

**COLUMBIA GAS OF PENNSYLVANIA, INC.**

**RATES AND RULES**

**FOR**

**FURNISHING GAS SERVICE**

**IN**

**THE TERRITORY AS DESCRIBED HEREIN**

ISSUED:

EFFECTIVE:

ISSUED BY: M. CAROL FOX, PRESIDENT  
121 CHAMPION WAY  
CANONSBURG, PENNSYLVANIA 15317

**NOTICE**

This Tariff Supplement Makes Increases and Changes to the Existing Tariff—See Page No. 2 through 2c

### LIST OF CHANGES MADE BY THIS TARIFF SUPPLEMENT

Page	Page Description	Revision Description
Cover	Tariff Cover Page	Supp #, Effective & Issue Date.
2, 2 a-c	List of Changes	List of Changes.
2d	Blank	Intentionally Left Blank for Future Use.
3 - 6	Table of Contents	Multiple Changes.
11	Rates Available Under this Tariff	Rate AC – Summer Air Conditioning removed. Rate CDS – Cogeneration Distribution Service – revised availability. Rate DGDS – Distributed Generation Distribution Service - Revised Availability & moved from Page No. 14. Rate GDS – Generation Distribution Service – revised availability.
12	Rates Available Under this Tariff	Rate NCS – Negotiated Contract Service – added part "(c)" to availability.
13	Rates Available Under this Tariff	Rate PS – Propane Service – moved from Page No. 14. Rate RDGSS – Residential Distributed Generation Service – moved to Page No. 14.
14	Rates Available Under this Tariff	Rate DGDS – Distributed Generation Distribution Service – moved to Page No. 11. Rate PS – Propane Service moved to Page No. 13. Rate RDGSS – Residential Distributed Generation Sales Service – moved from Page. No. 13. Rate SCD – Small Commercial Distribution – increased volumetric availability. Rate SDS – Small Distribution Service – moved from Page No. 15. Rate SDSS – Supplier Default Sales Service – moved from Page No. 15. Rate SGDS – Small Generation Distribution Service – moved to Page No. 15.
15	Rates Available Under this Tariff	Rate SGDS – Small General Distribution Service – moved from Page No. 14. Rate SS – Standby Service – revised availability. Rate SDS – Small Distribution Service – moved to Page No. 14. Rate SDSS – Supplier Default Sales Service – moved to Page No. 14.
16	Rate Sheets	Rates under Rate RSS – Residential Sales Service have been increased. Rates under Rate SGSS – Small General Sales Service have been increased. Upper volume limitation added.
17	Rate Sheets	Rates under LGSS – Large General Sales Service have been increased. Lower volumetric limit added. Rate MLSS – Main Line Sales Service. Lower volumetric limitation added. Rate SS – Standby Service – revised page reference.
18	Rate Sheets	Rates under Rate RDS – Residential Distribution Service have been increased. Rates under SCD – Small Commercial Distribution have been increased. Rates under Rate SGDS – Small General Distribution Service have been increased. Upper volumetric limitation added. Rates under SDS – Small Distribution Service have been increased. Upper and lower volumetric limitation added.
19	Rate Sheets	Rates under LDS – Large Distribution Service have been increased. Lower volumetric limitation added. Rate MLDS – Main Line Distribution Service – lower volumetric limitation added.
20	Rate Sheets	Rates under Rate RDGSS – Residential Distributed Generation Sales Service have been increased. Rates under Rate RDGDS – Residential Distributed Generation Distribution Service have been increased. Rate DGDS – Distributed Generation Distribution Service has been removed.
21	Rate Sheets	Elective Balancing Service – Rider EBS – volumetric limitation added.

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 President

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### LIST OF CHANGES MADE BY THIS TARIFF SUPPLEMENT

Page	Page Description	Revision Description
23	1. The Gas Tariff – Definitions	Rate schedule RDGDS – Residential Distributed Generation Distribution Service has been added to the definition “Choice and Choice Service”.
24	1. The Gas Tariff – Definitions	Added a definition for Distributed Generation.
25	1. The Gas Tariff – Definitions	Moved the definition of “Residential Customer” to page 26. Added a definition for Pipeline Scheduling Point.
26	1. The Gas Tariff – Definitions	Moved the definitions of “Supplier of Last Resort” and “Transmission Pipeline” to page 27. Moved the definition of “Residential Customer” from Page No. 25.
27	1. The Gas Tariff – Definitions	Added “Supplier of Last Resort” and “Transmission Pipeline” definitions from Page No. 26.
30	2. Service Limitations	Corrected reference in paragraph 2.2.
34	2. Service Limitations	Revised the penalty for Unauthorized Use.
35	2. Service Limitations	Revised the penalty for non-compliance of an Emergency Curtailment.
40	4. Customer Installations	Added the word “pipes” to paragraph 4.3 Meter Space.
44	6. Credit	Revised 6.2. (1) (A) 2.
45	6. Credit	Added deposit language for non-residential deposits.
46	6. Credit	Moved paragraphs 6.5 and 6.6 from Page No. 45.
47	7. Point of Delivery of Gas to Customer	Moved from Tariff Page No. 46.
48	8. Extensions	Moved from Tariff Page No. 46. Revised the Service Connections paragraph. Revised the heading for paragraph 8.2.
49	8. Extensions	Moved from Tariff Page No. 47. Changed “line extension agreement” to “agreement”. Added minimum use language.
50	8. Extensions	Moved from Tariff Page Nos. 47 and 48. Added a “Special Facilities” paragraph.
51	9. Rights of Way	Moved from Tariff Page No. 48. Revised Section 9. Rights of Way, paragraphs 9.1, 9.2 and 9.3.
52	10. Introduction of Service	Moved from Tariff Page No. 48.
52 - 53	11. Company Equipment on Customer’s Premises	Moved from Tariff Page No. 49.
54	12. Selection of Rate Schedule	Moved from Tariff Page No. 50.
55	13. Service Continuity	Moved from Tariff Page Nos. 50 and 51.
56	14. Customer’s Use of Service	Moved from Tariff Page Nos. 51 and 52. Corrected website address in paragraph 14.5.
57 - 58	15. Measurement	Moved from Tariff Page Nos. 53 and 54.
59	16. Meter Tests	Moved from Tariff Page No. 55.
60 - 62	17. Payment Terms	Moved from Tariff Page Nos. 55, 56 and 57. Added clarifying language to the Billing Period paragraph.

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**LIST OF CHANGES MADE BY THIS TARIFF SUPPLEMENT**

Page	Page Description	Revision Description
63-66	18. Termination of Service	Moved from Tariff Page Nos. 58 through 61.
67	19. Discontinuation of Service	Moved from Tariff Page No. 62.
68-69	20. Flexible Rate Provisions	Moved from Tariff Page Nos. 63 and 64.
76	Rate RSS	Changed gas cost uncollectible percentage to 1.66%. Removed reference to PPS Rider.
79	Rate RDS	Revised item #5 of the Special Provisions.
81	Rate RDGSS	Changed gas cost uncollectible percentage to 1.66%.
86	Rate SGSS	Changed gas cost uncollectible percentage to 1.66%.
87	Rate SGSS	Removed Reference to PPS Rider.
89	Rate SGDS	Added item #6 to Availability paragraph.
93	Rate SCD	Added item #4 to Availability paragraph. Revised volumetric availability to less than 4000 Mcf annually.
94	Rate SCD	Revised item #5 of the Special Provisions.
96	Rate SDS	Added language to the Character of Service paragraph.
103	Rate LDS	Added language to the Character of Service paragraph.
111	Rate MLDS	Added language to the Character of Service paragraph.
115	Rate NCS	Revised the Availability language. Added language to the Character of Service paragraph.
124	Rate AC	Deleted this rate schedule.
125	Rate CDS	Revised the Availability language. Removed the reference to STAS. Added language to the Character of Service and Rate paragraphs.
126	Rate CDS	Added the word "include" to the "Minimum Charge" paragraph.
127	Rate GDS	Revised the Availability and Minimum Charge language. Removed the reference to STAS. Added language to the Character of Service and Rate paragraphs.
133	Rate PS	Added delayed payment penalty language to Terms of Payment.
134	Rate SS	Revised the Availability paragraph.
137	Rate DGDS	Added language to the Availability paragraph. Removed the reference to STAS. Added a Character of Service paragraph.
140	Rate CAP	Added language to the Monthly Payment Options paragraph.
143	Rate CAP	Changed gas cost uncollectible percentage to 1.66%.
146	Rider USP	The "Calculation of Rate" paragraph has been revised.
147	Rider USP	Added language to the Annual Reconciliation paragraph.
156	Purchased Gas Cost Rider	Removed item (6) in the Demand E-Factor paragraph.
157	Purchased Gas Cost Rider	Corrected subtitle format.
161	Pilot Rider PPS	Changed Availability paragraph.

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### LIST OF CHANGES MADE BY THIS TARIFF SUPPLEMENT

Page	Page Description	Revision Description
165	State Tax Adjustment Surcharge	Removed reference to specific rate schedules. Made CDS, DGDS, GDS and NCS not subject to STAS. Changed STAS percentage to 0%.
166	Rider EBS	Added volumetric clarification to Bank Tolerance language.
169	Rider EBS	Revised market area language.
170	Rider EBS	Revised market area language.
173	Rider EBS	Corrected the spelling of the title on the page.
174	Rider EBS	Corrected the format of the title on the page.
181	RADS - Definitions	Added a definition for "Aggregation Service Agreement".
182	RADS - Definitions	Removed "Columbia Gas Transmission Corporation Market Area" definition.
185	RADS -Definitions	Revised market area language. Changed NGS Choice Application to NGS Choice Distribution Aggregation Agreement and revised the definition.
193	Rules Applicable to All Distribution Service	Added paragraph "Retroactive Period Adjustments".
194 - 200	Rules Applicable to All Distribution Service	Paragraph renumbering.
203	Rules Applicable Only to General Distribution Service	Added language to the Character of Service paragraph.
204 - 206	Rules Applicable Only to General Distribution Service	Revised market area language.
207	Rules Applicable Only to General Distribution Service	Decreased the OFO penalty. Revised market area language.
208	Rules Applicable Only to General Distribution Service	Decreased the OMO penalty. Revised the Limitations on Nominations paragraph.
211	Rules Applicable Only to General Distribution Service	Revised market area language.
212	Rules Applicable Only to General Distribution Service	Revised market area language. Added the condition that any NGS electing Aggregation service must sign an Aggregation Service Agreement.
226	Rules Applicable Only to Choice Service	Replaced NGS Choice Distribution Application with NGS Choice Distribution Aggregation Agreement.
232	Rules Applicable Only to Choice Service	Added a description of Choice Aggregation Service. Revised market area language.
237	Rules Applicable Only to Choice Service	Replaced NGS Choice Distribution Application with NGS Choice Distribution Aggregation Agreement.
239	Rules Applicable Only to Choice Service	Replaced NGS Choice Distribution Application with NGS Choice Distribution Aggregation Agreement.
240	Rules Applicable Only to Choice Service	Revised market area language.
241	Rules Applicable Only to Choice Service	Replaced NGS Choice Distribution Application with NGS Choice Distribution Aggregation Agreement.
242	Rules Applicable Only to Choice Service	Revised the Operational Flow Orders paragraph.
243	Rules Applicable Only to Choice Service	Revised the Rates paragraph.
244	Rules Applicable Only to Choice Service	Replaced NGS Choice Distribution Application with NGS Choice Distribution Aggregation Agreement.

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## RATES AVAILABLE UNDER THIS TARIFF

### Rate CDS - Cogeneration Distribution Service (pp. 125-126)

(C)

Available to any customer who qualifies as a cogenerator under Section 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA). Customer must demonstrate to the Company's satisfaction that qualifying cogeneration gas burning equipment will be installed and only gas used for cogeneration will be billed at the rate negotiated under this rate schedule. Service is available when such customer acquires its own gas and executes a contract with the Company for distribution service in accordance with all terms and conditions of such contract. Separate metering and piping to qualifying end use equipment will be required.

Service under this rate schedule shall not be available to a customer who is a Priority 1 Customer, as defined in the Volumetric Limitations and Curtailment Provisions of this tariff and is using gas to generate electricity for Essential Human Needs Use, as defined in the Volumetric Limitations and Curtailment Provisions, shall be required to purchase Standby Service if an alternate fuel is not available to generate electricity to cover the electricity peak day requirement.

### Rate DGDS - Distributed Generation Distribution Service (pp. 137-138)

(C)

Available, at one location, for the distribution requirements of any commercial or industrial customer using distributed generation equipment such as reciprocating engines, gas turbines, microturbines, and fuel cells used for electrical power generation. Service is available when such customer executes a contract with the Company for a period mutually agreed to between the Company and the customer for distribution service in accordance with all terms and conditions of such contract. Provided that the Company's facilities are adequate to provide the requested service. Customer may not take service under any other rate schedule except Rate SS – Standby Service.

### Rate GDS - Generation Distribution Service (pp. 127-128)

(C)

Available to any customer who uses gas to generate electricity for sale, either wholesale or retail; provided that such sale of electricity is subject to the regulatory jurisdiction of either the Pennsylvania Public Utility Commission or the Federal Energy Regulatory Commission. Service is available when such customer acquires its own gas and executes a contract with the Company for distribution service in accordance with all terms and conditions of such contract.

### Rate LDS - Large Distribution Service (pp. 103-106)

Available to any commercial or industrial customer whose annual throughput requirement (determined under the customer charge provisions of Rate LDS) is 50,000 Mcf or greater, and who does not take service under any other rate schedule except Rate SS-Standby Service.

### Rate LGSS - Large General Sales Service (pp. 100-102)

This rate schedule is available, at one location, for the total requirements of any commercial or industrial customer whose purchase requirements are in excess of 6,000 Mcf, and who does not contract for distribution service.

(C) Indicates Change

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M. Carol Fox  
President

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**RATES AVAILABLE UNDER THIS TARIFF (Continued)**

**Rate MLDS - Main Line Distribution Service (pp. 111-114)**

Available at one location, for the total requirements of a commercial or industrial customer when the Customer meets either one of the following qualifications:

- (a) the Customer has annual throughput requirements of not less than 25,000 Mcf and is connected directly through a dual-purpose meter to facilities of an Interstate pipeline supplier of the Company ("Class I MLS Customer"); or
- (b) the Customer has annual throughput requirements of not less than 200,000 Mcf and there are two (2) miles or less of pipeline facilities of the Company connecting the Customer to facilities of an interstate pipeline supplier of the Company ("Class II MLS Customer"),

and meets all of the following conditions:

- (a) Customer does not take service under any other rate schedule except Rate SS – Standby Service, and
- (b) Customer acquires its own gas and executes an applications and agreement with the Company as specified in the Rules Applicable to Distribution Service section of this Tariff, for a period of not less than one (1) year for distribution service in accordance with all terms and conditions of such contract.

**Rate MLSS - Main Line Sales Service (pp. 107-110)**

Available at one location, for the total requirements of a commercial or industrial customer when the Customer meets either one of the following qualifications:

- (a) the Customer has annual throughput requirements of not less than 25,000 Mcf and is connected directly through a dual-purpose meter to facilities of an Interstate pipeline supplier of the Company ("Class I MLSS Customer"); or
- (b) the Customer has annual throughput requirements of not less than 200,000 Mcf and there are two (2) miles or less of pipeline facilities of the Company connecting the Customer to facilities of an interstate pipeline supplier of the Company ("Class II MLSS Customer").

**Rate NCS - Negotiated Contract Service (pp. 115-116)**

Available to any commercial or industrial customer, at the Company's discretion, who meets the following qualifications:

- (a) The customer is not presently served by the Company and has projected throughput requirements of not less than 2,000 Mcf annually or is a current customer; and
- (b) The customer gives the Company satisfactory proof that, absent service under this rate schedule, the customer's facilities or operations would not be constructed in the Company's operating territory, or that, absent service under this rate schedule, customer would install long-term alternate fuel facilities.
- (c) Customer does not take service under any other rate schedule except Rate SS – Standby Service.

(C)

(C) Indicates Change

## RATES AVAILABLE UNDER THIS TARIFF (Continued)

### Rate NGV - Natural Gas Vehicle Service (pp. 129-131)

This rate schedule is available for any customer for the use of natural gas directly in a natural gas vehicle (NGV). The customer to qualify must be the operator of a public fueling station or the owner/operator of a natural gas vehicle or fleet of vehicles who receives service at separately metered fueling facilities owned by the vehicle owner/operator for the exclusive use of the customer's vehicle(s).

### Rate NSS - Negotiated Sales Service (pp. 117-121)

Available to any commercial or industrial customer whose annual throughput requirements exceed 6,000 Mcf; provided, however, that a customer with annual throughput requirements in excess of 2,000 Mcf may be eligible for service if the customer demonstrates, and the Company certifies, that the customer would not request service from the Company, or would no longer take service from the Company, but for the availability of service under this rate. A customer with annual throughput requirements below 6,000 Mcf that is eligible for service under this rate schedule shall be deemed to meet the volumetric eligibility provisions for transportation service under Rate SGS.

### Rate PS - Propane Service (pp. 132-133)

The Company may from time to time, at its sole option, provide propane service to new customers requesting natural gas service in the Company's service territory where the extension of natural gas facilities is temporarily uneconomic but is anticipated to be economic within a (5) five year period and, absent this rate schedule, the customer would not request service from the Company.

### Rate RDGDS - Residential Distributed Generation Distribution Service (pp. 84-85)

Available to any residential customer meeting the following conditions:

1. The customer does not take service under any other rate schedule.
2. The customer or group of customers have an aggregate annual demand of at least 5,000 MCF or a minimum of 50 customers and in compliance with the aggregation provisions in the Rules Applicable to Distribution Service elects an NGS to provide natural gas commodity service. The gas supply for each aggregation must enter the Company's system at a city gate(s) used by the Company to serve the customers unless otherwise permitted by Columbia.
3. Available, at one location, for the total requirements of any residential customer who operates distributed generation equipment such as reciprocating engines, gas turbines, and fuel cells used for electrical power generation for the customer's own use. The Customer must demonstrate to the Company's satisfaction that qualifying gas burning electric generation equipment has been installed.
4. The Company's facilities are adequate to provide the requested service.

Service is available when such customer(s) selects an NGS, and provides the Company with a 60- day notice.

## RATES AVAILABLE UNDER THIS TARIFF (Continued)

### Rate RDGSS - Residential Distributed Generation Sales Service (pp. 81-83)

Available, at one location, for the total requirements of any residential customer who operates distributed generation equipment such as reciprocating engines, gas turbines, and fuel cells used for electrical power generation for the customer's own use. The Customer must demonstrate to the Company's satisfaction that qualifying gas burning electric generation equipment has been installed. Provided, that the Company's facilities are adequate to provide the requested service.

### Rate RDS - Residential Distribution Service (pp. 78-80)

This rate is available for a Residential customer or a group of Residential customers that has an aggregate annual demand of at least 5,000 MCF or a minimum of 50 customers being served pursuant to the aggregation provisions of the Rules Applicable to Distribution Service.

### Rate RSS - Residential Sales Service (pp. 76-77)

This rate schedule is available, at one location, for the total requirements of any residential customer.

### Rate SCD - Small Commercial Distribution (pp. 93-95)

This rate is available to any commercial customer that: (1) is eligible for Choice Service; (2) has an historic throughput less than or equal to 4,000 Mcf; annually; (3) is not served under any other schedule, (4) the customer or group of customers have an aggregate annual demand of at least 5,000 Mcf or a minimum of 50 customers and in compliance with the aggregation provisions in the Rules Applicable to Distribution Service elects an NGS of natural gas commodity service for a one year period, and (5) if currently served under Rate Schedule SGDS, provides a notice of intent to switch to Rate Schedule SCD by January 2<sup>nd</sup> to be effective the following April 1<sup>st</sup>. (C)

### Rate SDS-Small Distribution Service (pp. 96-99)

Available to any commercial or industrial customer whose annual throughput requirements (including sales and distribution) exceed 6,000 Mcf, who does not receive service under any other rate schedule except Rate SS-Standby Service, and whose annual throughput (as determined under Customer Charge provisions of Rate SDS) is less than 50,000 Mcf.

### Rate SDSS - Supplier Default Sales Service (pp. 122-123)

Available to any commercial or industrial customer with annual throughput requirements of 600 Mcf or greater, and whose natural gas supplier has defaulted according to the provisions of the Default (Other than Slamming) By the NGS section of the Rules Applicable to Distribution Service of this tariff, and who at the time of the default was receiving General Distribution Service under Rate SGDS-Small General Distribution Service, Rate SDS – Small Distribution Service, Rate LDS – Large Distribution Service, Rate MLDS – Main Line Distribution Service, Rate CDS – Cogeneration Distribution Service or Rate GDS – Generation Distribution Service.

(C) Indicates Change

## RATES AVAILABLE UNDER THIS TARIFF (Continued)

### Rate SGDS - Small General Distribution Service (pp. 89-92)

Available, at one location, for the total requirements of any commercial or industrial customer meeting all of the following conditions:

1. The Customer's total annual throughput requirements, as determined under the Customer Charge provisions are less than 6,000 Mcf annually.
2. The Customer does not take service under any other rate schedule except Rate SS – Standby Service.
3. Customer acquires its own gas and executes an application and agreement with the Company, as specified in the Rules Applicable to Distribution Service section of this Tariff, for a period of not less than one (1) year for distribution service in accordance with all terms and conditions of such contract.
4. The customer is a member of an aggregation group pursuant to the provisions of the Rules Applicable to Distribution Service.
5. Priority One customers, as defined in the Volumetric Limitations and Curtailment Provisions, must buy distribution service at the Priority One distribution rate, which includes recovery of purchased gas demand costs pursuant to the Purchased Gas Cost Rider as set forth in this tariff. All other SGDS customers wishing to contract for standby service may execute a contract for service under Rate SS - Standby Service.
6. There is an annual enrollment window for accounts transferring from Rate Schedule SCD to Rate Schedule SGDS. Notice of intent to switch from Rate Schedule SCD to Rate Schedule SGDS is due January 2<sup>nd</sup> of each year to be effective the following April 1<sup>st</sup>. (C)

### Rate SGSS - Small General Sales Service (pp. 86-88)

This rate schedule is available, at one location, for the total requirements of any commercial or industrial customer whose total throughput requirements are less than 6,000 Mcf annually and who does not contract for distribution service.

### Rate SS - Standby Service (pp. 134-136) (C)

Available to any qualified customer receiving General Distribution Service or Negotiated Sales Service who executes a contract with the Company for service under this rate schedule for a period of not less than one (1) year.

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 Tariff Gas - Pa. P.U.C. No. 9  
 Thirty-Sixth Revised Page No. 16  
 Cancelling Thirty-Fifth Revised Page No. 16

Columbia Gas of Pennsylvania, Inc.

Retail Service Rate Schedules	Rates per Mcf				Total Effective Rate
	1/	2/	3/	4/	3/
	Distribution Charge	Gas Supply Charge	Gas Cost Adjustment	Total Effective Rate	3/
<b>Rate RSS - Residential Sales Service</b>					
Monthly Customer Charge	\$ 12.25	-	-	12.25	12.25
Commodity Charge	\$ 4.2452	6.0804 2/	-	10.3256	10.3256
Customer Transferring from Rate Schedule RDS	\$ 4.2452	6.0804 2/	-	10.3256	10.3256
<b>Rate SGSS - Small General Sales Service</b>					
Monthly Customer Charge:					
Annual Throughput < 600 Mcf	\$ 18.05	-	-	18.05	18.05
Annual Throughput >= 600 Mcf and <= 6,000 Mcf	\$ 28.70	-	-	28.70	28.70
Commodity Charge	\$ 2.9475	6.0804 2/	-	9.0279	9.0279
Customers Transferring from Rate Schedule SCD	\$ 2.9475	6.0804 2/	-	9.0279	9.0279

1/ Includes applicable charges for Riders CC, PGC, USP, Storage Interest component.  
 2/ Does not reflect the unbundling of uncollectibles related to gas costs. See applicable rate schedule for details.  
 3/ Does not reflect the State Tax Adjustment Surcharge. See Page 165 herein for detail.

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Issued by: M. Carol Fox - President

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Columbia Gas of Pennsylvania, Inc.

Rates per Mcf

Retail Service Rate Schedules		Distribution Charge	Gas Supply Charge	Gas Cost Adjustment	Total Effective Rate 1/
<b>Rate LGSS - Large General Sales Service</b>					
Monthly Customer Charge:					
Annual Throughput < 10,000 Mcf	\$	105.00	-	-	105.00
Annual Throughput >= 10,000 Mcf but < 50,000 Mcf	\$	395.00	-	-	395.00
Annual Throughput >= 50,000 Mcf but < 100,000 Mcf	\$	1,149.00	-	-	1,149.00
Annual Throughput >= 100,000 Mcf but < 300,000 Mcf	\$	2,050.00	-	-	2,050.00
Annual Throughput >= 300,000 Mcf but < 700,000 Mcf	\$	4,096.00	-	-	4,096.00
Annual Throughput > 700,000 Mcf	\$	7,322.00	-	-	7,322.00
Commodity Charge:					
First 1,000 Mcf per Month	\$	2.5151	6.0804	-	8.5955
Next 4,000 Mcf per Month	\$	2.4537	6.0804	-	8.5341
Next 5,000 Mcf per Month	\$	2.4209	6.0804	-	8.5013
All Mcf per Month Over 10,000	\$	2.1490	6.0804	-	8.2294
<b>Rate MLSS - Main Line Sales Service</b>					
Monthly Customer Charge:					
Annual Throughput >= 25,000 but < 50,000 Mcf	\$	395.00	-	-	395.00
Annual Throughput >= 50,000 Mcf but < 100,000 Mcf	\$	1,149.00	-	-	1,149.00
Annual Throughput >= 100,000 Mcf but < 300,000 Mcf	\$	2,050.00	-	-	2,050.00
Annual Throughput >= 300,000 Mcf but < 700,000 Mcf	\$	4,096.00	-	-	4,096.00
Annual Throughput >= 700,000 Mcf	\$	7,322.00	-	-	7,322.00
Commodity Charge:					
MLS-I	\$	0.1003	-	-	0.1003
MLS-II	\$	0.5648	-	-	0.5648
Annual Throughput < 100,000 Mcf	\$	0.4797	-	-	0.4797
Annual Throughput >= 100,000 Mcf but < 300,000 Mcf	\$	0.4148	-	-	0.4148
Annual Throughput >= 300,000 Mcf but < 700,000 Mcf	\$	0.3593	-	-	0.3593
Annual Throughput >= 700,000 Mcf	\$	0.3593	-	-	0.3593

\$7.72 per Mcf based on a customer's Maximum Daily Firm Requirement. See Pages 134-136 herein for detail.

**Rate SS - Standby Service**

1/ Does not reflect the State Tax Adjustment Surcharge. See Page 165 herein for detail.

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Supplement No. 144 to  
 Tariff Gas - Pa. P.U.C. No. 9  
 Thirty-Third Revised Page No. 18  
 Canceling Thirty-Second Revised Page No. 18

Columbia Gas of Pennsylvania, Inc.

Distribution Service Rate Schedules		Rates per Mcf			
	1/	Distribution Charge	Gas Supply Charge	Gas Cost Adjustment	Total Effective Rate
					3/
<b><u>Rate RDS - Residential Distribution Service</u></b>					
Monthly Customer Charge	\$	12.25	-	-	12.25
Distribution Charge:					
Customers Electing CHOICE - 1st Year	\$	4.2452	-	-	4.2452
Customers Electing CHOICE - 2nd Year	\$	4.2452	-	-	4.2452
<b><u>Rate SCD - Small Commercial Distribution</u></b>					
Monthly Customer Charge	\$	18.05	-	-	18.05
Annual Throughput < 600 Mcf	\$	28.70	-	-	28.70
Annual Throughput >= 600 Mcf and <= 4,000 Mcf					
Distribution Charge:					
Customers Electing CHOICE - 1st Year	\$	2.9475	-	-	2.9475
Customers Electing CHOICE - 2nd Year	\$	2.9475	-	-	2.9475
<b><u>Rate SGDS - Small General Distribution Service</u></b>					
Monthly Customer Charge:					
Annual Throughput < 600 Mcf	\$	18.05	-	-	18.05
Annual Throughput >= 600 Mcf and < 6,000 Mcf	\$	28.70	-	-	28.70
Distribution Charge:					
Priority One DS	\$	2.9475	-	-	2.9475
Non-Priority One DS	\$	2.0394	2/	-	2.0394
<b><u>Rate SDS - Small Distribution Service</u></b>					
Monthly Customer Charge:					
Annual Throughput >= 6,000 Mcf and < 10,000 Mcf	\$	105.00	-	-	105.00
Annual Throughput >= 10,000 Mcf and < 50,000 Mcf	\$	395.00	-	-	395.00
Distribution Charge	\$	1.2124	2/	-	1.2124

1/ Includes applicable charges for Riders CC, PGC, USP, and Storage Interest component.  
 2/ Subject to the terms and provisions of Rider EBS.  
 3/ Does not reflect the State Tax Adjustment Surcharge. See Page 165 herein for detail.

