

REDLINE VERSION OF TARIFF

UGI CENTRAL PENN GAS, INC.
GAS TARIFF
INCLUDING THE GAS SERVICE TARIFF
AND
THE CHOICE SUPPLIER TARIFF

Rates and Rules Governing the Furnishing of

Natural Gas Service

In

The Territory Described Herein

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Issued By:

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NOTICE

LIST OF CHANGES MADE BY THIS SUPPLEMENT
(Page Numbers Refer to Official Tariff)

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Description of Territory

ADAMS COUNTY

Townships

Cumberland Freedom

ARMSTRONG COUNTY

Cities

Parker

BEDFORD COUNTY

Boroughs

Bedford Everett

Townships

Bedford Snake Spring Valley
Colerain Napier West Providence

BERKS COUNTY

Boroughs

Hamburg Shoemakersville Leesport

Townships

Centre Perry Tilden Windsor

BLAIR COUNTY

Boroughs

Martinsburg Roaring Spring

Townships

Huston North Woodbury Taylor Woodbury

BRADFORD COUNTY

Boroughs

Alba Canton Sylvania Troy
Burlington

Townships

Armenia Columbia Ridgebury Troy
Burlington Granville Smithfield Wells
Canton LeRoy South Creek West Burlington
Springfield Ulster

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Description of Territory

CARBON COUNTY

Boroughs

Bowmanstown	Lehighton	Palmerton	Weissport
Jim Thorpe			

Townships

East Penn	Lower Towamensing	Mahoning (part)	
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CENTRE COUNTY

Boroughs

Philipsburg	South Philipsburg		
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Townships

Rush

CHESTER COUNTY

Boroughs

Oxford

Townships

East Nottingham	Lower Oxford	Upper Oxford	West Nottingham
Elk			

CLARION COUNTY

Boroughs

Callensburg

Townships

Ashland	Highland	Monroe	Salem
Beaver	Knox	Paint	Toby
Clarion	Licking	Perry	Washington
Elk	Limestone	Piney	
Farmington	Millcreek	Richland	

CLEARFIELD COUNTY

Boroughs

Chester Hill	Curwensville	Wallaceton
Clearfield and Environs		

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Description of Territory

Townships

Boggs	Decatur	Lawrence	Pike
Bradford	Knox	Morris	

CLINTON COUNTY

Cities

Lock Haven

Boroughs

Avis	Flemington	Renovo	South Renovo
Beech Creek	Mill Hall		

Townships

Allison	Bald Eagle	Chapman	Noyes
Beech Creek (portion)	Castanea	Dunnstable	Pine Creek

COLUMBIA COUNTY

Boroughs

Centralia

Townships

Conyngham

CUMBERLAND COUNTY

Boroughs

Shippensburg

Townships

Shippensburg	Southampton
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FOREST COUNTY

Boroughs

Tionesta

Townships

Barnett	Harmony	Tionesta
Green	Jenks	

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Description of Territory

FRANKLIN COUNTY

Boroughs

Orrstown Shippensburg Waynesboro

Townships

Greene Guilford Southampton Washington
(portion) (portion)

FULTON COUNTY

Boroughs

McConnellsburg

Townships

Ayr (portion) Todd

HUNTINGDON COUNTY

Boroughs

Huntingdon Mapleton Mill Creek Mount Union

Townships

Brady Juniata Shirley Union
Henderson Oneida Smithfield Walker

JEFFERSON COUNTY

Boroughs

Summerville

Townships

Barnett

JUNIATA COUNTY

Townships

Tuscarora Lack

LANCASTER COUNTY

Townships

Colerain Little Britain

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Description of Territory

LEHIGH COUNTY

Boroughs

Slatington

Townships

Washington

LUZERNE COUNTY

Cities

Pittston

Boroughs

Exeter
Hughestown

Laflin
(portion)

Pittston
West Pittston

Yatesville
(portion)

Townships

Jenkins
(portion)

Pittston

LYCOMING COUNTY

Boroughs

Hughesville

Jersey Shore

Picture Rocks

Salladsburg

Townships

Jackson
Mifflin (portion)
McNett
Nippenose

Penn (portion)
Piatt

Porter
Shrewsbury
(portion)

Wolf (portion)

MCKEAN COUNTY

Boroughs

Eldred

Port Allegany

Townships

Annin
Ceres

Eldred
Hamlin

Keating
Liberty

Norwich
Otto
Sergeant

MIFFLIN COUNTY

Boroughs

Burnham

Juniata Terrace

Lewistown

McVeytown

Townships

Armagh
Bratton

Brown
Derry

Granville
Menno

Union

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MONROE COUNTY

Boroughs

Delaware Water Gap East Stroudsburg Stroudsburg

Townships

Eldred Middle Smithfield Ross Stroud
Hamilton Pocono Smithfield

MONTOUR COUNTY

Township

Liberty (portion)

NORTHAMPTON COUNTY

Boroughs

Bangor Pen Argyl & Vicinity Walnutport Wind Gap
East Bangor Roseto Portland

Townships

Bushkill Plainfield Upper Mt. Bethel Washington

NORTHUMBERLAND COUNTY

Cities

Shamokin Sunbury

Boroughs

Kulpmont Marion Heights Mount Carmel Snyderstown

Townships

Coal Little Mahanoy Ralpho Washington
East Cameron Lower Augusta Rockefeller West Cameron
Jordan Mount Carmel Shamokin Zerbe
East Chillisquaque
(portion)

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POTTER COUNTY

Boroughs

Austin	Coudersport	Hebron	Shinglehouse
Bingham	Galeton	Oswayo	Ulysses

Townships

Abbott	Hector	Pleasant Valley	Sylvania
Allegany	Hebron	Portage	Ulysses
Clara	Homer	Roulette	West Branch
Eulalia	Keating	Sharon	Wharton
Genesee	Oswayo	Summit	
Harrison	Pike	Sweden	

SCHUYLKILL COUNTY

Cities

Pottsville

Boroughs

Ashland	Gilberton	Middleport	Palo Alto
Auburn	Girardville	Minersville	Port Carbon
Cressona	Gordon	Mount Carbon	Port Clinton
Deer Lake	Landingville	New Philadelphia	Ringtown
Frackville	Mechanicsville	Orwigsburg	St. Clair
			Schuylkill Haven

Townships

Blythe	Foster	North Manheim	Upper Mahantongo
Branch	Hubley	Norweigan	South Manheim
Butler	Mahanoy (portion)	Ryan	West Brunswick
East Norwegian	New Castle	Union	West Mahanoy

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TIOGA COUNTY

Boroughs

Blossburg	Lawrenceville	Roseville	Westfield
Elkland	Liberty	Tioga	
Knoxville	Mansfield	Wellsboro	

Townships

Bloss	Delmar	Lawrence	Rutland
Brookfield	Duncan	Liberty	Shippen
Charleston	Elkland	Middlebury	Sullivan
Chatham	Farmington	Nelson	Tioga
Clymer	Gaines	Osceola	Union
Covington	Hamilton	Putnam	Ward
Deerfield	Jackson	Richmond	Westfield

UNION COUNTY

Boroughs

Lewisburg

Townships

Buffalo (portion)	East Buffalo (portion)	Kelly (portion)	Union (portion)
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VENANGO COUNTY

Cities

Oil City

Boroughs

Rouseville	Sugarcreek
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Townships

Clinton	Cranberry	President	Rockland
Cornplanter	Pinegrove	Richland	

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DEFINITIONS - GENERAL

Alternate Fuel: Any fuel other than natural gas.

Applicant: Any person, corporation or other entity that desires from the Company natural gas or any other service provided for in this Tariff at a specific location, (ii) complies completely with all Company requirements for obtaining natural gas or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service and (iv) is not yet actually receiving from the Company any service provided for in this Tariff at such location. An applicant shall become a Customer for purposes of this Tariff only after the Company has installed the facilities at the Customer's location which are necessary to provide service to the Customer. 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.

Automated Meter Reading: The reading from a gas meter accomplished by wireless transmission or electrical impulse transmission without a physical meter read.

Ccf: 100 cubic feet of gas. This is a measure of gas usage.

CFH: Cubic feet per hour.

CCPD: One Hundred Cubic feet per day.

Chapter 56: The PUC regulations that govern metering, billing and collections for residential gas and electricity service.

City Gate: A point of interconnection between the Company's facilities and third party source of supply.

Combined Billing: The aggregation of the billing determinants of two or more meters of the same Customer at the same location for billing purposes. This applies to only contiguous properties with the same billing/meter read date.

