

M - 2010 - 2203164

Supplement No. 127 to
Gas-PA P.U.C. No. 12

2-24-11

From Sec. Bureau

NORTH EAST HEAT & LIGHT COMPANY
RATES AND RULES
GOVERNING THE DISTRIBUTION OF NATURAL GAS
IN NORTH EAST, PA.

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OCT 26 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

OFFICIALLY FILED TARIFF

This tariff Changes rates to all customers
as prescribed by Rule IV of this tariff.

M-2010-2203164

Supplement No. 127 to
Gas - PA P. U. C. No. 12
Ninetieth Revised Page No. 2
Canceling
Eighty-Ninth Page No. 2

NORTH EAST HEAT AND LIGHT COMPANY
North East, PA.

LIST OF CHANGES MADE BY THIS TARIFF

Changes:

This Tariff Supplement changes rates to Residential, Commercial, Large Commercial, Industrial and Large Industrial rate classes, in accordance with rule IV, Gas Cost Rate. The Company's Gas Cost Rate calculations were filed with the Commission on October 2nd, 2010 and approved by the Commission during Public meeting on October 21st, 2010 at Docket No. M-2010-2203164.

OFFICIALLY FILED TARIFF

NORTH EAST HEAT AND LIGHT COMPANY
North East, PA.

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Supplement No. 127 to
Gas - PA P. U. C. No. 12
Sixty-Fifth Revised Page No. 4
Canceling
Sixty-Fourth Page No. 4

NORTH EAST HEAT AND LIGHT COMPANY
North East, PA.

SCHEDULE OF RATES

1. Rate R - Residential Customers

A. Availability: This rate applies to all residential customers in North East Township. A residential customer is a single family dwelling or unit using gas for domestic purposes.

B. Rate R

The Customer Charge is \$ 8.50 per month per meter.

All usage is subject to the Cost of Gas charge of: \$.7793 per CCF (C)
All usage is subject to the "E Factor" (Refund) of: (\$.0217) per CCF (C)
All usage is subject to the Delivery charge of: \$.1478 per CCF

*7793 - Fee
(0217) - E Factor
1478 -
Page 8*

C. G.C.R. Service under this rate is subject to the Company's Gas Cost Rate as described in IV, this Tariff.

D. The customer charge does not include any gas.

2. Rate C - Commercial Customers

A. Availability: Within the Township of North East, for gas used in commercial or non-manufacturing activities and for use in office facilities and institutions. Included are single meter services to two or more family dwelling units.

B. Rate C

The Customer Charge is:

Small (Under 400 cu. ft./hr. Demand) \$22.00 per month per meter
Large (Over 400 cu. ft./hr. Demand) \$44.00 per month per meter

All usage is subject to the Cost of Gas charge of: \$.7793 per CCF (C)
All usage is subject to the "E Factor" (Refund) of: (\$.0217) per CCF (C)
All usage is subject to the Delivery charge of: \$.1435 per CCF

C. G.C.R. Service under this rate is subject to the Company's Gas Cost Rate as described in IV, this Tariff.

D. The customer charge does not include any gas.

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(C) Denotes change

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Supplement No. 127 to
Gas - PA P. U. C. No. 12
Sixty-Third Revised Page No. 4-A
Canceling
Sixtieth-Second Page No. 4-A

NORTH EAST HEAT AND LIGHT COMPANY
North East, PA.

SCHEDULE OF RATES (Continued)

3. Rate I - Industrial Customers

A. Availability: This service applies within the Borough and Township of North East, for industrial use and for processes in which unfinished products or raw materials are converted into products of other forms. This includes usage for generation of electrical power.

B. Rate I:

Small (Under 400 cu. ft./hr. Demand) \$22.00 per month per meter
Large (Over 400 cu. ft./hr. Demand) \$117.00 per month per meter

All usage is subject to the Cost of Gas charge of: \$.7793 per CCF (C)
All usage is subject to the "E Factor" (Refund) of: (\$.0217) per CCF (C)
All usage is subject to the Delivery charge of: \$.1464 per CCF

C. G.C.R. Service under this rate is subject to the Company's Gas Cost Rate as described in IV, this Tariff.

D. The customer charge does not include any gas.

4. Take or Pay Surcharge

Take or Pay Surcharge is 0.00/mcf

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NORTH EAST HEAT & LIGHT CO.
North East, Pa.

Supplement No. 50 to
GAS-Pa. P.U.C. No. 12
Seventh Revised Page 4-B
Cancelling Sixth, Fifth
and Fourth Revised Page 4-B

SCHEDULE OF RATES (Cont'd.)

4. Delayed Payment Charge

A delayed payment charge of 1½% of the unpaid bill amount will be added to each bill if paid later than 20 days from the date of presentation (postmark date) of that bill, and each month thereafter.

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BUREAU OF RATES
Tariff Division

NORTH EAST HEAT AND LIGHT COMPANY
North East, PA.**RATE SCHEDULE "TS" - TRANSPORTATION SERVICE****1. AVAILABILITY**

This service is available to any customer pursuant to the following conditions:

- A. Where the customer or a buyers group of no more than ten customers require transportation of a minimum annualized volume of 4,800 MCF provided, however, that larger buyer groups shall be permitted upon mutual agreement of the Company and the customer. (C)
- B. Where the customer has entered into a Transportation Contract, 90 days prior to service under this schedule for a minimum term of one year, beginning in the calendar month of November and ending in the calendar month of October. Initial service under this rate schedule may be of lesser term when it does not cause an impact to the cost of fuel for the Company's current retail Gas Cost Rate Customers. (C)
- C. The customer has made, or has caused to be made, arrangements by which such volumes of gas can be delivered either directly or by displacement into the Company's system.
- D. Provided that a transportation customer classified as a Priority-One customer or a group of customers containing such a customer, shall be required to purchase standby service before it may be eligible to receive transportation service. This requirement shall not apply to any customer which can demonstrate that it possesses installed operable, alternative fuel capability for its entire Priority-One load.
- E. A customer who is eligible for transportation must notify the Company a minimum of 120 days prior to beginning transportation service. A transportation customer who wishes to return to retail service must notify the Company at least 180 days before ending transportation service. (C)

2. CHARACTER OF SERVICE

- A. Service under this rate schedule shall apply to all natural gas transported under a valid Transportation Contract.
- B. The Company shall not be required to commence service under this schedule until a valid Transportation Contract has been executed.
- C. Construction of facilities to provide transportation service shall be at the customer's expense.
- D. Service shall be firm to the extent that the transportation customer delivers transportation gas to the Company's facilities. The Company shall be under no obligation to sell or deliver any volumes of gas not elected by the transportation customer as standby service volumes.
- E. All gas transported under this rate schedule are subject to the Company's Transportation Migration Charge, Gas Cost Adjustment Charge.

