed with the Commission not later than four weeks prior to the effective dates described herein and shall become effective on such dates unless otherwise ordered by the Commission.

This tariff provision shall continue through September 30, 2025. Adjustments hereunder shall continue after September 30, 2025 unless and until the Commission enters an Order to the contrary in a manner consistent with the law.

COMMISSION-REQUIRED ADJUSTMENTS:

Lobbying Expense. The actual expenses of lobbying for the most recent 12 months will not be charged to the ratepayer in any computation of the RSE or otherwise. Lobbying expenses shall include such portion of the Company's dues to the American Gas Association (AGA) that are attributable to lobbying activities. The Company shall provide the Commission's Utility Services Division Staff with documentation from the AGA verifying the portion of such dues that are attributable to lobbying activities.

Donations. Actual charitable donations for the most recent 12 months will not be charged to the ratepayer in any computation of the RSE or otherwise.

Civic Club, Dinner Club and Country Club Dues. Actual civic club, dinner club and country club dues for the most recent 12 months will not be charged to the ratepayer in any computation of the RSE or otherwise.

Interest Income. For purposes of computing the RSE, interest income will be considered to be utility income. Such treatment as utility income shall not be considered a precedent for any future general rate cases.

Capital Structure. Rate RSE will be further restricted in its operation so that the Company's common equity for purposes of RSE will be increased only by increases in retained earnings. Any other increases to common equity will require the specific approval of the Commission.

RATE STABILIZATION AND EQUALIZATION FACTORS (RSE) – page 5:COST CONTROL MEASUREMENTS:

Certain cost control measurements (CCM) shall be designed and implemented to encourage restraint in the Company's Operation and Maintenance expense levels by achieving expense levels within an acceptable range suitable both to ensure adequacy of the distribution system and its operations and to encourage efficient productivity levels for the benefit of the ratepayers. To that end, the following cost control design is applicable to Rate RSE and shall be computed through the tabulations specified as Appendix C hereto:

- 1) The measure of efficiency shall be the Company's annual operation and maintenance (O&M) expense on a per customer basis, hereinafter referred to as O&M per Customer. During the current RSE term, in addition to the approved O&M per Customer calculation, for comparative purposes only, the Company will also provide to the APSC and AG staff the results based upon total O&M Expense.
- 2) The standard for measurement shall be the national Consumer Price Index for All Urban Consumers (CPI-U).
- 3) The Base Year O&M expense will be computed by averaging the actual O&M expenses for FY 2020, 2021, and 2022. The Base CPI-U will be computed by averaging the August CPI-U for 2020, 2021, 2022. The Index will be computed by measuring the change from the Base CPI-U to the August CPI-U of the preceding completed fiscal year, less a factor of 1.50%.
- 4) The Base Year and Base CPI-U will remain constant for the duration of the Term unless a CCM benefit is achieved. If a benefit is achieved, the Base Year and the Base CPI-U for the following year will each be reset to an average of the three preceding completed years.
- 5) There will be an annual fiscal year review based upon the completed fiscal year O&M per Customer compared to a benchmark O&M expense computed using the Base Year O&M per Customer adjusted by the Index change from the Base Year through the preceding completed fiscal year.
- 6) If the Company's current rate year O&M per Customer (adjusted for items described in paragraph 7 below) as compared with the Benchmark O&M per Customer is within plus (+) or minus (-) 1.50%, inclusive (the Index Range), there will be no adjustment. To the extent this O&M per Customer exceeds the top of the Index Range, the Company will return three-quarters (75%) of the difference to customers through the adjustment to be effective the next December 1 through September 30. To the extent the Company's O&M expense per Customer is less than the bottom of the Index Range, one-half (50%) of the difference will be added to the RSE adjustment to be effective the next December 1 through the following September 30.
- 7) For purposes of the above-referenced cost control measurement, expenses related to changes in accounting principles and methods and non-recurring and/or recurring items that fluctuate based on situations demonstrated to be beyond the Company's control shall be excluded, as appropriate.

RATE STABILIZATION AND EQUALIZATION FACTORS (RSE) – page 6:

Should the common equity component, prior to any adjustments required by the Average Common Equity limit discussed in the following paragraph, at September 30 of any Rate Year exceed 55.5% of total capital including common equity, long term debt, short-term debt (including intercompany and all other short term debt), long-term debt due within one year and such pro forma adjustments as have been and/or may subsequently be approved by the Commission (RSE Capital Structure), a pro-forma capitalization will be determined, through the tabulations specified as Appendix D, hereto, in which the level of long-term debt will be increased from that at September 30 by an amount equal to the amount that the level of common equity will be decreased in order to achieve an imputed RSE Capital Structure at September 30 containing a common equity component of 55.5%, while the level of total RSE Capital Structure shall remain unchanged from that at the applicable September 30. A revenue adjustment to be effective December 1 through September 30 shall be computed by applying the Adjusting Point of the Equity Return Range to the equity in excess of 55.5% and deducting pro-forma interest charges after-tax, the sum of which shall be grossed-up for applicable revenue and income taxes. Pro forma interest charges will be calculated on the increased long-term debt so imputed, using the interest yield rate as published by the Wall Street Journal for Merrill Lynch 10+ year U. S. Corporate Bonds or comparable index on the most recent business day preceding September 30. If actual equity as of September 30 exceeds the maximum allowed as prescribed herein, the pro forma equity as of September 30 as computed above shall be used as the beginning equity for the following rate year average common equity calculation for RSE purposes.

Annual increases in the 13 Month Average Common Equity (ACE) as hereinafter defined, shall be limited to 6.00% at September 30 of any Rate Year and shall be computed through the tabulations specified as Appendix E. After the calculation of the Point of Test at September 30 and the incorporation of any RSE adjustment, ACE at September 30 will be compared to the benchmark (prior fiscal year's final ACE + 6.00%). If the current year ACE exceeds the benchmark an adjustment will made to the September 30 equity balance to reduce ACE growth not to exceed 6.00%. Following the equity adjustment, a subsequent Point of Test calculation will be performed using the adjusted ACE. If the RCE computed exceeds 9.90%, an adjustment will be recorded to restore RCE to 9.70%.

APPENDIX A

RATE STABILIZATION AND EQUALIZATION FACTORS (RSE) FORMULA:

The RSE shall be calculated in accordance with the formula set out below and shall be applied so as to adjust the base rates under the respective rate schedules and Special Contracts as applicable:

$$\text{If } \frac{\frac{(AROR - RCE)(ACE)}{(1-t)(1-R)(1-T)}}{AR} \text{ is greater than } 4\%, \text{ then,}$$

$$\frac{\frac{(4\% \times AR)(R_t)}{Mcfs} \times \frac{R_s}{R_t}}{Mcfs} = RSE$$

$$\text{If } \frac{\frac{(AROR - RCE)(ACE)}{(1-t)(1-R)(1-T)}}{AR} \text{ is equal to or less than } 4\% \text{ then,}$$

$$\frac{\frac{(AROR - RCE)(ACE)}{Mcfs} \times \frac{R_s}{R_t}}{Mcfs} = RSE$$

Where:

- AROR = Adjusting point of RCE Range (9.70% or adjusted +/- ten (0.10%) basis points as applicable per the AIM Program tariff).
- RCE = Return on average common equity (Appendix B).
- ACE = 13-month average common equity (Appendix B). If the ending equity exceeded the equity limit on Appendix D for the immediate preceding year, a pro forma equity will be utilized (Appendix B).
- AR = Annual revenues of the Company for the most recent twelve months ended September 30 of the pre-budget year.
- Mcfs = The budgeted Mcf sales or transportation under rate schedules and Special Contracts, as applicable, for service rendered from the RSE effective date to the end of the fiscal year.
- Rs = The total revenue from each respective rate schedule block and Special Contract, as applicable, for the most recent twelve months available.
- Rt = The total revenues from all rate schedules and Special Contracts, as applicable, for the most recent twelve months available.
- R = Combined Revenue Tax and APSC Fee rate.

APPENDIX A – page 2

- T = Combined Federal and State income taxes = $\frac{F + S - 2FS}{1 - FS}$
F being the statutory Federal income tax rate and S being the statutory State income tax rate to the extent such rates are not a function of the Tax Adjustment Rider.
- RSE = Rate RSE per unit of volume (Mcf) for Rate Schedule blocks and Special Contracts as applicable.
- t = Fraction of Rate Year remaining at RSE effective date times 1/2 AROR.

APPENDIX B

RATE STABILIZATION AND EQUALIZATION FACTORS (RSE)
DETERMINATION OF RETURN ON AVERAGE COMMON EQUITY (RCE)

1. The RCE will be computed for the twelve-month period ending at the budget Rate Year September 30. The computed RCE shall be calculated in accordance with the formula and specifications set out below:

Twelve Months Statement
of Income

September 30, 20xx

Actual Net Income _____ months \$ _____ (1)

Budget Net Income _____ months _____ (2)
(See Section 2B)

Dividends on Preferred Stock _____ (3)

Balance for Common (1) + (2) – (3) \$ _____ (4)

Plus: Expense Adjustment:

Civic Club Dues \$ _____

Country Club Dues _____

Dinner Club Dues _____

Lobbying Expense _____

Donations _____

Total Expense Adjustment \$ _____ (5)

After Tax Expense Adj. _____ (6)
(5) x 0.7489*

Adjusted Balance for
Common (ABFC) (4) + (6) \$ _____ (7)

Average Common Equity (ACE) \$ _____ (8)

RCE = (7) / (8) x 100 _____ % (9)

*Or current factor if tax rate changes to the extent such factor is not a function of the Tax Adjustment Rider

2. REVENUE AND EXPENSE ANNUALIZATION:

The revenue and expense annualization shall utilize the actual results of the months of the current budgeted rate year prior to the point of test in combination with the budgeted results of the months subsequent to the point of test for a total of twelve months ending September 30.

A. ACTUAL NET INCOME:

Actual Net Income shall be as recorded on the Company's books for the actual months of the current rate year at the point of test.

B. BUDGET NET INCOME:

Net Income for the budgeted months of the current rate year subsequent to the point of test shall be taken from the Company's current budget as approved by the Company's Board of Directors.

APPENDIX C

RATE STABILIZATION AND EQUALIZATION FACTORS
DETERMINATION OF COST CONTROL MEASUREMENTS (CCM)

	Base Year (A)	Current Rate Year (B)	Line No.
O&M Expenses:			
O&M Expense per Books	\$ _____	\$ _____	(1)
Adjustments (Net)	\$ _____	\$ _____	(2)
Adjusted O&M Expense	\$ _____	\$ _____	(3)
Average Customers	_____	_____	(4)
O&M Expense per Customer (3/4)	_____	_____	(5)
Increase (Decrease) (B5) – (A5)		\$ _____	(6)
Percentage Change (B6) ÷ (A4)		\$ _____ %	(7)
CPI-U:	_____	_____	(8)
Increase (Decrease) (B8) – (A8)		_____	(9)
Percentage Change (B9) ÷ (A8)		_____ %	(10)
CCM Index (B10) – 1.50% - Productivity Factory Adjustment		_____ %	(11)
Allowed Range:			
(B11) + 1.50%		_____ %	(12)
(B11) – 1.50%		_____ %	(13)
Index Range:			
O & M Allowed:			
High (A5) + (A5) x (B12)		\$ _____	(14)
Low (A5) + (A5) x (B13)		\$ _____	(15)
Adjustment Required:			
If (B5) > (B14): [(B14) – (B5)] * (B4), or			
If (B5) < (B15): [(B15) – (B5)] * (B4), or 0		\$ _____	(16)
Net Adjustment: If (B16) > 0: (B16) x 50%			
or If (B16) < 0: (B16) x 75%		\$ _____	(17)
Revenue Taxes (B17) x .05077 (C)		\$ _____	(18)
Adjustment (B17) + (B18)		\$ _____	(19)

APPENDIX C – page 2

- (A) The Base Year O&M Expense per Books as defined in paragraph 4) on Sheet No. 46 will be adjusted as noted in paragraphs 3) and 4) on Sheet No. 46.
- (B) Current Year O&M Expense per Books adjustments as noted in paragraph 7) shall have an explanation attached.
- (C) Or the currently effective Revenue Tax Factor

APPENDIX D

RATE STABILIZATION AND EQUALIZATION (RSE)
COMMON EQUITY MEASUREMENT

at September 30, 20____

I. Computation of Common Equity Limitation:

Common Equity	\$ _____	(1)
Long-Term Debt	\$ _____	(2)
Long-Term Debt due within 1 year	\$ _____	(3)
Short-Term Debt	\$ _____	(4)
Preferred Stock	\$ _____	(5)
Adjustments (A)	\$ _____	(6)
Total Capitalization (1) + (2) + (3) + (4) + (5) + (6)	\$ _____	(7)
Allowed Equity Percentage	_____ 55.5%	(8)
Common Equity Limitation (7) x (8)	\$ _____	(9)
Excess Equity if [(1) – (9)] > 0, otherwise 0	\$ _____	(10)
(If Line (10) is greater than zero, complete Section II.)		