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Supplement No. 144 to  
 Tariff Gas - Pa. P.U.C. No. 9  
 Fifth Revised Page No. 19  
 Canceling Fourth Revised Page No. 19

Columbia Gas of Pennsylvania, Inc.

Distribution Service Rate Schedules		Rates per Mcf			
		Distribution Charge	Gas Supply Charge	Gas Cost Adjustment	Total Effective Rate 2/
<b>Rate LDS - Large Distribution Service</b>					
Monthly Customer Charge:					
Annual Throughput => 50,000 Mcf and < 100,000 Mcf		\$ 1,149.00	-	-	1,149.00
Annual Throughput >= 100,000 Mcf but < 300,000 Mcf		\$ 2,050.00	-	-	2,050.00
Annual Throughput >= 300,000 Mcf but < 700,000 Mcf		\$ 4,096.00	-	-	4,096.00
Annual Throughput >= 700,000 Mcf		\$ 7,322.00	-	-	7,322.00
Distribution Charge:					
Annual Throughput => 50,000 Mcf and < 100,000 Mcf		\$ 1.0717	1/	-	1.0717
Annual Throughput >= 100,000 Mcf but < 300,000 Mcf		\$ 0.9400	1/	-	0.9400
Annual Throughput >= 300,000 Mcf		\$ 0.7788	1/	-	0.7788
<b>Rate MLDS - Main Line Distribution Service</b>					
Monthly Customer Charge:					
Annual Throughput >= 25,000 and < 50,000 Mcf		\$ 395.00	-	-	395.00
Annual Throughput >= 50,000 Mcf but < 100,000 Mcf		\$ 1,149.00	-	-	1,149.00
Annual Throughput >= 100,000 Mcf but < 300,000 Mcf		\$ 2,050.00	-	-	2,050.00
Annual Throughput >= 300,000 Mcf but < 700,000 Mcf		\$ 4,096.00	-	-	4,096.00
Annual Throughput >= 700,000 Mcf		\$ 7,322.00	-	-	7,322.00
Distribution Charge:					
MLS-I		\$ 0.1003	1/	-	0.1003
MLS-II		\$ 0.5648	1/	-	0.5648
Annual Throughput < 100,000 Mcf		\$ 0.4797	1/	-	0.4797
Annual Throughput >= 100,000 Mcf but < 300,000 Mcf		\$ 0.4148	1/	-	0.4148
Annual Throughput >= 300,000 Mcf but < 700,000 Mcf		\$ 0.3593	1/	-	0.3593

1/ Subject to the terms and provisions of Rider EBS.

2/ Does not reflect the State Tax Adjustment Surcharge. See Page 165 herein for detail.

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Columbia Gas of Pennsylvania, Inc.

Rates per Mcf

Retail Service and Distribution Service Rate Schedules	Distribution Charge 1/	Gas Supply Charge 2/	Gas Cost Adjustment	Total Effective Rate 3/
<u>Rate RDGSS - Residential Distributed Generation Sales Service</u>				
Monthly Customer Charge	\$ 12.25	-	-	12.25
Commodity Charge	\$ 4.2452	6.0804 2/	-	10.3256
Customers Transferring from RDGDS or RDS	\$ 4.2452	6.0804 2/	-	10.3256
<u>Rate RDGDS - Residential Distributed Generation Distribution Service</u>				
Monthly Customer Charge	\$ 12.25	-	-	12.25
Distribution Charge	\$ 4.2452	-	-	4.2452

1/ Includes applicable charges for Riders CC, PGC, USP, and Storage Interest component.

2/ Does not reflect the unbundling of uncollectibles related to gas costs. See applicable rate schedule for details.

3/ Does not reflect the State Tax Adjustment Surcharge. See Page 165 herein for detail.

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 Tariff Gas - Pa. P.U.C. No. 9  
 Thirty-Eighth Revised Page No. 21  
 Canceling Thirty-Seventh Revised Page No. 21

Columbia Gas of Pennsylvania, Inc.

Rates per Mcf		
Riders	Rate \$/Mcf	Applicable Rate Schedules
<u>Customer Choice - Rider CC</u>		
Capacity	-	RSS/RDS
Choice Administration	-	SGS/SGDS/SCD/PS
<u>Universal Service Plan - Rider USP</u>		
	0.6480	RSS/RDS/RDGSS/RDGDS
<u>Elective Balancing Service - Rider EBS</u>		
Option 1 - Small Customer < 50,000 Mcf annually	0.2511	All Generation Distribution Service Rate Schedules
Option 1 - Large Customer => 50,000 Mcf annually	0.1072	All Generation Distribution Service Rate Schedules
Option 2 - Small Customer < 50,000 Mcf annually	0.0748	All Generation Distribution Service Rate Schedules
Option 2 - Large Customer => 50,000 Mcf annually	0.0242	All Generation Distribution Service Rate Schedules
<u>Purchased Gas Cost - Rider PGC</u>		
Demand	1.2414	
Cost of Gas	(0.0903)	
E-Factor	1.1511	
Total	<u>5.8374</u>	
Commodity	5.8374	
Cost of Gas	-	
E-Factor	5.8374	
Total	<u>6.9885</u>	
Total Purchased Gas Cost Rate		RSS/RDGSS/SGS/LGSS/MLSS

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**1. The Gas Tariff - Continued**

**1.6 Definitions – Continued**

For residential utility service, the term "Applicant" is further defined as a natural person not currently receiving service who applies for residential service or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested.

3. "BCF" shall mean one billion (1,000,000,000) cubic feet of gas. This is a measure of gas usage.
4. "Burner Tip" shall mean the point at which natural gas is used such as a furnace, water heater or range.
5. "CCF" is a measure of gas usage and shall mean one hundred (100) cubic feet of gas with the unit of volume utilized for measurement purposes based upon one (1) cubic foot of gas at a pressure of fourteen and seventy-three (14.73) pounds per square inch absolute with corrections for super compressibility and at a temperature of sixty (60) degrees Fahrenheit.
6. "Chapter 56" shall mean the PUC regulations that govern metering, billing and collections for residential gas and electricity service found in 52 Pa. Code §56.
7. "Choice" and "Choice Service" shall mean Distribution service provided to Customers under rate schedules RDS, RDGDS and SCD. (C)

**8. Commercial Customer**

A customer using gas in an establishment of a commercial or service nature including boarding homes and personal care homes. In this class are included, among others, warehousing, distributing or selling commodities, providing professional services or other economic and social endeavors, wholesale and retail stores, offices, office buildings, hotels, clubs, lodges, associations, restaurants, warehouses, railroad and bus stations, banks, laundries, dry cleaners, undertaking establishments, garages, gasoline stations, theaters, bowling alleys, billiard parlors, motor courts, camps, bars, grills, taverns, retail bakeries, private hospitals, public or private schools, churches, religious and charitable institutions, governmental agencies, or the like.

Included in this group are customers who receive the Company's gas service through one meter set to a combination of four or more dwelling units or through one meter set to a combination of up to three dwelling units and one or more business premises, where the business premises is the predominant usage factor. If the ratepayer's predominate usage is for natural gas powered vehicle service, then the ratepayer will be classified as a commercial ratepayer.

If gas is supplied through a single meter and is used for both commercial and residential or commercial and industrial usage, the service will be considered commercial if it is the predominant usage factor.

(C) Indicates Change

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**1. The Gas Tariff - Continued**

**1.6 Definitions - Continued**

9. "Commission" shall mean the Pennsylvania Public Utility Commission. The state agency responsible for utility rates and services offered by the Company and for Natural Gas Suppliers as provided for in §2208 of the Act.
10. "Commodity Charge" and "Natural Gas Supply Charge" shall mean basic service charges for natural gas supply services to retail customers, excluding charges for natural gas distribution services.
11. "Company" and "Natural Gas Distribution Company" and "NGDC" shall mean Columbia Gas of Pennsylvania, Inc., a public utility that provides Natural Gas Distribution services and which may provide Natural Gas Supply Services and other services.
12. "Customer" shall mean a person, partnership, association, corporation or other entity that purchases natural gas and in whose name a service account exists with the Company. For the limited purpose of changing an NGS, "Customer" may also include an agent who has been duly authorized to initiate a change of the Customer's NGS on behalf of that person, partnership, association, corporation, or other entity through a signed document which identifies by name the agent who has the authority to initiate a change of the Customer's NGS. PA. P.U.C. Docket No. M-00991249F006.
13. "Customer Proxy" generally means the entity that receives notices (e.g. OFOs, OMOs, SFO, etc), receives bills, and controls the gas bank account. Specifically, "Responsible Party" shall mean the Customer in circumstances described in paragraphs 1, 2 and 3 of the "Shipper" definition, and the Natural Gas Supplier in circumstances described by paragraph 4 of the "Shipper" definition.
14. "Distributed Generation" shall mean any generating resource other than central station generation that is placed close to the load being served, usually meaning the customer site. Distributed Generation technologies may include, but not limited to, reciprocating engines, gas turbines, microturbines, and fuel cells. (C)
15. "Distribution", "Distribution Service" and "Natural Gas Distribution Service" shall mean Natural Gas Distribution Service as defined in the Commission's Docket No. M-00991249F0005.
16. "Distribution Charge" shall mean the basic service charges for the delivery of natural gas to a retail customer from the point of receipt into the Company's system. These charges include basic service and universal service.
17. "Distribution Pipeline" shall mean any Company pipeline other than a Transmission Pipeline or Company service line.
18. "Dth" shall mean ten therms or one million Btu, the approximate heat content of one thousand cubic feet of gas (1 therm is equal to 100,000 Btu).
19. "Gas Cost Adjustment Charge" shall mean the amount billed or credited each month to account for the differences between projected and actual gas supply costs of the Company.

(C) Indicates Change

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**1. The Gas Tariff - Continued**

**1.6 Definitions - Continued**

20. "General Distribution Service" and "GDS" shall mean Distribution service provided under rate schedules DGDS, CDS, GDS, LDS, MLDS, NCS, SGDS or SDS.

21. Industrial Customer

A customer using gas for creating or changing raw or unfinished material into another form or product through the application of heat or heat treating, steam agitation, evaporation, baking, drying, distilling, etc.

Typical industrial users are manufacturing plants, machine shops, steel and iron mills, foundries, lumber planing and saw mills, canneries, dairies, meat packers, breweries, distilleries, potteries, railroad repair shops, refineries, creameries, flour mills, pump stations, ice plants, quarries, milk plants, mines, shipbuilders, chemical plants, grain elevators, food processing facilities, petrochemical operations in which the gas is the raw material, etc. If gas service is supplied through a single meter and is used for both industrial and commercial purposes, the service shall be considered industrial if the industrial usage is the predominant usage factor.

22. "Mcf" shall mean one thousand (1,000) cubic feet of gas. This is a measure of gas usage. Specifically, "mcf" shall mean one thousand (1,000) cubic feet of gas with the unit of volume utilized for measurement purposes based upon one (1) cubic foot of gas at a pressure of fourteen and seventy-three (14.73) pounds per square inch absolute with corrections for super compressibility and at a temperature of sixty (60) degrees Fahrenheit.

23. "MMCF" shall mean one million (1,000,000) cubic feet of gas. This is a measure of gas usage.

24. "Nonbasic Services" shall mean optional recurring services which are distinctly separate and clearly not required for the physical delivery of natural gas service.

25. "Pipeline Scheduling Point" or "PSP" shall mean a single delivery point or set of delivery points grouped or designated by an upstream pipeline for purposes of scheduling gas supplies for delivery by such upstream pipeline and shall consist of the following: Interconnections with DTI Transmission, Inc., Equitrans, L.P., National Fuel Gas Supply Corporation, Tennessee Gas Pipeline Company, Texas Eastern Transmission, LP and Columbia Gas Transmission, LLC. The interconnections with Columbia Gas Transmission, LLC include the Market Areas and Master List of Interconnections as defined in the General Terms and Conditions of the FERC Gas Tariff of Columbia Gas Transmission, LLC. As of May 1, 2010, the Columbia Gas Transmission, LLC Pipeline Scheduling Points included: 25E-25 (Lancaster); 25-26 (Bedford); 25E-29 (Downingtown); 25-35 (Pittsburgh); 25-36 (Olean); 25-38 (Rimersburg); 25-39 (New Castle) and 25-40 (PAWV Misc). (C)

(C) Indicates Change

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**1. The Gas Tariff - Continued**

**1.6 Definitions - Continued**

**26. Residential Customer**

A customer using gas in a single family residential dwelling or unit for space heating, air conditioning, cooking, water heating, incineration, refrigeration, laundry drying, lighting, incidental heating, or other domestic purposes. For residential utility service, the term "Customer" is further defined as a natural person in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested.

Included in this group are customers using gas through one meter set which provides service to two or three dwelling units in a multi-family residence or building where the owner of the building occupies one of the dwelling units, or through one meter set to a combination of one dwelling unit and one or more business premises, where the residential premises is occupied by the owner of the building and is the predominant gas usage factor, or a tenant billed for natural gas consumption or use by other tenants at the same premise when the amount of consumption in common areas is minimal and an agreement has been reached between the landlord and tenant for the tenant to pay for such service. If gas is supplied through a single meter and is used for both residential and commercial purposes, the service shall be considered residential if the residential usage is the predominant usage factor.

27. "Sales Service" shall mean service provided by the Company in which the customer purchases its gas supplies from the Company and the Company distributes the gas supplies to the Customer.

28. "Shipper" generally means the entity nominating gas service for distribution. Specifically, "Shipper" is defined as:

- i.) a General Distribution Service Customer that nominates gas for Distribution; or
- ii.) a Natural Gas Supplier that nominates the General Distribution Service Customer's gas for distribution, but which has not been appointed in writing as the Customer's agent by the Customer; or
- iii.) a Natural Gas Supplier that nominates the General Distribution Service Customer's gas for distribution, which NGS is acting as the General Distribution Services Customer's duly authorized agent for the purpose of purchasing gas; or
- iv.) a Natural Gas Supplier that nominates the General Distribution Service Customer's gas for Distribution, which NGS is acting as the General Distribution Service Customer's duly authorized aggregation agent for the purpose of purchasing gas.

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**1. The Gas Tariff - Continued**

**1.6 Definitions - Continued**

29. Supplier of Last Resort - The Company or another entity as determined pursuant to §2207 of the Act that provides natural gas supply services to customers that do not elect another supplier or choose to be served by the supplier of last resort, customers that are refused service from another natural gas supplier, or customers whose natural gas supplier fails to deliver the required gas supplies. Currently, the Company is the supplier of last resort for all customers under the terms of this tariff. Each customer may only have one supplier of last resort.

30. Transmission Pipeline

Pipelines and related facilities which are either: 1) owned by the Company in the form of a D-Line or a Company-owned pipeline that operates at a hoop stress of 20 percent or more of the specified minimum yield strength of the pipe as determined by 49 C.F.R §192.3, or 2) pipelines and related facilities owned by another company which obtains at least 90% of its gas operating revenues from the transportation of gas for others and classifies at least 90% of its mains (other than service pipe) as field and gathering lines, storage, or transmission lines. The Company's customers are not typically served directly from a Transmission Pipeline, and according to the provisions set forth in the Termination of Service from Transmission Pipelines section of this tariff, the Company reserves the right to remove, relocate or abandon its Transmission Pipelines.

31. User Without Contract

Any person who has not contacted the Company to establish service in their name but who is receiving the benefits of natural gas service. This situation includes, but is not limited to, situations wherein the Company arrives at the premise to disconnect the service as a result of a request from the previous customer and finds the premise occupied. User Without Contract does not include instances where the Company's meter or equipment has been tampered with; the service was obtained through fraud or material misrepresentation of the customer's identity; a tariff provision was violated so as to endanger the safety of a person or the integrity of the Company's system, or the gas service was otherwise established without the Company's authorization.

(C) Indicates Change

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**2. Service Limitations**

**2.1 Availability**

The use of the Company's service shall not be for any purpose other than that covered by the availability provisions of the rate under which service is supplied.

**2.2 Transmission Lines**

Transmission pipelines or high pressure "D-Line" distribution facilities, from which gas may be supplied to customers along the route thereof, are not intended and cannot be maintained solely for service to such customers. The Company may refuse to render service from such pipelines in those instances where hazardous conditions of service might result from the pressures involved, where the service is subject to early termination, or partial or complete failure, arising from depletion or insufficiency of local gas supply, where the costs incident to rendering service would be of such nature as to result in discrimination against other customers, or where for other reasons, such as the temporary nature of certain pipelines, the service would be of short duration, hazardous or inadequate. (See the Termination of Service from Transmission Pipelines paragraph of this tariff.)

(C)

**2.3 Gas Emergency Rules**

**2.3.1 Definitions**

- A. "Alternate Fuel Capability" shall mean a situation in which an alternate fuel could have been utilized 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.
- B. "Emergency" shall mean whenever the aggregate demand of firm service customers on the Company's system or confined segment of the system exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands, and the actual or threatened excess in demand creates an immediate threat to the Company's system operating integrity with respect to Priority 1 customers, as defined in the Priority-based Curtailment definitions.
- C. "Emergency Action Curtailments" shall mean curtailments of natural gas supply service and/or distribution service pursuant to these Gas Emergency Rules.
- D. "Essential Human Needs Use" shall mean 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.

(C) Indicates Change

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**RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS  
(Continued)**

**2. Service Limitations - Continued**

**2.3 Gas Emergency Rules- Continued**

2.3.4 Penalty Provisions

A. Penalty for Unauthorized Use

When a customer consumes more gas than the authorized usage factor specified by the Company under the Gas Emergency Rules section of this tariff, the Customer shall pay a penalty of Fifty dollars (\$50.00) per Mcf for each Mcf taken in excess of the customer's authorized usage factor. (C)

Any penalty charges incurred will be billed for the billing month in which the unauthorized consumption first occurs. Penalty charges will be due and Customer shall be subject to disconnection of service for nonpayment of such charges in accordance with the Rules and Regulations Governing the Distribution and Sale of Gas of this tariff.

B. Continued Violation

The Company may discontinue service, for the duration of an emergency, to a customer that takes gas in violation of the provisions of the Gas Emergency Rules section of this tariff.

(C) Indicates Change

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## RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS (Continued)

### 2. Service Limitations - Continued

#### 2.3 Gas Emergency Rules – Continued

##### 2.3.4 Penalty Provisions - continued

##### C. Disposition of Penalties

As of December 31 of each year, the Company shall total all penalties then collected from all Customers resulting from the Gas Emergency Rules applicable to the contract period of the same year. As of December 31 of each year, the Company shall also total the penalties paid to its supplier(s) for volumes taken in excess of the volumes authorized by supplier(s) for the contract period of the same year. The Company shall return to all Customers who did not incur penalties under the penalty provisions of the Gas Emergency Rules all penalties collected under the Gas Emergency Rules in excess of those penalties paid to the Company's supplier(s). The total amount of such penalties to be returned shall be divided by the total volume of sales to all Customers who did not incur penalties during the contract period. The result of this computation shall represent the factor to be multiplied by each such Customer's total purchase volumes during the applicable contract period to determine the amount to be returned for each such Customer as a credit on the invoice to Customer for the January billing month. If the credit computed as above is less than one-hundredth of a cent, the penalties to be returned shall be temporarily retained and added to the penalties to be returned in the subsequent period. All references to "contract period" in this Section shall mean a twelve-month period ended October 31.

#### 2.4 Emergency Curtailment for Tests or Repairs

If an emergency situation arises such as the necessity to modify, test, replace or repair the Company's facilities, or the facilities of the Company's supplier of gas, and the gas available for distribution by the Company is insufficient to meet all of the Customer's authorized volumes, then the Company, upon providing as much notice as possible to customer, shall order additional curtailment to customer to the extent required. Such additional reduction required shall be determined by the Company without regard to priorities of use; however, the authorized volume shall not be lower than the minimum volume necessary for Plant Protection Use. In the event the initial notice of additional curtailment to Customer is oral, such notice must be confirmed in writing within forty-eight (48) hours. The Commission will be notified immediately of the declaration of an emergency situation.

If Customer exceeds its authorized usage factor during a period of Emergency Curtailment for Tests or Repairs, Customer shall pay a penalty of Fifty dollars (\$50.00) per Mcf for all volumes taken in excess of the Customer's emergency authorized volume. (C)

(C) Indicates Change

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**3. Application for Service – Continued**

**3.5 Fraud or Material Misrepresentation**

The Company may immediately terminate service when fraud or material misrepresentation of the customer's identity is used for the purpose of obtaining service as specified in the Termination of Service section of this tariff.

**4. Customer's Installations**

**4.1 Information from Customer**

Anyone desiring to equip his premises for the use of gas shall communicate with the Company personally, or through his contractor or agent, giving the exact location of the premises and details of all gas consuming equipment to be installed.

**4.2 Point of Connection**

The Company will designate the point where the customer would be required to terminate his piping for connection to the lines of the Company. The furnishing of such information does not constitute an agreement, or obligation, on the part of the Company to render service.

**4.3 Meter Space**

The customer shall provide, free of expense to the Company, a space satisfactory to the Company for meters, regulators, pipes or other equipment of the Company which may be necessary for the rendering of adequate service, the Company reserving the right to establish standards as to the location, size, fire-proofing, ventilating, etc. of such space in accordance with pressure conditions, volumes and other pertinent factors. In certain buildings, the Company may require that an approved meter room be provided.

**4.4 Meter Location**

The Company shall have the right to determine the location of its meters, which must be placed where they will be easily accessible, not exposed to extreme heat (as near steam pipes, boilers or furnaces), sudden changes of temperature, or liable to damage by having earth or objects thrown on or placed against them. Meters will not be set in coal cellars under any circumstances, nor under the deck of show windows, or in small closets, or other locations of a like character.

On an outside meter installation, a meter cover or housing may be required at the customer's expense when, in the Company's judgment, conditions require such physical protection for the meter installation.

**4.5 Meter Connections**

A domestic customer, at his expense, shall furnish and install the necessary piping, valves and fittings, exclusive of meter swivels, for the installation of the Company's meter or meters. All other customers may be required to furnish said piping, etc. depending upon the volumes of gas to be used and the conditions under which service is to be rendered.

(C) Indicates Change

## RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS (Continued)

### 6. Credit – Continued

#### 6.2 Deposits

Deposits may be required from customers taking service for a period of less than thirty (30) days, in an amount equal to the estimated gross bill for such temporary period. Deposits for residential service will equal one sixth of the estimated annual bill of the property for which the residential utility service is requested. The estimated annual bill shall be calculated on the basis of the annual bill to the dwelling at which service is being requested for the prior 12 months, or, if unavailable, a similar dwelling in close proximity. Deposits required by the Company for Tariff regulated charges shall be based on only those regulated charges. Any customer having secured the return of a deposit shall not be required to make a new deposit unless the service has been discontinued or the customer's credit standing impaired through failure to comply with Tariff provisions. (C)

#### (1) Residential Deposits (C)

(A) A deposit for residential service may be required from the following:

1. An Applicant who previously received utility distribution services and was a customer of the Company and whose service was terminated for any of the following reasons:
  - (a) Nonpayment of an undisputed delinquent account.
  - (b) Failure to complete payment of a deposit, provide a guarantee or establish credit.
  - (c) Failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading.
  - (d) Unauthorized use of the utility service delivered on or about the affected dwelling.
  - (e) Failure to comply with the material terms of a settlement or payment agreement.
  - (f) Fraud or material misrepresentation of identity for the purpose of obtaining utility service.
  - (g) Tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other public utility equipment.
  - (h) Violating tariff provisions on file with the commission so as to endanger the safety of a person or the integrity of the delivery system of the public utility.
2. Any residential Applicant or Customer who is unable to establish creditworthiness to the satisfaction of the Company through the use of a generally accepted credit scoring methodology which employs standards for using the methodology that fall within the range of general industry practice. The Company may use other means to determine credit worthiness for commercial and industrial customers. (C)
3. A customer who fails to comply with a material term or condition of a settlement or payment agreement.

(B) The Company may accept a third-party guarantor in lieu of a cash deposit for a residential account. The guaranty shall be in writing and shall state the terms of the guaranty. The Guarantor shall be responsible for all missed payments owed to the Company.

(C) Indicates Change

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M. Carol Fox  
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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**6. Credit - Continued**

**6.2 Deposits – Continued**

(2) Non-Residential Deposits.

(C)

- (A) Deposits may be required from all other applicants or customers. The Company shall perform a creditworthiness evaluation of the Applicant or Customer, including an assessment of the credit risk exposure resulting from, but not limited to, distribution rates, customer charges, charges for natural gas supply, interstate pipeline capacity charges, imbalance charges, cash-out charges, pipeline penalty charges, and any other amounts that may become owed to the Company by the Applicant or Customer. If at any time before or during the provision of service to the Applicant or Customer the Company determines that the credit risk exposure is greater than any secured and/or unsecured credit that may be granted resulting from the creditworthiness evaluation, the Applicant or Customer must provide the Company with adequate financial assurance to cover the difference between the credit risk exposure and any secured and/or unsecured credit granted prior to, or to continue receiving any type of service from the Company.

**6.3 Return of Deposit**

The Company may hold a deposit secured from a residential customer until a timely payment history is established or for a maximum period of twenty-four (24) months. A timely payment history is established when a residential customer has paid in full and on time for twelve (12) consecutive months. If a residential customer becomes delinquent before the end of the deposit holding period the Company may deduct the outstanding balance from the deposit. At the end of the deposit-holding period, the Company shall deduct the outstanding balance from the deposit and return or credit any positive difference to the customer. If service is terminated before the end of the deposit-holding period, the Company shall deduct the outstanding balance from the deposit and return any positive difference to the customer within sixty (60) days of the termination.

Deposits secured from a non-residential customer shall be returned to the depositor when undisputed bills covering a period of twelve (12) months have been paid. The payment of any undisputed bill, within the meaning of the Public Utility Law, shall be payment of the bill with or without discount or penalty, within thirty (30) days following the period for which the bill was rendered, or payment within thirty (30) days following presentation of the bill, or the payment of any contested bill, payment of which is withheld beyond the period herein mentioned, and the dispute is terminated substantially in favor of the customer, and payment made by the customer within ten (10) days thereafter.

**6.4 Interest on Deposits**

The Company shall accrue on the deposit for a residential account, until it is returned or credited, the legal rate of interest pursuant to section 202 of the Act of January 30, 1974 (P.L.13, No.6), referred to as The Loan Interest and Protection Law, and return such interest with the deposit.

The Company will pay interest on cash deposits from non-residential customers at the rate of six percent (6%) per annum, without deduction for any taxes thereon. Non-residential accounts with deposits held for more than a year, will receive a credit toward their outstanding balance for any accrued interest. The credit will be applied at the end of each calendar year.

(C) Indicates Change

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**6. Credit - Continued**

**6.5 Time for Paying Deposits**

Upon reconnection of service at a premise previously terminated for non-payment, the Company may require the Applicant to pay a cash deposit and the Applicant shall have up to 90 days to pay the deposit in accordance with the provisions of Chapter 56. The Company may require an Applicant to pay the full amount of the cash deposit prior to connection if the premise was not previously terminated for non-payment.

**6.6 Failure to Pay Full Amount of Cash Deposit**

The Company may deny service to an Applicant who requests service at a premise previously terminated for non-payment if the Applicant fails to pay the first installment of the cash deposit in accordance with the provisions of Chapter 56. The Company may terminate service to a customer who began taking service at a premise previously terminated for non-payment when the Customer fails to pay the full amount of the cash deposit in accordance with the provisions of Chapter 56. At all other premises, the Company shall not be required to provide service to an Applicant who fails to pay the full amount of the cash deposit, and the Company may terminate service to a Customer who fails to pay the full amount of the cash deposit.