Consolidated Billing: The aggregation of two or more Customer bills to one bill from different service locations or the same service location for ease of Customer receiving one bill for multiple service locations instead of receiving multiple bills. Each meter will be billed under the applicable Tariff rate and will not be considered combined billing. Customer may be required to pay Company to perform such transactions.

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DEFINITIONS - GENERAL - CONTINUED

Commodity: The gas delivered to a Customer during the billing month.

Company: UGI Central Penn Gas, Inc.

Commercial Customer: A non-residential customer who is not classified as an Industrial Customer

Critical Day: Any day, determined by company in its sole discretion, when variations in supply or demand could jeopardize the safety or reliability of Company's Gas Service.

Customer Charge: A monthly charge.

Directive ("DFD"): An order issued by the Company to address system management issues on a non-critical day, including actions necessary to comply with statutory directives and obligations. DFDs will be communicated to affected Customers or NGSs either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGS. Customers and NGSs must provide the Company with a 24-hour contact for DFDs. Failure to comply with a DFD may result in the Customer or NGS being assessed the penalty charge set forth in Section 19.5.

Distribution Charges: Charges to recover the costs the Company incurs to provide the services necessary to deliver natural gas to a Customer from the point of receipt into the Company's distribution system.

Dth (Dekatherm): A measure of the heat content value of gas. Gas usage is determined by multiplying the MCF used by the heat content value of the gas.

Gas or Natural Gas: A flammable gas meeting PUC heating value and purity requirements that may include natural gas, synthetic natural gas, propane, landfill gas and any and all natural gas substitutes.

Gas Service: The furnishing of gas by the Company at the point of delivery regardless of whether the Customer makes any use of the gas.

Gas Supply or Commodity Charge: Charges by an NGS or Supplier of Last Resort to recover the cost of procuring natural gas and delivering it to the Company's facilities for redelivery to Customers.

Industrial Customer: A Customer engaged in the process which creates or changes raw materials or unfinished materials into another form or product.

Interruptible Service: Natural gas services that can be temporarily discontinued under terms and conditions specified by Tariff or contract.

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DEFINITIONS - GENERAL - CONTINUED

- MCF: 1,000 cubic feet of gas. This is a measure of gas usage.

- Natural Gas Supplier ("NGS"): Any person, corporation or other entity that has received a license from the PUC to supply natural gas supply services to Customers in the Company's service territory and that has met the additional criteria established by the Company to permit it to provide natural gas supply service to Customers.

- Non-Critical Day: Any day determined by Company not to be a Critical Day

- Operational Flow Order ("OFO"): A directive issued by the on a critical day. OFOs will be communicated as soon as reasonably practical to affected Customers or NGSs either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGS. Customers and NGSs must provide the Company with a 24-hour contact for OFOs. Failure to comply with an OFO may result in the Customer or NGS being assessed the penalty charge set forth in Section 19.5.

- Point of Delivery: The outlet of company facilities; usually the meter or regulator outlet.

- Price to Compare: The dollar amount charged by the Company, used by Customers to compare prices and potential savings with other Natural Gas Suppliers.

- PUC: The Pennsylvania Public Utility Commission.

- Residential Customer: Customers receiving the Company's gas service to a single-family dwelling or building, through one meter to four or fewer dwelling units in a multi-family dwelling, or premises used as a single family dwelling and for one or more business uses, provided the proprietor of the business resides in the single family dwelling, and the business uses less than fifty percent of the anticipated gas usage served through a single meter. Service will be supplied only where the Company's facilities are suitable to the service desired.

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DEFINITIONS - GENERAL - CONTINUED

Supplier of Last Resort:

The Company or another entity 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 with one exception: The Company shall be under no obligation and shall have no duty to serve as Supplier of Last Resort to any Rate DS, IS, LFD, or XD customers.

Tariff:

The rates, rules, and regulations by which gas service will be provided by the Company to its customers, as may be amended and/or changed from time to time. The Tariff is on file with the PUC and may also be accessed on the Company's website. The Tariff applies to any customer or applicant who receives gas service from the Company.

Unauthorized Use of Service:

The use of the Company's gas service by (1) receiving the benefits of gas service by failing to contact the Company to establish service in their name or by not calling to disconnect, or (2) receiving gas despite the Company's efforts to terminate service.

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RULES AND REGULATIONS

1. THE GAS SERVICE TARIFF

1.1 Agreements. No agent or employee of the Company has authority to make any promise, agreement or representation not consistent with this Tariff.

1.2 Waiver of Rights. The failure by the Company to enforce any of the terms of this Tariff shall not be deemed a waiver of its right to enforce any of the terms of this Tariff.

1.3 Filing and Posting. A copy of this Tariff is on file with the PUC and is available on Company's website at <http://www.ugi.com/CPG/>

1.4 Application of Rates: The rates named in this Tariff are based upon supply to one Customer through one meter at the same or contiguous property. Each service to a different location and/or of a different rate classification shall be billed as a separate Customer. Customers who take service at two or more locations on the same property under the same rate schedule may, by request, have their use of gas combined for billing purposes; Customers electing to take advantage of this rule may do so only at the time initial service is established to the premises and shall pay the cost of all additional service connections required unless, in the Company's sole judgment, the Company's investment in such connections is warranted by the revenue anticipated from the service to be supplied. Customers may not pool together for purposes of qualifying for a rate schedule.

1.5 Liability and Legal Remedies: The Customer will indemnify, defend and hold harmless the Company against all claims, demands, costs or expenses for loss, damage, or injury to person or property in any manner either directly or indirectly connected with or growing out of the supply or use of gas service by the Customer at or on the Customer's side of the point of delivery. Neither the Company nor the Customer will be liable to each other for any act or omission caused either directly or indirectly by strikes, labor troubles, accidents, litigation, federal, state or municipal laws or interference, or other causes not a result of each party's own negligence or intentional misconduct.

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RULES AND REGULATIONS

2. CONTRACT FOR GAS SERVICE

2.1 Application for Service. Every Residential Applicant and Non-residential Applicant for Gas Service must apply through the Company and also may be required to sign a contract.

2.2 Right to Reject. The Company may limit the amount and character of service it will supply. It may reject applications where service is not available, or which might affect service to existing Customers, or for other good and sufficient reasons at the Company's sole discretion.

2.3 Reconnect Charge. If service to a customer is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to such customer, at the same premises, within twelve (12) months from the date service was discontinued, unless they shall first receive a reconnection charge of \$55.00 for reconnections performed during normal business hours of Monday through Friday. For reconnections outside of normal business hours the fee shall be \$250.00. In addition, if the customer's service was discontinued at the customer's request, a payment of the applicable minimum charge for each month that service was discontinued shall be required. A Customer at the same premise who requests seasonal service and has gas shut off and turned on within twelve month period shall be billed an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the twelve month period.

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RULES AND REGULATIONS

2. CONTRACT FOR GAS SERVICE - Continued

2.4 Use of Gas. The use of gas shall only be for the purpose and in the places identified by the customer in applying for service. The gas supplied by the Company shall not be resold without the express written permission of the Company. In the event that the Customer uses the gas in an improper or unsafe manner, in violation of this Tariff or any applicable federal, state or municipal laws or codes, the Company may immediately terminate service as described in the Service Discontinuation and Termination section of this Tariff. In the event that any loss is sustained as a result of Customer's improper or illegal use of the gas, the Customer agrees to indemnify, defend and hold harmless Company. The Company will not supply gas for any additional equipment, or any increased usage for any Customer, unless request was filed with the Company prior to the connection or increased usage. The Company reserves the right to limit or discontinue Gas Service or charge Customer upgrade installation charges in order to provide additional Gas Service. Customer is responsible for any loss of Gas Service to other Customers caused by failure to register.

2.5 Distribution System Bypass. Unless otherwise provided by contract, if any Customer or potential Customer of the Company bypasses the Company for all or a portion of their Natural Gas Service needs then the Company thereafter shall have no obligation to serve or maintain the gas supply or physical capacity necessary to serve such Customer under regulations specified herein. In addition, to the extent that such Customer continues to purchase natural gas or natural gas transportation service from the Company, the Company shall have the right to charge a negotiated rate for continued, subsequent or standby service that, at a maximum, is established solely by competitive market conditions.