II. Computation of Pro-Forma Revenue Adjustment:

Pro-Forma Long-Term Debt Adjustment (10)	\$ _____	(11)
Interest Yield Rate as of September __, 20__ (B)	_____ %	(12)
Pro-Forma Interest Adjustment (11) x (12)	\$ _____	(13)
Income Taxes 0.2511 x Line (13) (C)	\$ _____	(14)
Pro-Forma Net Income Adjustment (13) – (14)	\$ _____	(15)
Pro-Forma Equity Adjustment (10) x -1	\$ _____	(16)
Adjusting Point of Return on Average Equity	_____ 9.70%	(17)
Pro-Forma Net Income Adjustment (16) x (17)	\$ _____	(18)
Total Pro-Forma Net Income Adjustment (15) + (18)	\$ _____	(19)
Divided by product of: (1 – R) x (1 – T) (D)	_____ 0.7127	(20)
Revenue Adjustment (19) / (20)	\$ _____	(19)

(A) Explanation of Adjustments to be attached

(B) Merrill Lynch 10+ Year U.S. Corporate Bonds or comparable index as published by the Wall Street Journal on September 30 or the first business day preceding September 30 should such date fall on Saturday or Sunday

(C) Or current effective income tax rate

(D) R and T (revenue and income tax) as defined on Appendix A

APPENDIX E

RATE STABILIZATION AND EQUALIZATION (RSE)
AVERAGE COMMON EQUITY GROWTH MEASUREMENT

at September 30, 20____

I. Computation of Average Common Equity Growth:

Current Year Average Common Equity (ACE)	\$		(1)
Prior Year Final ACE	\$		(2)
ACE Growth Limit		6.00%	(3)
ACE Benchmark (2) x (3)	\$		(4)
Excess (Deficient) (1) – (4)	\$		(5)
Adjustment Required			
If (5) > 0: (5) / (1/13)	\$		(6)
If (5) < 0: \$0	\$	0	(7)

II. Computation of Adjusted Average Common Equity Growth:

Adjusted Current Year Average Common Equity (ACE)	\$		(1)
Prior Year Final ACE	\$		(2)
ACE Growth Limit		6.00%	(3)
ACE Benchmark (2) x (3)	\$		(4)
Excess (Deficient) (1) – (4)	\$		(5)
Adjustment Required			
If (5) > 0: (5) / (1/13)	\$		(6)
If (5) < 0: \$0	\$	0	(7)

SPECIAL RULES GOVERNING OPERATION OF RSE

1. The Commission finds that the adoption of RSE and the resulting reduction of the number of general rate increase requests filed by the Company, given the increased monitoring and auditing provisions of the RSE and this agreement, will increase the Commission's ability to fulfill its statutory duty to supervise the overall operation of the Company as provided in Title 37, Code of Alabama (1975). The absence of lengthy and time-consuming hearings occasioned by general rate cases brought by this Utility will provide a better opportunity for the Commission and its staff to effectively monitor the Company's daily operations and to investigate regulatory matters which, prior to the implementation of RSE, had remained unaddressed.
2. The Commission finds that this increased supervision is essential to the protection of the Company's retail customers and is a proper and necessary exercise of the Commission's statutory responsibilities. The Commission expressly acknowledges that its function is to regulate the Company, not to substitute its judgment for that of the Company's management, subject to the demonstration that the Company is honestly, economically and efficiently managed.
3. Given the unique nature of the RSE, the Company recognizes the Commission's increased oversight responsibilities and the need for additional monitoring by the Commission and its staff above the levels of reporting, auditing and inspection in effect prior to RSE. The Company by acceptance of these Rates commits itself to cooperate fully with the Commission, its staff, the Attorney General of the State of Alabama, and any successor State agency charged with the duty of representing the interests of the consuming public in this regard.
4. In furtherance of the Commission's increased monitored role and activities, the Company agrees as follows:
 - (a) The Company shall furnish to the Commission, its staff, and on request, to the Attorney General or any successor State agency charged with the duty of representing the consuming public, all reports and other data which are identified on Exhibit "A" hereto, and which are not otherwise furnished under this Paragraph 4.
 - (b) The Company shall provide to the Commission, its staff, and on request the State agency responsible for representing the consuming public, entries on Appendices B and C to Rate RSE at least four weeks prior to the initiation of an increase or decrease derived by the operation of RSE.

SPECIAL RULES GOVERNING OPERATION OF RSE – page 2:

- (c) The Company shall produce at its General Office upon request by the Commission, its staff, or the State agency charged with representing the consuming public, published projections of the Company's financial condition which have been made in the normal course of business.
 - (d) The Company shall provide the Commission, its staff, and on request the State agency charged with representing the consuming public, all preliminary and final prospectuses promptly after filing.
 - (e) The Company agrees to provide the Commission, its staff, and on request the State agency charged with representing the consuming public, copies of its Audited Financial Statements as soon as they become available.
5. The Company and Commission agree that the Uniform System of Accounts of the Federal Energy Regulatory Commission (FERC), as used in RSE and as approved by the Commission effective February 4, 1998, in Docket 25082, is the system of accounts in effect as of the date hereof. The Commission and Company further agree that any modification or amendment to the Uniform System of Accounts by the FERC shall not be binding on the Commission in computing the RSE or for annual reporting unless and until adopted by the Commission.

SPECIAL RULES GOVERNING OPERATION OF RSE – page 3:

6. The Company pledges its good faith and cooperation in all areas pertaining or relating to activities by the Commission or its staff in the exercise of its monitoring, auditing and inspection functions as well as the specified reporting requirements imposed upon the Company herein.
7. LIMITED COMPLAINT PROCEEDINGS RESPECTING COMPUTATION OF RSE:

The Commission may hold limited complaint proceedings (Section 37-1-83, et seq.) to inquire into the amount, accuracy and compliance with the Uniform System of Accounts or into any material changes in accounting treatments of all expenditures and book entries of the Company utilized in the computation of the RSE adjustment or to make inquiries into any facets of the Company's operations involving questions relating to honest, efficient or economical management. In any such complaint proceedings, the burden of proof as to the amount and verification of expenditures, as to any material changes in accounting treatments, and as to conformity with the Uniform System of Accounts shall be upon the Company, and the burden of proof in any challenge to the Company's conformity to the standard of honest, efficient and economical management shall be upon the complainant or the Commission.

Changes, if any, made in the amount of any numbers or items in Appendix B of the RSE as a result of such a complaint proceeding shall be effective on the next quarterly computation under the RSE immediately following the resolution of the complaint proceeding by the Commission. If the changes indicate an over collection by the Company pursuant to the RSE, a further compensation adjustment factor based upon the amount of such over collection shall be returned to customers as the Commission may order; providing, however, that such compensating adjustment shall apply only to collection pursuant to the RSE rider and shall apply to adjust for over collection for no more than two calendar quarters prior to the quarter in which the complaint is resolved by the Commission.

Any complaints under this procedure shall be heard and resolved by the Commission prior to the quarterly adjustment of the quarter following the filing of such complaint if possible, but in no event later than the beginning of the second quarter following the filing. If the delay is occasioned by the Company's fault or refusal or inability to proceed upon proper notice, any complaint unresolved by the beginning of such second quarter shall be deemed to be resolved against the Company until such time as the complaint is resolved by the Commission. Nothing in this paragraph shall be deemed as restricting or abrogating any right of appeal to the Courts under applicable law.

SPECIAL RULES GOVERNING OPERATION OF RSE – page 4:

8. The Company agrees to make no general retail rate increase filings to be effective prior to October 1, 2025. The Commission, in consideration of the Company's acceptance of the modifications to Rate RSE contained herein, agrees to make no change in Rate RSE or its applicable terms and conditions, including but not limited to the Return on Common Equity (RCE) Range, nor to its applicable rate schedules to be effective before October 1, 2025. Adjustments hereunder shall continue after September 30, 2025, unless or until the Commission enters an Order to the contrary in a manner consistent with law. The Commission shall conduct a review of the Company's RSE Mechanism between December 1, 2024 and May 31, 2025. The above notwithstanding, it is expressly understood by both the Company and the Commission, that an unforeseen event, whether physical or economic, of the nature of force majeure may occur. In such event, which shall include the acquisition of the Company by an entity other than its current parent, the Company and the Commission shall consult in good faith to determine whether such commitments should be modified and, failing agreement thereon, the parties may take such actions as in good conscience they deem appropriate.
9. To facilitate effective monitoring and the orderly flow of data, the Commission and the Company shall each designate an individual or office to or through which all questions, information requests and visits shall be coordinated. Any such requests for information (including specifically requests to visit any Company premises) shall be upon reasonable advance notice transmitted through the coordinators and shall be consistent with the safe and orderly conduct of the Company's business. However, nothing in this paragraph shall be construed as restricting in any manner the Commission in the proper exercise of its regulatory rights, power, authority, jurisdiction and duties as provided in Title 37, Code of Alabama (1975), as amended.

SPECIAL RULES GOVERNING OPERATION OF RSE – page 5:10. ANNUAL MEETING:

In addition to the Staff's ongoing daily, monthly, quarterly, and annual reviews of the Company's financial and other information, as part of the staff's review of the Company's proprietary information, the Company will participate in a meeting between May 1 and June 30 each year with the Commission, its Staff and Office of Attorney General at an agreed-upon place to provide a status update regarding the following topics:

- i. Financial and Other Performance Matters;
- ii. Parent-subsidiary allocations; and
- iii. Overview of the Company's Gas Purchasing Practices.

11. ANNUAL COST ALLOCATIONS MEETING:

As part of the Staff's ongoing review of the Company's proprietary information, the Company shall meet annually between August 1 and September 30 with the Energy Division staff and the Office of Attorney General to discuss details of costs allocated to Company by its parent company. This meeting will be in addition to the annual meeting described in Paragraph 10 above and will be devoted specifically to cost allocation issues and methodology, including a review of actual and budgeted allocations as well as the amounts expected to be a part of the Company's next December 1, RSE filing.

12. The Company shall make its current rates available online to its residential and small commercial customers who register with the Company through its "My Account" website system. In addition, the Company's tariff in PDF or comparable format shall be available on the Company's website with any changes to the Company's tariff to be reflected in such copy within five (5) working days of the effective date of any such change.

EXHIBIT A
SPECIAL RULES GOVERNING OPERATION OF RSE – page 6:

The following documents will be provided on a proprietary basis, unless otherwise indicated below, and the confidentiality of such documents shall be maintained to the fullest extent allowed by controlling law:

1. Balance Sheet – each month
2. Statement of Income – Current Month, this year, last year; 12 Months Ended, this year, last year
3. Meters Billed, Sales and Transportation Mcf and Revenue by Customer Class – Current Month, Year-to-Date
4. Annual Operating Budget*
5. Annual Construction Budget
6. Annual Financial Report (i.e. FERC Form 2) (non-proprietary)
7. Audited Financial Statements as available (non-proprietary)
8. Financials schedules related to the operation of the RSE which the Company prepares on a regular basis as requested.
9. The Company will provide other documents related to the RSE upon reasonable request by the Commission Staff.
10. The Company agrees that if the Commission, its staff, or the State agency charged with representing the consuming public, makes a reasonable request for any documentation or explanation of any accounting entries that support Appendices B, C and/or D to the RSE, the Company shall, within five working days from the receipt of written request, provide full and complete response to said request.
11. The Company agrees that its refusal or delay in complying with the reasonable data requests under item 10 above of the Commission, Commission staff and the State agency charged with representing the consuming public, in connection with Rate RSE shall, unless the Company can (after notice and opportunity for hearing) show just and reasonable cause for its refusal or delay, have the effect of suspending the next succeeding quarterly increase in operation of the RSE for the number of days equal to the number of days the Company has failed to comply with any such data requests.