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**7. Point of Delivery of Gas to Customer**

**7.1 Point of Delivery**

The point of delivery of gas to a customer shall be at the outlet side of the curb valve, or the property or lot line if there is no curb valve, at which point title of the gas shall pass to the customer; provided, however, in the territory formerly served under Tariff Gas - Pa. P.U.C. Nos. 6 and 7, the point of delivery shall be the outlet side of the meter at which point title of the gas shall pass to the customer. (See the Description of Territory section of this tariff to identify territory formerly served under Tariff Gas - Pa. P.U.C. No. 6 and Tariff Gas - Pa. P.U.C. No. 7.)

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**8. Extensions**

**8.1 Service Connections**

The Company will install the service line from its main to point of delivery, as defined in the Point of Delivery section of this tariff; provided, however;

- (a) In the territories formerly served under Tariff Gas--Pa. P.U.C. No. 6 and Tariff Gas--Pa. P.U.C. No. 7, the Company will install the service line from its main to a convenient point approximately fifty (50) feet inside the customer's property line. (See the description of Territory section of this tariff to identify territory formerly served under Tariff Gas--Pa. P.U.C. No. 6 and Tariff Gas--Pa. P.U.C. No. 7.)
- (b) In rural areas, where service is not available directly from the Company, service may be provided from a transmission or production line. It is the sole discretion of the owner of the transmission or production line to allow service from their facilities to the customer. If connection is allowed, the Company's service connection will consist of a tap on the line and a service valve. (C)

**8.2 Capital Expenditure Policy**

**8.2.1 Residential Distribution Service**

The applicants will be required to provide a refundable cash deposit to the Company equal to the difference between the minimum capital investment required to serve the applicant's gas requirements and the amount of capital that the Company can justify investing in the project, based on the anticipated gas requirements of the applicant(s). Minimum capital investment is the capital expenditure required to serve only the gas requirements requested by the particular applicant(s).

The maximum allowable investment is the amount of capital expenditure which the estimated revenues generated from a proposed project would support and still provide the necessary return to the company, taking into consideration the estimated additional annual volumes, rate schedule, cost of gas, operating and maintenance expense, interest and taxes.

**8.2.2 Commercial and Industrial Distribution Service**

The applicants will be required to provide a refundable cash deposit to the Company equal to the difference between the minimum capital investment required to serve the applicant's gas requirements and the amount of capital that the Company can justify investing in the project, based on the anticipated gas requirements of the applicant(s). Minimum capital investment is the capital expenditure required to serve only the gas requirements requested by the particular applicant(s).

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## RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS (Continued)

### 8. Extensions - Continued

#### 8.2 Capital Expenditure Policy – Continued

##### 8.2.2 Commercial and Industrial Distribution Service – Continued

- (a) Projects Where the Net Present Value of the Cash Flows, Using the Minimum Capital Investment, is Equal to or Greater than Zero.

Such projects are economically feasible provided that there are assurances that the applicant will use the projected volumes of gas for the minimum time period stated in the agreement. Such assurances may be provided in the form of a minimum use agreement, in which applicant contractually agrees to take delivery of certain minimum volumes of gas, and to pay the applicable distribution charges for such volumes, irrespective of applicant's actual consumption of gas. At the Company's sole discretion, a deposit may be required if the Company is not certain that the applicant will use the volumes, as projected, for the entire Minimum Time Period. The maximum required deposit shall be no more than the minimum capital investment. (C)

- (b) Projects Where the Net Present Value of the Cash Flows, Using the Minimum Capital Investment, is Less than Zero.

The Company shall require a refundable deposit in the amount that the net present value is below zero. For example, if the net present value of a project is -\$1,000, the Company shall require a \$1,000 refundable deposit. In addition, if there is uncertainty that the applicant will use the projected volumes of gas for the minimum time period stated in the agreement, the Company may, in its sole discretion, (1) require the Applicant to pay an additional refundable deposit, or (2) require the applicant to enter into a minimum use agreement, in which applicant contractually agrees to take delivery of certain minimum volumes of gas, and to pay the applicable distribution charges for such volumes, irrespective of applicant's actual consumption of gas. The additional refundable deposit, if required, shall be no more than the combined total of the Company's minimum capital investment and the net present value. For example, if the Company's minimum capital investment is \$10,000 and the net present value of the project is -\$1,000, the applicant shall be required to provide an additional \$9,000 deposit. (C)

For purposes of subsection (a) and (b), above, the maximum allowable investment is the amount of capital expenditure which the estimated revenues generated from a proposed project would support and still provide the necessary return to the Company, taking into consideration the estimated additional annual volumes, rate schedule, cost of gas, operating and maintenance expense, interest and taxes.

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## RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS (Continued)

### 8. Extensions - Continued

#### 8.2 Capital Expenditure Policy – Continued

##### 8.2.3 Reduction or Elimination of Deposit

In any case where a deposit is required, it may be reduced or eliminated, if in the Company's judgment, the institution of such service will benefit other customers within a reasonable period of time.

##### 8.2.4 Taxes on Deposits for Construction & Customer Advances

Any deposit, advance or other like amounts received from the applicant which shall constitute taxable income as defined by the Internal Revenue Service will have the income taxes segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with a deposit or advance will not be charged to the specific depositor of the capital.

#### 8.3 Deposits and Refunds

When a deposit is required by the Company, the terms and conditions of the project and the refund will be specified in an agreement between the Company and the applicant. (C)

Part or all of the deposit may be subject to refund to the applicant upon such basis or conditions as may be mutually agreeable to the Company and the applicant.

#### 8.4 Ownership and Maintenance

The Company shall own, maintain and renew, when necessary, its main extension and/or service line from its main to the point of delivery, as defined in Rule 7.1.

#### 8.5 Interference with Facilities

The Company's main, service line, curb valve shall not be opened, tampered or interfered with at any time. Any action taken, without the Company's prior knowledge, will be considered an action endangering the safety of a person or the integrity of the Company's delivery system and will be grounds for immediate termination of service.

#### 8.6 Special Facilities (C)

Any special services, facilities, instrumentalities or non-standard construction methodologies which may be rendered or furnished by the Company for an applicant or customer at his request or at the direction of a governmental authority, and not provided for in the Company's rate schedules, and not ordinarily, necessarily, or directly involved in the furnishing of natural gas distribution service, shall be paid for by the applicant or customer for whom such services, facilities, instrumentalities or non-standard construction methodologies are furnished, and such costs shall be in addition to the charges for natural gas distribution service provided for in the applicable rate schedule or in addition to any deposit required under this section.

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**9. Rights-of-Way**

**9.1 Company Facilities on Applicant or Customer's Property**

(C)

When, in order to serve an applicant or customer, it is necessary to extend the Company's facilities over or through the applicant or customer's property, the applicant or customer may be required to enter into a right of way agreement with the Company in which the applicant or customer shall grant to the Company all necessary easements or rights of way on property owned by the applicant or customer at no cost to the Company. Any such easement or right of way shall be recorded and shall run with the land. Applicant or customer will be required to save the Company harmless from claims to the easements or rights of way granted to the Company pursuant to this tariff provision.

**9.2 Procurement by Applicant or Customer**

(C)

When, in order to provide natural gas distribution service to an applicant or customer, it is necessary to extend the Company's facilities over or through the property of a third party, the applicant or customer shall, at a minimum, use its best efforts to assist the Company in acquiring any necessary easements or rights of way on property owned by third parties. The applicant or customer may be required to secure to, and for, the Company, all necessary and convenient easements or rights of way and to pay the costs incident thereto. The applicant or customer shall accept service subject to any limitations or restrictions contained in the easement or right of way agreement.

**9.3 Delays**

(C)

Applications for service from facilities to be constructed where a right of way is not owned by the Company, will only be accepted subject to delays incident to obtaining a satisfactory easement or right of way. The Company shall not be obligated to proceed with the capital expenditure and the Company's agreement to construct facilities to serve the applicant or customer may be terminated at the discretion of the Company if: (1) the applicant or customer fails to enter into a right of way agreement or easement with the Company as required by the provisions of this Tariff regarding Company Facilities on Applicant or Customer's Property; or (2) the Company is not able to obtain such third party easements or rights of way upon terms and conditions (including cost) mutually agreeable to the Company and such third party property owner(s). In the event of such termination, the applicant or the customer shall be responsible for all costs expended or obligated by the Company related to the proposed facilities at the time of termination.

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**10. Introduction of Service**

**10.1 Customer to be Present When Service is Commenced**

As a safety precaution, the customer, or an adult representative of the customer, shall specify the time when gas service is to be turned on, and the Company will not turn on such service unless said customer or adult representative so directs.

**11. Company Equipment on Customer's Premises**

**11.1 Maintenance**

The Company shall keep in repair and maintain its own property installed on the premises of the customer.

**11.2 Customer's Responsibility**

The customer shall be responsible for safe keeping of the Company's property while located on the customer's premises. In the event of injury or destruction of any such property from the act of negligence of the customer or his agent, the customer shall pay the costs of repairs and replacement.

**11.3 Protection by Customer**

The customer shall protect the equipment of the Company on his premises, and shall not permit any person, except a Company employee having proper Company identification, to break any seals upon, or do any work on, any meter, service pipe or other equipment of the Company located on the customer's premises.

**11.4 Tampering**

In the event of the Company's meters or other property being tampered or interfered with, the customer being supplied through such equipment shall pay the amount which may be reasonably estimated to be due for service used but not registered on the Company's meter, and for any repairs, replacements or changes in facilities required, as well as for costs of inspections, investigations and protective installations.

**11.5 Access to Premises**

The Company, or its authorized agents, shall have access at all reasonable times to the property or premises in or on which gas is used, to determine if the gas is being carried, distributed and burned in a proper and safe manner and in accordance with these Rules and Regulations, or to read, inspect and test the meter or house lines and other appliances, equipment or facilities. Refusal on the part of the customer to allow access to his premises shall constitute sufficient cause for turning off the gas supply to such premises.

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**11. Company Equipment on Customer's Premises - Continued**

**11.5 Access to Premises - Continued**

In the event the customer does not provide access during a 12 consecutive month period to read the meter, upon notice from the Company, the customer must choose from one of the following three options:

- (1) To schedule a service call to gain access to the premises for purposes of inspection or meter reading. The Company will provide one service call annually to customers for the purpose of gaining access. If a customer requests to schedule an additional service call during a 12 consecutive month period, the customer will be assessed a charge for a one hour service call. Additionally, if the customer fails to meet a scheduled appointment without good cause and without providing a 24 hour notice of cancellation, the Company may charge for one hour of service time. If the Company fails to meet a scheduled appointment without good cause and without providing 24 hour notice of cancellation, the Company may credit the customer's account with a credit equal to one hour of service time;

OR

- (2) To install, at the Customer's expense, telemetering facilities for purposes of monitoring and/or billing customer volumes. Customer shall provide and maintain phone and/or electric lines to the location of such facilities as specified by the Company;

OR

- (3) To install, at the Customer's expense, a mechanical remote meter-reading device for the purpose of monitoring and/or billing customer volumes.

If the customer does not select one of the above three options within 60 days notice from the Company, the Company reserves the right in its sole discretion to implement one of the above three options. If the customer refuses to allow the Company to implement one of the above three options, it will be grounds for termination.

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**12. Selection of Rate Schedule**

**12.1 Choice of Rate and Company Assistance**

Where optional rate schedules are available for the same class of service, the customer shall designate the schedule he desires. Where selection of the most favorable schedule is difficult to predetermine, the Company will, at the request of the customer, assist the customer in the choice of the schedule most advantageous to the customer. The customer will be given reasonable opportunity to change to another schedule, but the Company shall not be required to make refunds for any previous billing under any schedule prior to the time of receipt of a written request from the customer for a change to another schedule.

While the Company will explain the contents of each of its rate schedules to customers, the Company shall not be required to assist customers in choosing between sales service and distribution service or in evaluating proposals of natural gas suppliers.

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**13. Service Continuity**

**13.1 Regularity of Supply**

The Company will use reasonable diligence to provide supply service that is reasonably continuous, and without interruption to those customers purchasing their gas supply from the Company, and the Company will use reasonable diligence to provide distribution service that is reasonably continuous, regular and without interruption to those Customers purchasing distribution service from the Company. The Company shall not be liable for failure to furnish a sufficient supply of gas or for failure to distribute the Customer's gas to the Customer arising from any cause whatsoever, beyond the Company's control. The liability of the Company for damages for failure to furnish a sufficient supply of gas, or for failure to distribute Customer's gas to it shall be limited to an amount equivalent to the Customer's proportional monthly customer service charge for the period of service during which a supply or distribution failure occurs, unless otherwise negotiated between the Company and the customer. In no event shall the Company be liable for extraordinary or consequential damages arising in any manner whatsoever as a result of supply or distribution failure.

**13.2 Interruption of Service**

The Company may temporarily interrupt service where necessary to effect repairs or maintenance, to eliminate an imminent threat to life, health, safety, or substantial property damage, or for reasons of local, State or national emergency; provided, however, that if such interruption exceeds seven (7) days in any one billing month, the applicable customer charge and the quantity of gas specified in each rate block shall be reduced prorata.

**13.3 Notice of Trouble**

The customer shall notify the Company immediately should the service be unsatisfactory for any reason, or should there be any defects, leaks, trouble, or accident affecting the supply of gas.

**13.4 Force Majeure**

Neither Company nor customer shall be liable in damages to the other for any act, omission circumstance occasioned by or in consequence of any acts of God, strikes, lockouts affecting the Company or its suppliers of gas, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lighting, earthquakes, fires, storms, floods, washouts, arrests and restrains of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the control of the party claiming suspension.

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**14. Customer's Use of Service**

**14.1 Precautions to be Taken by Customer**

A customer shall take due care to prevent any waste of gas. The responsibility of detection of defects and leaks on the customer's premises and in the service line is upon the customer. Defects among other things, shall mean failure or deficiency of gas, irregular supply, leakage and excessive pressure. In case of detection of any defect within his premises, the customer shall immediately vacate the premises and then, immediately thereafter, notify the Company so that the conditions existing may receive prompt and proper attention. When gas has been shut off because of a leak in house lines or fixtures or other hazardous conditions of service, it shall not be turned on again until such leak or other hazardous conditions have been repaired and made safe either by a competent plumber or gas-fitter.

**14.2 Sale of Gas by Customer**

The customer shall not sell gas purchased by him from the Company to other occupants of the premises or to other premises without the written permission of the Company.

**14.3 Fluctuations**

Gas service must not be used in such a manner as to cause unusual fluctuations or disturbances in the Company's supply system, and in the case of a violation of this rule, the Company may discontinue service or require the customer to modify his installation and/or equip it with approved controlling devices.

**14.4 Liability for Damages**

In the absence of proof of casual negligence, the Company shall not be liable for any injury to persons or damage to property arising or accruing in any manner whatsoever from the use of gas.

**14.5 Residential Appliance Efficiency Information**

The Company shall maintain a list of the names and telephone numbers of the major manufacturers of residential gas appliances. Upon request from a customer, which can come via e-mail ([www.cpacustserv@nisource.com](mailto:www.cpacustserv@nisource.com)), letter, or phone call, the Company will provide the customer with a particular manufacturer's telephone number and address so that the customer may contact the manufacturer directly for energy efficiency information.

(C)

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**17. 15. Measurement**

**15.1 Measurement of Gas**

Except as herein otherwise provided, the measurement of gas service shall be by meters purchased and installed by the Company. The meter will be of such size and type as the Company may determine to adequately serve the customer's service requirements, and the Company may from time to time, change or alter the equipment to provide for accurate measurement. To determine measured volumes, factors such as those for pressure, temperature, specific gravity and deviation from the laws for ideal gases shall be applied.

(C)

**15.2 Meters Not Available**

In cases where meters are not available due to circumstances beyond the control of the company, and the necessity for rendering gas service to the customer is urgent, the Company may, by written agreement with the customer, commence service and render bills temporarily on the basis of estimated gas consumption.

**15.3 Meter Reading**

Bills will be rendered and be payable once each month. The Company may read any meter once each month, but ordinarily it will read meters of domestic and commercial customers once each two months. As to any customer whose meter is read once each two months, the consumption for the first month of each bimonthly meter reading period shall be determined by estimation on the basis of the customer's previous usage, adjusted for weather conditions; and the consumption for the second month of each bimonthly meter reading period shall be determined by subtracting the first month's estimated consumption from the total actual consumption for the bimonthly period as shown by the meter. The bill for each month shall be the result of applying to the consumption, determined as aforesaid, the applicable rates and charges contained in this Tariff.

Upon request the Company will supply any customer with a card form upon which he may record his meter reading at the end of the first month of each bimonthly meter reading period; and if such card is received by the Company within two days after the close of such month the bill for such month will be computed from the meter reading shown on the card instead of by estimate. The Company will adjust estimates of bills for changes in conditions of which it has been notified in advance by a customer.

**15.4 Automatic Meter Reading**

All readings by an automatic meter reading device shall be deemed actual readings.

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**15. Measurement - Continued**

**15.5 Estimated Usage**

The Company shall estimate usage (1) for one month of each meter reading period where scheduled-meter readings are on a bimonthly basis or (2) when a meter is installed but the scheduled meter reading cannot be obtained due to the inability of the Company's agent or representative to gain access to the meter location at the time scheduled, or (3) in case any meter or measuring device for any reason fails to register for any period of time the full consumption by a customer or (4) where the Company is unable to obtain a meter reading for causes beyond its control.

Estimated readings shall be based upon prior consumption at the particular location for a similar period of time corrected for current conditions. The customer shall be obligated to pay the bill based on the estimated consumption as though the same was based on an actual meter reading, and failure to so pay shall subject the customer and his service to Rule 18.2--Termination for Nonpayment. Bills based on estimated readings shall be subject to adjustment for any unusual circumstances found to have affected the quantity of gas used, or for obvious errors in estimates, which adjustments shall be made not later than on the next subsequent bill rendered the customer.

In those instances where the Company's agent or representative is unable to gain access to the customer's premises, during the regular scheduled working hours to obtain a meter reading, the number of estimated readings shall be limited to three consecutive months, and customer's service, thereafter, is subject to termination. (See the Grounds for Termination of Service paragraph in the Termination of Service section of this tariff.)

**15.6 Flowing Temperature**

The Company shall determine the temperature of the natural gas flowing through the meter or meters by recorder, from established tables for the location involved, or by use of temperature sending elements used in conjunction with electronic measuring devices.

**15.7 Measuring Equipment**

Unless otherwise agreed upon, the Company will own, install, maintain and operate measuring stations equipped with displacement or flow meters and other necessary measuring equipment to determine the volumes of gas delivered. The gas delivered shall be measured in accordance with the latest approved methods in use in the industry generally. Orifice meters shall be installed and operated, and gas volumes computed, in accordance with Report No. 3 of the Gas Measurement Committee of the American Gas Association, as amended, expanded or superseded from time to time, applied in a practical and appropriate manner. Displacement meter readings shall be adjusted for pressure and temperature conditions. Customer may install check measuring equipment, provided such equipment is installed so as not to interfere with the operations of the Company. The Company and Customer, in the presence of each other, shall have access to the other's measuring equipment at all reasonable times, but, unless otherwise agreed upon, the reading, calibrating and adjustment thereof and the changing of charts shall be done only by the owner thereof. Both the Company and Customer shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting testing, calibrating or adjusting done in connection with the other's measuring equipment. The records from such measuring equipment shall remain the property of their owner, but, upon request, each will submit to the other its records and charts, together with calculations therefrom, for inspection, subject to return within thirty (30) days after receipt thereof. Customer shall exercise reasonable care in the installation, maintenance and operation of its equipment so as to avoid any inaccuracy in the determination of the volume of gas delivered.

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**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**16. Meter Tests**

**16.1 Meter Tests**

The Company shall have the right to test any meter at any time at its expense and, if such test discloses the meter is registering on an average (a) more than two percent (2%) slow; (b) more than two percent (2%) fast, or if the meter is found not to register for any period, the Company shall render a bill or make a refund as the case may be, pursuant to Title 52 Pa. Code Section 59.22.

**16.2 Request Tests**

The customer shall have the right to request the testing of his meter and the Company will, upon written application, have the same removed, sealed and tested in accordance with Title 52 Pa. Code Section 59.21; subject, however, to the customer depositing with the Company the sum of money required by such rule to cover the expense of such test. If such meter, when tested, registers on an average between two percent (2%) fast and two percent (2%) slow, the meter shall be treated for all purposes hereof as registering correctly, and the said sum of money required to be deposited with the Company by the customer shall be forfeited to the Company to cover the cost of such test. If such test shall show such meter to be incorrect beyond the above referred to allowable variation, then the Company shall return such deposit and make the necessary adjustment in the billing for gas service as required by Title 52 Pa. Code Section 59.22.

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**17. Payment Terms**

**17.1 Billing Period**

Bills for service to all customers will be rendered monthly at the rates set forth from time to time in the Company's then effective Tariff on file with the Pennsylvania Public Utility Commission.

The Company will offer each customer participating in the Choice program, the option of a consolidated bill by the Company which contains the NGS charges in a format that complies with the Commission's Customer Information and Disclosure Guidelines. If the NGS provides billing services for its charges, the customer can choose to receive one bill containing only the Company's charges and a second bill from the NGS containing only the NGS's charges. The conditions under which the Company will exchange data with the NGS to effectuate either of these billing options is set forth in more detail in the Rules Applicable to Distribution Service. (C)

**17.2 Payment Period**

Bills are due upon presentation and payment may be made by the customer by mailing a check to the address for payment designated on the bills, or at a Columbia authorized collection agency, or any other method designated by the Company. The final date for payment will not fall on a Saturday, Sunday or holiday, and will be at least twenty (20) days after presentation (date of postmark) for residential customers and at least fifteen (15) days after presentation (date of postmark) for other than residential customers. Failure to receive the bill will not excuse customers from payment obligations and payments must be made without regard to any counter claims whatsoever.

**17.3 Payments by Mail**

Any remittance received by mail at the address for payment designated by the Company on the customer's bill, bearing U.S. Post Office stamp date corresponding with or previous to the last date of payment, will be accepted by the Company as compliance with the terms of payment.

**17.4 Payment of Cash Deposits**

Upon reconnection of service at a premise previously terminated for non-payment, the Applicant may be required to pay a deposit and shall have up to 90 days to pay the deposit in accordance with the provisions of Chapter 56. Applicants requesting service at a premise not previously terminated for non-payment may be required to pay the full amount of the deposit prior to connection.

(C) Indicates Change

Issued:

M. Carol Fox  
President

Effective:

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**17. Payment Terms – Continued**

**17.5 Disputed Bills**

In the event of a dispute between the customer and the Company respecting any bill, the Company will forthwith make such investigation as may be required by the particular case and report the result thereof to the customer.

The first disputed bill investigation in a twelve consecutive month period will be provided at no charge, any subsequent request by the customer in the same twelve consecutive month period will be assessed the cost of the service call unless the investigation detects metering or some other Company error. The charge to the customer shall be limited to the Company's costs based upon the actual time spent on the service call, with a maximum charge equal to a 45 minute service call; or the maximum charge for a meter test pursuant to Commission regulations if applicable.

When the Company has made such a report to the customer, either (1) sustaining the bill as rendered or (2) submitting a corrected bill, the date of the bill for purposes of payment shall be considered to be as of the date of said report, and the customer shall pay the amount due within the time provided in these Rules and Regulations, and failure to so pay shall render the customer and his service liable to the penalties herein provided. Any amounts received by the Company in excess of the amount disclosed to be due by the Company's investigation of the dispute shall be forthwith returned to the customer if the error arose from any cause other than the incorrect estimating of a customer's consumption for the period in dispute. Errors arising through the incorrect estimating of a customer's consumption shall be adjusted in accordance with the provisions of Rule 15.5 of these Rules and Regulations.

**17.6 Interest on Overpayments**

The Company will pay interest on refunds of customer overpayments at the rate of six percent (6%) per annum without deduction for any taxes thereon, except where customer overpayments are refunded within ninety (90) days of overpayment. The term "customer overpayment" shall not include any balance that may arise under the Company's budget billing program.

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**17. Payment Terms - Continued**

**17.7 Dishonored Tender of Payment**

If the Company receives a negotiable instrument from a residential applicant or a residential customer as payment of any bill, charge, or deposit due, and if such instrument is subsequently dishonored or is unable to be collected for any reason, the Company may charge the residential applicant or customer a service charge in the amount of twenty dollars. The service charge may be billed separately by the Company.

After the Company has provided a written termination notice and attempted telephone contact to a residential customer as provided in the notice of Termination of Service section of this tariff, termination of service may proceed without additional notice if:

- a. A customer tenders payment which is subsequently dishonored under 13 PA.C.S. § 3502 (relating to dishonor); or
- b. A customer tenders payment with an access device, as defined in 18 PA.C.S. § 4106 (D) (relating to access device fraud), which is unauthorized, revoked or cancelled.

If the Company receives a negotiable instrument from a non-residential applicant or customer as payment of any bill, charge, or deposit due, and if such instrument is subsequently dishonored or is unable to be collected for any reason, the Company shall charge the applicant or customer a service charge in the full amount permitted by law for each dishonored negotiable instrument. The service charge may be added to the monthly bill of the non-residential customer, or it may be separately billed to the applicant or customer.

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**18. Termination of Service**

**18.1 Definition**

Termination of service, as it applies to this Section 18, shall mean the cessation of service, whether temporary or permanent, without the consent of the customer.

**18.2 Grounds for Termination of Service**

After notice as provided in the Notice of Termination of Service section of this tariff, the Company may terminate service provided to a customer for any of the following actions by the customer or his guarantor:

1. Nonpayment of an undisputed delinquent account.
2. Failure to comply with the material terms of a payment agreement.
3. Failure to complete payment of a deposit, provide a guarantee of payment or establish credit.
4. Failure to permit access to meters, service connections or other property of the Company, including obstructed or hazardous access (this will eliminate current Termination for Cause section), for the purpose of replacement, maintenance, repair, or meter reading.
5. The Company may also terminate service to a User Without Contract after limited notice as specified in the "Notice of Termination of Service section – Notice to User Without Contract".

The Company may also remove its equipment in case of nonpayment of bill.

Service will not be terminated for failure to pay competitive charges.

**18.3 Notice of Termination of Service**

18.3.1 Prior to terminating service as specified in the Grounds for Termination of Service section of this tariff, with the exception of User Without Contract, the Company:

1. Shall provide written notice of the termination to the customer at least ten (10) days prior to the date of the proposed termination. The termination notice shall remain effective for 60 days.
2. Shall attempt to contact the customer or occupant, either in person or by telephone, to provide notice of the proposed termination at least three days prior to the scheduled termination. Phone contact shall be deemed complete upon attempted calls on two separate days to the residence between the hours of 7 a.m. and 9 p.m. if the calls were made at various times each day.
3. During the months of December through March, unless personal contact has been made with the customer or responsible adult by personally visiting the customer's residence, the Company shall, within 48 hours of the scheduled date of termination, post a notice of the proposed termination at the service location.
4. After complying with items 2 and 3 above, the Company shall attempt to make personal contact with the customer or responsible adult at the time service is terminated. Termination of service shall not be delayed for failure to make personal contact.

## **RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS (Continued)**

### **18. Termination of Service - Continued**

#### **18.3 Notice of Termination of Service – Continued**

##### **18.3.2 Notice to User Without Contract**

Three days prior to terminating service to a User Without Contract, the Company will post the premises with a notice directing the occupant to contact the Company to provide application for service. If an application is not received within 3 days, the Company may terminate service without further notice.

The Company shall not be required to take any additional actions prior to termination.

#### **18.4 Grounds for Immediate Termination Without Prior Notice:**

Gas service may be immediately terminated without prior notice specified in the Notice of Termination of Service section in any of the following situations:

1. Fraud or material misrepresentation of the customer's identity is used for the purpose of obtaining service.
2. Any customer action taken that may endanger the safety of a person or the integrity of the Company's delivery system.
3. Tampering with meters or other Company equipment.
4. Unauthorized use.
5. Hazardous or defective customer installations.
6. Customer's equipment or use thereof might injuriously affect the equipment of the Company or the Company's service to other customers.