3. CONDITIONS FOR SERVICE

~~Customers desiring service under this schedule shall provide the Company a fully executed contract for Transportation Service which shall include, but not be limited to:~~

- A. The maximum daily transportation quantity requested to be delivered into the Company's

(C) Denotes Change

NORTH EAST HEAT AND LIGHT COMPANY
North East, PA

Cancelling
Third and Fourth Revised Page No. 4-D

facilities. This maximum daily transportation quantity shall include an allowance for fuel use and unaccounted for volumes. The maximum daily transportation quantity shall be the maximum volume of natural gas expressed in MCF that as set forth in the Transportation Contract, may be delivered into the Company's system during any twenty four hour period, for transportation by the Company to such customers as transportation service under this rate schedule. The Company, in its sole discretion and/or upon request of the customer, may agree to receive and to transport, during any twenty-four hour period, a volume in excess of the maximum daily transportation quantity as set forth in the Transportation Contract. During any hour of any twenty-four hour period, the Company shall not be required to receive and to transport more than 1/24 of the maximum daily quantity as set forth in the Transportation Contract.

- B. The point or points of delivery into the Company's facilities.
- C. The point or points of withdrawal from the Company's facilities.
- D. An election as to the type or types of the company's transportation tariff service elected by the customer. (C)
- E. A statement indemnifying the Company from any and all liability resulting from a third party's failure to perform in any manner whatsoever. (C)
- F. A statement that the customer desiring transportation service will make all necessary arrangements to effect delivery of transportation volumes into the Company's facilities.

4. CURTAILMENT

Service under this rate may be curtailed when gas supply shortages force the utility to invoke emergency curtailment provisions pursuant to Tariff Rule No. 17 because gas supply to Priority-One ratepayer is threatened. Under this circumstance, the transportation ratepayer shall sell its transportation contracted delivered gas supply to the utility at either the customer's cost of delivered gas at the utility's city gate or at the utility's weighted average cost of gas contained in prevailing GCR filing applicable to that class of ratepayer, whichever is greater, to be used to supply the needs of Priority-One ratepayers. The utility shall notify the transportation customer of the utilities intent to meet deliveries under Tariff Rule No. 17 during such times that the curtailment period is in effect under Tariff Rule No. 17. (C)

5. RATE FOR SERVICE

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Any customer desiring transportation service under this schedule shall be obliged to

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NORTH EAST HEAT AND LIGHT COMPANY
North East, PA

receive and pay for such service according to the rates and charges as set forth below. Said charges shall be in accordance with the selection of services to be received in the transportation contract and may be adjusted from time to time upon approval of the Pennsylvania Public Utility Commission.

A. **Firm Transportation Service** - The Company shall provide delivery under this service option of up to the lesser of (i) the maximum daily transportation quantity specified in the Transportation Contract or (ii) the daily volume delivered into the Company's facilities. The charge for said Transportation Service shall be as follows:

1. For natural gas supplies produced inside the Commonwealth of Pennsylvania:

- a. Residential Customers \$ Rate "R" minus "B" minus "CGR Rate" /MCF
- b. Commercial Customers \$Rate "C" minus "B" minus "CGR Rate" /MCF
- c. Industrial Customers \$ Rate "T" minus "B" minus "CGR Rate" /MCF

Definitions:

Rate "R", Rate "C", Rate "T". Rate per mcf for the customers otherwise applicable rate class as set forth in the Company's schedule of rates.

"B". Rate per mcf for the customers otherwise applicable Base Cost of Gas as set forth in the Company's schedule of rates.

"GCR" Rate per mcf for the customers otherwise Currently effective Gas Cost Rate Charge as set forth in the Company's schedule of rates. This rate shall not contain the Company's currently effective "E" factor. The customer will be charged the Company's current monthly customer charge for the customer's otherwise applicable sales rate class, as set forth in the Company's schedule of rates. **In addition an administration fee of \$50.00 per monthly billing will be charged.** (I)

SPECIAL PROVISION

Company shall have the discretion to discount the transportation service rendered hereunder upon a showing by a customer that the maximum rate will render its plant operations uneconomic or that a discounted rate will enable the customer to, among other things, operate utilizing natural gas, not to by-pass Company, benefit Company's rate payers, recover certain of the fixed cost associated with the service or otherwise be in the public interest. This discounted rate shall not be subject to any surcharges or add-on charges within this tariff. The service shall only be available with an annual minimum consumption of 2,000,000 MCF per customer, when operational. Testing period(s) of the operating system of the facility shall not subject the customer to the annual minimum volume requirement. The Company may, at the Company's discretion, measure and bill the natural gas in dekatherms utilizing the following conversion formula: $DTH = (MCF \times BTU \text{ Value @ City Gate}) / 1000$. The customers must totally revoke its right to sales service under the Company's tariff for all consumption by the facility.

(I) Denotes Increase

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NORTH EAST HEAT AND LIGHT COMPANY
North East, PA

B. Standby Service - In order to insure that a supply of gas will be available to a customer in the event that the customer's natural gas supply is interrupted or curtailed by any third-party transporter, or if production ceases for any reason or for any other reason the customer may request that the Company be prepared to provide a Standby Service by maintaining its contracts with its interstate pipeline and natural gas suppliers at a level sufficient to provide such service. The Company and the customer shall agree upon the maximum daily volume that will be provided as Standby Service and this volume (Standby Service Volume) shall be stated in the Transportation Agreement. The company shall be under no obligation to sell or deliver any volumes of gas not elected by the transportation customer as standby service volumes.