2.6 Conditions Under Which Service Will Be Rendered From Transmission or Gathering Lines. The Company does not undertake or hold itself out to serve Customers from its transmission or gathering lines. Applications for service therefore may, at the election of the Company, be accepted where the lines are being operated in a manner which will permit gas to be served to the applicant without interference with its operations. Applicants, if accepted by the Company, must agree to comply with the Rules and Regulations of the Company and more particularly the following rules applicable to this type of service:

(a) Applicant agrees that service is only offered with the understanding that the Company's line from which gas is to be supplied is not permanent and that service to the applicant is subject to temporary or absolute change or discontinuance at the sole discretion of the Company, which may at any time remove, repair, or change the use or manner of operating said line.

(b) Applicant agrees that the Company may at any time cancel service upon thirty (30) days' written notice to applicant and applicant agrees that upon receipt of such notice of cancellation to immediately discontinue his connection for service within the said thirty (30) day period, and such cancellation and termination of service shall not be construed as an abandonment of service to such Customer within the meaning of the Pennsylvania Public Utility Law.

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RULES AND REGULATIONS

2. CONTRACT FOR GAS SERVICE - Continued

(c) The applicant agrees to accept the gas at the varying pressures at which the line is operated from time to time and applicant understands that such pressure is not governed by regulators but it is high and low and the applicant expressly assumes the duty of regulating the flow of the pressure of gas delivered to him and he assumes all risks from variation in pressure, defects in pipe, connections and appliances, from the escape and leakage of gas, from the sticking of valves and regulators and from the burning of gas on his premises and from like causes incident to the use of gas.

(d) The Company shall not be liable for any deficiency in the supply of gas caused by the use of compressing stations, breakage of lines, variations in pressure, discontinuance of service or any other causes.

(e) The Company shall not be liable for any damage arising out of this agreement or the service supplied thereto.

(f) Service shall be at the sole risk of the Customer.

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RULES AND REGULATIONS

3. GUARANTEE OF PAYMENT

3.1 Deposits for Non-residential Accounts. A cash deposit may be required from an applicant to secure payment of bills for regulated distribution service. In addition, the Company may require a deposit, letter of credit or other adequate assurance of payment, or any combination thereof, from a non-residential customer if the customer has been delinquent in payment of any bill in the preceding twelve (12) months or the Company otherwise has reasonable grounds to require security for payment of bills. The deposit shall not be more than the bill for regulated distribution service for the estimated usage for one average monthly billing period plus that for the highest billing period within the most recent twelve (12) months with a minimum fifty dollars (\$50.00) deposit.

3.2 Deposits for Residential Accounts. At such time as Company determines a deposit is required, Company may require a cash deposit, in an amount not more than the bill for regulated distribution service for the estimated usage of two (2) average monthly billing periods where the average monthly usage is computed as 1/12 of the estimated most recent consumption for a twelve month period from the following with a minimum fifty dollars (\$50.00) deposit:

(a) An Applicant who previously received service from, and was a Customer of Company, and whose service was terminated for any of the following reasons:

- (1) Nonpayment of an undisputed delinquent account.
- (2) Failure to complete payment of a deposit, providing a guarantee or establish credit.
- (3) Failure to permit access to meters, service connections or other property of Company for the purposes of replacement, maintenance, repair, or meter reading.
- (4) Unauthorized use of Company's service on or about the affected dwelling.
- (5) Failure to comply with the material terms of a settlement or payment agreement
- (6) Fraud or material misrepresentation of identity for the purposes of obtaining utility service.
- (7) Tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment
- (8) Violating tariff provisions on file with the PUC so as to endanger the safety of a person or the integrity of the Company's delivery system.

(b) Any Applicant or Customer who is unable to establish creditworthiness to the satisfaction of 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.

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RULES AND REGULATIONS

3. GUARANTEE OF PAYMENT - Continued

(c) A Customer who fails to comply with the material terms or condition of a settlement or payment agreement.

(d) A customer that has been delinquent in the payment of two (2) consecutive bills, or three (3) or more bills within the preceding twelve (12) months. Company shall not be required to provide service if an Applicant fails to pay the full amount of a cash deposit.

3.3 Deposit Hold Period for Residential Accounts. A timely payment history is established for a residential Customer when the residential Customer has paid in full and on time for twelve (12) consecutive months. Company shall hold a deposit on a residential Account until the later of (a) when the Customer establishes a timely payment history or (b) a maximum period of twenty-four (24) months (the "Deposit Hold Period"). At the end of the Deposit Hold Period Company shall credit the deposit, plus accrued interest, to the Customer's Account. Deposits credited after the end of the Deposit Hold Period shall first be applied to any past due amounts. If service is terminated or discontinued before the end of the Deposit Hold Period, Company shall deduct any outstanding balance from the deposit and return any positive balance to the customer within sixty (60) days.

3.4 Refund Provision-Other Customers. Deposits secured from other than residential Customers will be refunded when the Customer discontinues service and has no unpaid bills or at Company's sole discretion.

3.5 Adjustments. The amount of the deposit may be adjusted when there is a change in consumption that will significantly change the amount of the deposit as computed in Rule 3.1 and 3.2.

3.6 Interest on Deposits. Deposits from all Customers shall bear simple interest at the rate of six percent (6%) per annum which will be credited annually to the Customer's deposit or account. Deposits shall cease to bear interest upon discontinuance of the service covered by the deposit.

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4. SERVICE - SUPPLY FACILITIES

4.1 Facilities Location. The location of the service line on the Customer's property and the location of an outside meter (Standard Installation) shall in all cases be determined by the Company. The Customer shall provide, without charge, a suitable place for the meters, regulators or other equipment of the Company. The Customer is responsible to provide the connection point to the Customer's fuel line at a location adjacent to the terminus of Company facilities and where the connections are not concealed. Such service line, meter and connection locations shall be accessible to the Company's employees for the safe installation, operation, inspection and maintenance of the facilities and shall be, at all times, readily accessible, and if inside, free of excessive temperature variations, with ample passageway, and whether inside or outside, free of obstacles, and unsafe and hazardous conditions and if not accessible Company has ability to charge Customer to move facilities to location acceptable to Company.

4.2 Fuel Line Designation. When two or more meters are installed on one premise, such as an office building or an apartment house, they shall be grouped at one common place accessible for reading and testing. In such an installation, each fuel line pipe shall bear a tag showing the apartment or area served, supplied by and maintained by the Customer. In cases where it is not possible to group meters at one accessible place, they shall be located as directed by the Company.

4.3 Facilities Ownership. The Company will maintain and own any mains, service lines, meters, regulators, connections or other equipment required for the supply of Gas Service. All such equipment shall remain the exclusive property of the Company, and the Company shall have the right to remove such property from the premises of the Customer at any time after the termination of service, whatever may have been the reason for such termination. The Customer shall grant a Right-of-Way for the location of any Company facilities on the Customer's property at the request of the Company.

4.4 Facilities Relocation. Changes in location of mains, service lines, meters, regulators, connections or other equipment for the accommodation of the Customer shall be done by the Company, unless otherwise mutually agreed, at the expense of the Customer. This provision includes the relocation of facilities by the Company where obstructions limit Company access to its facilities.

4.5 Non-Standard Service. The Customer may be required to pay the cost of any special installation necessary to meet Customer's requirements for Gas Service at non standard conditions.

4.6 Reverse Flow. Where necessary, as determined by the Company, the Customer may be required to install check valves, or other devices, at the expense of the Customer, to protect Company facilities.

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5. EXTENSION REGULATION

5.1 Obligation to Extend. Under the rules set forth below and under normal conditions of construction and installation, upon written application, the Company will extend its facilities within its service territory, provided that (a) the requested extension will not adversely affect the availability or deliverability of gas supply to existing customers and (b) the Company's investment in facilities is warranted by the anticipated revenue to be derived from the extension. The costs of extending facilities beyond that provided by the Company shall be paid by the applicant.

5.2 General

(a) Annual Base Revenue. The Annual Base Revenue is the anticipated base rate revenue from the extension, as determined by the Company, less the cost of fuel included in rates. Where gas is used as a supplemental source of fuel for peak heating purposes, anticipated base revenues from such use shall be excluded from Annual Base Revenue.

(b) Allowable Investment Amount. The Company's Allowable Investment Amount shall be the Annual Base Revenue divided by a predetermined rate of return.

(c) Estimates and non-standard costs. Cost estimates used by the Company in analyzing a proposed extension of facilities will be based on construction and installation conditions anticipated for the particular extension, standard street opening terms and fees and installation during the construction season. Notwithstanding the foregoing, applicant may be required to pay for additional costs attributable to nonstandard street opening terms, fees and estimated additional costs attributable to winter season installation.