#### **18.5 Post Termination Notice**

Upon termination, the Company shall make a good faith attempt to provide a post termination notice to the customer or a responsible person at the affected premises, and in the case of a single meter, multiunit dwelling, the Company shall conspicuously post the notice at the dwelling, including in common areas when possible.

#### **18.6 Timing of Termination**

The Company may terminate service for the reasons set forth in the Grounds for Termination of Service section of this tariff Monday through Friday as long as the Company can accept payment to restore service on the following day and can restore service, consistent with the Reconnection of Service section of this tariff.

#### **18.7 Winter Termination**

Unless otherwise authorized by the Public Utility Commission, after November 30 and before April 1, the Company shall not terminate service to customers with household incomes at or below 250% of the federal poverty level except for: 1) customers whose actions are included in the Grounds for Immediate Termination Without Prior Notice section of this tariff; and 2) any person receiving gas service as a User Without Contract.

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)****18. Termination of Service - Continued****18.8 Medical Certification**

The Company shall not terminate service to a premise when a licensed physician or a nurse practitioner has certified that the customer or a member of the customer's household is seriously ill or afflicted with a medical condition that will be aggravated by cessation of service. The customer shall obtain a letter from a licensed physician verifying the condition and shall promptly forward it to the Company. The medical certification procedure shall be implemented in accordance with Commission regulations.

**18.9 Termination of Service from Transmission Pipelines**

The Company may, in its discretion, remove, relocate or abandon transmission pipelines either temporarily or permanently, or change the use thereof and cease to furnish gas to such customers located along the route thereof, or the company may cease to furnish gas to its customers served directly from production or transmission pipelines of other companies, if for any reason said lines are not available to serve gas to said customers, without prejudice to the right of the Company to continue to supply gas to other customers of the Company. In case of termination of service from a transmission pipeline, thirty (30) days' notice shall be given by the Company to the customer.

**18.10 Reconnection of Service**

Whenever a customer's gas shall be turned off or his meter disconnected at his request or by reason of noncompliance with these Rules and Regulations or the Rules, Regulations or Orders of the Pennsylvania Public Utility Commission, except for repairs, want of supply or any leak of gas from customer or Company lines, the same customer, whether an applicant or ratepayer as defined at 52 Pa. Code § 56.2, shall pay a reconnection charge of twenty-four dollars (\$24) per visit for resumption of service at the same address within twelve months after discontinuance or termination, in addition to any other charges provided for in the rate schedule applicable to the customer.

**18.10.1 Timing of Reconnection**

When service to a residential dwelling has been terminated and, provided the applicant has met all applicable conditions, the Company shall reconnect service as follows:

- (A) Within 24 hours for erroneous terminations or upon receipt by the Company of a valid medical certification.
- (B) Within 24 hours for terminations occurring after November 30 and before April 1.
- (C) Within three days for erroneous termination requiring street or sidewalk digging.
- (D) Within three days from April 1 to November 30 for proper terminations.
- (E) Within seven days for proper terminations requiring street or sidewalk digging.

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**18. Termination of Service - Continued**

**18.10.2 Payment to Restore Residential Service**

The Company shall provide for and inform the applicant or customer of a location where the customer can make payment to restore service.

The Company may require:

a. Household Income Exceeding 300% of Federal Poverty Level and all Customers Who Have Defaulted on Two or More Payment Plans. The Company may require full payment of any outstanding balance incurred together with any reconnection fees by the customer or applicant prior to reconnection of service if the customer or applicant has an income exceeding 300% of the federal poverty level or has defaulted on two or more payment agreements. If a customer or applicant with household income exceeding 300% of the federal poverty level experiences a life event the customer shall be permitted a period of not more than three months to pay the outstanding balance required for reconnect. For purposes of this paragraph, a life event is:

- I. A job loss that extended beyond nine months.
- II. A serious illness that extended beyond nine months.
- III. Death of the primary wage earner.

b. Household Income Exceeding 150% of Federal Poverty Level and Not Greater Than 300% of Federal Poverty Level. The Company may require full payment of any reconnection fees together with repayment over 12 months of any outstanding balance incurred by the customer or applicant if the customer or applicant has an income exceeding 150% of the federal poverty level but not greater than 300% of the federal poverty level.

c. Household Income Not Exceeding 150% of Federal Poverty Level. The Company may require full payment of any reconnection fees together with payment over 24 months of any outstanding balance incurred by the customer or applicant if the customer or applicant has an income not exceeding 150% of the federal poverty level.

d. The Company may also require the payment of any outstanding balance or portion of an outstanding balance if the applicant resided at the property for which service is requested during the time the outstanding balance accrued and for the time the applicant resided there.

e. The Company may establish that an applicant previously resided at a property for which residential service is requested through the use of mortgage, deed or lease information, a commercially available consumer credit reporting service or other methods approved as valid by the Public Utility Commission.

**18.11 Compliance with Pennsylvania Public Utility Commission Regulations**

Notwithstanding the provisions for termination of service set forth under this Section 18, the Company may not terminate gas service unless in compliance with the Rules, Regulations or Orders of the Pennsylvania Public Utility Commission pertaining thereto and in effect at the time of such termination.

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**19. Discontinuation of Service**

**19.1 Definition**

Discontinuation of Service, as it applies to this Section 19, shall mean the cessation of service with the consent of the customer.

**19.2 Discontinuation by Customer**

A customer who intends to vacate the premises, discontinue the use of gas or terminate his liability to pay for gas distributed to the premises, shall give at least seven (7) days' notice to the Company. If such notice is given, the customer shall not be liable for service taken after the effective date of such notice. If at least seven (7) days' notice is not given, the customer shall be liable for service taken from the time following the Company's receipt of customer's notice until such time as a final reading is taken, or the final bill is estimated, or service is placed in the name of a successor customer, or the customer provides the meter reading which is subject to review by the Company. If no notice is given by the customer, the customer is liable for service taken until such time as service is placed in the name of a successor customer or the Company determines the property to be vacant. The customer shall be liable for gas usage in accordance with the procedure stated in Section 19.3.

**19.3 Final Bill**

Except as otherwise provided in this section, final bills for customers on rate schedules RSS, RDS, SGS and SCD may be based on estimated consumption without an actual meter reading. When disconnect and reconnect orders are executed on different days, an actual meter reading shall be obtained. When disconnect and reconnect orders are executed on the same day, final bills may be estimated. When a final bill is estimated, consumption shall be based on average daily usage for non-heat usage, average usage per degree day for heating usage, and the number of days in the final billing period in accordance with Section 19.2. Final bills will not be estimated when usage factors cannot be calculated, when a customer specifically requests that the meter be read, or when either the disconnecting or reconnecting customer provides the meter reading which is subject to the Company's review. The Company reserves the right to estimate any customer's final meter reading in instances where access to the meter is not provided within a reasonable time.

**19.4 Compliance with Pennsylvania Public Utility Commission Regulations**

Notwithstanding the provisions for discontinuation of service set forth under this Section 19, the Company may not discontinue service unless in compliance with the Rules, Regulations or Orders of the Pennsylvania Public Utility Commission pertaining thereto and in effect at the time of such discontinuation.

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**20. Flexible Rate Provisions**

**20.1 Applicability**

Customers receiving service under Rate Schedules SDS, LDS, RSS, RDS, RDGSS, RDGDS, DGDS, PS, SGSS, LGSS, SGDS, SCD, SS, NSS, MLSS, and MLDS ("Primary Schedule") may be charged a flexible distribution charge with respect to competition from alternate fuels. Service under Rate RSS, RDS, RDGSS and RDGDS shall be firm and the Company will maintain firm capacity to serve such customers. Gas Costs to Rate Schedules RSS and RDS will not be flexed.

**20.2 Election of Flexible Rate**

Components of a customer's rate may be lowered when the customer submits a sworn affidavit that a lower rate is required to meet competition from an alternate fuel. Rate components eligible for a downward adjustment include the distribution charge, the elective balancing service charge for distribution service, and the retainage percentage for distribution service.

Prior to flexing distribution charges for distribution service customers, the Company may reduce charges that are for recovery of balancing service charges under Rider EBS and/or the retainage percentage applied to the gas received on behalf of the distribution service customer. However, any discount to the retainage percentage undertaken to compete with another NGDC will not be recoverable by the Company in its annual 1307(f) filing.

The Company reserves the right to verify the accuracy of statements included in this affidavit and the right to make final determination as to the volumes of natural gas used in each billing period in place of alternate fuels. The Company will notify customer of the applicable charge, if lower than the applicable distribution charge in the Primary Rate Schedule, that the Company determines is required to meet the delivered price of the alternate fuel four (4) days prior to the beginning of each billing month unless the rate is the same as charged by the Company in the prior month.

The Company will only lower its distribution charge below the maximum rate under the Primary Rate Schedule as a last resort, and only to the extent it is necessary to meet the demonstrated competitive alternate fuel price. Any lowered distribution charge shall be offered regardless of whether the customer is receiving sales or distribution service. For customers eligible for service under Rate RDS and SCD, the Company will advise NGSs upon request whether a particular customer is receiving or is eligible to receive a lowered distribution charge.

**RULES AND REGULATIONS GOVERNING THE  
DISTRIBUTION AND SALE OF GAS (Continued)**

**20. Flexible Rate Provisions**

**20.2 Election of Flexible Rate – Cont'd**

In the sworn affidavit submitted by the customer, the following must be documented:

- (a) The customer has alternate fuel capability in place and operable or would otherwise construct facilities to obtain gas service from an alternate source;
- (b) The volumes of natural gas transported by the Company which would be displaced by operation of the alternate fuel capability;
- (c) The burner tip cost in Mcf equivalent of the customer's alternate fuel; and
- (d) If the customer has an agreement with a producer for purchase of gas, the customer must verify that it has exercised all contractual rights available to the customer, including price redetermination, marketability or market reopener provisions, to reduce the city gate price of natural gas delivered to the Company for redelivery to the customer, and that the customer has the right to cease purchases under the agreement. Upon request by the Company customer agrees to submit a true copy of the currently effective agreement or agreements between customer and producer(s) for purchase of natural gas volumes delivered to the Company's city gate for redelivery to the customer. If the customer does not have an outstanding contract with a producer, the customer must verify that the customer is unable to purchase gas at a price, including cost of delivery by Columbia, that is equal to the cost of alternative fuel.

## RATE RSS - RESIDENTIAL SALES SERVICE

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

Available, at one location, for the total requirements of any residential customer.

### RATE

The customers under this rate schedule shall be subject to a monthly customer charge, a natural gas supply charge and a distribution charge.

The rate information is detailed in the Rate Summary pages of this tariff.

If a customer transfers to this rate from Rate RDS-Residential Distribution Service or from Rider PPS-Price Protection Service, then for a period of twelve months, the rate shall be adjusted to exclude the amount per Mcf equal to the "E" Factor for the twelve months ended September 30 included in the then applicable Purchased Gas Commodity Rate.

The above distribution charge may be flexed in accordance with the Flexible Rate Provisions set forth in the Rules and Regulations of this Tariff.

The PGCC and Capacity Assignment Credit (aka the Price-to-Compare) will be increased by 1.66% to reflect the unbundling of uncollectibles related to gas costs. (C)

### MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the customer charge.

### STATE TAX ADJUSTMENT SURCHARGE

The charges described in this rate schedule are subject to a State Tax Adjustment Surcharge as set forth in this tariff.

### PURCHASED GAS COST RIDER

The distribution and natural gas supply charges include recovery of purchased gas costs pursuant to the Purchased Gas Cost Rider of this tariff.

### USP COSTS AND CUSTOMER CHOICE COSTS

The distribution charge is subject to Rider Universal Services Plan and Rider Customer Choice.  
(C) Indicates Change

(C) Indicates Change

Issued:

M. Carol Fox  
President

Effective:

## RATE RDS - RESIDENTIAL DISTRIBUTION SERVICE (CONTINUED)

### TERMS OF PAYMENT

Bills for distribution service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the final date of payment shown on the bill, which date shall not be less than twenty (20) days after presentation (date of postmark).

Effective with bills due after May 1, 2000, if the Choice customer fails to pay the full amount of any bill a delayed payment penalty charge of one and one-quarter percent (1 1/4%) per month will accrue on the portion of the bill that is unpaid on the due date consistent with the Billing Option Selection section of the Rules Applicable to Distribution Service.

### SPECIAL PROVISIONS

1. If service under this rate schedule is discontinued at the request of the Customer, the Company shall be under no obligation to reconnect service to the same Customer on the same premises until the Customer pays the monthly minimum charge for each month of the intervening period, but not to exceed twelve (12) months. Restoration of service will not be denied for the nonpayment of NGS charges.

2. Where a Customer has installed a gas light(s) in lighting devices approved by the Company, and the gas used by such light(s) is unmetered, the gas consumed by such light(s) shall be assumed to be two thousand (2,000) cubic feet per month when the Btu/hr input rating for such light(s) is 2,700 or less. For each additional 1,350 Btu/hr or fraction thereof, the assumed consumption shall be increased by one thousand (1,000) cubic feet per month. Such assumed consumption shall be billed under the rates contained herein, or if in combination with metered usage under this rate schedule, shall be added to the Customer's metered usage and the total billed under the rates contained herein.

3. The Customer may receive a separate bill from its NGS for services provided by the NGS. Otherwise, all charges for natural gas service to the Customer will be billed by Columbia. When Columbia bills for the NGS, Columbia shall not terminate, or threaten to terminate, service for failure to pay the gas supply portion of the bill. In addition, if Columbia bills for the NGS, the NGS must accept budget billing if the Customer selects billing under Columbia's Budget Payment Plan. The NGS shall not be permitted to accept the Company's bill for distribution on behalf of the Customers.

4. Before participating in the Choice Service distribution program, Customers with arrears, who are not already subject to a payment plan, shall be required to enter into a payment plan with the Company. When Columbia is responsible for billing, the first amount collected shall be credited against the Customer's arrears in the amount provided in the payment plan agreed to by the Customer and Columbia. The next amount collected shall be for recovery of Columbia's distribution charges, including the gas cost recovery portion, with the remaining balance forwarded to the NGS for recovery of the gas supply costs.

5. The Company, at its option, may purchase the accounts receivable from participating NGSs at a discount. (C)

6. Columbia is authorized to implement a program applicable to Customers enrolled in its Customer Assistance Plan under Rate RSS and Rate RDS, provided that payments made by such Customers are in accordance with the payment requirements contained in the Customer Assistance Plan.

### USP COSTS AND CUSTOMER CHOICE COSTS

The distribution charges are subject to Rider Universal Service Plan and Rider Customer Choice.

(C) Indicates Change

Issued:

M. Carol Fox  
President

Effective:

**RATE RDGSS – RESIDENTIAL DISTRIBUTED  
GENERATION SALES SERVICE**

**APPLICABILITY**

Throughout the territory served under this Tariff.

**AVAILABILITY**

Available, at one location, for the total requirements of any residential customer who operates distributed generation equipment such as reciprocating engines, gas turbines, and fuel cells used for electrical power generation for the customer's own use. The Customer must demonstrate to the Company's satisfaction that qualifying gas burning electric generation equipment has been installed. Provided, that the Company's facilities are adequate to provide the requested service.

**RATE**

The customers under this rate schedule shall be subject to a monthly customer charge, a natural gas supply charge and a distribution charge.

The rate information is detailed in the Rate Summary pages of this tariff.

If a customer transfers to this rate from Rate RDS-Residential Distribution Service or Rate RDGDS-Residential Distributed Generation Distribution Service, then for a period of twelve months; the rate shall be adjusted to exclude the amount per Mcf equal to the "E" Factor for the twelve months ended September 30 included in the then applicable Purchased Gas Commodity Rate.

The distribution charge may be flexed in accordance with the Flexible Rate Provisions set forth in the Rules and Regulations of this Tariff and for the purposes of the rate schedule the term alternate fuel shall include electricity.

The PGCC and Capacity Assignment Credit (aka the Price-to-Compare) will be increased by 1.66% to reflect the unbundling of uncollectibles related to gas costs. (C)

(C) Indicates Change

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## RATE SGSS - SMALL GENERAL SALES SERVICE

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

Available, at one location, for the total requirements of any commercial or industrial customer whose total throughput requirements are equal to or less than 6,000 Mcf annually, and who does not contract for distribution service.

### RATE

The customers under this rate schedule shall be subject to a monthly customer charge, a natural gas supply charge and a distribution charge.

The rate information is detailed in the Rate Summary pages of this tariff.

If a customer transfers to this rate from Rate SCD-Small Commercial Distribution Service, Rate SGDS – Small General Distribution Service, Rate CDS – Cogeneration Distribution Service, Rate DGDS - Distributed Generation Distribution Service or from Rider PPS – Price Protection Service, then for a period of twelve months, the rate shall be adjusted to exclude the amount per Mcf equal to the “E” Factor for the twelve months ended September 30 included in the then applicable Purchased Gas Commodity Cost rate.

The PGCC and Capacity Assignment Credit (aka the Price-to-Compare) will be increased by 1.66% to reflect the unbundling of uncollectibles related to gas costs. (C)

### MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the customer charge.

### DETERMINATION OF MONTHLY CUSTOMER CHARGE

The Customer Charge will be determined based upon the Customer's actual throughput volumes, including sales and distribution, measured in thousand cubic feet (Mcf), for the most recent twelve-month period ended October 31. If a Customer does not have sufficient consumption history to determine its customer charge based on twelve months, the Customer Charge will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the Customer to submit estimated annual gas requirement, including sales and distribution, upon which to develop the Customer Charge. The Company in all cases retains the right to review and modify the Customer's estimate where necessary. A customer's Customer Charge will remain constant annually, subject to change January 1 of each year.

In all cases, the Company reserves the right to review the Customer Charge and, upon receipt of satisfactory proof, to adjust the Customer Charge to reflect the installation and use of energy efficient gas burning equipment, or the implementation of energy conservation practices or measures, which results in a measurable permanent change in the customer's requirement or consumption.

(C) Indicates Change

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Issued:

M. Carol Fox  
President

Effective:

**RATE SGSS - SMALL GENERAL SALES SERVICE (Continued)**

**STATE TAX ADJUSTMENT SURCHARGE**

The State Tax Adjustment Surcharge will be applied to the non-Purchased Gas Cost portion of the charges set forth in this rate schedule.

**PURCHASED GAS COST RIDER**

The distribution and natural gas supply charges for sales service include recovery of purchased gas costs pursuant to the Purchased Gas Cost Rider as set forth in this tariff.

**CUSTOMER CHOICE COSTS**

The distribution charge is subject to a Customer Choice charge pursuant to Rider CC.

**TERMS OF PAYMENT**

Bills for distribution service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the final date of payment shown on the bill, which date shall be not less than fifteen (15) days after presentation (date of postmark).

If the customer fails to pay the full amount of any bill a delayed payment penalty charge of one and one-quarter percent (1 1/4%) per month will accrue on the portion of the bill that is unpaid on the due date.

**CUSTOMER DEVELOPMENT/RETENTION PROVISIONS**

1. An existing Customer currently receiving service under this rate schedule or a potential Customer eligible to receive service under this rate schedule is eligible to receive special development/retention rates, if the customer meets the following conditions:

- a. The Customer agrees to enter into a three-year contract for service under this rate schedule.

(C) Indicates Change

Issued:

M. Carol Fox  
President

Effective:

## RATE SGDS - SMALL GENERAL DISTRIBUTION SERVICE

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

Available, at one location, for the total requirements of any commercial or industrial customer meeting all of the following conditions:

1. The Customer's total annual throughput requirements, as determined under the Customer Charge provisions below, are less than 6,000 Mcf annually.
2. The Customer does not take service under any other rate schedule except Rate SS – Standby Service.
3. Customer acquires its own gas and executes an application and agreement with the Company, as specified in the Rules Applicable to Distribution Service section of this Tariff, for a period of not less than one (1) year for distribution service in accordance with all terms and conditions of such contract.
4. The customer is a member of an aggregation group pursuant to the provisions of the Rules Applicable to Distribution Service.
5. Priority One customers, as defined in the Volumetric Limitations and Curtailment Provisions, must buy distribution service at the Priority One distribution rate, which includes recovery of purchased gas demand costs pursuant to the Purchased Gas Cost Rider as set forth in this tariff. All other SGDS customers wishing to contract for Standby Service may execute a contract for service under Rate SS – Standby Service.
6. There is an annual enrollment window for accounts transferring from Rate Schedule SCD to Rate Schedule SGDS. Notice of intent to switch from Rate Schedule SCD to Rate Schedule SGDS is due January 2<sup>nd</sup> of each year to be effective April 1<sup>st</sup> of the same year. (C)

### CHARACTER OF SERVICE

Distribution Service furnished pursuant to this rate schedule shall be considered firm service on the Company's system; provided, however, that it is the customer's obligation to deliver sufficient gas supplies to the mutually agreed upon receipt point in the Company's facilities.

### RATE

The customers under this rate schedule shall be subject to a monthly customer charge and a distribution charge.

The rate information is detailed in the Rate Summary pages of this tariff.

The distribution rates may be flexed in accordance with the Flexible Rate Provisions set forth in the Rules and Regulations of this Tariff.

(C) Indicates Change

Issued:

M. Carol Fox  
President

Effective:

## RATE SCD - SMALL COMMERCIAL DISTRIBUTION

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

Available to any commercial customer meeting the following conditions:

1. The customer's historic throughput is less than or equal to 4,000 Mcf annually. (C)
2. The customer does not take service under any other rate schedule.
3. The customer or group of customers have an aggregate annual demand of at least 5,000 MCF or a minimum of 50 customers and in compliance with the aggregation provisions in the Rules Applicable to Distribution Service elects an NGS to provide natural gas commodity service. The gas supply for each aggregation must enter the Company's system at a city gate(s) used by the Company to serve the customers unless otherwise permitted by Columbia.
4. There is an annual enrollment window for accounts transferring from Rate Schedule SGDS to Rate Schedule SCD. Notice of intent to switch from Rate Schedule SGDS to Rate Schedule SCD is due January 2<sup>nd</sup> of each year to be effective the following April 1<sup>st</sup>. (C)

### CHARACTER OF SERVICE

Service furnished pursuant to this rate schedule shall be considered firm service.

### RATE

The customers under this rate schedule shall be subject to a monthly customer charge and a distribution charge.

The rate information is detailed in the Rate Summary pages of this tariff.

The Distribution Charges include the applicable Purchase Gas Demand Cost rate. The above distribution charge may be flexed in accordance with the Flexible Rate Provisions set forth in the Rules and Regulations of this Tariff.

In addition, if the customer transfers to this rate from Rate SGS-Small General Service, then for a period of twelve months, the rate shall be adjusted to include the amount per Mcf equal to the "E" Factor for the twelve months ending September 30 included in the then-applicable Purchased Gas Commodity Cost rate.

### MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the Customer Charge.

### STATE TAX ADJUSTMENT SURCHARGE

The charges described in this rate schedule are subject to a State Tax Adjustment Surcharge as set forth in the tariff.

(C) Indicates Change

Issued:

M. Carol Fox  
President

Effective:

## RATE SCD - SMALL COMMERCIAL DISTRIBUTION (Continued)

### TERMS OF PAYMENT

Bills for distribution service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the final date of payment shown on the bill, which date shall not be less than fifteen (15) days after presentation (date of postmark).

If the customer fails to pay the full amount of any bill a delayed payment penalty charge of one and one-quarter percent (1 1/4%) per month will accrue on the portion of the bill that is unpaid on the due date.

### SPECIAL PROVISIONS

1. If service under this rate schedule is discontinued at the request of the customer, the Company shall be under no obligation to reconnect service to the same customer on the same premises until the customer pays the monthly minimum charge for each month of the intervening period, but not to exceed twelve (12) months. Restoration of service will not be denied for the nonpayment of NGS charges.

2. Where a customer has installed a gas light(s) in lighting devices approved by the Company, and the gas used by such light(s) is unmetered, the gas consumed by such light(s) shall be assumed to be two thousand (2,000) cubic feet per month when the Btu/hr input rating for such light(s) is 2,700 or less. For each additional 1,350 Btu/hr or fraction thereof, the assumed consumption shall be increased by one thousand (1,000) cubic feet per month. Such assumed consumption shall be billed under the rates contained herein, or if in combination with metered usage under this rate schedule, shall be added to the customer's metered usage and the total billed under the rates contained herein.

3. The customer, at its option, may receive a separate bill from its NGS for services provided by the NGS. Otherwise, all charges for natural gas service to the customer will be billed by Columbia. When Columbia bills for the NGS, Columbia shall not terminate, or threaten to terminate, service for failure to pay the gas supply portion of the bill. In addition, if Columbia bills for the NGS, the NGS must accept budget billing if the customer selects billing under Columbia's Budget Payment Plan.

4. Before participating in Choice Service, customers with arrears, who are not already subject to a payment plan, shall be required to enter into a payment plan with the Company. When Columbia is responsible for billing, the first amount collected shall be credited against the customer's arrears in the amount provided in the payment plan agreed to by the customer and Columbia. The next amount collected shall be for recovery of Columbia's distribution charges, including the gas cost recovery under the PGC Rider, with the remaining balance forwarded to the NGS for recovery of the gas supply costs.

5. The Company, at its option, may purchase the accounts receivable from participating NGSs at a discount. (C)

(C) Indicates Change

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Issued:

M. Carol Fox  
President

Effective:

## RATE SDS - SMALL DISTRIBUTION SERVICE

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

Available to any commercial or industrial customer meeting all of the following conditions:

1. The Customer's annual throughput requirements, including sales and distribution, are in excess of 6,000 Mcf.
2. The Customer does not take service under any other rate schedule except Rate SS - Standby Service.
3. The Customer's annual throughput, as determined under the Customer Charge provisions below, is less than 50,000 Mcf.

A customer who is served by the Company under more than one account at a single contiguous location may aggregate total throughput requirements under all such accounts for purposes of meeting the 6,000 Mcf annual throughput requirement. Service is available when such customer(s) acquires its own gas and executes a contract with the Company for a period of not less than one (1) year for distribution service in accordance with all terms and conditions of such contract.

Service under this rate schedule shall not be available to a single customer who is a Priority One Customer, as defined in the Volumetric Limitations and Curtailment Provisions, unless such customer also contracts for firm service under Rate SS-Standby Service at a level necessary to meet the portion of daily and seasonal requirements of the facility not covered by installed operable alternative fuel capability.

### CHARACTER OF SERVICE

Service furnished pursuant to this rate schedule shall be considered firm service on the Company's system; provided, however, that it is the customer's obligation to deliver sufficient gas supplies to the mutually agreed upon receipt point in the Company's facilities.

A Small Distribution Service account may be returned to the applicable Sales Service rate if for a period of at least five (5) consecutive days in one billing month the Company,

- (1) has not received gas supply for the account;
- (2) the account's bank balance is insufficient to cover the consumption or the customer did not have access to its bank balance due to the issuance of an OFO and/or OMO; and
- (3) the customer consumed gas on one or more days during such five (5) day period.

For a non-daily read account, the account may be returned to the applicable Sales Service rate at the end of a billing cycle if the above three conditions are met unless the customer furnishes proof that they did not consume gas on one or more days during such five (5) day period.

Issued:

M. Carol Fox  
President

Effective:

(C)

## RATE LDS - LARGE DISTRIBUTION SERVICE

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

Available to any commercial or industrial customer meeting all of the following conditions:

1. The Customer's annual throughput requirements, as determined under the Customer Charge provisions below, 50,000 Mcf or greater.
2. The Customer does not take service under any other rate schedule except Rate SS - Standby Service.

A customer who is served by the Company under more than one account at a single contiguous location may aggregate total throughput requirements under all such accounts for purposes of meeting the 50,000 Mcf annual throughput requirement. Service is available when such customer(s) acquires its own gas and executes a contract with the Company for a period of not less than one (1) year for distribution service in accordance with all terms and conditions of such contract.

Service under this rate schedule shall not be available to a single customer who is a Priority One Customer, as defined in the Volumetric Limitations and Curtailment Provisions, unless such customer also contracts for firm service under Rate SS-Standby Service at a level necessary to meet the portion of daily and seasonal requirements of the facility not covered by installed operable alternative fuel capability.