*Revisions to the budget will be submitted no later than each Point of Test date.

SPECIAL RULES GOVERNING COMPETITIVE FUEL CLAUSE OF
RATE SCHEDULES LC, LI, T and SPECIAL CONTRACTS

APPLICABILITY:

These rules shall apply to adjustments under the Competitive Fuel Clause of Rate Schedules LC, LI, T and Special Contracts.

EFFECTIVENESS:

Rate adjustments made under the Competitive Fuel Clause of Rate Schedules LC, LI, T and Special Contracts shall be effective upon the execution by the Company of a letter agreement amending the Contract for Gas Service or the Service Agreement for Transportation Service between the Company and a Consumer which reflects such adjustment. The Company shall file a monthly report with the Commission summarizing information pertinent to the operation of the Competitive Fuel Clause per the Commission's letter dated May 19, 1986.

PROCEDURE:

1. Consumers purchasing gas under Schedules LC, LI, T or under Special Contracts who have determined that they can purchase, transport and utilize energy (including the ownership cost of new alternate energy equipment if required) from supplier(s) other than the Company at a cost lower than the equivalent cost of gas as in effect under the provisions of the Contract for Gas Service or the Service Agreement for Transportation Service between the Company and such Consumers, and who desire to have the price at which they are purchasing gas from the Company or the price at which Company is transporting gas for them adjusted to be competitive with such alternate source of energy, shall notify the Company and confirm in writing the availability of such alternate source of energy at such price and shall include with such notice (a) a written statement, signed by an officer of the Consumer, stating the availability of such alternate form of energy, the base cost thereof, transportation cost and utilization cost (including the ownership cost of new alternate energy equipment if required), and (b) a proposed amendment to the said Contract for Gas Service or the Service Agreement for Transportation Service executed on behalf of the Consumer. Company shall supply Consumers purchasing gas under Rate Schedule LC, LI, T or Special Contracts with a form containing the calculation agreed to by Company and Consumer to be used to give such notice and to determine the base cost of the alternate form of energy, transportation cost and utilization cost and with a form of contract amendment to be used to affect such adjustment.
2. Company shall notify Consumer within three (3) working days, or within 30 days if new alternate energy equipment is contemplated by Consumer, of receipt of such notice as to whether it shall agree to the gas price adjustment requested by the Consumer or offer an alternate rate. Failure of the Company to notify the consumer of its acceptance or rejection of such request shall constitute a rejection thereof.

SPECIAL RULES GOVERNING COMPETITIVE FUEL CLAUSE OF
RATE SCHEDULES LC, LI, T and SPECIAL CONTRACTS (page 2)

3. If the Company shall accept such request it shall execute such amendment to the Contract for Gas Service or the Service Agreement for Transportation Service, as pertains.

4. Adjustments made under the Competitive Fuel Clause of Rate Schedules LC, LI, T and Special Contracts shall remain in effect for the period specified in the Contract Amendment. The Contract Amendment may be extended upon agreement by the Company. In the absence of such extension, the charges for gas service will revert to the appropriate charges under Rate Schedule LC, LI or T upon termination of the period specified in the contract amendment. Charges for gas service will revert to the appropriate charges under Rate Schedules LC, LI or T on the date the Consumer orders new equipment to utilize an alternate energy source.

5. No adjustment shall be made under the Competitive Fuel Clause that will result in a cost of gas of the Consumer under Rate Schedules LC, LI and Special Contracts that is less than the Company's lowest priced commodity cost of gas per Mcf established in the Company's currently effective Gas Supply Adjustment Rider for like volumes plus 5 cents per Mcf and plus applicable gross receipts taxes. No adjustment will be made under the Competitive Fuel Clause that will result in a transportation cost to the Consumer under Rate Schedule T of less than 5 cents per Mcf plus applicable gross receipts taxes.

CANCELLATION OF
COAL SEAM TRANSPORTATION SERVICE
RATE SCHEDULE CST

CANCELLATION OF
COAL SEAM TRANSPORTATION SERVICE
RATE SCHEDULE CST (page 2)

FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE T

AVAILABILITY:

Available to Consumers who own and deliver gas (Transportation Quantities) to the Company at an acceptable point of connection with Company's facilities in the State of Alabama.

APPLICABILITY:

Applicable to Large Commercial (LC) and Large Industrial (LI) and Special Contract Consumers with requirements of 100 Mcf per day or more on a monthly average-production day basis excluding seasonable space heating loads, for the transportation of Consumer's firm and/or interruptible requirements of gas through Company's distribution system for delivery and consumption at Consumer's facilities in the State of Alabama.

Combined Account Billing is available for transportation service for Consumers with multiple metering points which separately do not have requirements of 100 Mcf per day, but do when combined and which meet the requirements set forth in the Combined Account Billing Terms and Conditions located on Sheet No. 57c.

CHARACTER OF SERVICE:

Service performed hereunder by the Company shall be for Firm transportation requirements and/or Interruptible transportation requirements performed under the provisions of individual contract(s) between Consumers and Company.

Service shall be subject, in the Company's sole judgment, to the Company's own operating and system requirements and shall be subject to interruption under the terms of the Company's Curtailment Plan.

RATES:

MONTHLY TRANSPORTATION CHARGE:

Per MMBtu by curtailment priority at the currently effective commodity rate set forth on Sheet No. 2.

DETERMINATION OF DELIVERIES:

Transportation deliveries will be at appropriate firm and interruptible transportation rates by priorities determined by application of the Company's Curtailment Plan. Firm

FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE T (page 2)

will be the first gas delivered to Consumers each day. If Consumer's Firm Transportation quantities are not delivered to the Company for delivery to Consumer on any day, deliveries to Consumer will be considered made under Company's appropriate sales Rate Schedule(s) or Special Contract(s); (Company and consumer will maintain a current gas sales contract for the same amount of firm requirements as contained in the gas Transportation Contract). The Company may request a Standby Charge in the transportation contract with the Consumer in addition to the firm Commodity Charge provided in appropriate sales Rate Schedule(s) or Special Contract(s) to provide such Firm Sales Service.

Interruptible Transportation Service:

The first gas delivered to Consumer each day up to the total firm sales requirements of Consumer will be billed under the appropriate sales or transportation Rate Schedule(s) or Special Contract(s). Daily volumes of gas in excess of Consumer's firm sales requirements shall be considered as gas transported hereunder.

Combination Firm and Interruptible Transportation Service:

Transportation deliveries will be at appropriate firm and interruptible transportation rates by priorities determined by application of the Company's Curtailment Plan. Firm Transportation quantities will be the first gas delivered to Consumer each day. If Transportation quantities are not delivered to the Company for delivery to Consumer on any day, deliveries to Consumer will be considered made under Company's appropriate firm and interruptible sales Rate Schedule(s) or Special Contract(s); (Company and Consumer will maintain a current gas sales contract for the same amount of firm and interruptible requirements as contained in the gas Transportation Contract). The Company may request a Standby Charge in the transportation contract with the Consumer in addition to the firm Commodity Charge provided in the appropriate sales Rate Schedule(s) or Special Contract(s) to provide Firm Sales Service.

Volumes of gas delivered to the Company for either firm and/or interruptible transportation to Consumer which are not equal to volumes delivered to Consumer, including volumes retained by the Company for Company use and unaccounted for gas, will be accounted for under the terms of the contract between Company and Consumer.

FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE T (page 3)

Transportation quantities will be the first gas redelivered to Consumer each day. The Company may request a Standby Charge in the transportation contract with the Consumer in addition to the firm Commodity Charge provided in the appropriate sales Rate Schedule(s) or Special Contract(s) to provide Firm Transportation Service.

BALANCING CHARGES:

Volumes of gas delivered to the Company for firm and/or interruptible transportation to Consumer under Rate Schedule P which are not equal to volumes redelivered to Consumer, including unaccounted for gas and volumes retained by the Company for Company use, will be accounted for under the terms of Rate Schedule P and the contract(s) between Company and Consumer.

Volumes of gas delivered directly to the Company by the Consumer under this Rate Schedule T for firm and/or interruptible transportation to the Consumer which are not equal to volumes redelivered to Consumer shall be subject to the following balancing and Cash-in Cash-out provisions and charges:

Daily Balancing Charge. For every Day in which a “Daily Imbalance” (as that term is defined in Sheet No. 95) exists, Consumer agrees to pay a Daily Balancing Charge per MMBtu multiplied by the Daily Imbalance as follows:

<u>Daily Imbalance Percentage</u>	<u>Daily Charge per MMBtu of Daily Imbalance</u>
0 – 10% over-delivery	No charge
0 – 10% under-delivery	No charge
More than 10% over-delivery	\$0.24 plus applicable taxes.
More than 10% under-delivery	\$0.24 plus applicable taxes.

Monthly Cash-in – Cash-Out Balancing Charge

- (a) All “Monthly Imbalances” (as that term is defined in Sheet No. 95) accrued by Consumer shall be resolved on a monthly basis pursuant to the provisions herein. After each month of transportation on Company’s system, Company will calculate the Monthly Imbalance. The Company shall also calculate the “Monthly Imbalance Percentage” (as that term is defined in Sheet No. 95) for each month for purposes of

FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE T (page 4)

determining the maximum percentage at which Consumer's Monthly Imbalance shall be resolved below.

- (b) Subject to the provisions of subsection (d) below, if Consumer has accrued a Monthly Imbalance such that the total quantities of gas received by Company at the Delivery Point for Consumer's account during the month are less than the total quantities of gas consumed by Consumer at the "Redelivery Point" (as that term is defined in Sheet No. 95a) during the month, Consumer shall pay Company for Consumer's Monthly Imbalance at the following prices specified for each stated Monthly Imbalance Percentage that Consumer's deliveries exceed its receipts.

<u>Monthly Imbalance Percentage</u> <u>Excess Deliveries</u>	<u>Percentage of</u> <u>Program Gas Cost Price</u> <u>Per MMBtu</u>
0 to 5%	100%
>5 to 10%	115%
>10 to 15%	125%
>15 to 20%	140%
>20%	150%

- (c) Subject to the provisions of subsection (d) below, if Consumer has accrued a Monthly Imbalance such that the total quantities of gas received by Company at the Delivery Point for Consumer's account during the month are greater than the total quantities of gas consumed by Consumer at the Redelivery point during the month, Company shall pay Consumer for Consumer's Monthly Imbalance at the following prices specified for each stated Monthly Imbalance Percentage that Consumer's receipts exceed its deliveries.

FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE T (page 5)

<u>Monthly Imbalance Percentage</u> <u>Excess Receipts</u>	<u>Percentage of</u> <u>Program Gas Cost Price</u> <u>Per MMBtu</u>
0 to 5%	100%
>5 to 10%	85%
>10 to 15%	75%
>15 to 20%	60%
>20%	50%

In the event Consumer owes Company any payments under subsection (b) above from a previous month or months, which payments are past due, Company shall have the right hereunder to offset payments it owes to Consumer under subsection (c) by such past due amounts (inclusive of interest).

- (d) In the event there is a prior period adjustment to the quantities of gas booked under Consumer's Transportation Service Agreement or Special Services Agreement due to metering errors or other errors attributable to Company's responsibilities under its Tariff, the quantity of such adjustment shall be cashed out at 100% of the Consumer's actual gas cost during the month the error occurred. If the prior period adjustment relates to metering errors or other error or changes by a Pipeline Company, the Pipeline Company's adjustment will be billed directly to customer by Company and Customer shall remit same to the Company.

MINIMUM BILL:

The minimum monthly bill hereunder shall be the Minimum Bill specified in Rate Schedule LI; provided that the Minimum Bill under this Rate Schedule T will not apply in any month that Consumer pays a Minimum Bill under Rate Schedule LC or LI for service to the same Redelivery Point.

In the case of Combined Account billing, the minimum bill to the Consumer shall be the sum of the appropriate Sales Rate Schedule (SC, SI, LC or LI) minimum bills for each Redelivery point.

FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE T (page 6)

TRANSPORTATION OF CONSUMER'S GAS BY THE COMPANY THROUGH FACILITIES OF OTHER TRANSPORTERS:

Transportation of Consumer's gas may be arranged by Company, under the terms of Rate Schedule P, through the facilities of Other Transporter(s). Consumers will pay all charges and meet the conditions of such transportation arrangement(s) as set out in the Contract between the Company and Consumer.

PAYMENT:

Bills for service rendered are payable within ten (10) days from due date, and if not paid within such period become delinquent and subject to charges set forth in the Rules and Regulations for Gas Service.

TAX ADJUSTMENT RIDER:

The Tax Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

GAS SUPPLY ADJUSTMENT RIDER:

The Gas Supply Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule as appropriate and is made a part hereof except that no current commodity cost of gas shall be included in the effective rate schedule hereunder.

RULES AND REGULATIONS FOR GAS SERVICE:

The Rules and Regulations for Gas Service approved by the Alabama Public Service Commission, and as amended from time to time, are applicable to this rate schedule and are made a part hereof.

FIRM AND INTERRUPTIBLE TRANSPORTATION SERVICE
RATE SCHEDULE T (page 7)

RATE STABILIZATION AND EQUALIZATION FACTORS:

The Rate Stabilization and Equalization Factors (RSE) tariff provision approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

COMPETITIVE FUEL CLAUSE:

The Company may, but shall not be required to, agree upon rate levels for specific Consumers lower than those shown on the current revision of Sheet No. 2 applicable to this rate schedule in order to remain competitive with other suppliers of energy, in accordance with the procedure set out in the currently effective Sheet Nos. 52 and 53.

TEMPERATURE ADJUSTMENT RIDER:

The Temperature Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to Priority One (1) of this rate schedule and is made a part hereof.

COMBINED ACCOUNT BILLING TERMS AND CONDITIONS

Multiple metering points under which gas is delivered to the same Consumer may be combined to achieve 100 Mcf per day for transportation service, if the following conditions are met:

1. All meters are to be chart billed with the Consumer responsible for the cost of converting each meter to chart billing. Each meter set is considered a separate delivery point for the purpose of combined billing hereunder.
2. A maximum of 7 delivery points may be combined which together must have a gas consumption of 100 Mcf or more per day on a monthly average-production day basis excluding seasonal space heating load.
3. At least one delivery point must equal or exceed 50 Mcf per day on a monthly average-production day basis excluding seasonal space heating load and have a contract to purchase gas under Rate Schedule LC or LI.
4. Transportation will not be available for any delivery point that does not maintain gas consumption of at least 15 Mcf per day on a monthly average-production day basis excluding seasonal space heating load.
5. All delivery points must be capable of being served by the same supplier of gas to the Company.
6. Each delivery point will receive a separate invoice and each invoice will include as part of its total the appropriate sales service monthly customer charge and the appropriate transportation service minimum bill for that delivery point.
7. All transportation quantities delivered to the Consumer's combined delivery points will be billed at the Company's effective transportation rate(s) for that Consumer. All other volumes will be billed the delivery point's appropriate sales tariff rate or special sales contract rate.
8. Accounts will be reviewed periodically by Company for compliance with the minimum requirements hereunder. Delivery points and/or Rate Schedule T accounts which are, in the sole judgment of the Company, below minimum requirements, may, in the sole judgment of Company, be billed under the appropriate sales rate until such time as evidence is presented which is satisfactory to Company, that the delivery point and/or account will be in compliance with the heretofore outlined terms and conditions.

INDUSTRIAL DEVELOPMENT GAS SERVICE
RATE SCHEDULE ID

AVAILABILITY:

Available, at the Company's option, to Consumers in the State of Alabama served by the Company's natural gas mains.

APPLICABILITY:

Applicable, at the option of the Company, to new or expanding enterprises with new or added natural gas requirements of 300 Mcf per day or greater. Gas will be delivered at a single delivery point and shall NOT be resold by the Consumer.

CHARACTER OF SERVICE:

Consumer may contract for Firm Service, Interruptible Service or a combination of Firm and Interruptible Service on contract forms filed by the Company with the Alabama Public Service Commission; however, the Company reserves the right to limit the quantity of Firm Service contracted for by any Consumer. Interruptible Service covers all gas delivered by the Company in excess of the specified firm volume and may be interrupted and or curtailed at any time and from time to time by the Company upon notice to the Consumer as provided in the Rules and Regulations.

TERM:

A time period not to exceed five (5) years will be contracted for at the Company's option. At the end of the contract term, service will be transferred to the appropriate rate schedule.

MONTHLY RATES:Customer Charge:

Per month at the currently effective rate set forth on Sheet No. 2.

Plus:

Commodity Charge:

Per Mcf by curtailment priority at the currently effective commodity rates set forth on Sheet No. 2 less a reduction not to exceed 10% of the base rate in effect excluding the RSE Factors, when a contract is executed by Consumer. However, in no event will the total contracted price of gas to the Consumer be less than the Company's marginal priced commodity cost of gas per Mcf established in the Company's currently effective Gas Supply Adjustment Rider for like volumes plus 5 cents per Mcf, and plus applicable gross receipts taxes.

RATE SCHEDULE ID – page 2Determination of Deliveries:

The priority or priorities of a Consumer's purchases will be determined by the application of the Company's Curtailment Plan. Gas delivered to a Consumer each day will be priced by priorities in the order listed on the current revision of Sheet No. 2 up to a consumer's daily delivery amounts as contained in the Index of Requirements in the Company's Curtailment Plan. For expanding industries, volumes billed under this rate schedule shall be monthly volumes in excess of a base period. The base period shall be twelve billing months prior to the month this rate schedule is put into effect, excluding unusual and non-recurring conditions. As an alternative, the Company may, at its option, separately meter new gas requirements for expanding industries.

Penalty for Taking Gas in Excess of Curtailment Orders:

For all volumes of gas taken in excess of curtailment orders (unauthorized overrun gas) given by Company pursuant to its Rules and Regulations for Gas Service, Section X as follows:

For the first 10 Mcf of unauthorized overrun gas taken during a month, \$7.50 per Mcf.

For all unauthorized overrun gas taken during the same month in excess of 10 Mcf, \$20.00 per Mcf.

MINIMUM BILL:

The minimum monthly bill will be the Customer Charge for a Consumer purchasing firm gas; \$50.00 for a Consumer purchasing interruptible gas in Priority 3; and \$500.00 for a Consumer purchasing interruptible gas in Priorities 4 through 6. The Minimum Bill for Consumers purchasing both firm and interruptible gas will be the Customer Charge plus the Minimum Bill for such Interruptible Service. The Minimum Bill for Consumers purchasing gas in more than one interruptible priority will be the appropriate Minimum Bill for the highest numbered priority. In the event a Consumer is not offered \$50.00 or \$500.00 worth of gas, as applicable, during a calendar month, the Minimum Bill shall only be the Customer Charge.

HEAT UNIT ADJUSTMENT:

In the event the Btu content of the gas varies above or below 1,000 Btu per cubic foot of dry gas, the commodity charges will be adjusted by multiplying such charges by a fraction, the numerator of which shall be the monthly average of the daily average Btu content and the denominator of which shall be 1,000.

RATE SCHEDULE ID – page 3

PAYMENT:

Bills for Service rendered are payable within ten days from due date, and if not paid within such period become delinquent and subject to charges set forth in the Rules and Regulations for Gas Service.

TAX ADJUSTMENT RIDER:

The Tax Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

GAS SUPPLY ADJUSTMENT RIDER:

The Gas Supply Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RULES AND REGULATIONS FOR GAS SERVICE:

The Rules and Regulations for Gas Service approved by the Alabama Public Service Commission, and as amended from time to time, are applicable to this rate schedule and are made a part hereof.

COMPETITIVE FUEL CLAUSE:

The Company may, but shall not be required to, agree upon rate levels for specific Consumers lower than those currently in effect to remain competitive with other suppliers of energy, in accordance with the procedure set out in the currently effective Sheet Nos. 52 and 53.

RATE STABILIZATION AND EQUALIZATION FACTORS:

The Rate Stabilization and Equalization Factors (RSE) tariff provision approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RESIDENTIAL GAS SERVICE
RATE RIDER SSI
SUPPLEMENTAL SECURITY INCOME
AND/OR MEDICAID FOR LOW-INCOME FAMILIES

AVAILABILITY:

This rider is available to Consumers in the State of Alabama served by the Company's natural gas mains.

APPLICABILITY:

This schedule is applicable as a rider to Rate Schedule R (Residential Gas Service) for existing Consumers of the Company who have been served under Rate Schedule R for the three (3) most recent months and, after written application to the Company, are certified by the Alabama Medicaid Agency to be current recipients (or have a household member who is a current recipient) of Supplemental Security Income benefits and/or Medicaid for Low-Income Families (MLIF).

MONTHLY RATE:

The customer charge of Rate Schedule R shall not be billed to Consumers served under this rider. The revenue lost from waiving the customer charge for customers served under this rider shall be allocated to Residential customers in accordance with the Commission's order dated December 3, 1990 in Dockets 18046 and 18328.

ENERGY-RELATED WEATHERIZATION & EDUCATIONAL PROGRAMS
GUIDELINES & COST RECOVERY

The Company will provide certain weatherization measures for residences of low-income Consumers and conduct educational programs for its Consumers to help them use energy more wisely.

On July 1, 1991 an adjustment will be made to the commodity charges of the Company's Residential Rate Schedule, in a manner set forth in Section XV of the Rules and Regulations for Gas Service, on a volumetric basis. Such adjustment shall include applicable gross receipts taxes. The adjustment will be designed to recover estimated expenses related to Weatherization and Educational Programs over the twelve months ending June 30, 1992. At the end of the recovery period, any over or under recovery of expenses will be returned to or recovered from residential consumers through a separate recovery mechanism.

First Revised Sheet 63 replaces Original
Sheet No. 63 which was combined with First
Revised Sheet No. 62

CANCELLATION OF
TRANSITION TARIFF
CITY OF PLEASANT GROVE GAS SYSTEM

CANCELLATION OF
TRANSITION TARIFF
CITY OF PELL CITY GAS SYSTEM

CANCELLATION OF
TRANSITION TARIFF
ALABASTER WATER AND GAS BOARD GAS SYSTEM

CANCELLATION OF
TRANSITION TARIFF
ALABASTER WATER AND GAS BOARD GAS SYSTEM

RATE SCHEDULE ESR (ENHANCED STABILITY RESERVE)

Introduction

The Commission has established the Enhanced Stability Reserve (ESR) for the purpose of dampening the potentially destabilizing effects of: (1) extraordinary operation and maintenance (O&M) expense budget variances resulting from natural disasters and other *force majeure* and extraordinary events demonstrated to be beyond the Company's control (*force majeure* events include but are not limited to: snow and ice storms, floods, tornadoes, hurricanes and other extreme weather conditions and outages caused by weather conditions or third party damages) (hereinafter "Extraordinary O&M Expenses"); and (2) material individual revenue budget variances and load loss among the Company's Large Commercial and Industrial (LCLI) customers.

Extraordinary O&M Expenses chargeable to the ESR are expenses that are extraordinary, non-recurring and/or beyond the Company's ability to predict or control, that have not otherwise been recovered through Rate RSE or another Commission-approved recovery mechanism, and that meet the monetary thresholds established in Section A.2. herein. In addition to Extraordinary O&M Expenses as described above, the following Extraordinary Expenses are also chargeable to the ESR: environmental response or other costs resulting from environmental laws, rules, regulations or mandates and Major Self Insurance Expense as defined in Section A.2.(b) herein. In addition, the Company may also petition the Commission for approval to charge other O&M expenses that are non-recurring and/or are beyond the Company's ability to predict or control to the ESR.