(d) Surface Restoration. The Company will restore the street surface in accordance with applicable local government regulations and provide rough backfilling of the installation trench from the curb to the meter. Applicant may be required to perform or pay the cost of non-standard additional surface restoration, including but not limited to replacement or repair of sidewalks, driveways, landscaping or sod.

(e) Standard conditions of construction in a development, commercial park and industrial park include trenching provided by the developer

5.3 Residential Gas Service. For Gas Service to single dwelling units, individually metered, the Company will install at its cost the meter and a 7"wc. regulator. Any standard installation costs in excess of the Allowable Investment Amount shall be paid by the applicant. All non-standard costs shall be paid for by the Customer, unless otherwise agreed.

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RULES AND REGULATIONS

5. EXTENSION REGULATION -Continued

5.4 Commercial and Industrial Gas Service (including apartment buildings and multi-unit housing)

(a) In extensions costing up to \$10,000 from which the Company in its sole judgment anticipates long-term, continuous usage at projected volumes, the Company will install, at its cost, a meter and a 7" wc. regulator. The Company will provide service-supply pipe and supply-main, provided that the investment by the Company will not exceed the Allowable Investment Amount. Any standard installation costs in excess of the Allowable Investment Amount shall be paid by the applicant. All non-standard costs shall be paid for by the customer, unless otherwise agreed.

(b) For all other extensions, applicant shall pay for the amount of the estimated cost, if any, in excess of the investment determined by the Company in its sole judgment to be warranted by the anticipated revenue to be derived from the extension.

(c) The Company may condition its agreement to extend its facilities upon satisfactory long-term and short-term usage commitments and any other terms and conditions of service as are mutually agreeable to the Company and the applicant. A contribution may be required up to the amount of the Company's total investment in the extension.

Deleted: 5.5 Natural Gas Vehicle Service. Natural Gas Vehicle ("NGV") service is available under the Natural Gas Vehicle Rider to any Customer receiving service under all non-residential service schedules except Rate XD and Rate IS. Service shall be supplied only where the Company's facilities are suitable and available for the service desired and subject to acceptance by Company. Service under Rate NGV is subject to the general terms and conditions of the otherwise applicable rate schedule. Separate metering and piping and elimination of any cross connection to non-qualifying end use equipment shall be required. Where separate metering or piping is required, at the Company's sole discretion, Customer may be required to pay the Company for any related costs. The Company shall be permitted to inspect the facilities and piping at the premises of the Customer from time to time as necessary to confirm that the load being served qualifies for the NGV rate.

SERVICE AGREEMENT

Customer must execute a service agreement for a period equivalent to the period of the delivery service agreement under which the customer is served.

Applicability to billing under Rates N, NT, DS and LFD: Volumes taken under rate NGV may be applied, by mutual agreement between the Company and Customer, in determining the customer's Minimum Monthly Bill for Rates N, NT, DS or LFD, as appropriate.

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RULES AND REGULATIONS

5. EXTENSION REGULATION -Continued

5.5. Deposits and Refunds. When a contribution is required by the Company, under Sections 5.3 or 5.4, the Company may, in its sole judgment, accept an extension deposit, the terms and conditions of refunds and or future payments that may be required of the applicant will be governed by the service agreement between the Company and the applicant. The terms of any refund due to the applicant shall be defined in the service agreement and shall be limited to a maximum refund of the amount of the original deposit (no interest) and shall be limited to the five year period immediately following completion of this extension.

5.6. Taxes on Deposits for Construction & Customer Advances. Any contribution, 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 contribution, deposit or advance will not be included as part of the contribution, deposit, or advance charged to the specific depositor of the capital.

Deleted: Provided Company's investment criteria are maintained, Customers may have the following charges negotiated with the Company in lieu of the otherwise applicable charges:¶
¶ Distribution Charge, Customer Charge, Demand Charge¶
¶ Any other riders, surcharges and/or balancing service elections associated with the otherwise applicable rate schedule shall apply.¶
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RULES AND REGULATIONS

5. EXTENSION REGULATION -Continued

5.7. Special Utility Service. The provisions set forth in Rule 5 do not apply to applications for Special Utility Service, which include:

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- (1) A request for service from an Applicant with installed alternate fuel capacity.
- (2) A request for service from an Applicant which is already receiving natural gas service from another supplier of natural gas.
- (3) A request for service from an applicant located in an area where another natural gas utility also is authorized to serve.
- (4) A request for service from an Applicant who, in the sole judgment of the Company, may not remain on the Company's system for a sufficient period of time to justify the extension.
- (5) Applicants eligible for service under Rate Schedule XD.
- (6) Applicants or customers capable of receiving gas from an interstate pipeline, local production fields, or production facilities.

Applications for Special Utility Service are handled differently from other applications because annual revenues from new Special Utility Service cannot be estimated accurately. Applications for Special Utility Service shall be resolved on a case-by-case basis through negotiations between Applicant and Company.

5.8. Daily Metering. The Company reserves the right as a condition of service under non-residential Tariff rate schedules with contract term one year and greater to install, at the Customer's expense, remote read devices for the purposes of monitoring and/or billing Customer volumes, at every single meter or multimeter location served under such rate schedules. The Customer shall at all times maintain, at its expense, a phone connection and electric lines to the device which will allow the Company unlimited remote access to the remote read device.

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Standard access to daily usage information shall be provided by the Company to the customer, or customer's agent, at no additional charge in a form and manner as specified by the Company. Custom reports, access to historical data beyond one month and/or multiple user access may be provided on an as available basis by the Company for an additional fee.

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RULES AND REGULATIONS

6. CUSTOMER'S RESPONSIBILITY FOR COMPANY'S PROPERTY

6.1 Maintenance of Company Equipment. Company shall own and maintain Company facilities through the Point of Delivery, but shall not be required to install or maintain any pipes, appurtenances or equipment beyond that point, unless specifically provided for in writing.

6.2 Access to Premises. The authorized agents and/or employees of the Company shall have free access at all reasonable times to the premises of the Customer for the purpose of reading meters and disconnecting service, for installing, testing, inspecting, repairing, adjusting or removing any Company property. Authorized agents of the Company shall have immediate access to any premises whenever they believe an unsafe or hazardous condition exists.

6.3 Protection by Customer. The Customer shall be responsible at Customers expense for the protection of the Company's property on his premises, and shall not permit any unauthorized person to do any work on such property. In the event of damage or destruction of Company's facilities on Customer's property, the Customer shall pay the costs of repairs, replacement, and/or related costs.

6.4 Tampering and Theft of Service

(a) Tampering. In the event the Company's meter or other equipment is tampered or interfered with, the Customer shall pay the amount which the Company may estimate is due for service used but not registered on the Company's meter, and for any repairs or replacements required, as well as for costs of inspections, investigations, and protective installations. Such tampering will be grounds for immediate termination of service without notice as specified in the Termination of Service and Disconnection section of this Tariff.

(b) Theft of service occurs when a person obtains gas, by deception, tampering with Company facilities or other means designed to avoid payment for gas provided by Company. Persons who obtain gas through such means may be subject to civil suit and/or criminal prosecution. If theft of service occurs, the Company may immediately terminate service to the location receiving the unauthorized service.

- (1) Before service will be restored to the affected location, the Customer must pay (1) for all gas consumed during the period of unauthorized usage, (2) any delinquent gas service balance, including late fees, (3) reconnection fees, (4) a security deposit, and (5) the costs associated with damage to the Company's meters or equipment.
- (2) In the event that the theft of service is referred for criminal prosecution, the Company may deny gas service until the case is concluded and any restitution ordered is paid.

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RULES AND REGULATIONS

6. CUSTOMER'S RESPONSIBILITY FOR COMPANY'S PROPERTY - Continued

6.5 Continuity of Service. The Company will endeavor at all times to provide reasonable and continuous service to the Customer. The sole liability of the Company for failure to furnish a sufficient supply of gas or for failure to transport Customer's gas shall be limited to an amount equal to the Customer's proportionate monthly Customer charge for the period of time during which a Gas Service failure occurs during which a supply failure occurs. In no event shall the Company be liable for direct, extraordinary, special, or consequential damages arising in any manner whatsoever as a result of supply failure.

6.6 Notification of Construction. It will be the Customer's responsibility to notify the Company and any applicable federal, state or local agencies (i.e., Pennsylvania's One Call System, Inc.) prior to digging or before any construction occurs on the Customer's property that may impair or prevent access by the Company to its service line or any other equipment located on the Customer's property.

6.7 Gas Leaks. It is the responsibility of the Customer to exercise all due care in the detection of defects, leaks, or other dangerous developments incident to the handling of gas. The Customer agrees to immediately inform Company of any gas leaks and in the event of any resulting loss thereof, failure to do so may result in an evidentiary finding of contributory or comparative negligence on the part of the Customer.