### CHARACTER OF SERVICE

Service furnished pursuant to this rate schedule shall be considered firm service on the Company's system; provided, however, that it is the customer's obligation to deliver sufficient gas supplies to the mutually agreed upon receipt point in the Company's facilities.

A Large Distribution Service account may be returned to the applicable Sales Service rate if for a period of at least five (5) consecutive days in one billing month the Company,

(C)

- (1) has not received gas supply for the account;
- (2) the account's bank balance is insufficient to cover the consumption or the customer did not have access to its bank balance due to the issuance of an OFO and/or OMO; and
- (3) the customer consumed gas on one or more days during such five (5) day period.

For a non-daily read account, the account may be returned to the applicable Sales Service rate at the end of a billing cycle if the above three conditions are met unless the customer furnishes proof that they did not consume gas on one or more days during such five (5) day period.

## RATE MLDS – MAIN LINE DISTRIBUTION SERVICE

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

Available at one location, for the total requirements of a commercial or industrial customer when the Customer meets either one of the following qualifications:

- (a) the Customer has annual throughput requirements of not less than 25,000 Mcf and is connected directly through a dual-purpose meter to facilities of an Interstate pipeline supplier of the Company ("Class I MLS Customer"); or
- (b) the Customer has annual throughput requirements of not less than 200,000 Mcf and there are two (2) miles or less of pipeline facilities of the Company connecting the Customer to facilities of an interstate pipeline supplier of the Company ("Class II MLS Customer")

and meets all of the following conditions:

- (a) Customer does not take service under any other rate schedule except Rate SS – Standby Service
- (b) Customer acquires its own gas and executes an application and agreement with the Company, as specified in the Rules Applicable to Distribution Service section of this Tariff, for a period of not less than one (1) year for distribution service in accordance with all terms and conditions of such contract.

Service under this rate schedule shall not be available to a single customer who is a Priority One Customer, as defined in the Volumetric Limitations and Curtailment Provisions, unless such customer also contracts for firm service under Rate SS – Standby Service at a level necessary to meet the portion of daily and seasonal requirements of the facility not covered by installed operable alternative fuel capability.

### CHARACTER OF SERVICE

Service furnished pursuant to this rate schedule shall be considered firm service on the Company's system; provided, however, that it is the customer's obligation to deliver sufficient gas supplies to the mutually agreed upon receipt point in the Company's facilities.

A Main Line Distribution Service account may be returned to the applicable Sales Service rate if for a period of at least five (5) consecutive days in one billing month the Company,

- (1) has not received gas supply for the account;
- (2) the account's bank balance is insufficient to cover the consumption or the customer did not have access to its bank balance due to the issuance of an OFO and/or OMO; and
- (3) the customer consumed gas on one or more days during such five (5) day period.

For a non-daily read account, the account may be returned to the applicable Sales Service rate at the end of a billing cycle if the above three conditions are met unless the customer furnishes proof that they did not consume gas on one or more days during such five (5) day period.

(C) Indicates Change

Issued:

M. Carol Fox  
President

Effective:

(C)

## **RATE MLDS – MAIN LINE DISTRIBUTION SERVICE (Continued)**

### **RATE**

The customers under this rate schedule shall be subject to a monthly customer charge, and a distribution charge.

The rate information is detailed in the Rate Summary pages of this tariff.

The applicable distribution charge for all distribution volumes for MLDS Class II customers shall be determined based upon the Customer Charge group in which the Customer is placed, as established annually.

The distribution rates may be flexed in accordance with the Flexible Rate Provisions set forth in the Rules and Regulations of this Tariff.

### **STATE TAX ADJUSTMENT SURCHARGE**

The charges described in this rate schedule are subject to a State Tax Adjustment Surcharge as set forth in the tariff.

### **ELECTIVE BALANCING SERVICES RIDER**

Distribution service under this rate schedule shall be subject to the provisions of Rider EBS as set forth in this tariff.

### **DETERMINATION OF MONTHLY CUSTOMER CHARGE**

The customer charge will be determined based upon the customer's actual throughput volumes, including sales and distribution, measured in thousand cubic feet (Mcf), for the most recent twelve-month period ended October 31. If a customer does not have sufficient consumption history to determine its customer charge based on twelve months, the customer charge will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the customer to submit estimated annual gas requirements, including sales and distribution, upon which to develop the customer charge. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's customer charge will remain constant annually, subject to change January 1 of each year.

In all cases, the Company reserves the right to review the customer charge and, upon receipt of satisfactory proof, to adjust the customer charge to reflect the installation and use of energy efficient gas burning equipment, or the implementation of energy conservation practices or measures, which results in a measurable permanent change in the customer's requirement or consumption.

### **MINIMUM MONTHLY CHARGE**

The minimum monthly charge shall be the sum of (a) the Customer Charge; plus (b) purchased gas demand charges, if any, under Rate SS. In the event of curtailment in the delivery of gas by the Company below the Maximum Daily Firm Requirement of the Customer, if any, under Rate SS, or complete or partial suspension of operation by the customer due to strikes, fires, floods, explosions or other similar casualties, the Customer Charge shall be reduced in direct proportion to the ratio which the number of days of curtailed service or complete or partial suspension of operation bears to the number of days in the billing period.

## RATE MLDS – MAIN LINE DISTRIBUTION SERVICE (Continued)

### APPLICABLE SALES SERVICE RATE

Customers under this Rate Schedule desiring to purchase gas shall be charged an amount for recovery of purchased gas costs as set forth in the Rules Applicable to Distribution Service, plus the non-gas portion of distribution charges contained in the first block of Rate SGDS – Small General Distribution Service.

Provided, however, that sales service hereunder shall be considered imbalance gas as defined in the Consumption in Excess of Deliveries section in Paragraph 3 of the Rules Applicable to Distribution Service. The Company undertakes no responsibility to obtain sufficient gas supplies to avoid interruption of sales service on a daily basis, and service is totally interruptible on any day when the Company gives notice to the customer that gas supply is inadequate to supply the customer's requirements, except to the extent the customer nominates Maximum Daily Firm Requirement under Rate SS.

The Company shall give the customer 2 hours advance notice of interruption. Customer agrees that Company shall not be liable for any loss or damage that may be sustained by the customer by reason of any interruption of service.

On any day when the Customer has been given notice by the Company to interrupt, any quantity of gas taken in excess of the quantity specified to be made available that day shall constitute unauthorized takes and shall be subject to the charges set forth in the Rules Applicable to Distribution Service. Payment of such penalty charge shall be in addition to the charges specified above.

### TERMS OF PAYMENT

Gas distributed hereunder shall be billed in accordance with the terms and conditions set forth in the customer's executed contract governing distribution service. Bills for distribution service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the final date of payment shown on the bill, which date shall not be less than fifteen (15) days after presentation (date of postmark).

If the customer fails to pay the full amount of any bill, a delayed payment charge of one and one-quarter percent (1 1/4%) per month shall accrue on the portion of the bill that is unpaid on the due date.

### SPECIAL PROVISIONS APPLICABLE TO ALL MLDS CUSTOMERS

1. Within sixty (60) days of receipt of all necessary information requested by the Company, to evaluate a customer's application, the Company will respond to the application and agree either to supply service or to deny service on the grounds of insufficient capacity. If the Company refuses to provide distribution service under this rate schedule, the Company shall provide detailed support for its decision.
2. Customers desiring to transfer to or from this rate schedule must notify the Company in writing. Transfers to or from this rate schedule will be allowed only if: (1) the Company can obtain any increase or decrease in its gas supplies, transportation capacity and storage capacity, or any combination thereof that is required to accommodate such change; or (2) the Company, in its sole judgment, concludes that no increase or decrease is required. The Company shall establish the date any transfer is to be effective.

## RATE MLDS - MAIN LINE DISTRIBUTION SERVICE (Continued)

### SPECIAL PROVISIONS APPLICABLE TO ALL MLDS CUSTOMERS – Continued

3. Customers that request to be transferred to this rate schedule prior to the end of the Customer's existing contract under another rate schedule shall be required to contract for Maximum Daily Firm Requirement under Rate SS at the level of the Customer's Maximum Daily Firm Requirement, if any, under such existing contract.
4. The Company reserves the right, as a condition of service under this Rate Schedule, to require any customer requesting service under this rate schedule to install and bear the costs associated with a daily demand reading meter and such installation shall be at the expense of the customer, excluding the cost of the meter plus all costs associated with dedicated telephone lines and telemetering equipment. The Company also reserves the right to require installation of such a meter, at the customer's expense, as a condition of continuation of service under this Rate Schedule. The meter and associated telemetering equipment shall be the property of the Company.
5. Volumetric eligibility for this rate schedule shall be determined annually. In the event Customer's annual throughput is less than 25,000 Mcf, the customer shall be transferred to either Rate LDS, Rate SDS or Rate SGDS effective the immediately succeeding January 1.

### SPECIAL PROVISION APPLICABLE TO CLASS I MLDS CUSTOMERS

In the event a Class I MLS customer desires to obtain firm transportation capacity on the interstate pipeline system of Columbia Gas Transmission Corporation, as to which supplier the Company may exercise an option to convert daily firm wholesale entitlement to daily firm transportation capacity entitlement under Federal Energy Regulatory Commission (FERC) approved rate schedules pursuant to Order 500 and successor orders of that Agency, the Company may assign daily firm transportation capacity entitlement to a Class I MLS customer under the following conditions:

- (a) If, in the exercise of its informed business judgment, the Company determines that it can exercise its conversion option under FERC Order 500 and/or assign such increased transportation capacity without impairing its ability to meet its public service obligation to all customers and its ability to pursue a least cost acquisition policy to obtain system supplies. The Company reserves the right to limit any such conversion and/or assignment as necessary to maintain its ability in this regard;
- (b) The Class I MLS customer agrees to maintain the customer's existing contractual Maximum Daily Firm Requirement under Rate SS - Standby Service (if any) during the term of the assignment;
- (c) The Class I MLS customer signs an agreement committing to pay for the firm transportation demand charges constituting the Company as its agent to purchase gas to be redelivered to the Class I MLS customer after firm transportation service has been provided using the assigned capacity;
- (d) The term of this assignment shall be coextensive with the term of the agency agreement, subject to renewal with express approval of the Public Utility Commission;
- (e) This provision shall be operative only so long as Columbia continues to have the option to convert daily firm wholesale entitlement to daily firm transportation capacity requirements under FERC Order 500 or any successor thereto.

### RULES AND REGULATIONS

The Rules and Regulations Governing the Distribution and Sale of Gas of this Tariff, which are not inconsistent with the provisions of this rate schedule, shall govern, where applicable, the supply of distribution service under this rate schedule.

## RATE NCS--NEGOTIATED CONTRACT SERVICE

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

Available to any commercial or industrial customer, at the Company's discretion, who meets the following qualifications:

- (a) The customer is not presently served by the Company and has projected throughput requirements of not less than 2,000 Mcf annually, or is a current customer; and
- (b) The customer gives the Company satisfactory proof that, absent service under this rate schedule, the customer's facilities or operations would not be constructed in the Company's operating territory, or that, absent service under this rate schedule, customer would install long-term alternate fuel facilities.

Service under this rate schedule shall not be available to a single customer who is a Priority 1 Customer, as defined in the Volumetric Limitations and Curtailment Provisions, unless such customer also contracts for firm service under Rate SS-Standby Service at a level necessary to meet the portion of daily and seasonal requirements of the facility not covered by installed operable alternative fuel capability. (C)

### CHARACTER OF SERVICE

Any qualified customer taking service under this rate schedule shall do so by agreement. This rate schedule shall provide a long-term negotiated contract with the customer, to the extent qualified by the Special Provisions of this tariff.

A Negotiated Contract Service account may be returned to the applicable Sales Service rate if for a period of at least five (5) consecutive days in one billing month the Company, (C)

- (1) has not received gas supply for the account;
- (2) the account's bank balance is insufficient to cover the consumption or the customer did not have access to its bank balance due to the issuance of an OFO and/or OMO; and
- (3) the customer consumed gas on one or more days during such five (5) day period.

For a non-daily read account, the account may be returned to the applicable Sales Service rate at the end of a billing cycle if the above three conditions are met unless the customer furnishes proof that they did not consume gas on one or more days during such five (5) day period.

(C) Indicates Change

Issued:

M. Carol Fox  
President

Effective:

## RATE NCS--NEGOTIATED CONTRACT SERVICE (Continued)

### DISTRIBUTION RATE

The distribution rate per Mcf shall be:

- (a) The amount for recovery of non-gas costs, which shall be determined by negotiation between the Company and the customer.
- (b) Distribution service under this rate schedule shall be subject to the provisions of Rider EBS as set forth in this tariff.

The non-gas portion of these distribution rates is subject to an escalation clause, as set forth in the customer's contract.

### MINIMUM CHARGE

Customers served hereunder shall be subject to a minimum charge. Such charge will be determined individually for each customer served under this rate schedule and the amount shall be included in the customer's service agreement. The payment of such minimum charge does not relieve the customer from any minimum charge obligation applicable to service received by the customer under any of the Company's other rate schedules.

### TERMS OF PAYMENT

The above rate is net. Gas distributed hereunder shall be billed in accordance with the terms and conditions set forth in the customer's executed contract. Bills for gas sales service and distribution service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the final date of payment shown on the bill, which date shall be not less than fifteen (15) days after presentation (date of postmark).

If the customer fails to pay the full amount of any bill, a delayed payment penalty charge of one and one-quarter percent (1 1/4%) per month will accrue on the unpaid portion of such bill from the due date to the date of payment.

### SPECIAL PROVISIONS

1. Customers shall not be permitted to combine usage with other customers in order to meet the eligibility provisions of this Tariff.
2. The customer shall be responsible to reimburse the Company as billed for any penalty or deficiency charge, however denominated by the Company's interstate pipeline suppliers, incurred by the Company as a result of excessive daily, seasonal or annual takes by the customer.
3. The Company may require that an existing customer agree to separate piping or sub-metering, or verification that additional load is the result of plant expansion.

### RULES AND REGULATIONS

The Rules and Regulations Governing the Distribution and Sale of Gas of this Tariff, which are not inconsistent with the provisions of this rate schedule, shall govern, where applicable, the supply of gas service under this rate schedule.

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**FOR FUTURE USE**

## RATE CDS - COGENERATION DISTRIBUTION SERVICE

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

Available to any customer who qualifies as a cogenerator under Section 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA). Customer must demonstrate to the Company's satisfaction that qualifying cogeneration gas burning equipment will be installed and only gas used for cogeneration will be billed at the rate negotiated under this rate schedule. . Service is available when such customer acquires its own gas and executes a contract with the Company for distribution service in accordance with all terms and conditions of such contract. Separate metering and piping to qualifying end use equipment will be required. (C)

Service under this rate schedule shall not be available to a customer who is a Priority 1 Customer, and is using gas to generate electricity for Essential Human Needs Use, (as defined in the Volumetric Limitations and Curtailment Provisions), unless the customer either purchases Standby Service or has an alternate fuel available to generate electricity to cover the electricity peak day requirement. (C)

### CHARACTER OF SERVICE

Service furnished pursuant to this rate schedule shall be subject to termination at the Company's discretion based on its inability to deliver such natural gas. The Company may require 24-hour notice from customer of their desire to operate on any day and the Company may decline to serve a qualified distribution customer if, in the Company's sole discretion, continuation or initiation of distribution service will jeopardize the supply of gas to the Company's firm customers. If service is terminated under this schedule, the Company will attempt to provide service to a customer under an otherwise applicable rate schedule. In the event of termination, the Company will notify the customer as soon as possible.

A Cogeneration Distribution Service account may be returned to the applicable Sales Service rate if for a period of at least five (5) consecutive days in one billing month the Company, (C)

- (1) has not received gas supply for the account;
- (2) the account's bank balance is insufficient to cover the consumption or the customer did not have access to its bank balance due to the issuance of an OFO and/or OMO; and
- (3) the customer consumed gas on one or more days during such five (5) day period.

For a non-daily read account, the account may be returned to the applicable Sales Service rate at the end of a billing cycle if the above three conditions are met unless the customer furnishes proof that they did not consume gas on one or more days during such five (5) day period.

### RATE

The rate charged qualifying customers in each billing month (shall be an amount for recovery of non-gas costs and Rider EBS costs, which shall be determined by negotiation between the customer and the Company. Such rate, which may be subject to an escalation clause, will be included in the customer's service agreement. (C)

(C) Indicates Change

**RATE CDS - COGENERATION DISTRIBUTION  
SERVICE (Continued)**

**MINIMUM CHARGE**

Customers served hereunder shall be subject to a minimum charge. Such charge will be determined individually for each customer served under this rate schedule and the amount shall be included in the customer's service agreement. The minimum charge will include the actual additional costs to the Company, if applicable, to connect a cogeneration customer. The payment of such minimum charge does not relieve the customer from any minimum charge obligation applicable to service received by the customer under any of the Company's other rate schedules.

**TERMS OF PAYMENT**

The above rate is net. Gas distributed hereunder shall be billed in accordance with the terms and conditions set forth in the customer's executed contract governing distribution service. Bills for distribution service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the final date of payment shown on the bill, which date shall not be less than fifteen (15) days after presentation (date of postmark).

If the customer fails to pay the full amount of any bill, a delayed payment charge of one and one-quarter percent (1 1/4%) per month shall accrue on the portion of the bill that is unpaid on the due date.

**SPECIAL PROVISIONS**

If a potential customer and the Company cannot agree to terms under this rate schedule, the customer may apply to be classified as a customer under any other rate schedule for which the customer would be eligible.

The Company may retain a reasonable allowance of the total volume of gas distributed into its system for the customer's account for gas which is lost or unaccounted for in its operations. This allowance will be determined on the basis of an estimate of the lost and unaccounted to be experienced on the specific lines used to serve the customer.

**RULES AND REGULATIONS**

The Rules and Regulations Governing the Distribution and Sale of Gas of this Tariff, which are not inconsistent with the provisions of this rate schedule, shall govern, where applicable, the supply of distribution service under this rate schedule.

(C) Indicates Change

## RATE GDS - GENERATION DISTRIBUTION SERVICE

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

(C)

Available to any customer who uses gas to generate electricity for sale, either wholesale or retail; provided that such sale of electricity is subject to the regulatory jurisdiction of either the Pennsylvania Public Utility Commission or the Federal Energy Regulatory Commission. Service under this rate schedule is only available for gas distributed to serve generation requirements. Service is available when such customer acquires its own gas and executes a contract with the Company for distribution service in accordance with all terms and conditions of such contract.

### CHARACTER OF SERVICE

Service furnished pursuant to this rate schedule shall be subject to termination at the Company's discretion based on its inability to distribute such natural gas. The Company may decline to serve a qualified distribution customer if, in the Company's sole discretion, continuation or initiation of distribution service will jeopardize the supply of gas to the Company's firm customers. If service is terminated under this schedule, the Company will attempt to provide service to a customer under an otherwise applicable rate schedule. In the event of termination, the Company will notify the customer as soon as possible.

A Generation Distribution Service account may be returned to the applicable Sales Service rate if for a period of at least five (5) consecutive days in one billing month the Company,

(C)

- (1) has not received gas supply for the account;
- (2) the account's bank balance is insufficient to cover the consumption or the customer did not have access to its bank balance due to the issuance of an OFO and/or OMO; and
- (3) the customer consumed gas on one or more days during such five (5) day period.

For a non-daily read account, the account may be returned to the applicable Sales Service rate at the end of a billing cycle if the above three conditions are met unless the customer furnishes proof that they did not consume gas on one or more days during such five (5) day period.

### RATE

(C)

The rate charged qualifying customers in each billing month shall be an amount for recovery of non-gas costs and Rider EBS costs, which shall be determined by negotiation between the customer and the Company. Such rate, which may be subject to an escalation clause, will be included in the customer's service agreement..

### MINIMUM CHARGE

Customers served hereunder shall be subject to a minimum charge. Such charge will be determined individually for each customer served under this rate schedule and the amount shall be included in the customer's service agreement. The minimum charge will include the actual additional costs to the Company, if applicable, to connect a generation customer. The payment of such minimum charge does not relieve the customer from any minimum charge obligation applicable to service received by the customer under any of the Company's other rate schedules.

(C) Indicates Change

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M. Carol Fox  
President

Effective:

## RATE PS - PROPANE SERVICE (Continued)

### TERMS OF PAYMENT

The above rates are net. Bills for gas service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the final date of payment shown on the bill, which date shall be not less than twenty (20) days after presentation.

If the customer fails to pay the full amount of any bill a delayed payment penalty charge of one and one-quarter percent (1 ¼%) per month will accrue on the portion of the bill that is unpaid on the due date. (C)

### STATE TAX ADJUSTMENT SURCHARGE

The above charges are subject to a State Tax Adjustment Surcharge as set forth in this tariff.

### SPECIAL PROVISIONS

1. Any costs to convert a Customer's appliance to/from propane service will be paid by the customer.
2. If propane service is to be provided to an existing or planned real estate subdivision, an economic analysis may be prepared with respect to facilities to be installed to serve the subdivision pursuant to section 8.2.

(C) Indicates Change

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Issued:

M. Carol Fox  
President

Effective:

## RATE SS – STANDBY SERVICE

### AVAILABILITY

(C)

Available to any qualified customer receiving General Distribution Service or Negotiated Sales Service who executes a contract with the Company for service under this rate schedule for a period of not less than one (1) year for Standby Service.

### PURPOSE

This rate schedule is designed to provide the maximum unbundling of supply options to customers for which this rate schedule is available. The customer will elect Maximum Daily Firm Requirement which best meets the degree of system supply risk which the customer is willing to assume.

### NOMINATION OF MAXIMUM DAILY FIRM REQUIREMENT

The Maximum Daily Firm Requirement shall be the maximum daily volume of gas that the customer proposes to reserve for purchase from the Company. The Maximum Daily Firm Requirement shall be the volume of gas nominated by the customer in the customer's contract. The Company retains the right to refuse the requested nomination if the Company determines, in its sole discretion, that it does not have adequate gas supplies or distribution capacity to provide the service over the life of the contract.

In the event the customer desires to increase or decrease the then effective Maximum Daily Firm Requirement, during or at the end of the contract term, it shall, on or before April 1 of any year, notify the Company by letter as to the total amount of such increase or decrease. The Company shall notify the customer by letter as to whether the Company will grant the requested increase or decrease within thirty days of notification that it has received any required change in its daily demand from its supplier. Requests not granted in writing by November 1 shall be deemed denied. No increase or decrease will be granted unless: (1) the Company can obtain a corresponding increase or decrease in its gas supplies, transportation capacity and storage capacity, or any combination thereof; or (2) the Company concludes, in its sole judgment, that the Company can accommodate the requested change without changes in the Company's gas supplies, transportation capacity or storage capacity. Any decrease or increase in the Customer's Maximum Daily Firm Requirement authorized by the Company shall become effective November 1 following April 1 of the year in which notification of the request for change is timely received.

### RATES

1. Maximum Daily Firm Requirement

The rate per Mcf of Maximum Daily Firm Requirement shall be computed as follows:

(C) Indicates Change

## RATE DGDS - DISTRIBUTED GENERATION DISTRIBUTION SERVICE

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

Available, at one location, for the distribution requirements of any commercial or industrial customer using distributed generation equipment such as reciprocating engines, gas turbines, microturbines, and fuel cells used for electrical power generation. Service is available when such customer executes a contract with the Company for a period mutually agreed to between the Company and the customer for distribution service in accordance with all terms and conditions of such contract. Provided, that the Company's facilities are adequate to provide the requested service.

Service under this rate schedule shall not be available to a single customer who is a Priority 1 Customer, as defined in the Volumetric Limitations and Curtailment Provisions, unless such customer also contracts for firm service under Rate SS-Standby Service at a level necessary to meet the portion of daily and seasonal requirements of the facility not covered by installed operable alternative fuel capability. (C)

### CHARACTER OF SERVICE

Service furnished pursuant to this rate schedule shall be subject to termination at the Company's discretion based on its inability to distribute such natural gas. The Company may decline to serve a qualified distribution customer if, in the Company's sole discretion, continuation or initiation of distribution service will jeopardize the supply of gas to the Company's firm customers. If service is terminated under this schedule, the Company will attempt to provide service to a customer under an otherwise applicable rate schedule. In the event of termination, the Company will notify the customer as soon as possible. (C)

A Distributed Generation Distribution Service account may be returned to the applicable Sales Service rate if for a period of at least five (5) consecutive days in one billing month the Company,

- (1) has not received gas supply for the account;
- (2) the account's bank balance is insufficient to cover the consumption or the customer did not have access to its bank balance due to the issuance of an OFO and/or OMO; and
- (3) the customer consumed gas on one or more days during such five (5) day period.

For a non-daily read account, the account may be returned to the applicable Sales Service rate at the end of a billing cycle if the above three conditions are met unless the customer furnishes proof that they did not consume gas on one or more days during such five (5) day period.

### DISTRIBUTION RATE

The distribution rate per Mcf shall be:

- (a) The amount for recovery of non-gas costs and Rider EBS costs which shall be determined by negotiation between the Company and the customer.

The non-gas portion of these distribution rates may be subject to an escalation clause, as set forth in the customer's contract. If a potential customer and the Company cannot agree to terms under this rate schedule, the customer may apply to be classified as a customer under any other rate schedule for which the customer would be eligible.

(C) Indicates Change

## **RATE DGDS - DISTRIBUTED GENERATION DISTRIBUTION SERVICE (Continued)**

### **MINIMUM CHARGE**

Customers served hereunder may be subject to a minimum charge. Such charge will be negotiated individually for each customer served under this rate schedule and the amount shall be included in the customer's contract. The payment of such minimum charge does not relieve the customer from any minimum charge obligation applicable to service received by the customer under any of the Company's other rate schedules.

### **TERMS OF PAYMENT**

Gas distributed hereunder shall be billed in accordance with the terms and conditions set forth in the customer's executed contract. Bills for gas distribution service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the final date of payment shown on the bill, which date shall be not less than fifteen (15) days after presentation (date of postmark).

If the customer fails to pay the full amount of any bill, a delayed payment penalty charge of one and one-quarter percent (1 1/4%) per month will accrue on the unpaid portion of such bill from the due date to the date of payment.

### **SPECIAL PROVISIONS**

1. Service under this rate schedule shall be subject to the Rules Applicable to Distribution Service of this tariff.
2. The Company may require that an existing customer agree to separate piping or sub-metering.
3. The Company may retain a reasonable allowance of the total volume of gas distributed into its system for the customer's account for gas which is lost or unaccounted for in its operations. This allowance will be determined on the basis of an estimate of the lost and unaccounted for to be experienced on the specific lines used to serve the customer.
4. The Company shall not be obligated to incur additional costs for additional or upgraded facilities necessary to provide distribution service under this rate schedule unless the customer requesting service thereof agrees to pay the costs of additional or upgraded facilities prior to the installation of service.
5. The Customer agrees to permit access to their facilities by employees or agents of the Company at all reasonable times for the purpose of determining that the operation of installed generation equipment and facilities is in compliance with all terms and conditions for service required under this rate schedule.

### **RULES AND REGULATIONS**

The Rules and Regulations Governing the Distribution and Sale of Gas and Rules Applicable to Distribution Service of this Tariff, which are not inconsistent with the provisions of this rate schedule, shall govern, where applicable, the supply of gas service under this rate schedule.

(C) Indicates Change

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M. Carol Fox  
President

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**RATE CAP – CUSTOMER ASSISTANCE PROGRAM – (Continued)**

**CAP AGGREGATION**

A CAP customer is required to agree in writing to allow Columbia to act as an agent, on their behalf to contract for the purchase of gas supplies from a licensed natural gas supplier (NGS).

At least quarterly, the Company will solicit Commission licensed NGSs to provide the CAP gas supply service at a discount in relation to the Company's applicable Purchased Gas Cost rates.

**PURCHASED GAS COST RIDER**

The distribution charges include recovery of purchased gas costs pursuant to the Purchased Gas Cost Rider of this tariff.

In the event that no licensed NGS responds to a quarterly solicitation to provide CAP gas supply service, the Company will provide natural gas supply to the CAP, and the natural gas supply charges to be used to determine current bill shortfall will include recovery of purchased gas costs pursuant to the Purchased Gas Cost Rider of this tariff.

The PGCC and Capacity Assignment Credit (aka the Price-to-Compare) will be increased by 1.66% to reflect the unbundling of uncollectibles related to gas costs.