Monthly Standby Charge - Each month a minimum charge will be assessed which equals: (C)
(1) the Standby Service Volume times (2) the effective GCR's projected total demand cost divided by the GCR's related projected contract maximum daily demand, plus Gross Receipts Tax.

Standby Commodity Sales Charge - Standby volumes sold to the transportation customer will be billed at the applicable commodity retail sales rate, including the Gas Cost Rate, Take-or-Pay surcharge, and any other surcharge rates included in the Company's tariff. (C)

C. 1. Failure to Elect Standby Service and Purchase in Excess of Standby Service Election (C)

If a transportation service customer fails to elect Standby Service and consumes a volume of natural gas in any billing month that exceeds the sum of the transportation customer's natural gas supplies delivered in that billing month for the customer's account, adjusted for line loss and company use, and the customer's banked gas supply, then the transportation customer shall pay the sum of (1) 125% of the otherwise applicable sales rate under the sales rate schedule for the particular transportation customer for each MCF in excess of the transportation volumes delivered for the transportation customer's account for the billing month, as adjusted above, and the transportation customer's banked volumes, (2) all interstate pipeline charges, costs and/or penalties and (3) the incremental cost of providing natural gas supplies to the transportation customer. If a transportation customer elects Standby Service but in any month consumes natural gas supplies that exceed the sum of the transportation customer's natural gas supplies delivered for the customer's account, accrued banked volumes and the customer's standby service volume, then the transportation customer shall pay the sum of (1) 125% of the otherwise applicable sales rate under the sales rate schedule for the particular transportation customer for each MCF in excess of the transportation volumes delivered for the transportation customer's account for the billing month as, adjusted above and the transportation customer's banked volumes (2) all interstate pipeline charges, costs and/or penalties and (3) the incremental cost of providing natural gas supplies to the transportation customer.

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NORTH EAST HEAT AND LIGHT COMPANY
North East, PA

2. Balancing

(a) Each customer shall use best efforts to balance purchases, deliveries and receipts of gas at all times. Subject to the terms and conditions set forth below, the Company shall provide a period of Thirty days during which Customer-owned gas received by the Company may exceed Customer's usage. Such privilege is available for inadvertent fluctuations, limited to five percent (5%) of the transportation customer's monthly usage (determined by the Company on the basis of the most recent month for which reliable data is available), and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. Should the transportation customer exceed the five percent (5%) tolerance, the transportation customer shall in addition to other elected tariff charges pay \$.3316/ MCF for each volume in excess of five percent (5%) of monthly deliveries. In the event the Customer fails to use best efforts to balance deliveries and receipts, or otherwise misuses the balancing privilege, for example, arbitraging the price of natural gas supplies, the Company may impose retail rates or storage charges for the period of such default or misuse. The transportation customer also will be responsible for payment of any penalties or other costs incurred by the Company from the Company's interstate pipeline suppliers which are a result of the transportation customer's overdeliveries. (C)

(b) If, in any billing month, the gas service customer uses more gas from the Company than the sum of banked volumes set at the beginning of the billing month and the volume of gas, after adjustment for line losses, delivered to the Company for the customer's account, such use in excess of the volumes of gas available for transportation service shall be the sale of gas by the Company, to the transportation customer under the applicable tariff sales rate schedule and shall not be recharacterized as transportation service under any circumstances. The transportation customer also will be responsible for all charges as provided in Section 5 (C) (1). (C)

(c) If any excess delivery exists as of the end of the balancing period in excess of the variance described above, the Company, in its discretion, may purchase such gas from the customer at (i) the Company's lowest current commodity cost of gas or (ii) the cost at which the Customer acquired the gas, whichever is lower. The Customer's cost of gas shall be verified by a copy of the Customer's gas purchase contract or a sworn affidavit setting forth the Customer's cost of gas. If the Company does not elect to purchase such gas, the Company shall automatically consider the first volumes consumed by the customer after the balancing period to be the excess volumes used by the Customer. If the Customer fails to consume the excess volumes in the next billing period, the Company may refuse to accept any further deliveries for the Customer's account for a period of one (1) year and any remaining excess volumes shall be deemed to have been forfeited to the Company. (C)

(d) The Company will retain 1% of the transportation customer's gas transported from the Company's system receipt point to the transportation customer's delivery point. (C)

(C) Denotes Change

Office of Special Assistants
TARIFF DIVISION

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NORTH EAST HEAT & LIGHT CO.
North East, PA

Supplement No. 59
GAS - PA P.U.C. No. 12
First Revised Page No. 4G
Canceling
Original Page No. 4G

RATE SCHEDULE "TS" - TRANSPORTATION SERVICE
(continued)

E. Facilities Surcharge - Any customer desiring transportation under any of the Company's rates for transportation service which requires additional facilities shall agree to reimburse the Company for all costs incurred in providing the necessary facilities. The Company will maintain the facilities.

6. TERMS OF PAYMENT

Bills for transportation service under this schedule shall be rendered monthly. Bills are due and payable fifteen (15) days after rendition. A late payment penalty of five percent (5%) shall be applied to the first fifty dollars (\$50) and two percent (2%) shall be applied to all remaining balances after the fifteen (15) day due date.

7. NOTIFICATION

- A. The customer shall notify the Company dispatcher 48 hours prior to the commencement of transportation service of the transportation quantities to be delivered. The transportation customer may make a monthly nomination for deliveries on an equal daily basis during said month.
- B. A group of customers desiring transportation service shall designate by signed affidavit a spokesperson having authority to notify the Company dispatcher of:

- (1) Total daily deliveries.
- (2) Each customer's allocation of such deliveries.