6.8 Suspension of Service. For the purpose of performing maintenance or making repairs to the mains or other parts of its system, the Company may suspend service for such periods as may in its sole judgment be necessary.

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7. METER READING

7.1 Definition of a Cubic Foot. A cubic foot shall be the amount of gas that occupies a volume of one cubic foot at an absolute pressure of 14.73 pounds per square inch and a temperature of 60° Fahrenheit with a heating value of 1,029 British Thermal Units (B.T.U.s). To determine the volume at conditions other than standard pressures and heating values of gas delivered, factors such as those for pressure, temperature, specific gravity, heating value, and deviation from the laws of ideal gases may be applied.

7.2 Method of Measurement. Gas usage shall be measured by Company owned meters.

7.3 Pressure Correction. At the Customer's request, the Company may allow delivery at an elevated pressure that exceeds the standard pressure of seven inches water column (7" W.C.). In situations where delivery pressure is two pounds per square inch or greater, the Company may choose to use a fixed factor to account for the higher energy content of the higher pressure gas, whereby the metered volume is multiplied by the pressure factor to determine the correct energy consumed. In cases where the Company agrees to provide delivery service at such an elevated pressure without a fixed factor, a supplemental device will be installed at the Customer's expense to correct the meter reading for pressure and temperature. The Company may reject a Customer's request for non-standard service at elevated pressure for system operational reasons, where the Customer does not agree to pay the cost for non-standard service, where applicable, under Rules 4.5, 5.3 or 5.4(a), or for any other reason that the Company may determine at its sole discretion.

7.4 Heating Value Correction. The Company may apply a heating value correction factor to metered usage to adjust for heating values that differ from those defined in Section 7.1. This factor may be adjusted monthly.

7.5 Meter Tests. The Company may, from time to time and at its expense, inspect and test its meters. The Customer has the right to have the Company test the meter in service at the Customer's premises, and, upon written request, the Company will remove, seal and test the meter in accordance with the Gas Service Regulations of the Pennsylvania Public Utility Commission ("Regulations"). Together with the written request for a meter test, the Customer shall deposit with the Company the meter testing fee specified by the Regulations. If the meter tests within the accuracy limits specified by the Regulations, the meter shall be deemed for all purposes to have registered accurately. In such case, no billing adjustment shall be made and the meter testing fee deposited with the Company shall be credited to the Company.

7.6 Adjustment for Meter Error. If any meter becomes defective or fails to test accurately, an adjustment will be made to the Customer's bill in accordance with the Regulations and the meter testing fee deposited with the Company shall be refunded to the Customer.

7.7 Meter Test Fees. The Company may assess the following service charges:

Meter Size:	0 - 500 CFH	\$10.00
	501 - 1500 CFH	\$20.00
	Over - 1500 CFH	\$30.00

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8. BILLING AND PAYMENT

8.1 Billing Month. Bills are rendered monthly. The Company normally reads meters monthly. However, at its option, the Company may read meters once every two months. In instances where meters are read every two months, the first month's bill will be based on an estimate of the consumption for the first month of the bi-monthly period. Bills are due when rendered and shall be considered as received by the Customer when left at, or mailed to, the address where service is rendered, or such other address as designated by the Customer. A billing month is the period upon which a Customer's monthly charges and consumption are computed and for which a bill is rendered. The billing month is a period of not less than 26 or greater than 35 days. However, if an initial bill exceeds 60 days the ratepayer shall be given the opportunity to amortize the amount over a period equal to the period covered by the initial bill without penalty. A final bill due to the discontinuance may be less than 26 days or greater than 35 days but may never exceed 42 days. In cases involving termination, a final bill may be less than 26 days. In addition, bills for less than 26 days or more than 35 days shall be permitted if they result from rebilling initiated by the Company or Customer dispute to correct a billing problem.

8.2 Estimated Consumption. When the Company is unable to obtain an actual meter reading because of inability to gain access to the meter, or because of extreme weather conditions, emergencies, equipment failures, work stoppages or any other circumstances, the Company will render appropriately marked estimated bills.

8.3 Application of a Rate Schedule. The Company will compute bills under the rate schedule selected by and for which the customer qualifies. In the event the customer does not select a Rate Schedule, the Company may discontinue service or place the Customer on a rate schedule for which the Customer qualifies.

8.4 Budget Billing. Residential Heating Customers may elect an optional billing procedure which averages the estimated Company regulated service costs over a revolving twelve (12) month Budget Billing plan. These Customers will be billed for the use of gas during the next eleven (11) months beginning with whatever month that they select. Company will review the Budget Billing amount on the fourth (4th), seventh (7th) and tenth (10th) months annually adjusting upward or downward the Budget Billing amount based on actual charges to date and projected charges to the end of the twelve (12) month Budget Billing. The twelfth bill will be for usage for the month, with an adjustment for the difference between payments made and actual charges for gas service for the prior eleven (11) months, inclusive.

The optional twelve (12) month Budget Billing plan, as described above, is available to Commercial and Industrial Heating Customers provided that at least seventy-five (75) percent of the Customer's total gas consumption is for space heating. If a Customer has an unpaid balance equal to the amount of two (2) Budget Bill Plan bills, billing under this plan may be terminated by the Company.

8.5 Payment Due Date. The due date for payment of residential bills shall not be less than twenty (20) days from the date of mailing and fifteen (15) days for a non-residential bill with the exception that bills to the Commonwealth of Pennsylvania, the Government of the United States, or any of their agencies, and elementary and secondary schools shall be due fifteen (15) days after the date of mailing unless otherwise extended to thirty (30) days by mutual agreement. For all billings, if the due date for payment should fall on a Saturday, Sunday, bank holiday or any other day when the offices of the Company where payments are regularly received are not open to the general public, the due date shall be extended to the next business day. Failure to receive a bill will not release the Customer from payment obligations.

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RULES AND REGULATIONS

8. BILLING AND PAYMENT - Continued

8.6 Late Payment Charge. Late payment charges will be applied as follows to the balance due which is not paid by the due date including amounts billed by the Company on behalf of natural gas suppliers other than the Company. Residential Customers will be charged a late payment charge of one and one half (1 1/2) percent per month on the balance due not paid by the due date. Non-Residential Customers will be charged five (5) percent per month on the balance due not paid by the due date and an additional one and one half (1 1/2) percent per month for each month thereafter.

8.7 Return Payment Service Charge. The Company may impose a service charge of the greater of thirty-five dollars (\$35.00) or maximum allowed by Commonwealth of Pennsylvania for each check or negotiable instrument (including electronic payment) received in payment of bill(s) which is dishonored and returned by the bank upon which it is drawn.

8.8 High Bill Investigation. Any Customer requesting an on-site high bill investigation will be assessed the Company's service charge fee of \$110.00 for Residential Customers, and \$124.00 for Commercial Customers. If a meter error is detected as a result of the high bill investigation, the high bill investigation fee shall be waived.

8.9 Due Date Extension Program. Residential Customers meeting the qualification requirements of the Due Date Extension Program shall, upon written application, have the due date for payment of bills for service to their personal residence extended. To qualify, Applicants must submit proof that their sole source of support, and that of others in their household, is derived from a permanent fixed income plan, issuing monthly checks. Under the program, the due date for payment on a bill normally falling due between the sixth day of the month and the twentieth day of the month shall be extended to the first working day after the twentieth of the month. The due date for payment on a bill normally falling due between the twenty-first day of the month and the fifth day of the following month, shall be extended to the first working day after the fifth day of the latter month.

8.10 Application of Payments for Rates RT, NT, and CT. Where Company renders a bill for natural gas supply service on behalf of a Choice Supplier and a partial payment is received, the partial payment shall first be applied to pre-retail access Company balances and then to post-retail access balances.

In the event a customer has a pre-retail access Company balance, partial payment shall be applied in the following order of priority:

1. First to outstanding pre-retail access Company balances, or the installation amount on a payment agreement with Company on this balance; then to
2. Current regulated Company charges; then to
3. Choice Supplier supply charges; then to
4. Non-Basic Service charges; then to
5. Hardship Energy Fund contributions.

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8. BILLING AND PAYMENT - Continued

In the event a Customer develops a post-retail access balance, partial payment shall first be applied to the pre-retail access Company balances in the order of priority specified above. Thereafter, partial payment shall be Company applied in the following order of priority:

1. First to outstanding post-retail access Company Balances, or the installation amount on a payment agreement with Company on this balance; then to
2. Current regulated Company charges; then to
3. Choice Supplier service charges; then to
4. Non-Basic service charges; then to
5. Hardship Energy Fund contributions.