(C)

**TERMS OF PAYMENT**

The CAP monthly payment must be paid by the due date.

Any customer found stealing gas will be charged separately from their CAP payment or billed separately for CAP prior to reconnection for the amount of the theft.

**RULES AND REGULATIONS**

The Rules and Regulations Governing the Distribution and Sale of Gas of this Tariff, which are not inconsistent with the provisions of this rate schedule, shall govern, where applicable, the supply of gas service under this rate schedule.

(C) Indicates Change

## RIDER USP – UNIVERSAL SERVICE PLAN

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

This Rider shall be applicable to all residential customers except customers in the Company's Customer Assistance Program ("CAP").

### CHARACTER OF RATE

This Rider has been established to recover costs related to the Company's Universal Service and Conservation Programs.

### RATE

In addition to the charges provided in this tariff, an amount shall be added to the otherwise applicable charge for each Mcf of sales volumes or distribution volumes distributed by the Company to customers receiving service under Rate Schedules RSS, RDS, PPS, RDGSS, RDGDS or successor rate schedules.

The rate information is detailed in the Rate Summary pages of this tariff.

No charge shall be applicable to Customers enrolled in the Company's CAP.

### CALCULATION OF RATE

The Rider USP rate shall be calculated to recover costs for the following programs: Low Income Usage Reduction Program (LIURP); Customer Assistance Program (CAP); and Income Qualified Energy Efficiency Program (IQEEP). (C)

LIURP costs will be calculated based on the projected number of Level 1 income homes to be weatherized. Energy Efficiency program costs will be calculated on the projected number of Level 2 income homes provided with an energy audit and programmable thermostat.

CAP costs will be calculated to include the projected CAP Shortfall (the difference between the total calculated RSS bill excluding Rider CC and Rider USP and the CAP bill) based upon the current discounts at normalized annual volumes of the then-current CAP participants, the projected CAP Shortfall for projected customer additions to CAP during the period that the CAP Rider rate will be in effect at the average discount of current CAP participants at normalized annual volumes, the projected CAP customer application costs and the projected CAP pre-program arrearages to be forgiven and written off during the next 12 months. (C)

If the Company is successful in obtaining a CAP gas supply aggregator as provided in Rate CAP-Customer Assistance Program, then the shortfall will be adjusted to reflect the RDS rate plus the gas costs resulting from the aggregation service.

The costs shall be divided by the total annual projected throughput volumes of all residential non-CAP customers as established in the Company's most recent Purchased Gas Cost proceeding to determine the volumetric rate for this Rider.

(C) Indicates Change

**RIDER USP – UNIVERSAL SERVICE PLAN – Continued**

**QUARTERLY ADJUSTMENT**

Each quarter, and at any time that the Company makes a change in base rates or Purchased Gas Cost rates affecting residential customers, the Company shall recalculate the Rider USP rate pursuant to the calculation described above to reflect the Company's current data for the components used in the USP rate calculation. The Company shall file the updated rate with the Commission to be effective one (1) day after filing.

**ANNUAL RECONCILIATION**

On or before April 1 each year, the Company shall file with the Commission data showing the reconciliation of actual revenues received under this Rider and actual recoverable costs incurred for the preceding twelve months ended December. The resulting over/undercollection (plus interest calculated at 6% annually) will be reflected in the CAP quarterly rate adjustment to be effective April 1. Actual recoverable costs shall reflect actual application costs, actual LIURP costs, and actual Income Qualified Energy Efficiency Program costs. Actual recoverable costs shall also reflect actual shortfall costs and actual pre-program arrearages, provided that CAP participation on an average annual basis for the preceding year did not exceed 25,300 participants. In the event that CAP participation in the preceding year exceeded 25,300 on an average annual basis, actual recoverable costs shall reflect actual shortfall cost and actual pre-program arrearages for all customers up to the 25,300 participation level. For any and all CAP customers exceeding the 25,300 participation level on an average annual basis, Columbia shall offset the actual shortfall and actual pre-program arrearages by 7.5%. Except for the offset that is applied when CAP participation exceeds 25,300 on an average annual basis, actual CAP shortfall costs shall be based upon actual numbers of CAP customers, actual CAP throughput volumes, actual CAP payments received.

(C)

(C) Indicates Change

**PURCHASED GAS COST RIDER (Continued)**

**DETERMINATION OF OVER/UNDERCOLLECTION OF GAS COSTS - Continued**

**Demand E-Factor – Continued**

- (5) credits received for capacity assigned pursuant to the Rules Applicable to Distribution Service; plus

Interest on over/under collection of gas costs shall be computed monthly at the appropriate rate provided for in Section 1307(f)(5) of the Public Utility Code from the month that the over or undercollection occurs to the effective month such over or undercollection is refunded.

**ADJUSTMENT OF "E" FACTOR AMOUNTS**

Each 1307(f) rate shall also provide for refund or recovery of amounts necessary to adjust for over or underrecoveries of "E" factor amounts included in prior 1307(f) rates. In computing the amount to be included for over or undercollection of "E" factor amounts, the amount recovered for "E" factor amounts under the prior 1307(f) rate shall be determined by multiplying the applicable commodity volumes billed under the Rate RSS, Rate RDGSS, Rate SGSS, Rate LGSS, Rate MLSS, Rate RDS, Rate RDGDS, Rate SGDS, and Rate SCD rate schedules during the applicable 1307(f) period times the portion of the PGCC and the PGDC component that provides for recovery of "E" factor amounts.

**SUPPLIER REFUNDS APPLICABLE TO RATE SS CUSTOMERS**

Any supplier refunds received from Columbia Gas Transmission Corporation, which are specifically identified as refunds of Contract Demand charges made after March 31, 1992, shall be refunded pro rata to customers taking service during the applicable prior period(s) under Rate SS. All refunds shall include interest added at the annual rate of six percent (6%) calculated from the month received to the month the refund is made. Refunds shall be paid once each year, as soon as practicable following October 30 of each year, and shall include all applicable supplier refunds received by the Company during the preceding twelve-month period ended October 30.

**SHARING OF OFF-SYSTEM SALES REVENUE**

Following is the definition of gas cost for off-system sales program.

- (1) For sales in which a specific purchase is not made, the cost of gas will be defined as the daily average city gate commodity cost of the gas supplies purchased by the Company and flowing on the first of the month (WACCOG). For sales made upstream of the Company's city gate, the cost of transportation, including retainage, from the point of sale to the city gate will be subtracted from the WACCOG. This amount will be further adjusted to include applicable taxes, other than income taxes, and other costs.
- (2) For incremental sales in which a specific purchase is made, the cost of gas will be defined as the purchase price plus transportation costs, including retainage, taxes and other costs that have or will be incurred.

**PURCHASED GAS COST RIDER (Continued)**

**GAS PROCUREMENT INCENTIVE PROGRAM**

(C)

The gas procurement incentive program will be limited to spot gas purchased for the months of April through October. Each month the Company's actual cost will be compared to an adjusted NYMEX index for such month.

The adjusted NYMEX index will be determined by averaging the month end closing prices reported for the last three days of trading on NYMEX after adjusting these prices for the differential between the average of indices representing cash prices paid on such days at the Henry Hub, for gas to be delivered on the first day of the month, and the average of indices prices representing the specific delivery points where Columbia takes title to its gas supply. In any instances where indices are not published in any one of the three chosen publications for a receipt point where the Company purchases spot gas, then the index used will be (1) Columbia Gas Transmission Corporation's Appalachian Index average used at points of delivery into Columbia Gas Transmission Corporation; (2) Columbia Gas Transmission Corporation's Appalachian Index average plus Columbia Gas Transmission Corporation's Storage Service Transportation commodity costs used at points of delivery out of Columbia Gas Transmission Corporation; or (3) if the first two are not appropriate, the price paid will be adjusted by deducting a 100% load factor firm transportation rate to the most applicable receipt point where an index is available. The index and Henry Hub prices utilized will be an average of first of the month prices reported in *Inside F.E.R.C.'s Gas Market Report*, *Natural Gas Week* and *Natural Gas Intelligence*.

A band of ninety-nine (99%) to one-hundred one percent (101%) will be applied monthly to the average indexed prices, as described above, to be compared to the Company's actual prices paid for spot gas purchased to flow during the month to determine the appropriate monthly retention of savings or absorption of losses. The Company will share savings 50%/50% between customers and the Company for increments of actual gas purchases below ninety-nine percent (99%) of the adjusted NYMEX index. The Company will absorb losses 50%/50% between customers and the Company for increments of actual gas purchases above one-hundred one percent (101%) of the adjusted NYMEX index. If the actual gas purchases fall within the band, there will be no sharing.

This program will be in effect from October 1, 2002 through September 30, 2004, unless extended by the Company with approval of the Commission.

**RATE NGV GAS COST CREDIT**

The following purchased gas cost credits shall be provided for all gas sold under the NGV rate schedule:

1. Demand Costs

For firm sales under Rate NGV, an amount per Mcf for recovery of demand costs determined as follows:

$$\frac{\text{Annual Demand Costs}}{(\text{Maximum Daily Volume} \times 365) \times \text{Average NGV Load Factor}}$$

Where:

- a. Annual Demand Costs equal the total annual demand charges for supply and capacity included in the Company's purchased gas cost rates under the Purchased Gas Cost Rider, and
- b. Maximum Daily Volume equals maximum firm deliveries that can be made by the Company to its customers during the winter period.

(C) Indicates Change

## PILOT RIDER PPS – PRICE PROTECTION SERVICE

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

(C)

Service under this Rider is no longer available to new customers as of the effective date of this tariff page.

Customers with an existing contract under Pilot Rider PPS will continue to receive service under the contract terms until the contract expiration date at which time the customer will be returned to Rider PGC unless they have contracted for service with a Natural Gas Supplier.

### CHARACTER OF SERVICE

A customer who elects to receive service under this Rider shall receive firm gas sales service. Election to receive service under this Rider shall be for a term of one (1) year. In the event service under this Rider is terminated for any reason the electing Customers shall automatically return to the Rider PGC.

### GAS COMMODITY FIXED PRICE

This Rider PPS guarantees the electing Customer a fixed per Mcf price for its gas supply commodity charges for the term of its service. The applicable fixed price for the initial election shall be that price posted by the Company as its "Fixed Price" at the time in which the Customer makes its initial service election. In the event the service is renewed as provided in this Rider, the applicable Fixed Price for each annual extension shall be the price specified in the notice provided to the customer.

(C) Indicates Change

Issued:

M. Carol Fox  
President

Effective:

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## STATE TAX ADJUSTMENT SURCHARGE

There shall be added to the non-Purchased Gas Cost portion of charges for gas service under all of the Company's rate schedules contained in this Tariff unless otherwise specified below, a surcharge of 0.0% (C) for service rendered on and after January 1, 2010.

The above surcharge will be recomputed, using the elements prescribed by the Commission:

- (a) Whenever any of the tax rates used in calculation of the surcharge are changed;
- (b) Whenever the utility makes effective an increase or decrease in base rates, exclusive of Purchased Gas Cost rates and applicable Rider rates;
- (c) And by March 31, 1971 and every year thereafter.

The above new recomputation will be submitted to the Commission within ten (10) days after the occurrence of the event or date which occasioned such recomputation. If the recomputed surcharge is less than the one in effect the utility will, and if the recomputed surcharge is more than the one then in effect, the utility may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be ten (10) days after filing.

Any charges billed under Rate Schedules CDS, DGDS, GDS or NCS or charges flexed in accordance with the Flexible Rate Provisions contained in Tariff Rule 20 shall not be subject to the State Tax Adjustment Surcharge. (C)

(C) Indicates Change

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Issued:

M. Carol Fox  
President

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## RIDER EBS – ELECTIVE BALANCING SERVICES

### APPLICABILITY

Throughout the territory served under this Tariff.

### AVAILABILITY

This Rider has been established to provide balancing service options for General Distribution Service (GDS) customers in Pennsylvania.

In addition to the charges provided in the customer's rate schedule, an amount may be added to the otherwise applicable charge for each Mcf of distribution volumes distributed by the Company to a customer receiving service under Rate Schedules SGDS, SDS, LDS, and MLDS, or successor rate schedules, for EBS service as provided below. Rider EBS contains three options for balancing service as described below.

### SERVICE OPTIONS:

#### Option 1: FULL BALANCING SERVICE

Full Balancing Service provides the Customer Proxy with the opportunity to: (1) maintain a bank from month to month on the Company's system; (2) access banked gas on a firm basis pursuant to the Seasonal Flow Order, Operational Flow Order, and Matching Flow Order sections in Paragraph 3 of the Rules Applicable to Distribution Service ("RADS") on any day, including days in which an SFO, OFO, or OMO restricts GDS under-deliveries, up to five percent (5%) of the customer's then current Maximum Daily Quantity ("MDQ"), and, to the extent made available by the Company on a best efforts basis, additional interruptible access to the Customer Proxy's bank and (3) to add to the bank on any day, including days in which an SFO, OFO, or OMO restricts GDS over-deliveries. Deliveries to the Company on days in which an SFO, OFO or OMO restricts over-deliveries shall not exceed one hundred two and one-half percent (102.5%) of the maximum prescribed SFO, OFO, or OMO Level unless authorized by the Company.

#### Option 1: BANK TOLERANCE

(C)

The cumulative balance of excess deliveries ("positive bank"), at the end of any billing month, shall not exceed the following specified Bank Tolerance Percentages:

1. For any customer with annual consumption equal to or greater than 50,000 Mcf --- 5% of the customer's then current annual volumes.
2. For any customer with annual consumption less than 50,000 Mcf --- 10% of the customer's then current annual volumes as specified for the billing months of November through September, and 5% of the customer's then current annual volume for the October billing month.

(C) Indicates Change

**RIDER EBS – ELECTIVE BALANCING SERVICES (Continued)**

**Option 1: FULL BALANCING SERVICE - CHARACTER OF SERVICE (Continued)**

**During SFOs/OFOs/OMOs - Continued**

During periods when there is an SFO, OFO or OMO restriction of GDS over-deliveries, Shippers will be entitled to deliver to the Company up to one hundred two and one-half percent (102.5%) of the Company's maximum prescribed daily SFO, OFO or OMO quantity. However, should daily deliveries exceed one hundred two and one-half percent (102.5%) of the customer's maximum daily prescribed SFO, OFO, or OMO quantity, or if the cumulative excess deliveries exceed the bank tolerances described above, those excess daily deliveries shall be considered imbalance gas purchased by the Company pursuant to the Deliveries in Excess of Consumption or the Seasonal Flow Order paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS and the Customer Proxy shall be charged in accordance with the Seasonal Flow Order, Operational Flow Order or Operational Matching Order paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS.

**Option 1: IMBALANCE TRADING SERVICES**

**A) Bank Balance Transfers**

During Normal Operations, subject to the Limitations of Distribution Service in the Rules Applicable to All Distribution Service section of the RADS, Customer Proxies who subscribe to Rider EBS-Option 1 may transfer a bank balance that existed at the beginning of the month to another Customer Proxy that has also subscribed to Rider EBS-Option 1 and that also schedules deliveries to the Company's city-gates within the same Pipeline Scheduling Point. No pre-arranged contract is required. The Customer Proxy must submit all requests for Bank Balance Transfers to the Company in writing (e.g. fax, e-mail, electronic bulletin board) no later than the first business day following the last business day of the calendar month in which the trade is to apply. A fee of \$0.07 per Mcf (or Dth) for each Mcf (or Dth) transferred between Columbia Pipeline Scheduling Point shall be charged to the Customer Proxy transferring the bank balance. A fee of \$.07/Mcf, with a cap of \$500 per trade, for transfers within a Pipeline Scheduling Point shall be charged to the Customer Proxy transferring the bank balance. EBS –Option 1 Customer Proxies who successfully transfer bank balances to eliminate an imbalance will not be subject to the Consumption in Excess of Deliveries or Deliveries in Excess of Consumption paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS. (C)

During any month in which an SFO, OFO, or OMO was in effect, Customer Proxies who subscribe to Rider EBS-Option 1 may transfer a bank balance that existed at the beginning of the month to another Customer Proxy whose customer is located in the same Pipeline Scheduling Point that has also subscribed to Rider EBS-Option 1 and that schedules deliveries to the Company's city-gates on the same transmission company. Provided, however, that bank balance transfers will apply to the SFO, OFO, or OMO period only up to the level of daily access to banked volumes authorized by the OFO, OMO, or SFO. No pre-arranged contract is required. The Customer Proxy must submit all requests for Bank Balance Transfers to the Company in writing (e.g. fax, e-mail, electronic bulletin board) no later than the first business day following the last business day of the calendar month in which the trade is to apply. A fee of \$0.07 per Mcf, with a cap of \$500 per trade, for transfers within a Pipeline Scheduling Point shall be charged to the Customer Proxy transferring the bank balance. EBS –Option 1 Customer Proxies who successfully transfer bank balances to eliminate an imbalance will not be subject to the Seasonal Flow Orders, Operational Flow Orders, Operational Matching Orders, Consumption in Excess of Deliveries and Deliveries in Excess of Consumption paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS. (C)

(C) Indicates Change

Issued:

M. Carol Fox  
President

Effective:

## RIDER EBS – ELECTIVE BALANCING SERVICES (Continued)

### Option 1: FULL BALANCING SERVICE - IMBALANCE TRADING SERVICES (Continued)

The imbalance trading services set forth in this Rider do not relieve Shippers of their obligation to deliver gas to Columbia in the Pipeline Scheduling Point in which they or their customers reside. (C)

#### B) Gas Transfer Service

##### Availability

During Normal Operations or periods during which an SFO, OFO or OMO is in effect, subject to The Limitations on Distribution Service paragraphs of the RADS, this optional service is available to Customer Proxies who subscribe to Rider EBS-Option 1. This service provides for the transfer of gas quantities from one Customer Proxy ("Transferor") to another Customer Proxy ("Transferee").

##### Character of Service

- a. Each transfer must occur such that gas is transferred from the Transferor to the Transferee on the same Gas Day. Transferor must request the transfer at the end of the current month, as described in subparagraph (e) below.
- b. Transfers may only occur between a Transferor and a Transferee located within the same Local Market Area with confirmed deliveries on the same transmission pipeline.
- c. Volumes eligible for transfer shall not exceed the Transferor's confirmed deliveries for the day of transfer. A transfer request may not be accepted by the Company if such transfer would cause the Transferor to incur imbalance charges.
- d. Customer Proxies must rely on customer usage posted daily on the Company's website. The Company shall post customer usage on its Internet-based website as soon as practicable after the end of each Gas Day throughout the billing cycle. All customer usage will be posted on a best efforts basis by 5:00 P.M. Eastern time on the second business day following the end of the previous calendar month.
- e. All gas transfer requests must be accurately completed and executed by both the Transferor and the Transferee and submitted to the Company on the Company's standard Gas Transfer Request Form by 5:00 P.M. Eastern time on the third business day following the end of the previous calendar month.
- f. The Company is not involved in any arrangement or agreement for compensation for the value of the gas being transferred, or for any other fees between the Transferor and Transferee. The Company's role in administering this rate schedule is limited to transferring the approved gas quantities from the Transferor's to the Transferee's account with the Company.

##### Rate

The Company will charge the Transferor \$0.07 per unit transferred. The unit will be either Dth or Mcf, depending upon the supply source being transferred. For transactions of less than 300 units, there will be a minimum charge of \$21.00 per transaction.

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**RIDER EBS – ELECTIVE BALANCING SERVICES (Continued)**

**Option 2: MONTHLY CASH OUT – CHARACTER OF SERVICE (Continued)**

(C)

**During SFO**

If the Shipper under-delivers during an SFO that restricts under-deliveries, the Customer Proxy will be charged for under-deliveries in accordance with the Seasonal Flow Order paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS. If the Shipper over-delivers during an SFO that restricts over-deliveries, the over-deliveries shall be considered imbalance gas purchased by the Company from the Customer Proxy pursuant to the Seasonal Flow Order paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS. The Customer Proxy shall have access to any positive intra-month bank only to the extent specified by the Company in an SFO.

**During OFO/OMO**

If the Shipper under-delivers during an OFO or OMO that restricts under-deliveries, the Customer Proxy will be charged for under-deliveries in accordance with the Consumption in Excess of Deliveries paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS, and either the Operational Flow Orders or Operational Matching Orders paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS. If the Shipper over-delivers during an OFO or OMO that restricts over-deliveries, the over-deliveries shall be considered imbalance gas purchased by the Company from the Customer Proxy pursuant to the Deliveries in Excess of Consumption paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS and the Customer Proxy shall be charged in accordance with either the OFO or OMO paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS. On a best efforts basis, the Company may offer the Customer Proxy daily access to any positive intra-month bank only to the extent specified by the Company in an OFO or OMO. Such best-efforts access shall not be subject to charges under either the OFO or OMO paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS nor shall it alter the Customer Proxy's obligation to be in balance at the end of the month in accordance with the provisions of EBS Option-2.

**Option 2: TERMINATION OF SERVICE**

Customer Proxies may terminate service under Option 2 only by electing another option as described in this Rider or by the Customer terminating GDS service. Upon termination of service under Option 2, the Company will calculate imbalance gas sold or purchased by the Company from the Customer Proxy as described in the "Normal Operations" paragraph above. However, if the Customer Proxy owes the Company any outstanding charges, the Company may retain as an offset to such outstanding charges, banked volumes or over-deliveries that would otherwise be delivered to the Customer Proxy upon termination of service. The value assigned to such retained bank volumes or over-deliveries which are purchased will be ninety percent (90%) of the index rate determined pursuant to the Deliveries in Excess of Consumption paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS.

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President

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## RIDER EBS – ELECTIVE BALANCING SERVICES (Continued)

### Option 3: CASH OUT

(C)

The Cash-Out option provides Customer Proxies with a no cost method of avoiding balancing charges by cashing-out on a daily basis. In order to elect the Cash-Out option, the Customer must have installed daily measurement with telemetry consistent with the Company's specifications.

### Option 3: RATES

The Cash-Out option is provided at no charge to the Customer Proxy. No banking or balancing fees shall be assessed to the Customer Proxy under Option 3.

### Option 3: ELECTING SERVICE

Option 3 must be elected by the Customer Proxy in writing (e.g. fax, e-mail, electronic bulletin board). Customer Proxies may elect to change their service option no more than one time per year. All requests to change the service option must be submitted to the Company in writing (e.g. fax, e-mail, electronic bulletin board) no later than the fifteenth of August prior to the April in which the elected option becomes effective. The elected option shall remain in effect from April 1 through March 31 of the following calendar year.

### Option 3: CHARACTER OF SERVICE

#### Normal Operations

If on any day in a billing month, under Normal Operations, if the customer uses more gas than the volume of gas, after adjustments for retainage, delivered to the Company's City Gate by the Shipper for the Customer Proxy's account during any day, such use shall be considered imbalance gas sold by the Company to the Customer Proxy under the provisions of the Consumption in Excess of Deliveries paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS.

If on any day in any billing month, under normal operations, the customer consumes less gas than the volume of gas delivered to the Company's City Gate by the Shipper, such use shall be considered imbalance gas purchased by the Company from the Customer Proxy under the provisions of the Deliveries in Excess of Consumption paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS.

#### During SFO

If the Shipper under-delivers during an SFO that restricts under-deliveries, the Customer Proxy will be charged for under-deliveries in accordance with the Seasonal Flow Order paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS. If the Shipper over-delivers during an SFO that restricts over-deliveries, the over-deliveries shall be considered imbalance gas purchased by the Company pursuant to the Seasonal Flow Order paragraphs in the Rules Applicable Only to General Distribution Service section of the RADS.

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## Rules Applicable to Distribution Service

### 1. DEFINITIONS

The following terms shall have the meanings indicated below:

- 1.1 "Account" shall mean all gas consumption which (1) is consumed by the same individual, governmental, or corporate entity, including subsidiaries and affiliates, and (2) occurs on property which is either contiguous or is separated by no more than the width of a public or private right of way. A single Account shall not include gas consumed by different tenants or other entities if the gas is distributed through separate Company meters, even if the charges for such distribution service are paid by a single landlord, property owner, or other entity.
- 1.2 "Adequacy" shall mean the delivery to an NGDC of sufficient volumes of natural gas so as to supply the requirements of retail gas customers, taking into account design peak and seasonal demands, as well as isolated market areas and system operation requirements and contingencies.
- 1.3 "Affiliated NGS" shall mean:
  - (i) An NGS engaging in marketing activities related to natural gas supply services by the marketing division or marketing operation of an NGDC.
  - (ii) The term does not include a utility's marketing department or division to the extent that it informs existing or prospective customers of the availability and price of the regulated sales service that utility furnishes in its role as supplier of last resort.
- 1.4 "Aggregation Agent" shall mean an NGS which serves as an agent for General Distribution Service Customers in Aggregation Nomination Groups or for Choice Service Customers in Choice Aggregation Nomination Groups.
- 1.5 "Aggregation Service Agreement" shall mean a contract between the NGS and the Company that specifies the terms and conditions for participation in Aggregation Service. (C)
- 1.6 "Aggregation Nomination Group" shall mean a group of General Distribution Service Customers organized pursuant to the requirements of the General Distribution Aggregation Service paragraph of these Rules Applicable to Distribution Service.
- 1.7 "Aggregation" shall mean the process of combining customers for the purpose of administering, scheduling and nominating gas supplies as defined by the Limitation Where a Shipper has a Positive Bank or the Choice Aggregation Service paragraphs of these Rules Applicable to Distribution Service..
- 1.8 "Basic Services" shall mean services necessary for the physical delivery of natural gas to a retail customer, consisting of natural gas distribution services and Natural Gas Supply Services.
- 1.9 "Billing Cycle" shall mean the regularly occurring period, of approximately 31 days, in which a Customer is billed for gas service. A Billing Cycle need not coincide with calendar month.

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## 1. DEFINITIONS (Continued)

- 1.10 "Choice Aggregation Nomination Group" shall mean a Customer or group of Customers electing Rate RDS or SCD organized pursuant to the requirements of the Choice Aggregation Service as specified in the Rules Applicable to Distribution Service section of this tariff.
- 1.11 "Choice Daily Delivery Requirement" shall mean the normalized daily delivery requirement for a Choice Aggregation Nomination Group, calculated by the Company pursuant to the requirements of Paragraph 4.9.2 of these Rules Applicable to Distribution Service.
- 1.12 "Choice EBB" shall mean the Company's electronic bulletin board ("EBB") which is used to submit Customers in the Choice service, obtaining Choice reports etc.
- 1.13 "Choice Primary FTS Daily Capacity Requirement" shall mean the Primary FTS capacity required to be held by an NGS for a Choice Aggregation Nomination Group in a quantity equal to the Choice Aggregation Nomination Group's estimated normalized annual usage divided by 365, converted to a Dth basis using the Company's annual average Btu content, and adjusted for Company use and Retainage.
- 1.14 "Choice Tariff" shall mean either Rate SCD or Rate RDS, Rider CC, these Rules Applicable to Distribution Service, as applicable for the particular Customer being served, as well as the Company's Rules and Regulations.
- 1.15 "City Gate" shall mean the point where interstate pipelines deliver gas into the Company's facilities.
- 1.16 "Commission" shall mean the Pennsylvania Public Utility Commission.
- 1.17 "Customer Proxy" generally means the entity that receives notices (e.g. OFOs, OMOs, SFOs etc), receives bills, and controls the gas bank account. Specifically, "Responsible Party" shall mean the Customer in circumstances described in paragraphs 1, 2 and 3 of the "Shipper" definition, and the Natural Gas Supplier in circumstances described by paragraph 4 of the "Shipper" definition.
- 1.18 "Delivery Point" shall mean the location at which the Company shall first receive the gas supply from an NGS.
- 1.19 "EBB" shall mean an Electronic Bulletin Board system.
- 1.20 "Favored Customer" shall mean any customer of an NGDC or its affiliated NGS which receives a benefit of economic value to retain that customer on the distribution system.
- 1.21 "FERC" shall mean the Federal Energy Regulatory Commission.