8. QUALITY

The gas sold hereunder shall be of pipeline quality sufficient to meet the quality standards of the Company. In all other cases, the gas shall be of merchantable quality only, reasonably free from water and

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North East, PA

RATE SCHEDULE "TS" - TRANSPORTATION SERVICE (continued)

8. QUALITY (continued)

other objectionable fluids, reasonably free from sand and other objectionable solids and containing not more than twenty (20) grains of sulphur or two (2) grains of hydrogen sulphide per one hundred (100) cubic feet.

If the gas fails to meet the foregoing standards, either party may suspend the delivery or receipt thereof immediately, but shall provide notice to the other party of such suspension as soon as practicable.

9. LIMITATION OF LIABILITY

The Company may curtail or interrupt gas service whenever, as determined by the Company, the integrity of the Company's system or supply is believed to be threatened by conditions on its system. Such action shall not constitute default nor shall the Company be held liable in any respect. The Company makes no guarantee against and assumes no liability for interruption caused by any third party.

10. POSSESSION OF GAS

The Company shall be deemed to be in control and possession of the natural gas transported pursuant to this schedule upon receipt of such gas at the interconnection with Company's facilities as specified in the executed agreement for service and until delivery to customer's facilities. The customer shall be deemed to be in control of such gas prior to the Company's receipt and after delivery to the customer's facilities. In the event that service to priority-one customers is threatened, the customer agrees to sell upon request its natural gas supply to the Company at the higher of the Company's weighted average cost of gas or the customer's own cost of gas. The customer shall make available a copy of its contract for natural gas supply upon request.

11. WARRANTY OF TITLE

The customer served under this schedule warrants that upon delivery of gas to Company for transportation the customer will have good title to all gas delivered free of any lien or claim. The Company shall be deemed harmless from all suits and costs associated with any adverse claims of any party.

12. TERM

Transportation Contracts shall be effective for no less than a twelve (12) month period unless a shorter period is agreed upon by both the Company and the customer.

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NORTH EAST HEAT AND LIGHT COMPANY
North East, PA.

Migration from Gas Supply Service to Transportation Service

(C)

Ratepayers who have been receiving Gas Supply Service from the Company for at least twelve (12) consecutive months and transfer to Transportation Service will be subject to the Gas Cost Adjustment Charge for a period of twelve (12) months. The Gas Cost Adjustment Charge will be applied regardless of the type of service the customer is receiving during this twelve (12) month period. Ratepayers who have received Gas Supply Service for less than twelve (12) consecutive months and transfer to Transportation Service will not be subject to the Gas Adjustment Charge.

Migration from Transportation Service to Gas Supply Service

Ratepayers who have been receiving Transportation Service from the Company for at least twelve (12) consecutive months and transfer to Gas Supply Service will not be subject to the Gas Adjustment Charge for a period of twelve (12) months. The Gas Cost Adjustment Charge will not be applied regardless of the type of service the customer is receiving during this twelve (12) month period. Ratepayers who have received Transportation Service for less than twelve (12) consecutive months and transfer to Gas Supply Service will be subject to the Gas Cost Adjustment Charge.

Gas Cost Adjustment Charge

The Gas Cost Adjustment Charge provides a method under Section 1307(e) of the Public Utility Code for recovery or refund of the experienced net over/under collection of purchased gas costs as adjusted annually from ratepayers who have shifted from gas supply service to transportation service on or after the effective date of this charge. This charge is to be effective for service rendered on or after July 1, 2006.

The gas cost adjustment charge shall equal the current Section 1307(e) rate less the C factor (projected cost of gas) as approved in the Company's most recent 1307(e) natural gas cost proceeding, including all E-factor adjustments to the rate resulting from the Company's recalculation of natural gas costs. Further defined in this tariff, Rules and Regulations, IV Gas Cost Rate, as (E/S).

Revenue from this charge will be applied to the Company's Section 1307(e) Purchased Gas Cost mechanism.

Gas Cost Adjustment Charge = - E/S (As calculated in the Company's Gas Cost Rate, filed with the Pa. P. U. C. approved and effective during the 12 month migration period applicable above.)

If the Charge is negative because of a net over collection of Purchase gas cost, then any ratepayer who is subject to the charge will receive a credit.

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POSTPONED
MAY 22 2006

(C) Denotes Change

NORTH EAST HEAT & LIGHT COMPANY.

COMPETITIVE FLEXIBLE SERVICE SCHEDULE CFS

(C)

APPLICABILITY

This rate schedule shall be applicable throughout the territory served by this Company.

AVAILABILITY

Available to any entity which meets the definition of industrial customer as defined by this tariff for service which, in the Company's sole discretion, would not be otherwise be requested by the customer. This rate is only available to industrial customers which have the on-site capability of using any energy form or fuel in lieu of the Company's natural gas in the same application, the price of which per million BTU is below the price set forth in Rate I and which present to the company a written offer, bid, or price quotation for alternate fuel available for purchase in the following month. If the customer is unable to obtain any of the foregoing in writing, such fact must be certified to the Company and the customer must provide documentation of the available delivered price together with the name of the alternative fuel supplier.

SPECIAL PROVISIONS

Facilities: Gas will be supplied through the Company's existing facilities. Where there are not existing facilities, Customer will reimburse the Company for the addition, alteration and installation of facilities deemed necessary by the Company to provide service to the customer. Customer will pay the cost of maintaining Company facilities devoted solely to serving customer.

Interruption: Interruption and curtailment of service under this Rate CFS shall be in accordance with the Curtailment Section of the Company's Standard Rules and Regulations.

Rate: The rate for gas service under this Rate CFS will be negotiated between customer and Company each month in the month preceding the delivery of gas. The rate shall not be any more than the applicable Rate I. The rate shall not be less (C) than the higher of:

- 1) The sum of the base cost of purchased gas plus applicable Pennsylvania Gross Receipts Tax the Gas Cost Rate, the Take-or-Pay Surcharge, State Tax Adjustment Surcharge and all other surcharge rates included in the company's tariff; or
- 2) The equivalent rate per MCF for the alternate fuel available to the customer in lieu of the company's natural gas.

LATE PAYMENT CHARGE

If payment of a bill has not been received within fifteen (15) days from date of mailing, a Late Payment Charge of 1.25% per month will be added to the unpaid balance each month until the entire bill is paid.

(C) Change

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Office of Special Assistants
Tariff Division

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COMPETITIVE FLEXIBLE SERVICE SCHEDULE CFS (CONTINUED)

RULES AND REGULATIONS

The Company's Rules and Regulations is effect from time to time where not inconsistent with any specific provisions hereof are a part of this rate schedule.

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Penna. Public Utility Comm.

NOV 13 1991

ISSUED: November 13, 1991

Office of Special Assistant's
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EFFECTIVE: November 1, 1991

NORTH EAST HEAT & LIGHT CO.

S U S P E N D E D
TO: JUL 21 1976
AT: 11:00 AM
SUSPENSION VACATED
EFFECTIVE... JAN 28 1976

STANDARD RULES AND REGULATIONS

I. Curtailment - If, in the judgment of the Company, inadequate gas supply exists to meet all its customer demands, it may limit the amount of gas to be taken by any customer daily or monthly. The limitations will be announced by the most convenient means available, and may be put into effect 2 hours after such announcement. The curtailment order will be as follows:

- 1) Customers on Industrial Rate
- 2) All other customers

If the Company incurs penalties from its supplier(s) such penalties shall be charged pro-rata to those customers who failed to comply with the volume limits assigned them.

ISSUED: October 31, 1975

EFFECTIVE: ~~January 17, 1976~~
~~JAN 14 1976~~
JAN 21 1976

North East Heat & Light Co.

STANDARD RULES & REGULATIONS.

(C)

I. Curtailment - In order to conserve the supply of gas for existing domestic uses deemed to be necessary to the protection of public health and safety and to avoid undue hardship, the available gas supplies of North East Heat & Light Co. shall be delivered to its customers in accordance with the priorities of end use listed below. Customers in a higher priority will not be curtailed until all customers of the lower classifications have been completely curtailed; where only partial curtailment of any one classification is required, such will be implemented pro-rata, that is, weighted in accordance with the maximum monthly volumes for the customers within that classification. Definitions of all terms appear in Section B.

A. Priority Classifications listed in descending priority of use. Requirements by:-

1. Residential firm, critical commercial "essential human needs."
2. Firm small commercial, excluding the "essential human needs" included in (1); and firm large plant or facility protection.
3. Firm small industrial.
4. Firm large critical commercial and industrial, other than as included in (1).
5. Firm large non-critical commercial and industrial other than for Boiler fuel.
6. Firm large non-critical commercial and industrial for Boiler fuel.
7. Contractually interruptible use.

Penna. Public Utility Comm.

SEP 21 1977

Bureau of Rates and Research
TARIFF SECTION

The Company may curtail or discontinue service in accordance with the above priorities without incurring thereby any liability for any subsequent loss or damage which customer might sustain therefrom.

When No. 6 priority is curtailed, customers in priorities 4 and 5 shall be restricted to their authorized monthly volumes.

(C) Indicates change

ISSUED: Sept. 21, 1977

EFFECTIVE: Oct. 1, 1977

OFFICIALLY FILED TARIFF

North East Heat & Light Co.

STANDARD RULES & REGULATIONS. (continued)

(C)

I. B. Definitions of terms used in this priority of service are as follows:

1. Maximum Monthly Volume - is the maximum quantity of gas that North East Heat & Light Company (Seller), is obligated to deliver each month to any large commercial or industrial customer. This monthly allocation amount is equal to the highest use for that month recorded during the 1973-1976 years.
2. Large customers - are those who have used over 300 Mcf/month in any month of the 1973-1976 period.
3. Small customers - are those who have not exceeded 300 Mcf/month in any month of the 1973-1976 period.
4. Authorized Monthly Volumes - is a monthly allocation equal to the customer's maximum Monthly Volume reduced as a result of the application of any curtailment provisions of section (A) above. This allocation shall continue until changed by Seller.
5. Maximum Seasonal Volume - is the total authorized monthly volume for: a) Winter Season-November through March, b) Summer Season-April through October. Buyer shall be billed and shall pay for all volumes of gas taken in excess of these Maximum Seasonal Volumes at the applicable rate therefore, together with any applicable charges pursuant to Section C herein.
6. Alternate Fuel Capability - is the ability to use an alternate fuel whether or not the facilities for such use have actually been installed. For purposes of this definition, alternate fuel means any fuel other than natural gas, propane or other gaseous fuel.

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SEP 21 1977

(C) Indicates change

Bureau of Rates and Research

ISSUED: Sept. 21, 1977

TARIFF SECTION

EFFECTIVE: Oct. 1, 1977

OFFICIALLY FILED TARIFF

North East Heat & Light Co.

STANDARD RULES & REGULATIONS. (Continued)

(C)

1. B. 7. Commercial Use - is gas usage by customers engaged primarily in the sale of goods or services including, but not limited to, consumption by office buildings, institutions and governmental agencies. Commercial use shall not include use of gas for manufacturing or electric power generation.
8. Critical Uses - is gas usage where natural gas, propane or other gaseous fuel is the only feasible form of energy due to its combustion characteristics, controllability or chemical properties.
9. Essential Human Needs Use - is gas usage by customers for service to any buildings where persons normally dwell, including but not limited to, apartment houses, dormitories, hotels, hospitals and nursing homes as well as the use of natural gas by sewage plants.
10. Firm Service - is service pursuant to schedules or contracts under which the Seller is expressly or impliedly obligated to deliver specific volumes within a given time period or which anticipate no interruptions, but which may permit unexpected interruptions in case service to higher priority customers is threatened. The Seller shall be deemed to be impliedly obligated to deliver specific volumes where previous or present periodic allocations for its customers has been established.
11. Industrial Use - is gas usage by customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.
12. Interruptible Service - is service pursuant to schedules or contracts under which the Seller expressly or impliedly reserves the option to interrupt or curtail deliveries.

Penna. Public Utility Comm.