Where Company renders a budget bill on behalf of a Choice Supplier for Natural Gas Supply service, partial payments shall be applied on a pro rata basis after outstanding pre-retail access balances and post retail access balances have been paid in accordance with the orders of priority specified above. For purposes of this Section, pre-retail access balances means outstanding account balances incurred prior to Customer transferring to Rate RT, NT, and CT.

For purposes of this Section, post-retail access balances means outstanding account balances incurred after Customer transfers to Rate RT, NT, and CT.

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9. DISCONTINUANCE OF SERVICE

9.1 Discontinuance for Default (Termination) The Company may discontinue service on reasonable notice and remove its equipment in case of non-payment of Company regulated charges or for violation of Rules and Regulations. The Company will discontinue service for non-payment of undisputed Company regulated charges, whether or not the Company bills for charges for Choice Supplier. The Company may discontinue service without notice for abuse, fraud or tampering with the meters, connections or other equipment of the Company. Prior to restoration of service discontinued for any of these reasons, the Company may require a payment in advance of all arrearages, applicable deposit, and a reconnect charge of \$55.00 for reconnections performed during normal business hours of Monday through Friday. For reconnections outside of normal business hours the fee shall be \$250.00.

9.2 Discontinuance by Customer. Customer must give at least seven (7) days written notice to the Company and any non-ratepayer occupant of the premises to which service is being supplied, specifying the date on which it is desired that service be discontinued. If a Customer requests discontinuance of service at a dwelling other than his residence, the Customer must state in writing that the premises are unoccupied. If the premises are occupied, the Customer's written notice requesting discontinuance of service must be endorsed by all affected occupants. The Customer shall be liable for gas consumed until transfer of the account or the meter shut off. When discontinuance of service by customer is for a period of less than twelve (12) months, the Company may require a payment of customer charges for each month the service has been discontinued in order to have the service restored.

9.3 If service to any non-residential Customer is discontinued for the reasons set forth in Sections 9.1 (Discontinuance for Default) or 9.2 (Discontinuance by Customer) hereof, the Company shall not be under any obligation to resume service to the same Customer at the same premises within twelve months unless it shall receive payment of an amount equal to the minimum bill for each month of the intervening period.

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10. RIDER A

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge is applicable to the net monthly rates and minimum charges contained in this Tariff. The surcharge shown on Page 32 will be recomputed when a tax rate used in the calculation changes and/or the Company implements a change in rates.

The recomputation of the surcharge will be submitted to the PUC within 10 days after the occurrence of a reason for surcharge recomputation shown above. If the recomputed surcharge is less than the one in effect the Company will, and if more may, submit a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after the filing.

Rider A - State Tax Adjustment Surcharge

Retail Volumes - Rate Schedules R, N, CIAC, and GL	0.00%
Transportation Volumes - Rate Schedules DS, LFD, IS, NT, RT, and XD	0.00%

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11. RIDER B

SECTION 1307(F) PURCHASED GAS COSTSProvisions for Recovery of Purchased Gas Costs

Rates for each MCF or Dth (Dekatherm) (1,000 cubic feet) or Dth of gas supplied under Rate Schedules R, N, CIAC, and GL of this Tariff shall include purchased gas costs, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code. Such rates for gas service shall be increased or decreased, from time to time, as provided by Section 1307(f) of the Public Utility Code and the PUC's regulations, to reflect changes in the level of recovery of purchased gas costs.

Computation of Purchased Gas Costs per MCF or Dth

Purchased gas costs shall be computed to the nearest one-hundredth cent (0.01¢) per MCF or Dth in accordance with the formula set forth below:

$$PGC = \frac{(C-E)}{(S)}$$

Projected purchased gas costs, so computed, shall be included in rates charged to Customers for gas service pursuant to the rate schedules identified above for consecutive twelve month periods. The amount of purchased gas costs per Mcf or Dth will vary, if appropriate, based upon annual filings pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the PUC's Regulations adopted pursuant thereto.

Definitions

In computing purchased gas costs pursuant to the formula above, the following definitions shall apply:

"PGC" - Purchased Gas Cost determined to the nearest one-hundredth cent (0.01¢) per Mcf or Dth to be included in rates for gas supplied under the rate schedules identified above.

"Purchased Gas" - The volume of gas purchased by the Company that is delivered to the Company's Customers, plus such portion of the Company's used and unaccounted-for gas, including, but not limited to, natural gas, synthetic gas, liquefied natural gas, and natural gas substitute, including liquefied propane and naphtha.

"C" - The current cost of gas ("C-Factor") is determined as follows: (a) for all types of purchased gas, project the cost for each purchase (adjusted for net current gas stored) for the projected period when rates will be in effect plus (b) the arithmetical sum of (1) the projected book value of noncurrent gas at the beginning of the computation year minus (2) the projected book value of noncurrent gas at the end of the computation year.

"E" - Experienced net overcollection or undercollection of purchased gas costs ("E-Factor"). Such net overcollection or undercollection statement shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. Each over-under collection statement shall also provide for refund or recovery of amounts necessary to adjust for over or under recoveries of E-Factor amounts under the previous 1307(f) rate.

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RULES AND REGULATIONS

11. RIDER B - Continued

SECTION 1307(F) PURCHASED GAS COSTS

Interest shall be computed monthly at the 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 overcollection is refunded or such undercollection is recouped.

Additionally, supplier refunds will be included in the calculation of E-Factor with interest added at the annual rate of six percent (6%) calculated in accordance with the foregoing procedure, beginning with the month such refund is received by the Company. For Rate R Customers, supplier refunds received, excluding the Tennessee PCB Refund, will be included in the calculation of the E-Factor. For Rate N, CIAC, IS and GL Customers, both the supplier refunds received by the Rate R Customers and the allocated portion of the Tennessee PCB Refund will be included in the calculation of E-Factor.

Computation and Application of the E-Factor - RATE SCHEDULE R

The E-Factor shall be computed to the nearest one-hundredth cent (0.01¢) per Mcf or Dth in accordance with the formula set forth below:

$$\text{E-Factor} = (-E/S)$$

Each E-Factor so computed shall be applied to customer's bill for a one (1) year period during the Computation Year.

Computation and Application of the E-Factor - RATE SCHEDULES N, CIAC, IS and GL.

The E-Factor for Rate Schedules N, CIAC, and GL shall be computed to the nearest one-hundredth cent (0.01¢) per Mcf or Dth in accordance with the formula set forth below and designed to reflect the allocation of the Tennessee PCB refund consistent with the PUC's Order at Docket No. P-2009-2149107 (Order entered February 1, 2010):

$$\text{E-Factor} = (-E/S)$$

Each E-Factor so computed shall be applied to customer's bill for a one (1) year period during the Computation Year.

"S" - Projected MCF or Dth of gas to be billed to Customers during the projected period when rates will be in effect.

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RULES AND REGULATIONS

11. RIDER B- Continued
SECTION 1307(F) PURCHASED GAS COSTS

Revenue Sharing Incentive Mechanism: The PGC rate determined in this section may be adjusted to reflect the operation of a Revenue Sharing Incentive Mechanism as defined hereafter.

Off-system Sales: If and when the Company makes an off-system sale of natural gas, either in the Company's market area or upstream of the Company's market area with or without the use of PGC assets, the net revenues from the sale shall be shared by both the Company and the Company's retail customers served pursuant to this section of the tariff. The net revenues of the sale shall mean the total revenues from the sale of gas to a third party, less (1) the sum of the cost of natural gas, transportation commodity charges, and fuel retainage, if the sale or exchange is made upstream of the Company's market area or (2) the average city gate commodity cost of all gas purchased and flowing on the first of the month, including the natural gas, transportation commodity, and fuel, if such sale is made at the Company's city gate or in the Company's market area. The sharing of such net revenues shall be allocated in accordance with the Revenue Sharing Allocation procedure in this section.

Exchanges of Natural Gas: If and when the Company and a third party agree to make a location exchange of natural gas in which both parties receive like quantities of gas, with no adverse economic effect on the Company's Customers, any revenues received by the Company for performing this service shall be shared by the Company and the Company's retail Customers served pursuant to this section of the Tariff. Any revenues received from the exchange of natural gas, either upstream of the Company's city gate, or at the Company's city gate, shall be allocated in accordance with the Revenue Sharing Allocation procedure in this Section.