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- (iii) The term excludes an entity to the extent that it provides free gas to end-users under the terms of an oil or gas lease. Notwithstanding any other provision of 66 Pa.C.S. (relating to the Public Utility Code), an NGS that is not an NGDC is not a public utility as defined in 66 Pa.C.S. §102 (relating to definitions) to the extent that the NGS is utilizing the jurisdictional distribution facilities of an NGDC or is providing other services authorized by the Commission.
- 1.37 "Natural Gas Supply Services" shall mean the sale or arrangement of the sale of natural gas to retail customers and services that may be unbundled by the Commission under section 2203(3) of the Act. The term does not include distribution service.
- 1.38 "NGS Choice Distribution Aggregation Agreement" shall mean the contract between the NGS and the Company that specifies the terms and conditions for participation in the Choice Service. (C)
- 1.39 "Nomination EBB" shall mean the electronic bulletin board and nomination system, which is used for scheduling deliveries of gas on the Company's system.
- 1.40 "Paragraph" shall mean a numbered paragraph of these Rules Applicable to Distribution Service as well as all sub-paragraphs falling under that numbered paragraph.
- 1.41 "Primary FTS" with regard to Columbia Gas Transmission Corporation capacity, shall mean FTS which has a designated primary delivery point located in the same Pipeline Scheduling Point in which the Customer is located and has a designated primary receipt point at a location considered to be a point of generally available supply. "Primary FTS" with regard to any other transmission pipeline shall mean firm transportation service which has a designated primary delivery point located in the same Company Local Market Area in which the customer is located and has a designated primary receipt point at a location considered to be a point of generally available supply. (C)
- 1.42 "Reliability" comprises adequacy and security.
- 1.43 "Retainage" shall mean gas lost and unaccounted for in the Company's operations as more specifically defined in the Retainage paragraph of these Rules Applicable to Distribution Service.
- 1.44 "Rules and Regulations" shall mean the "Rules and Regulations Governing the Distribution and Sale of Gas" section of the Company's tariff.
- 1.45 "Security" means designing, maintaining and operating a system so that it can safely handle extreme conditions, as well as emergencies.
- 1.46 "Shipper" generally means the entity nominating gas service for distribution. Specifically, "Shipper" is defined as:
- 1.) a General Distribution Service Customer that nominates gas for Distribution; or
  - 2.) a Natural Gas Supplier that nominates the General Distribution Service Customer's gas for distribution, but which has not been appointed in writing as the Customer's agent by the Customer; or

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**2.13 RETROACTIVE PERIOD ADJUSTMENTS**

(C)

When the Company becomes aware of an overstatement or understatement of consumption or nominations on a customer's account for a previous period, the Company will adjust the customer's and/or the Aggregation Agent's account using the rates that were in effect for the month being adjusted.

**2.14 DEFAULT (OTHER THAN SLAMMING) BY THE NGS**

If the NGS breaches any Material Obligation it owes to the Company under its tariff, other than in instances of slamming, and fails to cure said breach within five business days after written notice from the Company, the Company shall have the right to prohibit the NGS from adding additional customers or to disqualify the NGS from operating on the Company's system entirely. Bankruptcy of the NGS is deemed to be an incident of default. In the event of an uncured breach, the Company may offset any and all amounts owed to it by the NGS against any and all amounts owed by the Company to the NGS, including without limitation, charges for imbalance gas sold by the Company, out of period adjustments to the NGS's account, amounts owed to the NGS for bank balances, and amounts owed to the Company for SFO, OFO, or OMO charges, etc. In the event a Choice NGS defaults and the Company is required to provide service to the NGS' customers at the rate which was contracted between the NGS and its customers (Section 2207 (K) of the Natural Gas Choice and Competition Act), the Company may also use any bank balance owed to the NGS to offset any incremental costs incurred by the Company in serving that NGS's customers. The Company reserves its rights to draw upon any bond or financial security instrument that may be required under the NGS Creditworthiness section in Paragraph 2 of the RADS and to pursue any and all damages it may incur as a result of a breach by the NGS.

**2.15 NONLIABILITY OF COMPANY**

The Company shall not be liable, under any circumstance or in any respect, to a Customer, to a producer of gas or to any other person or entity for damages arising either directly or indirectly from interruption, curtailment or termination of distribution service.

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**2.16 DUTIES UNDER FORCE MAJEURE CONDITIONS**

Other than the Responsible Party's obligation to make payments of amounts due hereunder and the Shipper's duty to provide adequate supplies of gas, in the event that either party hereto is rendered unable, wholly or in part, by force majeure, to carry out its obligations under this Schedule, it is agreed that upon notice of such force majeure in writing or by telephone to the other party as soon as reasonably possible after the occurrence of the cause relied on, the obligation of the party giving such notice, insofar as they are affected by such force majeure, shall be suspended during the continuation of any inability so caused, but for no longer period, and such cause shall be remedied by such party with all reasonable dispatch. Telephone notices given under the provisions of this Paragraph shall be confirmed in writing as soon as reasonably possible, and all notices hereunder shall specifically state the time and date when the force majeure became effective. The obligations under this Schedule shall not be terminated by reason of any such force majeure, but shall remain in full force and effect for the entire term specified herein. The term "force majeure" as used herein shall mean any natural catastrophe, fire, explosion, accident or other casualty, change in circumstances, law or governmental regulation or order (including, without limitation, any such law, regulation or order which curtails or interrupts, directly or indirectly, Customer's right to receive the gas supplied hereunder), strike or other labor dispute and any consequences thereof and other causes beyond the reasonable control of either of the parties hereto, and shall also include any change in any order of the Commission which alters or affects the Customer's right to take or retain the gas supplied hereunder.

**2.17 SOLE AND EXCLUSIVE REMEDIES**

The termination rights, cancellation rights, and interest payments and other remedies outlined in the Company's tariffs for non-performance herein shall be the Company's and the Customer Proxy's respective sole and exclusive remedies for such non-performance. In no event shall either party be liable for special, incidental, exemplary, punitive, indirect or consequential damages, including, but not limited to, loss of profit or revenue, cost of capital, cost of substitute products, downtime costs, or claims for damages by third parties upon Company or the Customer Proxy. This applies whether claims are based upon contract, warranty, tort, (including negligence and strict liability), or other theories of liability.

**2.18 NO WAIVER**

No waiver by either party of one or more defaults by the other in the performance of any provisions of these Rules Applicable to Distribution Service shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or of a different character.

**2.19 STANDARDS OF CONDUCT**

**2.19.1 General Requirements.** NGDCs and NGSs shall comply with the following requirements:

- 2.19.1.1 An NGDC shall apply its tariffs in a nondiscriminatory manner to its affiliated NGS and any nonaffiliated NGS.
- 2.19.1.2 An NGDC may not apply a tariff provision in a manner that would give its affiliated NGS preference over other NGSs with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, non-delivery, and other services provided to its affiliated NGS.
- 2.19.1.3 Mandatory tariff provisions may not be waived by an NGDC for an NGS absent prior approval of the Commission.
- 2.19.1.4 When a tariff provision is not mandatory or provides for waivers, an NGDC shall grant the waivers without preference to its affiliated NGS or non-affiliated NGS.
- 2.19.1.5 An NGDC shall maintain a chronological log of tariff provisions for which it has granted waivers. Entries must include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived and the reason for the waiver. The chronological log must be open for public inspection during normal business hours. When the NGDC maintains a website, it shall post the terms set forth in this paragraph on its website for at least 3 months.

- 2.19.1.6 An NGDC shall process requests for distribution services promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period. An NGDC shall maintain a chronological log showing the processing of requests for transportation services. The chronological log must be open for public inspection during normal business hours.
- 2.19.1.7 If an NGDC provides a distribution service discount, fee waiver or rebate to its favored customers, or to the favored customers of its affiliated NGS, the NGDC shall offer the same distribution service discount, fee waiver or rebate to other similarly situated customers. Offers may not be tied to an unrelated service, incentive or offer on behalf of either the NGDC or its affiliated NGS. A chronological log shall be maintained showing the date, party, time and rationale for the action. The chronological log must be open for public inspection during normal business hours.
- 2.19.1.8 Subject to customer privacy or confidentiality constraints, an NGDC may not disclose, directly or indirectly, any customer proprietary information to its affiliated NGS unless authorized by the customer. To the extent that an NGDC does disclose customer information without customer authorization, it shall first seek the permission of the customer consistent with its tariffs, any contractual obligations it may have to the customer or § 62.78 (relating to privacy of customer information) and, if that customer grants permission, contemporaneously provide this same information to other similarly situated NGSs in a similar fashion so as not to selectively disclose, delay disclosure or give itself or its affiliated NGS an advantage related to the disclosure. A chronological log shall be maintained showing the date, party, time and rationale for the disclosure. The chronological log must be open for public inspection during normal business hours. This paragraph does not apply to the disclosure of customer information made under a customer assistance program mandated by State law or regulation.
- 2.19.1.9 An NGDC shall reasonably allocate to its affiliated NGS the costs or expenses for general administration or support services provided to its affiliated NGS.
- 2.19.1.10 NGDCs may not condition or tie the provision of a product, service or price agreement by the NGDC, including release of interstate pipeline capacity to the provision of a product or service by its affiliated NGS.

- 2.19.1.11 An NGDC may not give its affiliated NGS preference over a non-affiliated NGS in the provision of goods and services including processing requests for information, complaints and responses to service interruptions. An NGDC shall provide comparable treatment in its provision of goods and services without regard to a customer's chosen NGS.
- 2.19.1.12 An NGDC and its affiliated NGS shall maintain separate books and records. Transactions between the NGDC and its affiliated NGS may not involve cross-subsidies. Shared facilities must be fully and transparently allocated between the NGDC function and the affiliated NGS function. The NGDC accounts and records must be maintained so that the costs incurred on behalf of an affiliated NGS are clearly identified.
- 2.19.1.13 NGDC employees who have responsibility for operating the distribution system, including natural gas delivery or billing and metering, as well as those responsible for marketing and customer service, may not be shared with an affiliated NGS, and their offices shall be physically separated from the office(s) used by those working for the affiliated NGS. NGDC employees may transfer to an affiliated NGS provided the transfer is not used as a means to circumvent these standards of conduct.
- 2.19.1.14 Neither the NGDC nor its affiliated NGS may directly, or by implication, falsely and unfairly represent to a customer, NGS or third party that an advantage may accrue to a party through use of the NGDC's affiliates or subsidiary, such as:
- (i) The Commission-regulated services provided by the NGDC are of a superior quality when services are purchased from its affiliated NGS.
  - (ii) The merchant services for natural gas are being provided by the NGDC when they are in fact being provided by an affiliated NGS.
  - (iii) The natural gas purchased from a nonaffiliated NGS may not be reliably delivered.

(iv) Natural gas shall be purchased from an affiliated NGS to receive Commission-regulated services.

2.19.1.15 When an affiliated NGS markets or communicates to the public using the NGDC name or logo, it shall include a legible disclaimer that states that:

(i) The affiliated NGS is not the same company as the NGDC.

(ii) The prices of the affiliated NGS are not regulated by the Commission.

(iii) A customer does not have to buy natural gas or other products from the affiliated NGS to receive the same quality of service from the NGDC.

2.19.1.16 When an affiliated NGS advertises or communicates verbally through radio or television to the public using the NGDC name or logo, the affiliated NGS shall include at the conclusion of the communication a legible disclaimer that includes all of the disclaimers in paragraph 2.18.15 (i) – (iii).

2.19.1.17 An NGDC may not:

(i) Jointly market or jointly package its Commission-regulated services with the services of an affiliated NGS.

(ii) Offer or provide to its affiliated NGS products or services, including bill inserts in its NGDC bills promoting an affiliated NGS's services or a link from the NGDC's web-site, unless the NGDC offers or provides these products or services to nonaffiliated NGSs on the same terms and conditions.

(iii) The restrictions in subparagraphs (i) and (ii) do not apply to competitive bid situations.

2.19.1.18 An NGDC may not offer or sell natural gas commodity or capacity to its affiliated NGS without simultaneously posting the offering electronically on a source generally available to the market or by otherwise making a sufficient offer to the market. The NGDC shall maintain a chronological log of these public disseminations. The chronological log must be open for public inspection during normal business hours.

2.19.1.19 An NGDC shall establish and file with the Commission complaint procedures for dealing with alleged violations of the standards of conduct, with the exception of paragraph 2.18.1.9, which is exclusively under the purview of the Commission. These procedures shall be developed in consultation with interested parties during consideration of tariffs guided by this section and § 69.191 (relating to general). The Commission may grant an exception to these requirements if warranted by the facts or circumstances.

2.19.1.20 An NGDC shall keep a chronological log of any complaints filed, excepting those filed to paragraph 2.18.1.9, regarding discriminatory treatment of NGSs. This chronological log must include the date and nature of the complaint and the resolution of the complaint. The chronological log must be open for inspection during normal business hours.

**2.19.2 Dispute Resolution Procedures.** In addition to the procedures in paragraph 2.18.1.19:

2.19.2.1 When a dispute between an NGDC, an affiliated NGS, or a nonaffiliated NGS, alleging a violation of the standards of conduct provisions occurs, the NGS shall provide the NGDC or affiliated NGS, as applicable, a written notice of dispute that includes the names of the parties and customers, if any, involved and a brief description of the matters in dispute.

2.19.2.2 Within five (5) days of an NGDC's or affiliated NGS's receipt of a notice of dispute, a designated senior representative of each party shall attempt to resolve the dispute on an informal basis.

2.19.2.3 If the representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of receipt, they shall refer the complaint to the Commission's Office of Administrative Law Judge for mediation § 69.392 (relating to availability of mediation process). A party may request mediation prior to that time if informal resolution is not productive.

2.19.2.4 A party may file a complaint concerning the dispute with the Commission under relevant provisions of 66 Pa. C.S. §§ 701-703 (relating to procedure on complaints) and §§ 5.21-5.31 (relating to formal complaints).

2.19.2.5 A complainant bears the burden of proof consistent with 66 Pa.C.S. § 332 (relating to procedures in general) in regard to the allegations and may request penalties for violations under to 66 Pa. C.S. § 3301 (relating to civil penalties for violations).

**2.19.3 Adoption as Company Policy.** An NGDC and its affiliated NGS shall formally adopt and implement these provisions as company policy and take appropriate steps to train and instruct its employees in their content and application.

## **2.20 COMPLAINT PROCEDURE**

If the Customer Proxy believes that the Company acted inconsistently with the terms of these Rules Applicable to Distribution Service, it may file a complaint with the Commission.

## **2.21 COMPLAINT PROCEDURE – VIOLATIONS OF STANDARDS OF CONDUCT**

Alleged violations of the Standards of Conduct shall be communicated by the NGS to the Company by written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute. Within five (5) days of receipt of a Notice of Dispute, the Company's General Counsel shall attempt to resolve the dispute on an informal basis. If the dispute is not resolved within thirty (30) days of the date of receipt of the Notice of Dispute, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. If mediation is not successful, the matter will be converted to a formal proceeding before a Commission Administrative Law Judge. Parties alleging violations of the Standards of Conduct may pursue their allegations through the Commission's established complaint procedures. A complainant bears the burden of proof consistent with 66 Pa. C.S. §322 in regard to the allegations and the Commission may impose penalties for such violations pursuant to 66 Pa. C.S. §3301. PA P.U.C. Docket No. M-00991249F004.

3.3.2.1.3 The Company has the right of access to the Customer's premises in order to read the meter(s), and, to the extent permitted by the Company's approved tariffs, the Company may require the installation of daily metering equipment and may require Customer to pay the associated costs, including: (1) the cost of the equipment, (2) the cost of installation, and (3) the cost of a telephone line to the meter. In certain instances, a dedicated telephone line may be required. The meter and any associated telemetering equipment shall remain the property of the Company.

3.3.2.1.4 In the General Distribution Application and Agreement, the Customer shall provide the Company with the names of two persons, along with their home, business, fax numbers and e-mail addresses (if available), who are to be contacted in the event that interruption of gas service is required under this Paragraph.

3.3.3 A General Distribution Service account may be returned to the applicable Sales Service rate if for a period of at least five (5) consecutive days in one billing month the Company, (C)

- (1) has not received gas supply for the account;
- (2) the account's bank balance is insufficient to cover the consumption or the customer did not have access to its bank balance due to the issuance of an OFO and/or OMO; and
- (3) the customer consumed gas on one or more days during such five (5) day period.

For a non-daily read account, the account may be returned to the applicable Sales Service rate at the end of a billing cycle if the above three conditions are met unless the customer furnishes proof that they did not consume gas on one or more days during such five (5) day period.

#### 3.4 ORDER OF GAS THROUGH THE METER.

3.4.1 Gas through the Customer's meter during each billing month shall be considered to have come from the following sources, in order of priority:

1. gas supplies which have reached the facilities of the Company on behalf of a Customer, including Customer-owned supplies.
2. The cumulative balance, if any, of excess deliveries in prior months.
3. Firm sales, if any, contracted by the Customer from the Company.
4. Imbalance gas provided by the Company as defined in Paragraph 3.11.1 of these Rules Applicable to Distribution Service.

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### 3.5 SYSTEM INTEGRITY MEASURES AND PROCEDURES

- 3.5.1 Operational Alert (OA). An operational alert ("OA") may be called during periods of projected increased or decreased consumer demand for, or supply of, natural gas which may cause system stress or threaten applicable storage or other pipeline contract limitations. An OA is a request for specific action on the part of an individual Customer Proxy, or all Customer Proxies. The Customer Proxies are expected to respond to OAs within 4 hours after the Company provided notice, informing the Company of their intended action(s). Where possible, an OA may be used to avoid an OFO or OMO but shall not be required as a condition to the issuance of an OFO or OMO.
- 3.5.2 Emergency Alerts (EAs). If an unforeseen emergency situation arises which could threaten the continuous adequate delivery of natural gas to a Customer, the Company will provide the Customer Proxy with as much notice as is reasonably possible under the emergency situation. Such notice shall be made by the medium most reasonably expected to reach the Customer Proxy in a timely manner, including but not limited to: telephonic, e-mail, facsimile, Nomination EBB, or personal contact. In such notice, the Company will advise the Customer Proxy of the unforeseen emergency situation, and the Customer Proxy is expected to comply with the Company's requests.
- 3.5.3 Seasonal Flow Orders (SFOs). As detailed below in the Seasonal Flow Order section of this Paragraph, the Company shall have the authority to issue SFOs whenever the Company believes that the seasonal supplies of Sales Service or Choice customers may be jeopardized. The Company may issue an SFO to Customer Proxies in instances including but not limited to the following: in order to prevent an excess of gas supply on the Company's system, to respond to an operational issue, or to direct Customer Proxies to direct their Shippers to adjust gas quantities being delivered to the Company to match GDS customers' estimated requirements to prevent shortages of seasonal supplies on the Company's system.
- 3.5.4 Operational Flow Orders (OFOs) and Operational Matching Orders (OMOs). The Company has the authority to issue OFOs and OMOs whenever the Company believes that the daily safe and/or reliable operation of its distribution system may be jeopardized including, without limitation, the need to protect the daily supply of Sales and Choice customers. The Company will endeavor to take all actions reasonably practicable to avoid issuing an OFO or OMO. In determining whether to issue an OFO or OMO the Company shall not be required to consider the availability of assets paid for by PGC and/or Choice Customers, or to acquire additional capacity or gas supply to serve GDS Customers (with the exception of volumes elected under Rate SS, and existing capacity for Rider EBS-Option 1). If the Company has the necessary information and conditions do not require a system-wide OFO or OMO, the Company may issue an OFO or OMO to an individual Customer Proxy or Customer Proxies, but this action shall not be a precondition for the Company to issue an OFO or OMO applicable to all GDS Customers or Customer Proxies. Where operationally feasible, the Company will endeavor to issue OFOs/OMOs by Pipeline Scheduling Point. (C)
- 3.5.5 Eligible Customer Proxies may meet the requirements of SFOs, OFOs and OMOs by subscribing to the Company's Flow Order Management Service as described in Paragraph 3 of these RADS.

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### 3.6 SEASONAL FLOW ORDERS (SFOs)

- 3.6.1 An SFO is a demand for specific actions on the part of Shippers that are serving GDS customers.
- 3.6.2 An SFO will be issued, to the extent possible, with a minimum of two business days notice to the affected parties.
- 3.6.3 The Company will have the authority to direct Customer Proxies to direct their Shippers to adjust daily scheduled volumes to a specified level (the SFO Level). The SFO Level may be necessary to restrict under-deliveries or over-deliveries as the Company deems appropriate.
- 3.6.3.1 For Customers without daily measuring devices, and for Customers that have elected to be governed as an OFO customer pursuant to the provisions of the Operational Matching Orders section of this Paragraph, the SFO Level will be determined by the Company based upon the Company's projection of usage by GDS customers during the period. Issuance of an SFO shall not prohibit issuance of an OFO/OMO if conditions warrant. To meet the daily SFO level, the Shipper may use gas volumes which are: 1) scheduled and delivered on that day to the Company in the same Pipeline Scheduling Point in which the Shipper's customer(s)'s facilities are located; 2) contracted for under Rate SS – Standby Service; 3) available on that day pursuant to the Rider EBS-Option 1; or 4) additional volumes that may be made available by the Company at its sole discretion including volumes delivered to a Local Market Area other than the Local Market Area where the Customer is located in accordance with Paragraph 2 of the RADS . (C)
- 3.6.3.2 For Customers with daily measuring devices, the Company shall have the authority to direct Customer Proxies to direct their Shippers to adjust Customer's daily consumption volumes or daily scheduled deliveries in order that daily scheduled deliveries (the SFO Level) match Customer's consumption. In order to determine the SFO Level the Company will include volumes: 1) scheduled and delivered on that day to the Company in the same Pipeline Scheduling Point in which the Shipper's customer(s)'s facilities are located; 2) contracted for under Rate SS – Standby Service; 3) available on that day pursuant to the Rider EBS-Option 1; or 4) additional volumes that may be made available to the Shipper by the Company at its sole discretion including volumes delivered to a Local Market Area other than the Local Market Area where the Customer is located in accordance with Paragraph 2 of the RADS. (C)
- 3.6.4 At the end of the normal billing month, the Company shall calculate the deliveries that the Shipper was required to deliver each day during the SFO as provided in the Seasonal Flow Order section in Paragraph 2 of the RADS. When a difference between the daily SFO Level and actual daily volumes available to meet the SFO Level exists, the following charges will be assessed on the difference:
- (1) If a Shipper under-delivers during an SFO that restricts under-deliveries, the charge for under-deliveries shall be calculated using the gas supply index identified in the Consumption in Excess of Deliveries section in Paragraph 3 of the RADS. The "Adjustment to Index Price" shall be the adjustment shown in the following table:

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Ratio of Under-Deliveries to Consumption	Adjustment to Index Price
0% - 10.00%	125%
10.01% and over	150%

- (2) If a Shipper over-delivers during an SFO that restricts over-deliveries, the charge for over-deliveries shall be calculated using the gas supply index identified in the Deliveries in Excess of Consumption section in this Paragraph 3 of the RADS; The "Adjustment to Index Price" shall be the adjustment shown in the following table:

Ratio of Over-Deliveries to Consumption	Adjustment to Index Price
0% - 10.00%	75%
10.01% and over	50%

- (3) The Customer Proxy shall also be required to pay all other charges incurred by the Company on the dates of the SFO that result from the Shipper's failure to comply with the SFO, including a proportionate share of any pipeline penalties that are incurred by the Company.

### 3.7 OPERATIONAL FLOW ORDERS (OFOs)

- 3.7.1 An OFO is a demand for specific actions on the part of Shippers that are serving Customers without daily measuring devices. All Customers without daily measuring devices are subject to the Company's issuance of OFOs.
- 3.7.2 An OFO will be issued, to the extent possible, with a minimum of eight (8) hours notice to the affected parties. Notice shall be made by the medium most reasonably expected to reach the Customer Proxy with as much notice as reasonably expected to reach the Customer Proxy in a timely manner, including but not limited to: e-mail, facsimile, or Nomination EBB. The notice will include the circumstance that warrants the issuance of the OFO or OMO, and it will explain why the actions are necessary. The notice will be provided via e-mail to the Pennsylvania P.U.C.
- 3.7.3 The Company will have the authority to direct Customer Proxies to direct their Shippers to adjust daily volumes to a specified level (the Daily OFO Level). Generally, during peak design day conditions, the Daily OFO Level will be equal to the then current maximum daily volume. Should expected conditions be different than peak design day conditions, the Daily OFO Level may be greater or less than the maximum daily volume specified in the Customer's General Distribution Application and Agreement. In order to determine compliance with the OFO the Shipper may use gas volumes which are: 1) scheduled and delivered on that day to the Company in the same Pipeline Scheduling Point in which the Shipper's customer(s)'s facilities are located; 2) contracted for under Rate SS – Standby Service; 3) available pursuant to the Rider EBS-Option 1; or 4) additional volumes that may be made available to the Shipper by the Company at its sole discretion including volumes delivered in accordance with the Limitation for Failure of Shipper to Provide Gas to the Company in Customer's Local Market Area section in Paragraph 2 of the RADS.

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3.7.4 When a difference between the Daily OFO Level and actual daily OFO compliance volumes to the Company exists, the following charges will be assessed to the Customer Proxy:

- (1) Twenty-five dollars (\$25.00) per Mcf on the difference, except however, the \$25.00 will not be assessed if the difference results from the Shipper delivering more than the Daily OFO Level during an OFO that restricts under-deliveries, or from the Shipper delivering less than the Daily OFO Level during an OFO that restricts over-deliveries; and,
- (2) The payment of all other charges incurred by the Company on the date of the OFO that results from the Shipper's failure to comply with the OFO, including a proportionate share of any pipeline penalties that are incurred by the Company.

(C)

### 3.8 OPERATIONAL MATCHING ORDERS (OMOs)

3.8.1 An OMO is a demand for specific actions on the part of Shippers that are serving Customers with daily measuring devices. All Customers with daily measuring devices, except as specified in the Operational Matching Order section in Paragraph 3 of the RADs, are subject to the Company's issuance of OMOs.

3.8.2 Customers that presently have daily measurement through a charted meter, but not an electronic meter, shall have the option of choosing to be governed by Operational Flow Orders as specified in this Paragraph 3 of the RADs. Customers will be able to exercise this option no more than one time each calendar year by notifying the Company in writing prior to November 1<sup>st</sup> of each year. Once an election is made, the customer's option will remain in effect until changed.

3.8.3 An OMO will be issued, to the extent possible, with a minimum of eight (8) hours notice to the affected parties. Notice shall be made by the medium most reasonably expected to reach the Customer Proxy with as much notice as reasonably expected to reach the Customer Proxy in a timely manner, including but not limited to: e-mail, facsimile, or Nomination EBB. The notice will include the circumstance that warrant the issuance of the OMO and explain why the actions required are necessary. The notice will be provided via e-mail to the PA PUC.

3.8.4 The Company shall have the authority to direct Customer Proxies to adjust Customer's daily consumption volumes or daily scheduled deliveries (Daily OMO Level) in order that daily scheduled deliveries match Customer's consumption. In order to comply with the OMO, the Shipper may use gas volumes which are: 1) scheduled and delivered on that day to the Company in the same Pipeline Scheduling Point in which the Shipper's customer(s)'s facilities are located; 2) contracted for under Rate SS – Standby Service; 3) available pursuant to the Rider EBS-Option 1; or 4) additional volumes that may be made available to the Shipper by the Company at its sole discretion including volumes delivered in accordance with the Limitation for Failure of Shipper to Provide Gas to the Company in Customer's Local Market Area section in Paragraph 2 of the RADs .

(C)

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3.8.5 When a difference exists between the Daily OMO Level and actual daily OMO compliance volumes, the following charges will be assessed:

- (1) Twenty-five dollars (\$25.00) per Mcf on the difference, except however, the \$25.00 will not be assessed if the difference results from the Shipper delivering more than the Daily OMO Level during an OMO that restricts under-deliveries, or from the Shipper delivering less than the Daily OMO Level during an OMO that restricts over-deliveries, and
- (2) Payment of all other charges incurred by the Company on the date of the OMO that result from the Shipper's failure to comply with the OMO, including a proportionate share of any pipeline penalties that are incurred by the Company.

(C)

### 3.9 LIMITATIONS ON NOMINATIONS

3.9.1 A Shipper shall not submit a daily gas supply nomination in excess of one hundred percent (100%) of the Customer's maximum daily quantity except with the Company's prior permission. The Company may reject a nomination to the extent it exceeds one hundred percent (100%) of a Customer's maximum daily quantity and confirm it at a level equal to the limit if the Shipper did not receive the Company's prior permission.