SEP 21 1977

(C) Indicates change

Bureau of Rates and Research
TARIFF SECTION

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OFFICIALLY FILED TARIFF

North East Heat & Light Co.

STANDARD RULES & REGULATIONS. (Continued)

(C)

- I. B. 13. Non-Critical Use - is gas usage where natural gas, propane or other gaseous fuel is not the only feasible form of energy, i.e., where the user has alternate fuel capability.
14. Plant Protection Use - is the minimum volume of natural gas required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternative fuel. Plant protection requirements include volumes necessary for the protection of such material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.
15. Residential Use - is gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating, or other domestic purposes.

C. Penalty Provisions Applicable to Large Customers:

1. Penalty for Unauthorized Overrun - At the end of each billing month, each Buyer who has exceeded the accumulated Authorized Monthly Volume for the first time during each seasonal curtailment period will receive written notice advising Buyer of the penalty provisions of this Tariff (Section C). Such Buyer also will be advised to reduce subsequent deliveries so that the sum of actual monthly deliveries will not exceed the Maximum Seasonal Volume.
2. Seasonal Penalty - If at the end of the Seasonal period a customer has exceeded the sum of its monthly authorized volumes for such Seasonal period, that customer shall pay on demand a penalty according to the following schedule: Penna. Public Utility Comm.

SEP 21 1977

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Bureau of Rates and Research
TARIFF SECTION

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OFFICIALLY FILED TARIFF

North East Heat & Light Co.

STANDARD RULES & REGULATIONS. (Continued)

(C)

I. C. 2.(continued)

<u>Actual Usage as Percentage of Authorized Seasonal Volume</u>	<u>Penalty for Excess Takes</u> <u>Winter Season - Summer Seas</u>	
Greater than 103% but not in excess of 110%	\$10/Mcf	\$10/Mcf
Greater than 110% but not in excess of 125%	\$20/Mcf	\$20/Mcf
Greater than 125%	\$50/Mcf	\$30/Mcf

D. Disposition of Penalties:

As of December 31 of each year, Seller shall total all penalties then collected from all Buyers resulting from the provisions of Section C hereof applicable to the contract period of the same year. As of December 31 of each year, Seller shall also total the penalties paid to its supplier(s) for volumes taken in excess of the volumes authorized by supplier(s) for the twelve month period of the same year. Seller shall return to all Buyers who did not incur overruns, subject to the penalty provisions hereof, all penalties collected under Section C hereof in excess of those penalties paid to Seller's supplier(s). The total amount of such penalties to be returned shall be divided by the total volume of sales to all eligible Buyers during the twelve month period. The result of this computation shall represent the factor to be multiplied by each such Buyer's total purchase volumes during the applicable twelve month period to determine the amount to be returned for each such Buyer as a credit on the invoice to Buyer for the January billing month. If the credit is under \$1.00 it shall be temporarily retained and added to the penalties to be returned in the subsequent period.

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E. Availability of Excess Gas:

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 TARIFF SECTION

If, in Seller's sole judgment, sufficient gas supply is available to permit deliveries in addition to the Maximum

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OFFICIALLY FILED TARIFF

North East Heat & Light Co.

STANDARD RULES & REGULATIONS. (Continued)

(C)

I. E. (continued)

Monthly Volumes in any month, Seller will provide all Buyers with as much advance notice as possible of the amount of such additional gas anticipated to be available. Excess gas shall be offered by Seller to all Buyers on the basis of the total of Maximum Monthly Volumes for all Buyers for that month, and if supplies are sufficient, without curtailment restrictions.

F. Emergency Curtailment

If any emergency situation arises such as the necessity to modify, test, replace or repair Seller's facilities, or the facilities of Seller's supplier of gas, and the gas available for delivery by Seller is insufficient to meet all of Seller's authorized volumes, then Seller, upon providing as much notice as possible to Buyer, shall order additional curtailment to Buyer to the extent required. Such additional reduction required shall be determined by Seller without regard to priorities of use; however, the authorized volume shall not be lower than the minimum volume necessary for the prevention of damage to plant equipment. In the event the initial notice of additional curtailment to Buyer is oral, such notice will be confirmed in writing within forty-eight (48) hours. The Commission will be notified immediately of the declaration of an emergency situation. If Buyer exceeds its authorized consumption during a period of emergency curtailment, then the Buyer shall pay a penalty as provided under the following schedule.

<u>Actual Usage as a Percentage of Emergency Authorized Consumption</u>	<u>Penalty for Excess Take</u>
Greater than 103% but not in excess of 110%	\$10/Mcf
Greater than 110%	\$25/Mcf

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ISSUED: Sept. 21, 1977

EFFECTIVE: October 1, 1977

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NORTH EAST HEAT AND LIGHT COMPANY
North East, PA.

II. Meter Turn-Off/On - When gas is turned off for non-payment of bills, or at the request of customer, a service charge of \$20.00 shall be made for turning service on again.

III. Customer Deposits

(a) Upon approved application for residential, small commercial or small industrial (1) gas service, a meter deposit will be required in accordance with PA Code Title 52, Chapter 56.

(1) For the purpose of this rule, a small commercial or a small industrial shall be defined as an applicant with an annual estimated usage of 600 MCF or less. Commercial and Industrial ratepayers with annual usage over 600 MCF will be subject to the PA Code Title 52, Chapter 56.41, Procedures For Existing Ratepayers - General Rule.

(b) Deposits secured from a customer shall be returned to the depositor in accordance with PA Code Title 52, Chapter 56; Standards and Billing Practices, Subchapter C, Credit and Deposits Standards Policy. ©

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Penn. Public Utility Comm.

MAY 15 1996

Office of Special Assistants
TARIFF DIVISION

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NORTH EAST HEAT & LIGHT COMPANY
North East, Pa.

IV GAS COST RATE

Provision for Gas Cost Rate

The Gas Cost Rate shall be \$ 0.0625 per CCF (100 cubic feet) of gas supplied under Rate (C) Schedules

- Rate R: Residential Customers
- Rate C: Commercial Customers
- Rate I: Industrial Customers
- Rate IS: Industrial Customers - Large Volume Capacity

Computation and Application of Gas Cost Rate:

The Gas Cost Rate shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set forth below:

$$GCR = \frac{(C - E)}{(S)} \cdot B \times \frac{(1)}{(1 - T)}$$

Each Gas Cost Rate so computed shall be applied to customers' bills for a one year period during the billing periods of November through October; provided, however, that such rate may be revised on an interim basis subject to approval of the PA Public Utility Commission upon determination that the effective rate will result in material over and under collections if not revised. Such interim change shall become effective thirty (30) days from the date of filing unless otherwise permitted by the Commission. *on one day's notice*

This filing of the company's preliminary annual gas cost rate effective during the billing periods of November through October shall be submitted to the Commission by September 2 of each year, 60 days prior to the November 1 effective date. The filing of the company's final filing, together with revisions to data in the preliminary filing, shall be submitted to the Commission by October 2 of each year, 30 days prior to the November 1 effective date.

Definitions

"GCR" - Gas Cost Rate determined to the nearest one-hundredths cent (0.01¢) to be applied to each ccf of gas supplied under Rates Schedules:

- Rate R: Residential Customers
- Rate C: Commercial Customers
- Rate I: Industrial Customers
- Rate IS: Industrial Customers - Large Volume Capacity

"C" - A number of dollars determined as follows: (a) for all types of purchased gas, project the cost for each purchase (adjust for net current gas stored) for the computation year plus (b) the arithmetical sum of (1) the projected book value of noncurrent gas at the beginning of the computation year minus (2) the projected book value of non current gas at the end of the computation year.

"E" - Experienced net over collection or under collection of the cost of purchased gas as of the end of the twelve month period ending with the August billing period, including interest.

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NORTH EAST HEAT & LIGHT COMPANY
North East, Pa.

IV. GAS COST RATE (CONTINUED)

Definitions (Continued)

Interest shall be computed monthly at the appropriate rate as provided for in Section 308(D) of the Public Utility Law from the month the over or under collection occurs to the effective month such over collection is refunded or such under collection is recouped. Customers shall not be liable for interest on net under collections.

Additionally, supplier refunds received prior to the end of the August billing period will be included in the calculation of "E" with interest added at the annual rate of six percentum (6%) calculated in accordance with the foregoing procedure beginning with month such refund is received by the Company.

"S"--Projected MCF of gas to be billed to customers during the computation year.

"B"--Base cost of purchased gas of \$.7576 per CCF. *Includes "F" Factor* (C)

The base cost is the portion of purchased gas costs included in the base rate charge of Rate Schedules.

- Rate R: Residential Customers
- Rate C: Commercial Customers
- Rate I: Industrial Customers

The base cost shall be adjusted at the time of the annual gas cost rate filing to include at least ninety percent (90%) of the Company's experienced gas rates in effect as of the end of the August billing period, plus such portion of the projected gas purchase costs as the commission shall permit.

"I"--The State Gross Receipts tax rate, expressed as a decimal. For computation of the gas cost rate, the tax rate shall be the one in effect during the gas cost rate's application period.

"Purchased Gas"--The volume of gas purchased by the Company that is delivered to the Company's customers, plus such portion of the Company-used and unaccounted for gas as the Commission permits, including, but not limited to natural gas.

"Computation Year"--The fiscal year from November to October.

(C) Denotes Change

OFFICIALLY FILED TARIFF

IV. Gas Cost Rate (Continued)

Adjustment to Base Rates

Whenever a change is made in the level of the base cost, a corresponding adjustment shall be made to the base rates of applicable rate schedule plus that portion, if any, of the State gross receipts tax, expressed as a decimal, recovered through base rates.

Filing with Pennsylvania Public Utility Commission; Audit; Rectification

The filing of The Company's annual gas cost rate effective during the billing periods of November through October shall be submitted to the Commission by September 17 of each year

(C)

The application of the gas cost rate shall be subject to continuous review and to audit by the Commission at such intervals as the Commission shall determine. The Commission shall continuously review the reasonableness and lawfulness of the amounts of the charges produced by the gas cost rate and the charges included herein.

If from such audit it shall be determined, by final order entered after notice and hearing, that this clause has been erroneously or improperly utilized the Company will rectify such error or impropriety, and in accordance with the terms of the order apply credits against future gas cost rates for such revenues as shall have been erroneously or improperly collected. The Commission's order shall be subject to the Right of Appeal.

Reporting Requirements

The Company shall file quarterly reports within thirty (30) days following the conclusion of each computation year quarter. These reports will be in such form as the Commission shall have prescribed.

The third quarterly report shall be accompanied by a tentative estimate of the gas cost rate for the next computation year.

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NOV 25 1988

(C) Indicates Change

ISSUED: November 1, 1988

Office of Special Assistants EFFECTIVE: November 1, 1988
Tariff Division

Pages 10 thru 12 cancelled out, not replaced.

North East Heat & Light Co.

STANDARD RULES & REGULATIONS. (Continued)

V. Conservation Requirement of New Customers, or Existing Customers Requesting Additional Services - New customers shall be added to the Company's distribution system in strict order of date of application for gas service, in each service class. (i.e. Residential, firm small Commercial and firm large plant facility protection.) These additions will only be made under the following conditions:

1. That North East Heat & Light Company is assured of adequate gas supply in the future to meet its projected daily and period volume requirements.
2. That load growth to existing customers will not be impaired by such additional new customer loads.
3. That the new Residential customers (or multi-family apartments) conform to the insulation requirements of the following:
 - a. The maximum coefficient of heat transmission through building sections adjacent to heated space shall be:
 - i Roofs: $U=0.03$ (R-30 or greater)
 - ii Opaque Exterior Walls: $U=0.05$ (R-19 or greater)
 - iii Floors over unheated crawl spaces or basement: $U=0.05$ (R-19 or greater)
 - iv Floors over unheated garages: $U=0.05$ (R-19 or greater)
 - v Unheated Slabs: $U=0.2$ (R-5 or greater)
 - vi Heated Slabs: $U=0.14$ (R-7 or greater)
 - vii Edge insulation for cement slabs: $U=0.20$ (R-5)

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NOV 8 1978

Bureau of Rates and Research

ISSUED: October 31, 1978

TARIFF SECTION

EFFECTIVE: November 1, 1978

OFFICIALLY FILED TARIFF

North East Heat & Light Co.

STANDARD RULES & REGULATIONS. (continued)

- b. All Homes shall be weather stripped, caulked, sill sealed, equipped with proper adequate vapor barrier protection and properly ventilated.
- c. Insulation for heat ducts in unheated spaces; minimum of 2 inches.
- d. Main entrance doors (multifamily) shall be of vestibule or revolving door type permitting minimum infiltration. Vestibule doors shall be self-closing.
- e. Storm windows and storm doors shall also be required. Windows shall be of the double glazing type.
- f. All gas consuming appliances must be of superior energy efficient design and must, with the exception of water heaters, be equipped with intermittent ignition devices. Furnaces must be connected to a clock thermostat to allow control of night temperature setbacks effectively. Furnaces may be equipped with an AGA approved (C) stack damper device, or be of an air premixed design.
4. For Existing Residential Dwellings, the same standards shall apply as to new residential construction, except where the present exterior wall construction makes the R-19 requirement impossible. Exterior walls shall be insulated (or re-insulated) to the maximum extent feasible as determined by the North East Heat & Light Company.
5. New Commercial Space Heating Customers shall comply with the standards of ASHRAE 90-75.

(C) Indicated Change

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Penna. Public Utility Comm.

ISSUED: October 31, 1978 NOV 8 1978 EFFECTIVE: November 1, 1978

Bureau of Rates and Research

TARIFF SECTION

OFFICIALLY CLASSIFIED

STANDARD RULES & REGULATIONS (Cont'd.)

IV Extension of Main Facilities

(C)

1. Residential Gas Service - Mains will be extended to all residential houses and apartments in accordance with the following provisions:

A. Extension of Gas Mains - The Company will make a net capital investment in new gas mains at no charge up to an amount equal to three times the anticipated annual base revenue, and up to 100 feet to a single dwelling unit. For highway extensions, cost estimates shall be based on minimum size main for estimated load and total applicable costs for other components.

The total estimated annual consumption shall be assumed at 150 mcf. The annual use of a gas range will be estimated at 12 mcf, a gas water heater at 36 mcf and a gas dryer at 7 mcf and space heating at 0.100 mcf per square foot of heated space.

B. Special Extensions - Where the business in prospect does not warrant the expenditure required to serve it, the Company will determine from the circumstances of each case what guarantees of revenue or what financing shall be required of the customer.

C. Extension Refunds - All or part, of that part of the cost of any extension which is financed by a customer may be refunded to him over a term of years upon such basis or conditions as may be determined by the Company and specified in the contract for service.

2. Commercial & Industrial Gas Service - Services and mains will be extended to commercial/industrial customers in accordance with the following provisions:

A. Extension of Gas Mains - The Company will make a net capital investment in new gas mains to supply new and increased gas loads served under commercial and industrial rates at no charge to the customer up to an amount equal to two times the anticipated annual base revenue. For highway extensions, cost estimates shall be based on minimum size of main necessary for estimated loads and on total applicable costs for other components.

Commercial and industrial consumption estimates will be based upon individual design data.

B. Special Extensions - Where the business in prospect does not warrant the expenditure required to serve it, the Company will determine from the circumstances of each case what guarantees of revenue or what financing shall be required of the customer.

~~C. Extension Refunds - All or part of that part of the cost of any extension which is financed by a customer may be refunded to him over a term of years upon such basis or conditions as may be determined by the Company and specified in the contract for service.~~

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AUG 8 1981 Effective: September 7, 1981

Secretary's Bureau
Tariff Division

(C) Indicates Change
Issued: August 18, 1981

OFFICIALLY FILED TARIFF

005335

Supplement No. 101 to
Gas - PA P. U. C. No. 12
Fourth Revised Page No. 16
Canceling
Third Revised Page No. 4

NORTH EAST HEAT AND LIGHT COMPANY
North East, PA.

Rider A

State Tax Adjustment Clause

In addition to the net charge provided in this tariff, a surcharge of 0% will apply to all service rendered on and after September 26, 2000. (I)

OFFICALLY FILED TARIFF

The above surcharge will be re-computed, using the same elements prescribed by the commission: (a) whenever any of the tax rates used in the calculation of the surcharge are changed (b) whenever the utility makes effective increased or decreased rates (c) and on March 31, 1971 and thereafter.

The above recalculation will be submitted to the Commission within ten (10) days after the occurrence of the event or date which occasioned such re-computation. If the re-computed surcharge is less than the one in effect, the utility may submit with such re-computation a tariff or supplement to reflect such re-computed surcharge, the effective date which shall be ten (10) days after filing.

(I) Denotes Increase

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AUG 01 2000

COMMISSION OF FINED UTILITY SERVICES
NOTICE
This page of the Tariff
never went into effect

VOL. POSTPONE TO

SEP 20 2000

Issued: July 26, 2000

Effective: September 24, 2000

OCT 14 2000

Rider A

State Tax Adjustment Clause

In addition to the net charge provided in this tariff, a surcharge credit of 5% will apply to all service rendered on and after January 1, 2000. (D)

OFFICALLY FILED TARIFF
The above surcharge will be re-computed, using the same elements prescribed by the commission: (a) whenever any of the tax rates used in the calculation of the surcharge are changed (b) whenever the utility makes effective increased or decreased rates (c) and on March 31, 1971 and thereafter.

The above recalculation will be submitted to the Commission within ten (10) days after the occurrence of the event or date which occasioned such re-computation. If the re-computed surcharge is less than the one in effect, the utility may submit with such re-computation a tariff or supplement to reflect such re-computed surcharge, the effective date which shall be ten (10) days after filing.

(D) Denotes Decrease