Capacity Release on Interstate Pipelines: Capacity release revenue generated by administrative releases to third parties that fill the Company's storage shall be credited 100% to PGC customers. Other revenue received by the company for off system Capacity Release of interstate pipeline capacity will be credited in accordance with the Revenue Sharing Allocation procedure in this Section.

Storage Asset Management: If and when the Company has a third party manage gas supply assets paid for by the PGC, any revenues received from the third party ("Asset Management Fees") shall be allocated in accordance with the Revenue Sharing Allocation procedure in this Section.

Revenue Sharing Allocation: Effective December 1, 2008, through November 30, 2011, the sum of the revenues derived from all Off-System Sales, Exchanges of Natural Gas, and Capacity Release on interstate pipelines will be allocated 75% to the retail customers served and 25% to the Company.

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RULES AND REGULATIONS

11. RIDER B- Continued

SECTION 1307(F) PURCHASED GAS COSTS

Filing with the PUC: Audit, Rectification:

The Company's annual reconciliation statement shall be submitted to the PUC by May 1 of each year, or such other time as the PUC may prescribe.

Rider B - (Rate Schedule R) Purchased Gas Cost

Annual C-Factor	\$ 6.1810/Dth (or \$6.3602/Mcf)
Annual E-Factor	\$ (.6174)/Dth (or (\$.6353)/Mcf)
Purchased Gas Cost	\$ 5.5636/Dth (or \$5.7249/Mcf)

Rider B - (Rate Schedules N, CIAC, IS and GL) Purchased Gas Cost

Annual C-Factor	\$ 6.1810/Dth (or \$6.3602/Mcf)
Annual E-Factor	\$ (.6526)/Dth (or (\$.6715)/Mcf)
Purchased Gas Cost	\$ 5.5284/Dth (or \$5.6887/Mcf)

Note: Bills rendered for the _____ billing cycle and thereafter shall reflect _____ billing units in Mcf.

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RULES AND REGULATIONS12. RIDER C
MIGRATION RIDER

This Migration Rider provides for a method under Section 1307 (f) of the Public Utility Code for the recovery of the experienced net over / undercollection of purchased gas costs from ratepayers who switch from retail service to service under Rate Schedules RT, NT, CT, DS, IS, LFD AND XD and the crediting of the experienced net over / undercollection of purchased gas costs to ratepayers who switch from Rate Schedules RT, NT, CT, DS, IS, LFD, AND XD to retail service. Except for customers served under Rates RT, NT, and CT, the Company may waive this rider for customers with competitive conditions. Upon Customer request, the Company may also waive this rider for Customers transitioning between Natural Gas Suppliers.

The Migration Rider Rate shall be equal to the current Section 1307(f) Annual E-Factor as approved in the Company's most recent Section 1307(f) natural gas cost proceeding for ratepayers who switch from retail service to service under Rate Schedules RT, NT, CT, DS, IS, LFD AND XD, and shall be equal to the negative of the same current Section 1307(f) Annual E-Factor for ratepayers who switch from Rate Schedules RT, NT, CT, DS, IS, LFD, AND XD to retail service. All revenue recovered or credited under this rider will be credited or debited to the Company's Section 1307(f) mechanism. The recovery period for the experienced net over/(under) collection of purchased gas costs from a ratepayer to whom this rider applies will be one year from the date on which a ratepayer last switched from retail service to transportation service.

Customers that have received transportation service from the Company for at least twelve consecutive months and switch to retail service under Rate R, N, and CIAC, shall not be charged the associated PGC E-Factor for a period of twelve months.

The currently effective Migration Riders are:

Rate R Customers Switching from PGC - $-(.6174)/Dth$ (or $(.6353)/Mcf$)

Rate RT Customers Switching to PGC - $-.6174/Dth$ (or $$.6353/Mcf$)

All Other Customers Switching from PGC - $-(.6526)/Dth$ (or $(.6715)/Mcf$)

All Other Customers Switching from PGC - $-.6526/Dth$ (or $$.6715/Mcf$)

Note: Bills rendered for the _____ billing cycle and thereafter shall reflect billing units in Mcf.

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RULES AND REGULATIONS

13. RIDER D

MERCHANT FUNCTION CHARGE

Applicability and Purpose

This Rider shall be applied to rates for each MCF of gas supplied under Rate Schedules R, N, and CIAC of this Tariff, and shall be reflected in the Price to Compare. The Rider is equal to the fixed percentage, established by the PUC in Company's last general base rate proceeding, of purchased gas costs which are expected to be uncollectible, and shall not be reconciled to reflect actual results. Rider D is intended to make Company's Price to Compare more comparable to the gas supply service prices offered of other Natural Gas Suppliers that presumably reflect anticipated uncollectible expenses.

Rider D Charge

Rider D charges shall be equal to 2.26% for Residential PGC Customers and 0.14% for Non-Residential PGC Customers of Rider B (Purchased Gas Costs) and Rider C (Migration Rider) charges.

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RULES AND REGULATIONS

14. RIDER E

UNIVERSAL SERVICE PROGRAM

Applicability and Purpose

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

The USP rate: \$0.0378/Dth (or \$0.0389/Mcf)

Note: Bills rendered for the _____ billing cycle and thereafter shall reflect billing units in Mcf.

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The USP rate is not 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 Hardship Funds.

LIURP costs will be calculated based on the projected number of Level 1 income homes to be weatherized. Hardship Fund costs will be calculated on the projected level of an allocated share of administrative funds incurred by the UGI Operation Share Energy Fund.

CAP costs will be calculated to include

- 1) the projected CAP Shortfall
- 2) projected CAP customer application costs; and
- 3) projected CAP pre-program arrearage forgiveness.

CAP Shortfall shall be defined as the difference between the total calculated Rate R bill excluding Rider USP and the CAP bill and an adjustment for unearned shortfall amounts) 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. A credit shall be applied to CAP costs for projected LIHEAP energy assistance that may be credited to CAP Shortfall and CAP pre-program arrearage forgiveness in accordance with applicable law.

QUARTERLY ADJUSTMENT

Each quarter, and at any time that the Company makes a change in base rates or PGC rate 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 PUC to be effective one (1) day after filing.

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RULES AND REGULATIONS

14. RIDER E - Continued

UNIVERSAL SERVICE PROGRAM

ANNUAL RECONCILIATION

On or before November 1 of each year, the Company shall file with the PUC data showing the reconciliation of actual revenues received under this Rider and actual recoverable costs incurred for the preceding twelve months ended September. The resulting over/undercollection (plus interest calculated at 6% annually) will be reflected in the CAP quarterly rate adjustment to be effective December 1. Actual recoverable costs shall reflect actual shortfall costs, actual application costs, actual pre-program arrearage forgiveness, actual LIURP and actual Hardship Administrative costs. Actual recoverable CAP shortfall costs and pre-program arrearage forgiveness shall be based upon actual shortfall credits granted and pre-program arrearage forgiveness granted less a 10.86% adjustment for amounts granted to participants in excess of 2,700. The 10.86% adjustment related to shortfall credits and pre-program arrearage forgiveness will be based on the following:

For each reconciliation period, the average annual shortfall credit per participant will be determined by dividing the total actual shortfall credits granted during the reconciliation period by the average monthly number of participants receiving shortfall credits during the reconciliation period. The average monthly number of participants exceeding 2,700 will be multiplied by the average annual shortfall credit granted per participant and then multiplied by 0.1086, in order to determine the amount of the 10.86% adjustment which will not be recovered through Rider USP.

For each reconciliation period, the average pre-program arrearage forgiveness per participant will be determined by dividing the total actual pre-program arrearage forgiven during the reconciliation period by the number of participants receiving pre-program arrearage forgiveness. The number of participants receiving pre-program arrearage forgiveness exceeding 2,700 will be multiplied by the average pre-program arrearage forgiveness per participant and then multiplied by 0.1086 in order to determine the amount of the 10.86% adjustment which will not be recovered through Rider USP.