(C)

### 3.10 LIMITATIONS UPON EXCESS DELIVERIES

3.10.1 The Company reserves the right to limit its receipt of deliveries which are in excess of a Customer's consumption of gas for redelivery to a Customer on any given day ("Excess Deliveries") when such Excess Deliveries may cause the Company to incur penalties for exceeding its allowed daily or total Storage injection capacity of its supplying pipeline or other costs incurred to avoid or mitigate pipeline penalties. The level of the limitation shall be specified electronically by the Company to the Customer Proxy. The Company shall bill a proportionate share of the penalties and other costs that were incurred to avoid or mitigate pipeline penalties to all Customer Proxies whose Shipper fails to comply with the Company's limitation under this Paragraph.

### 3.11 CONSUMPTION IN EXCESS OF DELIVERIES

3.11.1 If, in any billing month, the Customer's consumption, plus retainage on the distribution system is greater than the sum of: (a) the volume of gas delivered to the Company's City Gate by the Shipper for the Customer's account during the billing month, plus (b) if the Customer Proxy subscribes to EBS-Option 1, access to banked gas volumes as permitted under EBS-Option 1., plus (c) bank transfers performed during that month, then such use shall be considered imbalance gas sold by the Company to the Customer Proxy.

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**3.13 LIMITATION WHERE A CUSTOMER PROXY HAS A POSITIVE BANK**

3.13.1 The drawdown of a positive bank is not a firm Distribution service, except as provided in Rider EBS-Option 1. Customer Proxies electing Rider EBS-Option 1 shall have firm access to positive banks as specified in Rider EBS-Option 1. For Customer Proxies electing Rider EBS-Option 2, the existence of a positive intra-month bank shall not prevent limitation of service to a Customer Proxy pursuant to the Limitations on Distribution Service section in Paragraph 2 of these Rules Applicable to Distribution Service, and drawdowns of positive banks may be prohibited whenever, in the Company's sole judgment, such prohibition is necessary to ensure that sufficient gas supplies are available to meet the daily or seasonal requirements of firm sales service Customers, or the balancing requirements of Choice Service Customers.

**3.14 FLOW ORDER MANAGEMENT SERVICE**

3.14.1 The Flow Order Management Service shall be available to Customers using more than 50,000 Mcf per year served under Rate LDS – Large Distribution Service and Rate MLS – Main Line Service that are not otherwise in an aggregation group. The service will allow the Large Volume GDS Customers located in the same Pipeline Scheduling Point either to group together themselves, or to nominate an NGS agent which shall group the customers together. Upon formation of such group, each member's compliance with a flow order shall be determined based upon the sum of the scheduled deliveries and the daily requirements of the group. (C)

3.14.2 During an SFO, OFO or OMO, if the group, as a whole, has scheduled adequate deliveries to comply with the SFO, OFO or OMO, then no penalties shall be assessed to any member of the group, regardless of whether that particular member complied with the SFO, OFO or OMO.

3.14.3 During an SFO, OFO or OMO, if the group, as a whole, has not scheduled adequate deliveries to comply with the SFO, OFO or OMO, then a penalty shall be calculated based upon the group's overall non-compliance with the SFO, OFO or OMO. The total penalty shall be divided by the number of members in the group, and that amount shall be billed to each member.

3.14.4 The Flow Order Management Service shall be made available for a fee of \$.0100 per Mcf. A signed agreement must be completed prior to August 15th of the year in which the Flow Order Management Service is to commence. Customers must subscribe to the Flow Order Management Service for an entire year, beginning in November.

**3.15 GENERAL DISTRIBUTION AGGREGATION SERVICE**

This service is for any NGS that has been elected to serve as an Aggregation Agent by a General Distribution Customer, to be primarily responsible for delivering natural gas to the Company's City Gate on behalf of the Customer. The Aggregation Agent will be responsible, on an aggregate basis, for scheduling and nominating gas, for banking and balancing, receiving notices on behalf of the Customer, and for all other activities associated with the provision of the Natural Gas Supply Services.

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3.15.1 Conditions:

- 3.15.1.1 Any NGS electing Aggregation service must sign an Aggregation service agreement. (C)
- 3.15.1.2 Aggregation Agents will be allowed to establish one or more Aggregation Nomination Groups. Customers in an Aggregation Nomination Group must be located within the same Company Local Market Area and the same Pipeline Scheduling Point. Aggregation Agents must provide written notice to the Company that a Customer has elected to be in an Aggregation Nomination Group. The written notice must include the name of the Customer and the Customer's account number. Aggregation Nomination Groups must be comprised solely of General Distribution Service Customers. (C)
- 3.15.1.3 The Aggregation Agent shall use its best efforts to achieve a balance between its deliveries and its Aggregation Nomination Group's total usage both on a daily and monthly basis, for each Aggregation Nomination Group. The Company reserves the right: (1) to require an Aggregation Agent to balance deliveries and takes of gas; or (2) to require a reasonably uniform daily delivery rate of gas which, at month's end, will equal the Aggregation Nomination Group's requirements for each Aggregation Nomination Group.
- 3.15.1.4 Aggregation Nomination Groups may include Customers taking service under any GDS rate schedule, except rate SGS - Priority One. Customers taking service under rate SGS – Priority One must always be placed into a separate Aggregation Nomination Group. Each Aggregation Nomination Group must contain only Customers that have elected the same option under Rider EBS.
- 3.15.1.5 An Aggregation Agent shall supply its Aggregation Nomination Group's full service requirements for natural gas. The Aggregation Agent accepts supply co-management responsibility as defined hereinafter.
- 3.15.1.6 Supply Co-Management Defined. The Aggregation Agent agrees to deliver gas supplies into the Company's designated City Gate receipt points on a daily basis, in accordance with the aggregate usage requirements of all those Customers that comprise the Aggregation Agent's Aggregation Nomination Group. For those General Distribution Service Customers which are members of Aggregation Agent's Aggregations Nomination Group without daily measurement, the Aggregation Agent agrees to the Company's estimate of takes and the Aggregation Agent agrees to pay all charges assessed by the Company as provided in the OFO paragraph of the Rules Applicable to Distribution Service. (C)
- 3.15.1.7 The Aggregation Agent shall also be required to balance its gas deliveries into the Company's system with the estimated overall usage levels of each individual Aggregation Nomination Group, in accordance with the provisions of Rider EBS.

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3.15.1.8 The Company will provide the actual usage data for each Customer in that Aggregation Agent's Aggregation Nomination Group. The actual usage data provided will be for the Customer's most recent billing period as Customers are billed by the Company for Rates SGS-DS, SDS, LDS and MLS.

3.15.1.9 The Aggregation Agent's distribution quantities shall be determined from the Company's "Monthly Summary Billing Report." The "Monthly Summary Billing Report" reflects Customer's actual billed distribution volumes as reported to the Aggregation Agent, as generated within the Company's revenue reporting system.

3.15.2 Aggregation Service Under Rider EBS

3.15.2.1 The Aggregation Agent will be allowed to aggregate all participating individual Customer's volumes and any applicable bank tolerances for the purposes of administering Rider EBS.

3.15.2.2 Should a Customer, either by itself or through its Aggregation Agent terminate its General Distribution Aggregation Service, or its General Distribution Service, no portion of the aggregate bank will be assigned to the Customer. Should all the Customers in an Aggregation Nomination Group, either by themselves or through their Aggregation Agent, terminate their General Distribution Aggregation Service or their General Distribution Service, and the Aggregation Agent has no other Aggregation Nomination Group to transfer the volume bank, then the bank may be purchased by the Company at a price determined in accordance with Paragraph 3.12.4.

3.15.2.3 At the close of each business month, an accounting will be made comparing the total volumes delivered into the Aggregation Nomination Group versus the consumption of the Customers within the Aggregation Nomination Group. For Nomination Aggregation Groups comprised of customers electing Rider EBS-Option 1 or Rider EBS-Option 2, the accounting shall compare the Nomination Aggregation Group's total monthly deliveries to its total monthly consumption. For Nomination Aggregation Groups comprised of customers electing Rider EBS-Option 3, the accounting shall compare the Nomination Aggregation Group's total deliveries on each day of the month to its total consumption for that day.

3.15.2.4 Should the total consumption of the Nomination Aggregation Group exceed its total deliveries, adjusted for unaccounted-for gas and appropriate Customer's Btu adjustments, plus for Nomination Aggregation Groups comprised of customers electing Rider EBS-Option 1, any volume bank from the previous month, the Aggregation Agent shall be charged an amount for recovery of purchased gas costs as set forth in Paragraph 3.11 of these Rules Applicable to Distribution Service plus the non-gas portion of commodity rates contained in the first block of Rate SGS - Small General Service.

#### 4.3 APPLICATION PROCESS

- 4.3.1 In addition to the Initial NGS Application, all NGSs must enter into an agreement in the form prescribed by the Company prior to providing Natural Gas Supply Service to Choice Customers under these Rules Applicable to Distribution Service (“NGS Choice Distribution Aggregation Agreement”). The NGS Choice Distribution Aggregation Agreement shall specify: the name, address and telephone number of the NGS, the name, address, telephone and fax numbers to which all notices are to be delivered, an e-mail address (if available), the source of the gas, the delivery point to the Company, the NGS’s billing option selection, and the NGS’s Rate Statement Information. If any of the information on the NGS Choice Distribution Aggregation Agreement changes, the NGS shall submit an updated NGS Choice Distribution Aggregation Agreement specifying the changes. (C)
- 4.3.2 Within sixty (60) days of receipt of all necessary information requested by the Company to evaluate a NGS Choice Distribution Aggregation Agreement, the Company will respond to the NGS Choice Distribution Aggregation Agreement and either agree to supply service or to deny service. If the Company refuses to provide service under the Rules Applicable Only to Choice Distribution Service section of this these Rules Applicable to Distribution Service, the Company shall provide detailed support for its decision. (C)

#### 4.4 CHARACTER OF SERVICE TO BE RENDERED

- 4.4.1 The NGS shall be responsible for obtaining the entire gas supply for each of its Choice Aggregation Nomination Groups. The NGS shall obtain interstate pipeline firm capacity either from the Company or if permitted under these Rules Applicable to Distribution Service, from another source to ensure that the Customer receives Firm Service in accordance with the provisions of the tariff, and the NGS shall obtain adequate gas supplies to ensure that the Customer receives Firm Service in accordance with the provisions of the tariff. The Company shall remain responsible for distributing the gas pursuant to the Company’s obligations under its tariffs.
- 4.4.2 Service Obligations of the Supplier of Last Resort. The Supplier of Last Resort (“SOLR”) is the Company. The following services will be provided by the SOLR: Natural Gas Supply Service to those Customers who have not chosen an alternative NGS or who choose to be serviced by their SOLR; Natural Gas Supply Services to those Customers who are refused supply service from an NGS; or Natural Gas Supply Services to those Customers whose NGS has failed to deliver its requirements. PA. P.U.C. Docket No. L-00990144.

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- 4.6.7 Customer Requests to Discontinue Distribution Service. If the Customer orally contacts the Company to request a disconnection of service, the Company will verify whether the Customer wants to discontinue Distribution Service at the present service address, or whether the Customer wants to discontinue receiving Natural Gas Supply services from their current NGS. If the Customer wants to discontinue Distribution Service, the Company shall proceed pursuant to Rule 19 of its tariff, and the Company will notify the Customer's NGS that the Customer has ceased taking Distribution Service, and the Company will inform the Customer that the Company is notifying the NGS. If the Customer informs the Company that the Customer wants only to discontinue taking Natural Gas Supply Services from that NGS, the Company will inform the Customer that it is to contact its NGS.

#### 4.7 CHOICE AGGREGATION SERVICE

- 4.7.1 Aggregation Service is a service provided by the Company that allows Aggregation Agents to deliver to the Company on an aggregated basis those natural gas supplies that are needed to satisfy the requirements of the customers on Distribution Service and in accordance to the rules that the Company has established regarding Choice Service. (C)
- 4.7.2 All Choice Customers must belong to a Choice Aggregation Nomination Group. The Customer's NGS shall serve as the Aggregation Agent. The Aggregation Agent will be responsible, on an aggregate basis, for scheduling and nominating gas volumes specified by the Company. (C)
- 4.7.3 Conditions:
- 4.7.3.1 Aggregation Agents will be allowed to establish one or more Choice Aggregation Nomination Groups. Customers in a Choice Aggregation Nomination Group must be located within the Company's system and the same Pipeline Scheduling Point. Aggregation Agents must provide written notice to the Company that they want a Customer to be in a Choice Aggregation Nomination Group, which shall be performed through a submission on the Choice EBB. Choice Aggregation Nomination Groups must be comprised solely of Choice Customers. (C)
- 4.7.3.2 NGS shall supply its Choice Aggregation Nomination Groups' Choice Daily Delivery Requirement for natural gas on both a daily and monthly basis. NGS accepts supply co-management responsibility as defined hereinafter.
- 4.7.3.3 Supply Co-Management Defined. NGS agrees to deliver gas supplies into the Company's designated City Gate receipt points on a daily basis, in an amount equal to the Choice Daily Delivery Requirement of each of the NGS's Choice Aggregation Nomination Group. NGS agrees to the Company's estimate of takes and NGS agrees to pay all charges assessed by the Company as provided in Paragraph 4.11.

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- 4.8.4 Subject to the Company's obligations concerning its Acquisition Process for New and Renewed Capacity under the Joint Petition for Settlement of Restructuring Filing in Docket No. R-00994781, should the Company decide to terminate its capacity on Columbia Gas Transmission Corporation or Columbia Gulf Transmission Company, any capacity assignment will terminate no later than the end of the term of the Company's service agreement with the pipeline. It shall be the responsibility of the NGS to acquire Primary FTS subsequent to such termination.
- 4.8.5 The NGS will at all times be responsible for operating the assigned capacity consistent with the terms and conditions set forth in the tariffs of the Company and the applicable pipeline companies.
- 4.8.6 Insufficient Capacity. The Company may require that the NGS verify that the Other Primary FTS contract rights exist. The NGS shall comply with the Company's request for verification. The failure or inability of the Company to verify the existence of such contract rights shall not relieve the NGS from any liability for failing to deliver gas, or subject the Company to any liability resulting from the NGS's failure to deliver. The Company may require the NGS to demonstrate in writing, and the NGS shall have the obligation to demonstrate in writing that: (a) The NGS has under contract sufficient firm capacity; AND (b) the NGS utilized such capacity to schedule sufficient supplies at the delivery points specified in the NGS Choice Distribution Aggregation Agreement to meet the needs of Customers served under these Rules Applicable to Distribution Service, and the pipeline confirmed such schedule to said delivery points. Failure to demonstrate that sufficient Other Primary FTS capacity was held shall subject the NGS to bear its respective share of any and all costs incurred by the Company as a result of the NGS's failure. Should an NGS fail to demonstrate that it held adequate capacity on a day when an OFO was in effect, the NGS shall be subject to the penalty provision described in Paragraph 4.11 of these Rules Applicable to Distribution Service, and the fees set forth in Paragraph 4.12. On any and all days in which the NGS's delivery of gas does not match the total requirements of all of the NGS's Choice Aggregation Nomination Groups, the NGS shall pay the Company the fees set forth in Paragraph 4.12 of these Rules Applicable to Distribution Service. (C)

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4.9.4 Commencement of Natural Gas Supply Service. For Customers which were submitted to the Choice EBB by the 15<sup>th</sup> of the current month, the NGS is obligated to begin flowing gas in the amount of its Choice Daily Delivery Requirement on the first day of the following month. For Customers which were submitted to the Choice EBB after the 15<sup>th</sup> of the current month, the NGS is obligated to begin flowing gas on the first day of the second following month. During the interim period, the Customer shall be served by his existing Natural Gas Provider.

4.9.5 Delivery Requirements.

4.9.5.1 NGSs must make firm deliveries to the Company on any and all days which shall meet the Choice Daily Delivery Requirements of each of the NGS's Choice Aggregation Nomination Groups. The NGS must deliver the Choice Daily Delivery Requirement, which must be firm supply for the months of November through March, and which must be of a quality acceptable to the Company, and the NGS must have made, or cause to be made, arrangements by which such gas supply can be transported directly to the Company's system in the Local Market Area in which the Customer is located on a firm basis, unless otherwise permitted by the Company in writing.

4.9.5.2 Delivery Point Request. In the NGS Choice Distribution Aggregation Agreement, the NGS may request to use delivery points other than those located within the Local Market Area in which their customers are located. The Company shall review such requests from all NGSs participating in the Choice Service and notify the NGS of the delivery points acceptable to the Company. (C)

4.9.5.3 Selection of Delivery Points. The Company shall employ the following criteria in determining whether to accept the NGS's request to use a specified firm delivery point:

4.9.5.3.1 In instances where the NGS desires to utilize Columbia Gas Transmission Corporation as its upstream transporting pipeline, the NGS shall make firm deliveries to the Company by making deliveries using Primary FTS.

(C) Indicates Change

4.9.5.3.2

In instances where the NGS desires to utilize a pipeline other than Columbia Gas Transmission Corporation as its upstream transporting pipeline, the firm delivery points to the Company shall be located in the Local Market Area in which the Customer is located; provided, however, that the Company will accept a firm delivery point(s) located in a Company Local Market Area other than the one in which the Customer is located, subject to the following conditions: (a) the use of such delivery point shall in no way impair, interfere or economically harm the Company's delivery of system supplies for retail Customers at such delivery point(s), including but not limited to being directed by the interstate pipeline supplier to limit the its receipts of gas in order to comply with the interstate pipeline supplier's FERC approved tariff, (b) there is sufficient market absorption capability in the Local Market Area to accommodate the volumes to be delivered by the NGS, taking into account prior agreements to receive gas from other NGSs into that Local Market Area, (c) both the Local Market Area into which deliveries are to be made and the Local Market Area in which the Customer is located are also served by Columbia Gas Transmission Corporation in the same Pipeline Scheduling Point. In any instance in which multiple NGSs request to utilize the same firm delivery point and the Company has determined that insufficient capacity exists to accommodate all such requests, the Company shall give priority to those NGSs who serve Customers located in the same Local Market Area served by the delivery point.

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4.9.6 Insufficient Supplies. In the event that the NGS fails to deliver its Choice Daily Delivery Requirement to the Company, the Company shall have the right to require the NGS to demonstrate, and the NGS shall have the obligation to demonstrate that the NGS scheduled sufficient supplies at the delivery points specified in the NGS Choice Distribution Aggregation Agreement to meet its Choice Daily Delivery Requirements for each of its Choice Aggregation Nomination Groups, and that the pipeline confirmed such schedule to said delivery points. Failure to demonstrate that the Choice Daily Delivery Requirement was made to any market or interstate pipeline interconnection shall subject the NGS to bear its respective share of any and all costs incurred by the Company as a result of the NGS's failure. Should an NGS fail to demonstrate that it delivered its Choice Daily Delivery Requirement for each of its Choice Aggregation Nomination Groups on a day when an OFO was in effect, the NGS shall be subject to the penalty provision described in these Rules Applicable to Distribution Service Paragraph 4.11, and the fees set forth in Paragraph 4.12. On any and all days in which the NGS's delivery of gas does not match the Choice Daily Delivery Requirement of each of the NGS's Choice Aggregation Nomination Group, the NGS shall pay the Company the fees set forth in Paragraph 4.12 herein. (C)

4.9.7 Adjustment to Choice Daily Delivery Requirements. The Company, at its discretion, may compare actual and weather normalized consumption immediately following the winter period. The Company may require any NGS to adjust the NGS's Choice Daily Delivery Requirements during the months of May, and June for the difference between the Choice Aggregation Nomination Group's actual consumption and weather normalized consumption.

#### 4.10 OPERATIONAL REQUIREMENTS

4.10.1 In order to provide those Customers who are located in Local Market Areas served by an interstate pipeline other than Columbia Gas Transmission Corporation a fair opportunity to obtain choice of an NGS, the Company may implement one of the following procedures:

4.10.1.1 The Company may require all NGSs under this Schedule to accept assignment of capacity on interstate pipelines other than Columbia Gas Transmission in an amount which is proportional to the number of Customers served by the NGS divided by all Customers eligible for Choice Service.

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- 4.10.1.2 The Company may retain, renew or replace the interstate pipeline capacity on the interstate pipeline other than Columbia Gas Transmission and require NGSs under this Schedule, if authorized by FERC rules or orders, to deliver a portion of supplies required by this Schedule into such capacity with such proportion determined as in Paragraph 4.10.1.1, or
- 4.10.1.3 The Company may make a payment to one or more NGSs to accept assignment of such capacity and use such capacity to meet the requirements of Customers. Such payment shall be recoverable by the Company from Customers. To the extent that such payment does not increase sales rates over levels which would be charged if the Company retained such capacity, it shall be recovered under the Purchased Gas Cost Rider from sales Customers and Customers subject to this Schedule. Any excess over such amount shall be recoverable under Rider CC.
- 4.10.2 The "Calculation of Demand Cost for Customers Electing Choice Service" provisions of the Purchased Gas Cost Rider shall be deemed modified to the extent necessary consistent with the Company's implementation of one of the foregoing procedures.
- 4.10.3 In the event an OFO limits deliveries to the Company via FTS capacity below the level of any capacity assigned, the unused FTS capacity may be reassigned by the assignee for the duration of the OFO event. The NGS shall be required, prior to the end of the year for which the capacity was assigned, to deliver additional volumes via ITS equal to the volumes not delivered via FTS capacity during the OFO event.

**4.11 OPERATIONAL FLOW ORDERS (OFOs)**

- 4.11.1 All Choice NGSs are subject to the Company's issuance of OFOs. The Company will have the authority to direct NGSs to adjust daily scheduled volumes to a specified level. Generally, during peak design day conditions, this specified level will be equal to the Choice Daily Delivery Requirement. Should conditions be greater or less than peak design day conditions, the specified level of the OFO may be greater or less than the Choice Daily Delivery Requirement.
- 4.11.2 When a difference between the daily OFO volume and actual daily scheduled deliveries to the Company exist, the following charges will be assessed:
- (1) Fifty dollars (\$50.00) per Mcf on the difference; and, (C)
  - (2) The payment of all other charges incurred by the Company on the date of the OFO that results from the NGS's failure to comply with the OFO including a proportionate share of any pipeline penalties that are incurred by the Company.

4.12 RATES

- 4.12.1 Customers served under Rate Schedules RDS and SCD will be billed all applicable charges under the rate schedule. The Customer, or Customer's NGS, shall pay directly to the interstate pipelines the charges for any assigned pipeline capacity.
- 4.12.2 For NGSs providing service under these Rules Applicable to Distribution Service, the following fees shall be assessed to the NGS:
- NGS One-time Application Fee: \$390.00
- 4.12.3 In addition the following billing fees will apply:
- Billed Account Adjustments: \$1,000.00 processing fee per adjustment plus;  
\$ 1.00 per adjusted account
- 4.12.4 Delivered Volumes. All volumes billed to Customers under these Rules Applicable to Distribution Service shall be considered actual volumes delivered, whether the meter reading is an actual or a calculated reading.
- 4.12.5 In recognition of the fact that the NGS is required to deliver the Choice Daily Delivery Requirement for each of its Choice Aggregation Nomination Groups, failure to deliver the Choice Daily Delivery Requirement for any Choice Aggregation Nomination Group shall subject the NGS to a charge on the difference between the Choice Daily Delivery Requirement and the actual daily deliveries. The Operational Flow Orders paragraph included in these Rules Applicable Only to Choice Service specifies the charge for days in which an SFO, OFO or OMO is in effect. For days in which an SFO, OFO or OMO is not in effect the charge will be twenty five dollars (\$25.00) per Mcf. In addition the NGS will be responsible for the payment of all other charges or costs incurred by the Company that result from the NGS's failure to deliver as required, including a proportionate share of any pipeline penalties incurred by the Company. In addition, the NGS will be required to deliver the remaining portion of its Choice Aggregation Nomination Group's estimated normalized usage via ITS in the summer months defined as April through October, unless the Company authorizes a lower or higher level of deliveries via ITS.

(C)

(C) Indicates Change

#### 4.13 COMPANY BILLING OF NGSs

- 4.13.1 Commodity Billing Services. The NGS may choose to bill the Customer directly for the gas (Option 1 below), or the NGS may choose to have the Company bill the Customer for gas (Option 2 below). The Customer has the option to receive a consolidated bill by the Company which contains the NGS charges in a format that complies with the Commission's Customer Information and Disclosure Guidelines, unless the Customer's contract with the NGS provides for separate billing. M-00991249F0005. Regardless of which option is chosen by the NGS, the NGS assumes full responsibility for non-payment of the NGS's portion of the Customer's bill. A Customer may not be disconnected from the Company's system unless the Customer failed to meet their obligations to the Company, and only after it follows Chapter 56 termination provisions. The Company shall not threaten to terminate Customers for non-payment of the NGS's gas supply charges. The Company will not make payment of NGS provided gas supply charges a condition for the restoration of service. PA. P.U.C. Docket No. M-00991249F003
- 4.13.2 Adjustment of Accounts. If the NGS discontinues participation under this Schedule for any reason, the Company reserves the right to adjust the NGS's accounts to correct any prior errors for a period of twelve (12) months after the NGS discontinues participation. If the Customer discontinues participation under this Schedule for any reason, or if the Customer discontinues the NGS's service, the Company reserves the right to adjust the NGS's accounts to correct any prior errors for a period of twelve (12) months after the Customer has discontinued service.
- 4.13.3 Billing Option Selection. The NGS shall specify its initial Billing Option Selection as part of the NGS Choice Distribution Aggregation Agreement process. Thereafter, if the NGS desires to change its Billing Option Selection, it may do one time each calendar year by resubmitting a copy of the NGS Choice Distribution Aggregation Agreement with the desired Billing Option Selection specified. In the NGS Choice Distribution Aggregation Agreement, the NGS must select one of the following options: (C)
- 4.13.3.1 Billing Option 1: NGS Billing Service. The NGS shall bill the Customers for the gas. The NGS shall not bill the Customer for any services provided by the Company under its tariffs and the NGS agrees not to request its Customers to list the NGS's address as the address for Distribution billings. The Company shall provide the NGS with meter reading information and other reports in the Company's standard printed or electronic format on a monthly basis corresponding to the Company's Billing Cycle. The Company shall provide the NGS with said meter reading information no later than ten (10) days after the last day of each Billing Cycle. NGSs who are providing billing services shall comply with the billing and payment provisions set forth in 52 Pa. Code §§ 56.11-56.12, except § 56.15(12) and (13), and § 56.16(b)-(d). This obligation includes the obligation to offer residential customers equal monthly payment arrangements or "budget billing," as set forth in 52 Pa. Code § 56.12(7). NGSs shall abide by the credit determination and cash deposit standards set forth in 52 Pa. Code §§ 56.31-56.38, not including the obligation to serve as supplier of last resort.

(C) Indicates Change

Issued:

M. Carol Fox  
Senior Vice-President

Effective:

4.9.5.3.2

In instances where the NGS desires to utilize a pipeline other than Columbia Gas Transmission Corporation as its upstream transporting pipeline, the firm delivery points to the Company shall be located in the Local Market Area in which the Customer is located; provided, however, that the Company will accept a firm delivery point(s) located in a Company Local Market Area other than the one in which the Customer is located, subject to the following conditions: (a) the use of such delivery point shall in no way impair, interfere or economically harm the Company's delivery of system supplies for retail Customers at such delivery point(s), including but not limited to being directed by the interstate pipeline supplier to limit the its receipts of gas in order to comply with the interstate pipeline supplier's FERC approved tariff, (b) there is sufficient market absorption capability in the Local Market Area to accommodate the volumes to be delivered by the NGS, taking into account prior agreements to receive gas from other NGSs into that Local Market Area, (c) both the Local Market Area into which deliveries are to be made and the Local Market Area in which the Customer is located are also served by Columbia Gas Transmission Corporation in the same Pipeline Scheduling Point. In any instance in which multiple NGSs request to utilize the same firm delivery point and the Company has determined that insufficient capacity exists to accommodate all such requests, the Company shall give priority to those NGSs who serve Customers located in the same Local Market Area served by the delivery point.

(C) Indicates Change

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Issued:

M. Carol Fox  
Senior Vice-President

Effective: