

SCHEDULE NO. SG-AS/NG-AS

ALTERNATIVE SALES SERVICE

APPLICABILITY

Applicable to transportation-eligible customers who do not elect to receive sales service under their otherwise applicable sales rate schedule.

TERRITORY

Throughout the Company's certificated Nevada Service Areas, except as may hereafter be provided.

RATES

The basic service charge, commodity charge and demand charge, if applicable, are set forth under the customer's otherwise applicable gas sales tariff schedule, which are set forth in the currently effective Statement of Rates of this Nevada Gas Tariff and are incorporated herein by reference.

For transportation customers electing to switch to sales service under this schedule, the Base Tariff Energy Rate (BTER) of the customer's sales rate will be determined in accordance with Special Condition No. 2 of this schedule.

The minimum charge per month is the sum of the basic service charge and the demand charge, if applicable.

LATE CHARGE

The monthly bill is due and payable as of the date of presentation. Included in the bill will be a late charge of five percent (5%) on the first \$200 of the monthly bill, plus two percent (2%) of any balance above \$200, which will be imposed if payment is not received by the next month's billing.

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| <p>Issued: November 10, 2009</p> <p>Effective: November 1, 2009</p> <p>Advice Letter No.:</p> | <p>Issued by John P. Hester Senior Vice President</p> | |
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SCHEDULE NO. SG-AS/NG-AS

ALTERNATIVE SALES SERVICE
(Continued)

SPECIAL CONDITIONS

1. Customers electing to switch to alternative sales service under this schedule will be required to enter into a service agreement with the Company. Existing alternative sales customers are required to notify the Company if they desire to elect service under their otherwise applicable sales schedule. The election must be submitted to the Company no later than April 1 of each year for sales service commencing the following November 1.
2. Upon switching from transportation service to sales service under this schedule, the Base Tariff Energy Rate (BTER) of the customer's sales rate will be the higher of the following charges for the initial twelve (12) month sales period:
 - (i) The BTER of the Currently Effective Tariff Rate; or
 - (ii) The monthly weighted average cost of gas, including an assessment for interstate capacity costs, incurred by the Company.

The customer's sales rate will be adjusted to exclude the Deferred Energy Account Adjustment (DEAA) for the initial twelve (12) month sales period. After the conclusion of the initial twelve (12) month sales period, the customer shall be billed at the Currently Effective Tariff Rate.

3. Under this schedule, the Company is not obligated to secure resources upstream of the distribution system. Curtailment shall be according to Section C.2 of Rule 8 of this Nevada Gas Tariff.
4. The term "otherwise applicable gas sales tariff schedule" as used herein excludes all optional tariff schedules.
5. All remaining terms and conditions of the customer's otherwise applicable gas sales schedule shall apply to service under this schedule and are incorporated herein by reference.

Issued:
February 26, 2010

Effective:
November 1, 2009

Advice Letter No.:

Issued by
John P. Hester
Senior Vice President