A. USE OF RESERVE AND RELATED GUIDELINES:

1. Individual LCLI Revenue Variances. In the event that at the end of the Company's Rate Year, the Company's Return on Average Common Equity is below the range authorized by the Commission, the Company may charge against the ESR the full amount of any negative individual LCLI budget revenue variance that exceeds \$350,000.
2. Extraordinary O&M Expense.
 - (a) Expenses other than Major Self Insurance Expense. In the event that at the end of the Company's Rate Year, the Company's Return on Average Common Equity is below the midpoint of the range authorized by the Commission, the Company may charge against the ESR the full amount of Extraordinary O&M Expenses that would have otherwise been recovered through Rate RSE or some other Commission-approved mechanism and result from either (1) a single event that results in Extraordinary O&M Expense (other than Self Insurance Expense) of more than \$275,000 or (2) a combination of two such events (other than Self Insurance Expense) that together result in more than \$412,500 of Extraordinary O&M Expense. When the ESR is charged for Extraordinary O&M Expenses, Applicant will assign a work order number to each such event for the purpose of accumulating costs and to provide a basis for Commission review. At the end of the Applicant's Rate Year, expenses that qualify to be charged against the ESR will, at the Company's election, be charged to either O&M or to the ESR. Any work order remaining open at the end of a Rate Year will be carried over to the next Rate Year.

RATE SCHEDULE ESR (ENHANCED STABILITY RESERVE) – page 2

- (b) Major Self Insurance Expense. A “Major Self Insurance Expense” is defined as all costs and expenses of liability claim investigation, defense, settlement and/or judgment which (a) would be recoverable under the Company’s general liability and auto insurance policies but for applicable self-insured retention or deductible limits, (b) exceed \$1,000,000 per occurrence, and (c) was not budgeted to be recovered, or has been recovered, through Rate RSE or some other Commission approved mechanism. In the event that at the end of the Company’s Rate Year, the Company’s Return on Average Common Equity is below the midpoint of the range authorized by the Commission, the Company may charge against the ESR the full amount of any Major Self Insurance Expense. As a pre-condition to this recovery option, the Company must demonstrate to the Commission staff that any item charged to the ESR was not recovered or budgeted to be recovered through RSE or some other Commission-approved mechanism.
3. Exclusion from Cost Control Measurement. Extraordinary O&M Expenses charged to the ESR will be excluded from the Cost Control Measurement provision of Rate RSE.
4. ROE Midpoint Limitation. Notwithstanding the above, the total charges to the ESR in any Rate Year, whether for Extraordinary O&M Expense or Individual LCLI Revenue Variances or a combination of both, will be limited to the amount necessary to bring the Company’s return on average common equity at September 30 to the midpoint of the allowed range. However, the full amount of Extraordinary O&M Expense that would otherwise be allowed to be charged to the ESR but for this limitation will nevertheless be eligible for exclusion from the Cost Control Measurement calculation of Rate RSE. In the event that the Company’s Return on Average Common Equity at September 30 of the year in question is above the midpoint of the range authorized by the Commission, any negative (*i.e.* debit) balance in the ESR shall remain in the ESR for recovery in subsequent years subject to the guidelines established in the Commission’s Order dated November 1, 2010, in Joint Dockets 18046, 18328 and U-3896.

B. FUNDING OF RESERVE

Charges to the ESR will be funded as follows:

1. From the Refundable Negative Salvage Balance account: In conjunction with Commission approval for the Company to establish Rate NSR (Negative Salvage Rebalancing), the Company also received Commission approval for standing authority to charge items to the ESR in excess of its funded balance and to allocate from the Refundable Negative Salvage Balance (as that term is defined in Rate NSR) each September 30 an amount necessary to clear any debit balance in the ESR as of that date.

RATE SCHEDULE ESR (ENHANCED STABILITY RESERVE) – page 3

2. Amortization through Rate RSE: In the event the balance in the Refundable Negative Salvage Balance account is insufficient to fund charges to the ESR account at September 30 of any year and/or after the Refundable Negative Salvage Balance has been fully returned to customers pursuant to the terms of Rate NSR, debit balances in the ESR at September 30 will be amortized into rates (included in annual RSE filings) over a five year period beginning the following December 1 (not to exceed \$660,000 in amortization for any given rate year provided that in any year where the amortization calculation exceeds \$660,000, such excess amount over \$660,000 will be carried over and amortized in future rate year(s) until full amortization is complete). In the event that such amortization causes the Company's revenue adjustment in any year to exceed the RSE annual revenue cap, then the amortization for that Rate Year will be deferred to the next Rate Year in which such revenue adjustment cap does not operate to prevent the amortization of such expenses into rates. The Commission retains the right to modify the amortization period for purposes of maintaining rate stability, with such right to be exercised in accordance with the provisions of Title 37 of the Alabama Code.
3. Monthly Accruals of \$55,000 when authorized by separate and specific order(s) of the Commission unless such order(s) modify the timing and amount of such accruals.
4. Discretionary Funding: The Company may, but shall not be required to, fund the ESR through discretionary accruals. Note: As a general matter, discretionary accruals with respect to the ESR are not intended to preempt the Commission's authority under Rate RSE. The Commission retains its jurisdiction to direct the disposition of any refunds under the provisions of Rate RSE that addresses customer refunds. The Company will meet with Commission Staff prior to recording a discretionary accrual to the ESR so that the implications of such actions, particularly those related to any potential customer refunds, will be understood and agreed upon. Furthermore, it is the Commission's and the Company's intent that any discretionary accrual, recorded prior to the final RSE determination, may be reversed in whole or in part depending on the outcome of the prior rate year's actual results.
5. Limitation: In no event shall any charge to the ESR be cleared to Rate Rider NSR, or any other rate recovery mechanism, unless it has been approved pursuant to the "Approval Process" as specified in Section C. of this Rate Rider ESR.

C. APPROVAL PROCESS REQUIREMENTS

1. The Company shall be required to provide the Commission's Utility Services Division a proprietary monthly report which details all activity associated with the ESR. Further, when the Company determines with reasonable certainty that an event has occurred which is likely to result in a charge to the ESR, the Company shall, within 30 days of making such determination, provide the Commission's Utility Services Division, and the Office of the Attorney General of Alabama with a written notice describing the event or events in question. The required notice will be submitted, received and treated by all parties as proprietary. There will be no final disposition regarding any likely charges to the ESR unless the Company seeks to actually charge the event or

RATE SCHEDULE ESR (ENHANCED STABILITY RESERVE) – page 4

events in question pursuant to the guidelines and procedures set forth at subsections 2 and 3 immediately below. Given the recognized uncertainty associated with determining and reporting events which are likely to result in charges to the ESR prior to the end of the given rate year, the Company shall not be precluded from charging events to the ESR that are not reported in the manner required in this subsection provided the Company submits reasonable grounds explaining why the event in question was not reported in a more timely manner and there is otherwise no indication that the Company's failure to report the incident in question earlier was willful.

2. Within 30 calendar days following the end of the Company's Rate Year, the Company will submit (on a proprietary basis) to the Commission's Utility Services Division and, upon request, the Office of the Attorney General of Alabama, a written report which details all charges made to the ESR during the previous 24-month period. Said report must include an itemized month-by-month accounting of all activity (accruals, amortizations, and/or charges) recorded in the ESR and shall be provided subject to the agreement of the receiving party to protect the proprietary nature of the information contained in the report. For each recorded charge to the ESR, the report submitted must include a detailed report/explanation of the nature of the charge and the basis on which it qualifies to be charged to the ESR. The Company will also comply with reasonable Staff requests for supporting documentation. The Commission and Staff recognize the proprietary nature of the information provided by Company and will maintain the confidentiality of such information to the fullest extent allowed by controlling law.
3. The Staff will review and evaluate each charge to the ESR, on a case by case basis, to determine if such charge(s) are due to be recovered through the ESR. Absent any objection or disapproval by the Commission, the Company's submission under the ESR provision will be deemed approved after a 30 calendar day review period. The Commission may, however, extend the time for review an additional 30 calendar days upon notification to the Company. The Commission also reserves the right to exercise any existing statutory provision available to the Commission for any review deemed necessary beyond the 60 calendar day period previously referenced.
4. Nothing in this Section shall be deemed as restricting or abrogating any right of appeal to the courts under applicable law.

CANCELLATION OF TRANSITION TARIFF
CHILTON COUNTY GAS SYSTEM

CANCELLATION OF TRANSITION TARIFF
CHILTON COUNTY GAS SYSTEM

CANCELLATION OF TRANSITION TARIFF
EAST LAUDERDALE GAS SYSTEM

CANCELLATION OF TRANSITION TARIFF
EAST LAUDERDALE GAS SYSTEM

CANCELLATION OF TRANSITION TARIFF
EAST LAUDERDALE GAS SYSTEM

CANCELLATION OF TRANSITION TARIFF
EAST LAUDERDALE GAS SYSTEM

FIRM AND INTERRUPTIBLE
BUNDLED GAS AND TRANSPORTATION SERVICE PROGRAM

RATE SCHEDULE P

AVAILABILITY:

Available to Consumers in the State of Alabama served by the Company's natural gas mains connected to pipeline facilities of Southern Natural Gas Company (Southern) or another Pipeline Company and who agree to use, during a twelve (12) consecutive month period, market priced natural gas purchased and transported for the Consumer by the Company for all of the Consumer's natural gas requirements. Such service shall be designated herein as "Bundled Gas and Transportation Service."

APPLICABILITY:

Applicable to Large Commercial (LC) and Large Industrial (LI) and Special Contract Consumers with requirements of 100 Mcf per day or more on a monthly average-production day basis excluding seasonal space heating loads, for Consumer's firm and/or interruptible requirements of gas purchased by the Company for the Consumer and transported through a Pipeline Company's pipeline and through Company's distribution system for delivery and consumption at Consumer's facilities in the State of Alabama.

Combined Account Billing is available for service under this Rate Schedule P for Consumers with multiple metering points which separately do not have requirements of 100 Mcf per day, but do when combined and which meet the requirements set forth in the Combined Account Billing Terms and Conditions located on Sheet 57c.

CHARACTER OF SERVICE:

Under this Rate Schedule, the Company will: (1) purchase market priced gas for the Consumer and all other Consumers under this Rate Schedule; (2) obtain and enter into contracts for firm capacity or Interruptible Transportation (IT) service on Southern's system to transport the gas for the Consumer and all other consumers under this Rate Schedule; (3) resolve imbalances on the Company's system created by variances between scheduled quantities and allocated deliveries with no imbalance charges borne by Consumers under this Rate Schedule, and (4) transport the gas through the Company's distribution system and deliver it to the Consumer under the terms of Rate Schedule T. Consumer and all other Consumers under this Rate Schedule shall reimburse Company each month through payment of the Rates and Charges in this Rate Schedule for the cost of gas and capacity on Southern to transport on Southern's system the gas purchased by Company for the Consumer. Company has the right at its sole discretion, pursuant to the terms of its Curtailment Plan, to utilize gas and capacity procured for Consumer in order to provide system supply service to its Core Market Customers.

FIRM AND INTERRUPTIBLE
BUNDLED GAS AND TRANSPORTATION SERVICE PROGRAM

RATE SCHEDULE P

Consumer may contract for Firm Service, Interruptible Service or a combination of Firm and Interruptible Service and must execute a contract for such service on forms provided by the Company; however, the Company reserves the right to limit the quantity of Firm Service contracted for by any Consumer. Interruptible Service covers all gas delivered by the Company in excess of the specified firm volume and may be interrupted or curtailed at any time and from time to time by the Company upon notice to the Consumer as provided in the Rules and Regulations of the Tariff.

Service shall be subject, in the Company's sole judgment, to the Company's own operating and system requirements and shall be subject to interruption under the terms of the Company's Curtailment Plan.

RATES AND CHARGES

BUNDLED GAS CHARGES:

The Bundled Gas Charges per MMBtu under this Rate Schedule shall be:

- (1) "Program Gas Cost" (as that term is defined in the currently effective Sheet No. 95a) for gas purchased by the Company for resale to the Consumer; plus
- (2) A Charge per MMBtu for transportation on Pipeline Company facilities equal to "Southern's FT Commodity Rate" (as that term is defined in the currently effective Sheet No. 95) plus the Daily Reservation Rate defined as the positive difference between Southern's FT Commodity Rate and "Southern's IT Rate" (as that term is defined in the currently effective Sheet 95a) multiplied by a factor of 0.55; plus
- (3) Applicable taxes.

TRANSPORTATION RATE ON COMPANY'S DISTRIBUTION SYSTEM

In addition to the Bundled Gas Charges, customer shall pay a rate for transportation on Company's Distribution system equal to the applicable Monthly Transportation Charge for Rate Schedule T according to priority of service as set forth on the current revision of Sheet No. 2 or according to a Special Services Agreement between Company and Consumer.

DETERMINATION OF DELIVERIES FOR BILLING PURPOSES:

Deliveries will be at appropriate firm and interruptible rates by priorities determined by application of the Company's Curtailment Plan. Firm quantities will be the first gas delivered to Consumer each day. The Company may request a Standby Charge in the contract with the Consumer in addition to the firm Commodity Charge provided in the appropriate sales Rate Schedule(s) or Special Contract(s) to provide Firm Sales Service.

MINIMUM BILL:

The minimum monthly bill hereunder shall be the Minimum Bill specified in Rate Schedule LI; provided that the Minimum Bill under this Rate Schedule P will not apply in any month that consumer pays a minimum bill under Rate Schedule LC or LI for service to the same Redelivery Point.

In the case of Combined Account billing, the minimum bill to the Consumer shall be the sum of the appropriate Sales Rate Schedule (SC, SI, LC or LI) minimum bills for each delivery point (account).

TRANSPORTATION RATE ON COMPANY'S DISTRIBUTION SYSTEM - page 2

PAYMENT:

Bills for service rendered are payable within ten (10) days from due date, and if not paid within such period become delinquent and subject to charges set forth in the Rules and Regulations for Gas Service.

TAX ADJUSTMENT RIDER:

The Tax Adjustment Rider approved by the Alabama Public Service Commission, and as amended from time to time, is applicable to this rate schedule and is made a part hereof.

RULES AND REGULATIONS FOR GAS SERVICE:

The Rules and Regulations for Gas Service approved by the Alabama Public Service Commission, and as amended from time to time, are applicable to this rate schedule and are made a part hereof.

COMPETITIVE FUEL CLAUSE:

The Company may, but shall not be required to, agree upon rate levels for specific Consumers lower than those shown on the current revision of Sheet No. 2 applicable to this rate schedule and/or the charge for pipeline transportation specified on the current revision of Sheet No. 82 in order to remain competitive with other suppliers of energy except natural gas, in accordance with the procedure set out in the currently effective Sheet Nos. 52 and 53.

RATE RIDER NSR (NEGATIVE SALVAGE REBALANCING)APPLICABILITY:

Applicable as an integral part of the rates set forth on Sheet 2 of the Tariff for Rate Schedules R, MH, SC, SI, LC, LI, T and any other rate schedule of the Company in which reference is made to this Rate Rider NSR.

EXPLANATORY STATEMENT:

It is the purpose of Rate Rider NSR to systematically pass back to applicable customers the negative salvage account balance (Negative Salvage Balance) existing at May 31, 2010. The total amount to be passed back to applicable customers will be net of (1) refunds ordered on June 28, 2010, by the Alabama Public Service Commission ("the Commission") in Dockets 18046, 18328 and U-3896, and (2) any other adjustments as authorized by the Commission. The net amount is hereinafter referred to as the "Refundable Negative Salvage Balance" and will be passed back to applicable customers over a nine-year period beginning October 1, 2010, (the Pass Back Period). All pass backs which transpire during any given year of the nine-year Pass Back Period shall occur from December 1 through March 31. A nine-year Pass Back schedule, subject to future adjustment as approved by the Commission, is attached hereto and made a part of this rate. In the event any future adjustments are approved by the Commission, the Company shall file with the Staff within ten business days, an updated pass back schedule.

A. NSR PASS BACK CALCULATION:

1. Volumetric Base Rates for gas service under the Company's applicable rate schedules shall be adjusted each October 1 during the Pass Back Period to reflect that Rate Year's forecasted pass back of the Refundable Negative Salvage Balance (the Rate Year NSR Pass Back Amount). The calculation of each Rate Year's NSR Pass Back Amount will be made as follows:

$$\begin{array}{rclcl} \text{Rate Year} & & \text{"Rate} & & \text{"Remaining Refundable} \\ \text{NSR Pass Back} & = & \text{Year} & \times & \text{Negative Salvage} \\ \text{Amount} & & \text{Factor"} & & \text{Balance"} \end{array}$$

In the equation above:

- a. The term "Remaining Refundable Negative Salvage Balance" is defined as the Refundable Negative Salvage Balance that has not been passed back to customers as of July 31 of the immediately preceding Rate Year. The Remaining Refundable Negative Salvage Balance as of July 31 shall include the Refundable Negative Salvage Balance less the sum of the actual NSR Pass Back Amounts and Commission-authorized adjustments as of that date.
- b. The term "Rate Year Factor" is the applicable percentage specified below in paragraph A.4.

RATE RIDER NSR (NEGATIVE SALVAGE REBALANCING) – page 2

2. Allocation of the NSR Pass Back Amount among rate schedules and rate blocks for the purpose of calculating NSR Pass Back Rates will be done in accordance with the provisions for rate adjustments pursuant to Rate RSE.
3. NSR Pass Back Rates will be computed for each Rate Schedule using volumes expected to be billed during the months of December through March of each Rate Year at the time the NSR Pass Back Rates are calculated. Any variances between budgeted Pass Back amounts and actual Pass Back amounts will be accounted for in the determination of the “Remaining Refundable Negative Salvage Balance.”
4. Rate Year Factor — The following Rate Year Factors will be used to calculate each Rate Year’s NSR Pass Back Amount:

<u>Rate Year</u>	<u>Factor</u>
2011	20.0%
2012	22.2%
2013	25.0%
2014	28.5%
2015	33.3%
2016	39.9%
2017	49.9%
2018	66.5%
2019	100.0%

B. ADJUSTMENTS TO NSR:

1. Charges to Enhanced Stability Reserve (ESR) — Rate Rider NSR may be adjusted for charges to the Enhanced Stability Reserve as provided for in the Commission’s Order dated November 1, 2010, in Joint Dockets 18046, 18328 and U-3896 and as specifically set forth in Rate Rider ESR.
2. Negative Salvage Cost True-up Adjustment — During the Pass Back Period, in the event that at the end of any Rate Year, the Company’s Return on Average Common Equity is below the midpoint of the range authorized by the Commission, the Company may adjust the Remaining Refundable Negative Salvage Balance at September 30 to true up the amount by which the actual negative salvage costs in that Rate Year exceeded the negative salvage costs that were accrued pursuant to and as a component of the Company’s approved depreciation accrual rates.

RATE RIDER NSR (NEGATIVE SALVAGE REBALANCING) – page 3

Notwithstanding the above, the True-up Adjustment will be limited to the amount necessary to bring the Company's Return on Average Common Equity at September 30 to the midpoint of the allowed range. Such true-up provision will only be allowed when, and to the extent, that the cumulative actual negative salvage cost exceeds the cumulative negative salvage accruals.

3. Final Adjustment – In the event that the Remaining Refundable Negative Salvage Balance drops below \$100,000 at any September 30, such balance will be returned to customers by crediting the remaining balance to the Other Income account and including such Other Income in the calculation of the Company's next December 1 RSE filing.
4. Limitation – In no event shall any adjustment be charged against the Refundable Negative Salvage Balance unless it has been approved pursuant to the "Approval Process" as specified in Section C. of this Rate Rider NSR.

C. APPROVAL PROCESS REQUIREMENTS:

1. The Company shall provide on a quarterly basis to Staff from the Commission's Utility Services Division a summary of all activity in the Refundable Negative Salvage Balance account.
2. Within 30 calendar days following the end of Company's Rate Year, the Company shall submit a proprietary report to the Commission's Utility Services Division and, upon request, the Office of the Attorney General of Alabama which: details all charges to the Refundable Negative Salvage Balance account by month for the Rate Year under review; includes a comparison between actual and accrued negative salvage costs for each plant account for the rate year ended September 30 and provides a year-by-year accounting of activity for negative salvage costs to include annual and cumulative actual negative salvage costs and annual cumulative negative salvage accruals since the inception of the Refundable Negative Salvage Balance account. The required report shall also include written justification(s) for each charge to the Refundable Negative Salvage Balance account made during the previous Rate Year. Such written justification(s) must include a detailed report/explanation of the nature of the charge and the basis on which it qualifies to be charged to the Refundable Negative Salvage Balance account.

RATE RIDER NSR (NEGATIVE SALVAGE REBALANCING) – page 4

In instances where the justification for a charge to the Refundable Negative Salvage Balance account has already been provided pursuant to the approval process requirements of the ESR, no additional written justification is required unless requested by the Commission Staff. However, a copy of such prior written justification must be provided to the Commission Staff. In the event that the charge results from a Negative Salvage Cost True-up, the Company's written justification must include an explanation of why the actual negative salvage costs exceeded the negative salvage accrual for the Rate Year.

3. The Commission and Staff recognize the proprietary nature of the information provided by the Company and will maintain the confidentiality of such information to the fullest extent allowed by controlling law. To that end, the report(s) required herein will be provided by the Company subject to the agreement of the receiving party to protect the proprietary nature of the information contained in the report. The Company will also comply with reasonable Staff requests for supporting documentation.
4. The Staff will review and evaluate each charge to the NSR, and the Company's documentation therefore, on a case-by-case basis, to determine if such charge(s) is due to be recovered through the NSR. Absent any written objection or disapproval by the Commission or Staff, the Company's submission under the NSR provision will be deemed approved after a 30 calendar day review period. The Commission may, however, extend the time for review an additional 30 calendar days upon notification to the Company. The Commission also reserves the right to exercise any existing statutory provision available to the Commission for any review deemed necessary beyond the 60 calendar day period previously referenced.
5. Nothing in this Section shall be deemed as restricting or abrogating any right of appeal to the courts under applicable law.

D. EXPIRATION:

1. This Rate Rider NSR expires by its own terms on September 30, 2020.

THESE SHEETS HAVE BEEN LEFT BLANK
INTENTIONALLY FOR FUTURE EXPANSION

RULES AND REGULATIONS FOR GAS SERVICE

I. Definitions

Appliance: Any one of the following which is gas fired:

- (a) One or more Appliances for providing primary space heating to a Consumer's premises, except where such Appliance is used as a standby, secondary, or supplemental source of heat.
- (b) Range and/or oven
- (c) Water Heater
- (d) Clothes dryer

Applicant: Any Person who had made application to Company for Service.

Commercial Service:

Service to Consumers engaged primarily in the sale of goods or services, including institutions and local and federal government agencies for uses other than those involving industrial or residential purposes.

Commission: Alabama Public Service Commission

Company: Spire Alabama Inc.

Consumer: Any individual, firm, organization, or governmental agency receiving gas Service by the Company.

Day: A twenty-four (24) hour period commencing at the time of commencement of the "billing day" of such customer as set out in a written notice thereof given to such Consumer by Company or, in absence of such notice, at 8:00 a.m. Birmingham time.

RULES AND REGULATIONS FOR GAS SERVICE - page 2

<u>Depositor:</u>	A Person making a monetary deposit with the Company under the terms of an Extension Agreement.
<u>Developer:</u>	An Applicant for Extension of Company's Distribution System to permit Company to serve residential, commercial, or industrial sites.
<u>Distribution System:</u>	The gas pipes owned and operated by Company for the transportation of gas for delivery to Consumers up to, but not beyond, the Points of Delivery.
<u>Extension:</u>	Main and Service Line(s) required to render Service to Applicant(s).
<u>Extension Agreement:</u>	A contract in writing between an Applicant and Company, detailing the terms and conditions by which Company agrees to extend its Distribution System.
<u>Feedstock Gas:</u>	Gas used as a raw material for its chemical properties in creating an end product.
<u>Firm Service:</u>	Service from schedules or contracts which anticipate no interruptions, but which may permit interruptions in case the supply to higher priority Consumers is threatened. (See Section X Curtailment of Gas Service.)
<u>Gas Supply Deficiency:</u>	Any occurrence that results when the aggregate supply of gas available to the Company for sale at or transportation to a specific location is less than the Requirements of its Consumers at such location.
<u>Index:</u>	The term "Index" or "Index of Requirements" shall mean the "Index of Requirements" provided for in the Company's Curtailment Plan.
<u>Industrial Service:</u>	Service to Consumers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.

RULES AND REGULATIONS FOR GAS SERVICE – page 3

<u>Interruptible Service:</u>	Service from schedules or contracts which anticipate and permit interruption on short notice, or Service under schedules or contracts which expressly or impliedly require installation of alternate fuel capability.
<u>Main:</u>	A gas pipe, other than Service Line, which is a part of Company's Distribution System.
<u>Main Extension:</u>	A branch from or continuation of an existing main.
<u>Mobile Home:</u> (Permanent)	Shall mean a permanent Mobile Home where an approved septic tank, field lines, or sewer connection, and water system have been installed, or a Mobile Home located in a commercial Mobile Home park.
<u>Multi-Housing:</u>	A permanent residential structure designed for occupancy by two or more separate households with each household having a separate housing unit in the building.
<u>Original Consumer(s):</u>	A Person or Persons named in an Extension Agreement to receive Service from the Main Extension described in said agreement.
<u>Person:</u>	Any Person, firm, corporation, municipality, or any governmental subdivision or instrumentality.
<u>Plant Protection Gas:</u>	The minimum volumes required to prevent physical harm to plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production. For the purposes of this definition propane and other gaseous fuels shall not be considered alternate fuels.

RULES AND REGULATIONS FOR GAS SERVICE – page 4

<u>Point of Delivery:</u>	The outgoing side of the outlet union of Company’s meter(s) installed and maintained by Company for the purpose of measuring gas delivered to Consumer, except that when Consumer, pursuant to a provision in Company’s applicable effective rate schedule, elects for Company to install and maintain the underground Distribution System in a multiple housing project, the Point of Delivery shall be the outlet side of a valve located above ground immediately adjacent to one of the outside walls of each building in such multiple housing project.
<u>Process Gas:</u>	Is defined as gas use for which alternate fuels are not technically feasible such as in applications requiring precise temperature controls and precise flame characteristics. For the purposes of this definition propane and other gaseous fuels shall not be considered alternate fuels.
<u>Requirements:</u>	As used herein the term “Requirements” with respect to an individual Consumer shall mean the daily Requirements of such Consumer as set out in the Index.
<u>Residential Service:</u>	Service to Consumers which consists of direct natural gas usage in a residential dwelling for domestic purposes, including space heating, air conditioning, cooking, water heating, or clothes drying and other residential uses.
<u>Service:</u>	Gas Service.
<u>Service Contract:</u>	The basic agreement between the Company and the Applicant.
<u>Service Line:</u>	A gas pipe laid from a main to the Point of Delivery on Consumer’s property.
<u>Special Contract:</u>	As used herein, the term “Special Contract” shall mean those contracts that cover gas Service to certain industrial Consumers and that were individually approved by an order of the Alabama Public Service Commission.

RULES AND REGULATIONS FOR GAS SERVICE – page 5

<u>Subsequent Consumer:</u>	Consumer who receives gas service from a Main Extension other than the Original Consumer(s) named in an Extension Agreement.
<u>Core Market Customer:</u>	A customer who receives service under Rate Schedule R, SC or SI of the Tariff or a customer who receives firm service under any other Rate Schedule of the Tariff or pursuant to a special contract for firm service.
<u>Daily Imbalance:</u>	The difference between customer's confirmed nominations of gas in MMBtu for delivery to the Delivery Point for a Day and the actual MMBtu of gas consumed by customer at the Redelivery Point on that Day.
<u>Daily Imbalance Percentage:</u>	The Daily Imbalance divided by the lesser of (1) confirmed nominations (MMBtu) for delivery to the Delivery Point for the Day or (2) the actual MMBtu of gas consumed by customer at the Redelivery Point during the Day.
<u>Delivery Point:</u>	The point on Company's distribution system at which gas purchased by customer will be delivered to Company to be transported for customer's account.
<u>Monthly Imbalance:</u>	The difference between customer's confirmed nominations (MMBtu) for delivery to the Delivery Point for a month and the actual MMBtu of gas consumed by customer at the Redelivery Point during that month.
<u>Monthly Imbalance Percentage:</u>	The Monthly Imbalance divided by the lesser of (1) confirmed nominations at the Delivery Point for the month or (2) the actual MMBtu of gas consumed by customer at the Redelivery Point during the month.
<u>Pipeline Company:</u>	Any company utilized to transport gas to the Delivery Point.

RULES AND REGULATIONS FOR GAS SERVICE – page 6

<u>Pipeline Company Tariff:</u>	The tariff of a Pipeline Company as approved by the Federal Energy Regulatory Commission (FERC) or other regulatory body and as amended and approved by the FERC or such other regulatory body from time to time.
<u>Program Gas Cost:</u>	The weighted average cost of gas purchased monthly by the Company for its large commercial and industrial customers.
<u>Redelivery Point:</u>	Company's existing meter setting located at Customer's plant through which gas is delivered for consumption by Customer.
<u>Southern's FT Commodity Rate:</u>	Shall mean the total Firm Transportation Commodity Rate for gas received in the Production Area and delivered in Zone 2 of Southern Natural Gas Company (Southern) (including all applicable surcharges such as, but not limited to Gas Research Institute (GRI), Federal Energy Regulatory Commission (FERC), Annual Charge Adjustment (ACA), Take-or-Pay (TOP), Gas Supply Realignment (GSR) costs and fuel charges), as such rate is in effect from time to time. This rate does not include Southern's reservation charge for firm transportation service.
<u>Southern's IT Rate:</u>	Shall mean the total Interruptible Transportation Rate for gas received in the Production Area and delivered in Southern's Zone 2 (including all applicable surcharges as, but not limited to GRI, ACA, TOP, GSR costs and fuel charges), as such rate is in effect from time to time.
<u>Tariff:</u>	"The Tariff Applicable to Gas Service of Spire Alabama Inc." as approved by the Alabama Public Service Commission (APSC) and as amended and approved by the APSC from time to time.

RULES AND REGULATIONS FOR GAS SERVICE – page 7II. Limitations on Gas ServiceA. New or Additional Service

Company will furnish new or additional Service if sufficient gas supply is available at the specific location on its system at which gas Service is requested under the following conditions:

1. Firm Service to new or existing Consumers under Company's Residential, Small Commercial and Multi-Housing Rate Schedules and residential use under other rate schedules.
2. Firm Service to new industrial and larger commercial Consumers and additional Firm Service to existing industrial and large commercial Consumers will be contracted for at the discretion of the Company, giving preference to high priority firm Requirements.
3. Interruptible Service to new commercial and industrial Consumers and additional Interruptible Service to existing commercial and industrial Consumers may be contracted for at the discretion of the Company, giving preference to high priority interruptible requirements.

B. Transfer of Commitment

Notwithstanding the foregoing, a Consumer may transfer all or a portion of Company's firm gas commitment at one location to another location if the Company has sufficient capacity and gas supply at such new location and if Company agrees in writing to such transfer. The transfer of interruptible commitments will be at the discretion of the Company.

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III. Service Contract

- A. The Service Contract, as required, constitutes the basic agreement for gas Service between the Company and the Applicant. If Service can be rendered without the addition of any Main or Service Line, Service may be rendered by Company upon the request of an Applicant. If Service cannot be rendered without the addition of Mains or Service Lines, the Service will not be furnished until the applicable provisions in these Rules and Regulations relating to installation of Main Extensions and Service Lines are fully complied with.
- B. Service Contract shall become binding and effective:
1. as to Consumer on the date of application, and
 2. as to Company as of the date of acceptance thereof for the Company by its authorized agent, subject to applicable provisions of these Rules and Regulations.
- C. A Service Contract may be terminated:
1. By Consumer: Unless otherwise provided by its terms such contract may be terminated at any time by giving notice to Company; provided, however, that anything contained in a Service Contract to the contrary notwithstanding, a Consumer receiving Commercial or Industrial Service shall have the right and privilege which he may exercise at any time by giving written notice to Company to terminate and cancel said contract if such Consumer shall have permanently discontinued his operations, and such cancellation shall relieve Consumer from obligation to pay such minimum charge, if any, which might have become payable had such contract not been so cancelled and terminated.
 2. By Company: Upon the happening of any one or more of the following, namely:
 - (a) installation or operation on Consumer's premises of a gas burning Appliance or Consumer's piping when such installation or operation is considered by Company to be dangerous to life or property, either due to construction, installation, location, operation, or condition of such Appliance or piping,

RULES AND REGULATIONS FOR GAS SERVICE – page 9

- (b) removal of, or interference or tampering with, any meter or other equipment owned by Company and installed by it on Consumer's premises without regard as to whether such removal, adjustment, interference, or tampering was done by Consumer, or with or without his knowledge or consent;
- (c) refusal by Consumer of reasonable access to Consumer's premises to an agent of Company;
- (d) by order of any public authority;
- (e) upon the violation by Consumer of any of the terms, provisions, conditions, or covenants of the Service Contract, the Rules, or the applicable ordinances, laws, rules, or regulations of any federal, state, or municipal government, or any board, Commission, agency, or authority thereof; provided, however, that Company shall have given consumer notice of such violation and Consumer shall have failed or refused to eliminate, remove, or correct such violation within a period of five (5) days from date of such notice;
- (f) upon non-payment by Consumer of bill rendered by Company subject to the provisions of the "General Rules applying to Public Utilities" – special gas rules prescribed by the Alabama Public Service Commission and as amended or superseded from time to time by the Commission.

3. General:

- (a) Termination of a Service Contract by either Consumer or Company shall not relieve Consumer from the obligation to pay Company for Service rendered prior to the effective date of such termination.

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- (b) In any case where the Company has terminated Service under the provisions of these Rules, the Company may, at its option, resume Service when the cause of the termination has been corrected, removed, or remedied. In any case where the Company has a right to terminate a Service Contract under the provisions of these Rules, the Company may, at its option, terminate Service to the particular gas burning Appliance or piping involved without terminating Service to the Consumer entirely. Whenever Service has been terminated by Company for any one or more of the causes hereinabove provided, and the cause for such termination has thereafter been removed or remedied, Company will, upon the payment of any required reconnection fee, resume Service to such Consumer.

IV. Entry by Company Agents to Consumer(s)' Premises

The agents of Company shall at all times have free access to the premises of Consumer(s) whenever in the sole judgment of Company such access is deemed necessary.

RULES AND REGULATIONS FOR GAS SERVICE – page 11V. EXTENSION OF DISTRIBUTION SYSTEMA. Extension Allowances and Investments1. Allowances and Investments:

The Company may extend its system and make investments necessary to provide utility service. Extensions may be provided at no cost to the Consumer based upon Extension allowances determined from time to time by the Company. The investments made and established allowances of the Company shall be calculated based upon the anticipated revenue providing an appropriate return on the investment made by the Company except as provided in V.F. below. Nothing in these Rules shall be interpreted to mean that the Company will be required to make an investment detrimental to the Company.

2. Deposits:

Where the estimated cost of the Extension exceeds the allowance in A (1) above, the Company may require an Extension Agreement and a deposit in the amount equal to such excess. At its option, the Company may require a cash deposit, surety bond or other sureties acceptable to the Company covering the excess cost over the Extension allowances established by the Company. In certain instances, such as residential subdivisions, mobile home parks, industrial parks and an individual commercial or industrial Consumer, the Company may require a deposit or a surety in the amount of the total cost to provide gas service.

3. Deposit Refunds or Credits:

The Company will make refunds of deposits when Company renders service without further extension to any subsequent Consumer(s) for a period of not less than thirty (30) consecutive days. A refund will be made to Depositor(s) for each subsequent Consumer(s) served and in the manner established by the Company from time to time. The Company may also refund deposits made by commercial or industrial Depositor(s) based upon the consumption of such Depositor(s) as agreed to by Company and Depositor(s).

4. Maximum Amount of Refunds:

All refunds of cash deposits shall cease when the entire amount deposited by Depositor(s) shall have been refunded or at the end of the period of time agreed to by Company and Depositor(s).

5. Discontinuance of Service:

In the event any Consumer names in the applicable Extension Agreement or any Subsequent Consumer(s) should discontinue Service from said Main Extension, then no refunds shall be made by Company to any Depositor(s) unless the total number of Consumers served by such Main Extension exceeds the number of Original Consumers names in the applicable Extension.

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Agreement plus the number of Subsequent Consumers for whom refunds have previously been made.

B. Point of Delivery

Company reserves the right to locate the Point of Delivery at such place as it considers necessary by reason of local conditions, but generally, the Point of Delivery shall be located on either side of the main part of the building to be served, not more than five feet (5') back of the front line of the main portion of the building.

If Applicant for Service desires a Point of Delivery acceptable to Company other than that selected by the Company, then Applicant shall pay for Service Line required to extend to desired location.

C. Extensions to Serve Standby, Intermittent, or Emergency Equipment

When gas Service is used to supplement other forms of energy which provide base load space heating and/or water heating, and when gas Service is used in standby, intermittent, or emergency equipment, Applicant(s) for Service may be required to make a non-refundable contribution to the Company in the amount equivalent to the entire cost of all facilities required for such Service.

D. Construction of Extension by Applicant(s)

Applicant(s) for Service who, under the Rules, are required to make deposits under Extension Agreements may, upon prior written approval of the Company, contract with a qualified contractor or engineering firm acceptable to Company to furnish and install necessary Extensions; provided, however, that all such work shall be subject to approval and acceptance by the Company.

E. Further Main Extensions

If after the installation of a Main under the terms of a Main Extension Agreement, Company shall subsequently extend such Main, then and in such event, the Depositor or Developer under the said Main Extension Agreement shall not be entitled to any refund for or on account of any Consumer(s) served from or by the subsequent Main Extensions, notwithstanding said original Main Extension may be used by Company to transport gas to Consumers other than those served under the terms of the said Main Extension Agreement.

F. Waiver of Extension Rules

Company may waive the provisions of the Extension Rules and make investments it deems necessary: (1) to protect the integrity of the Company's Distribution System, (2) to maintain future potential load, or (3) to render adequate Service to Company's Service area.

Original Sheet Nos. 102, 103, 104, 105, 107, 108,
109, 110 and Second Revised Sheet No. 106 were
Superseded and rendered blank by Second Revised
Sheet Nos. 100 and 101.

RULES AND REGULATIONS FOR GAS SERVICE – page 13VI. Ownership

Title to all materials, including without limitation meters, regulators, pipe, valves, fittings, and appurtenances up to the Point of Delivery shall be vested in and shall remain in the property of Company, its successors and assigns, and Company shall be the sole owner thereof, free of any lien, claim, or charge by any Persons whatsoever.

VII. Interruption of Service

Service is subject to interruption or curtailment, and Company is not and shall not be held liable in damages or otherwise for interruption or curtailment or failure of Service arising from any cause, including without limiting the generality thereof, failure, curtailment, or interruption of supply of gas, or failure, shortage, or interruption of gas due to the act of God, the elements, labor trouble, fires, accidents, breakage, necessary repairs, preferential commitment of supply pursuant to law or regulation or order of any governmental authority, and peak demand of Consumer(s) receiving Firm Residential, Commercial and Industrial Service whereby Company becomes unable to fulfill all of its obligations of commitments for delivery of gas, and in any such event and from time to time, Company shall have the right and authority to curtail, interrupt, or discontinue Service to such Consumer(s) in accordance with Section X, Curtailment of Gas Service.

VIII. Notices

Unless otherwise stated in the Service Contract, notice required or authorized to be given by or to Company or Consumer shall be deemed to have been fully given when made in writing and deposited in the United States mail, postage prepaid, addresses as follows:

To Company, at its nearest local office or to Company at its office in the City of Birmingham, Alabama; and

To Consumer, at the address set forth in the Service Contract executed by Consumer.

The date of serving any such notice shall be the date of postmark stamped thereon by the United States Postal Service.

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IX. Successors and Assigns

- (a) Neither a Service Contract nor an Extension Agreement shall be assigned by a Consumer without the prior consent of Company in writing.
- (b) Both a Service Contract and an Extension Agreement shall bind and benefit the successors and assigns of Company.

RULES AND REGULATIONS FOR GAS SERVICE – page 15X. Curtailment of Gas Service (Curtailment Plan)

This section of the Rules and Regulations sets forth procedures to be used by the Company for the apportionment of gas available to Company for sale at or transportation to specific locations on its system when there is a Gas Supply Deficiency.

A. Curtailment Priorities:

Should the Company have a Gas Supply Deficiency, the Company shall curtail deliveries to Consumers in accordance with the order of priorities set forth below, curtailing the lower (or, that is, higher numbered) priority in full before curtailing in any higher priority.

Priority No.

1. Firm deliveries to Consumers served under Company's Residential, Small Commercial and Multi-Housing Rate Schedules and residential use under other rate schedules.
2. Firm commercial Requirements with a maximum daily Requirement of 50 Mcf or more. Firm industrial Requirements for plant protection, feedstock, and process Requirements.
3. All commercial and industrial Requirements not otherwise specified, including interruptible industrial process, plant protection, and feedstock. Requirements of Consumers which were classified as interruptible priority 3 on June 1, 1985 because of the utilization of propane as an alternate fuel may remain in this priority. However, if the Consumer elects to transfer part or all of these requirements to a higher numbered interruptible priority, Consumer will not be permitted to return the transferred requirements to interruptible priority 3 in the future.
4. Interruptible commercial and industrial Requirements of more than 300 Mcf per day but less than 1500 Mcf per day.
5. Interruptible commercial and industrial Requirements of more than 1500 Mcf per day but less than 3000 Mcf per day.
6. Interruptible commercial and industrial Requirements of more than 3000 Mcf per day but less than 10,000 Mcf per day.

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7. Interruptible commercial and industrial Requirements in excess of 10,000 Mcf per day.
- B. Curtailment Procedures:
- (a) Consumers at a specific location within the same priority shall be curtailed as equitably as possible except that when curtailments are being made within priority 3, all interruptible Requirements in such priority shall be curtailed before any firm Requirements in such priority are curtailed.
 - (b) Company shall notify Consumers of the maximum quantity of gas permitted during a Day or partial Day pursuant to this Curtailment Plan and may, if Company operation so requires, also limit the quantity of gas which may be taken hourly. All Consumers shall comply with each such notice at any time of the day. In the event that a Consumer shall refuse to comply with such notice, either as to hourly or daily consumption, Company may take such steps as shall be necessary to reduce or cut all delivery of gas to such Consumer.
 - (c) Variations in the curtailment procedures provided in this Curtailment Plan may be made by Company when necessary to respond to emergency situations. In addition, Company may also vary such curtailment procedures when in its sole judgment such variation is necessary to maintain the operational integrity of or to prevent damage to its system.
 - (d) Any Consumer receiving gas under the provisions of B (c) above shall be billed the applicable Commodity Charge plus \$7.50 per Mcf.
 - (e) Nothing in this Curtailment Plan shall be construed to prevent the Company from delivering to Consumers all of the gas available to it.

RULES AND REGULATIONS FOR GAS SERVICE – page 17C. Index of Requirements

For the purpose of assuring that each Consumer's Requirements are placed in the proper curtailment category or categories, and to determine each Consumer's relative entitlement to gas when curtailments are being made with a priority category, Company shall develop and keep on file in each of its offices an Index of Requirements, (the Index) which shall list the Requirements of: (a) each firm commercial Consumer with a maximum daily Requirement of 50 Mcf or more; (b) each firm industrial Consumer excluding those Consumers whose Requirements are less than 50 Mcf/day; and (c) each commercial or industrial Consumer who has contracted for Interruptible Service. The Index shall be reviewed and updated as of October 1 of each year and shall be available for inspection by each Consumer listed therein.

(a) Development of the Index

The volume of gas for each Consumer will be based on the average daily use in the month of maximum usage in the 12 months ending June 30.

The volume as determined will be allocated to the Index according to usage and volumes by priority number and by contract between Consumer and Company.

In the event that usage of firm gas during the annual test period is less than the contracted amount, the contracted amount will be used for placement in the Index.

(b) Requirements of Consumers added after the effective date of the plan, whose use is such as to require inclusion in the Index, shall be included in the Index on the basis of an estimate agreed upon between the Consumer and the Company. Such estimate shall be adjusted on the basis of use provided in (a) of this section.

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D. Penalty for Taking Gas in Excess of Curtailment Orders:

Company shall bill Consumers under Rate Schedules LC and I and Specific Contracts and Consumers shall pay the applicable Commodity Charge for all volumes of gas taken in excess of curtailment orders (unauthorized overrun gas) given by Company pursuant to its Curtailment Plan plus:

For the first 10 Mcf of unauthorized overrun gas taken during a month, \$7.50 per Mcf.

For all unauthorized overrun gas taken during the same month in excess of 10 Mcf, \$20.00 per Mcf.

RULES AND REGULATIONS FOR GAS SERVICE – page 19XI. Collection and Reconnection Fees

The Collection and Reconnection fees allowed under Rule 12 of the General Rules of the Alabama Public Service Commission shall be as follows:

The Collection fee for dispatching a collector to the Consumer's premises to collect a delinquent account shall be seven and 50/100 dollars (\$7.50).

The Standard Reconnection Fee for restoring Service terminated because of action by a Consumer shall be forty-five dollars (\$45.00) for the period May 1, 1999 through April 30, 2000, forty-seven and 50/100 dollars (\$47.50) for the period May 1, 2000 through April 30, 2001 and fifty dollars (\$50.00) effective May 1, 2001. In the event that a Consumer places a reconnect request with the Company after 12:00 noon and requests that his service be reconnected the same calendar day (herein Same Day Reconnection), there will be a charge of \$25.00 for reconnection on the same day and said charge shall be in addition to the Standard Reconnection Fee; provided that Same Day Reconnection is subject to scheduling availability as determined by the Company based upon its business operations needs, and the Company shall be under no obligation to provide same day reconnection for a Consumer regardless of the time of day such reconnect request is made.

In addition to the Reconnection Fee, a Restoration Fee for restoring Service terminated by cutting and capping the service line because of action by a Consumer described in Rule 13 of the General Rules of the Alabama Public Service Commission shall be based upon the materials and labor cost incurred by the Company to cut and reconnect the service line.

An administrative charge of twenty dollars (\$20.00) will be applied to the Consumer's account for any check returned for reason of insufficient funds.

On a trial basis to encourage early light-up reconnections, Company will waive the Standard Reconnection Fee for any Customer who: (1) requests reconnection of Service during the period September 13, 2006 to and through October 31, 2006; and (2) makes satisfactory payment arrangements with Company for any past due balance owed by such Customer at the date Customer makes such reconnection request.

XII. Alabama Public Service Commission

Service rendered by Company shall be in all respects subject to the Rules and Regulations of the Commission as the same may be promulgated from time to time.

XIII. Amendments, Addition or Changes of Rules and Regulations for Gas Service

Company reserves the right to amend the Rules or to establish new Rules and Regulations at any time and from time to time in the manner provided by law or by the rules or orders of the Commission.

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XIV. TERMINATION OF SERVICE

ALABAMA PUBLIC SERVICE COMMISSION RULE 12

Rule 12 of the General Rules Applying to Public Electric, Gas and Water utilities describes the collection of delinquent accounts and discontinuance of service to Consumers for non-payment. In addition to Rule 12, the following policies of the Company will apply to discontinuance of service:

Practices when life or health may be threatened by termination:

Severe Weather

Service to residential Consumers will not be discontinued for non-payment when the temperature at the customer's location is forecasted to be 32 degrees Fahrenheit or below for that calendar day. The controlling forecasted temperature for a particular location shall be the temperature forecasted by the National Weather Service for that location on the calendar day in question.

Special Consideration

Service to residential Consumers will not be discontinued for non-payment when the utility is notified that special circumstances exist, such as a death or serious illness in the family of that Consumer, or when, in the opinion of the Company, the Consumer requires special consideration because of age or handicap.

Payment arrangements

Upon the request of the Consumer, payment arrangements may be made with Consumers without discontinuing service if it appears to the Company that outstanding amounts owned by Company will be paid but may be reasonably paid only in installments or at a later time.

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XV. Effectiveness of Rate Changes

All changes in rates made under the provisions of this tariff will be effective on service rendered on and after the effective date specified by each tariff provision. It is recognized that all Consumer meters cannot be read simultaneously in order to determine usage applicable to rate adjustments. Therefore, the Company will compute bills for such consumers on the basis that the metered usage has occurred evenly and ratably over the affected billing period.