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<u>RULES AND REGULATIONS</u>
15. RIDER E
<u>ENERGY EFFICIENCY AND CONSERVATION RIDER</u>
<u>Applicability and Purpose</u>
The Company shall recover costs related to the Company's Energy Efficiency and Conservation Plan ("EECP") for 2011-2014 through an Energy Efficiency and Conservation Rider ("EEC Rider"). The EEC Rider shall be computed separately for each of the following two customer classes:
1. Residential customers served under Rate Schedules R, RT.
2. Non Residential customers served under Rate Schedules N, NT, CIAC, CT, DS and LFD.
EEC Rider Rate:
Residential \$0.4182/Dth (or \$0.4303/Mcf)
Non-Residential \$0.0727/Dth (or \$0.0748/Mcf)
Note: Bills rendered for the May 2011 billing cycle and thereafter shall reflect billing units in Mcf.
The EEC Rider shall apply to all customers whether they are receiving retail, Choice or transportation service from the Company, and shall be subject to the State
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RULES AND REGULATIONS

15. GAS EMERGENCY PLANNING

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15.1 Company's Right To Reduce or Curtail Service. An emergency exists whenever the aggregate demand for firm service 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 creates an immediate threat to the Company's system operating integrity with respect to Priority 1 Customers. In the event of a natural gas emergency, the Company shall have the right to impose a mandatory reduction or curtailment on any Customer's use of gas.

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(a) Prior to taking any action under section 15.2 to curtail Customer usage, provided sufficient time exists as determined by the Company in its sole judgement, the Company shall use reasonable efforts and methods to: (1) interrupt all interruptible services, (2) issue Operational Flow Orders or Daily Flow Directives and, (3) call for voluntary usage reductions by any or all Customers.

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(b) In planning for natural gas emergency situations, the Company shall make reasonable efforts to make contractual or informal arrangements with Customers and others which would allow the Company to obtain supplies or implement usage reductions in an effort to avoid or mitigate any emergency action pursuant to subsections 15.2 or 15.3 requiring firm service reductions. In making such arrangements, the Company may enter into specific negotiated terms, conditions and rates with any Customer or entity where a clear benefit exists to the Company for the management or avoidance of an emergency. Related costs, if any, may be included as gas costs for recovery under Section 11 of this Tariff.

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15.2 Priority-Based Curtailments. In the event of an emergency, where the Company has mandated priority-based curtailments, the available gas supplies to the Company shall be prorated, if practicable, among Customers and NGSs according to the priorities set forth below, listed in descending order. Customers in a higher priority category shall not be curtailed until all Customers falling into a lower priority category have been curtailed to plant protection use levels, unless operational circumstances or physical limitations warrant a different result. Additionally, where only a partial restriction of a category is required, implementation shall be pro rata to the extent practical under the circumstances. Whenever possible, as determined by the Company in its sole discretion, allocation actions shall be limited to confined geographic or operational portions of the Company's system where the emergency exists.

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(a) Priority 1. Service for residential and firm critical commercial essential human needs use.

(b) Priority 2. Firm service not included in Priority 1, which for purpose of curtailment shall be prioritized in the following subcategories:

- (1) Firm small commercial and industrial service for plant protection under Rates CIAC, CT, N, NT, and DS.

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RULES AND REGULATIONS15. GAS EMERGENCY PLANNING - Continued

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- (2) Firm large commercial and industrial service for plant protection under Rates LFD, and XD.
- (3) Firm commercial and industrial service under Rates CT, NT, DS, LFD, and XD to the extent actual gas deliveries are being made to the Company's system on behalf of the Customer; all except for plant protection.
- (4) Firm commercial and industrial service provided by Company gas purchase activities; all except for plant protection.

15.3 Mandatory Reductions In the event of an emergency under subsection 15.1, the Company may require each commercial and industrial retail and transportation Customer that is not a Priority 1 Customer to reduce its consumption of gas. In requiring mandatory reductions, the gas supplies available to the Company may be allocated to Customers in accordance with the priorities of use specified in subsection 15.2.

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(a) The reduction required shall be determined by the Company without regard to priorities of use, as necessary to minimize the potential threat to public health and safety.

(b) The mandatory reduction shall be for a period specified by the Company and may be until further notice. The Company may change a Customer's authorized usage, upon notice, at any time during an emergency.

(c) Mandatory reductions shall be for a maximum duration of five (5) consecutive business days, unless extended by PUC order.

(d) Except as provided in 15.3.

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(e) The minimum authorized usage may not be lower than the minimum usage of firm service necessary for plant protection use when all other service has been curtailed except for Priority 1 service and the Company continues to be unable to meet Priority 1 requirements, the Company shall exercise its judgment as to any further curtailment that may be necessary and shall utilize measures designed to minimize harm to Customers if curtailments to plant protection use are found to be necessary.

(f) Consistent with its responsibility to maintain system integrity at all times, the Company shall provide periodic status updates and restore service as soon as practicable to any gas-fired electric generation facility that is deemed critical to electric system reliability by the electrical system's control area operator.

(g) Transportation Customers and NGSSs are required to deliver, or cause to be delivered, natural gas supplies to the Company's system during an emergency, regardless of any mandatory gas consumption reductions imposed by the Company on such transportation Customers or NGSSs' Customers. Such natural gas delivery may be required up to the Customer's or NGS's applicable DFR, MDQ, DDR or otherwise specified daily delivery quantity as determined by the Company in its discretion.

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RULES AND REGULATIONS

15. GAS EMERGENCY PLANNING - Continued

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15.4 Notice of Restriction or Curtailment Notice of any restriction or curtailment shall be made to affected Customers or NGSS via methods and mediums most reasonably expected to accomplish such notice; these may include, but are not limited to: telephone, facsimile, website, or electronic data exchange. If necessary, the Company will make notice through the media in order to communicate specific requests to large groups of Customer categories that are affected, including any relevant geographic limitations.

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(a) It is the Customer's or NGS's responsibility to provide the Company with appropriate contact information, and to keep such information updated, in order to assure timely and efficient notices can be provided.

(b) The Company shall endeavor to provide the maximum notice time possible in the event of any notice of restriction or curtailment.

(c) The Company shall provide specific restriction or curtailment notices stating gas usage reduction percentages, absolute usage allowances or other reduction actions. In addition, the Company shall specify compliance timelines and restriction or curtailment durations as appropriate for the circumstance.

15.5 Emergency Allocation. The Company reserved the sole right to authorize exemptions in cases of verified Customer emergency situations affecting health and welfare.

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15.6 Definitions

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(a) Residential Use - Gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating, or other domestic purposes; all residential Customers served under Rates R, RT, and GL and apartments served under Rate N, NT, CIAC, CT, and GL, or subsequent rates classified by the Company as residential.

(b) Firm Service - Natural gas service offered by the Company to Customers under Tariffs or contracts that anticipate no interruptions. Such schedules are Rate R, RT, GL, CIAC, CT, N, NT, DS, LFD, and XD or subsequent firm rate schedules.

(c) Commercial Use - Gas usage by Customers engaged primarily in the sale of goods or services including consumption by office buildings, institutions and government agencies, and classified as commercial class for Company accounting purposes. Commercial Customers are served under Rates GL, CIAC, CT, N, NT, DS, LFD, XD, and IS or subsequent rates classified by the Company as commercial.

(d) Essential Human Needs Use - Gas usage into any building where persons normally dwell, including residences.

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15. GAS EMERGENCY PLANNING - Continued

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(e) Industrial Use - Gas usage by Customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power, and classified as industrial for Company accounting purposes. Industrial Customers are served under Rates GL, CIAC, CT, N, NT, DS, LFD, XD, and IS, or subsequent rates classified by the Company as Industrial.

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(f) Plant Protection Use - Minimum usage of natural gas required to prevent physical harm to an industrial or commercial consumer's plant facilities or danger to plant personnel at the facility when the protection cannot be afforded through the use of an alternate fuel. Plant protection uses include usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.

15.7 Limitation of Liability.

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In the event of any limitation of service or curtailment, the Company may restrict, curtail or discontinue service in accordance with this Section 15, or PUC order, without incurring any penalty or liability for any loss, injury or expense that may be sustained by the Customer except when the restriction or discontinuation of service is a result of the Company's willful or wanton misconduct.

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15.8 Appropriation Liability.

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(a) The Company may appropriate natural gas and/or pipeline capacity pursuant to this Section 15, a PUC policy statement, directive or order, or an emergency order issued by the Governor of Pennsylvania.

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(b) The Company shall compensate the Customer or the Customer's NGS for the cost of appropriated gas supplies. The compensation, in the aggregate, shall equal but not exceed, the greater of:

- (1) the city gate cost of the appropriated natural gas including all transportation charges up to the Company's city gate; or,
- (2) the reasonable cost actually paid by the Customer or the Customer's NGS for delivered substitute energy, as documented by the Customer or the Customer's NGS and presented as evidence to the Company. Such compensation may be a later delivery of in-kind gas service at the sole discretion of the affected Customer or NGS.

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RULES AND REGULATIONS

15. GAS EMERGENCY PLANNING - Continued

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15.9 Discontinuance of Service.

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The Company may discontinue service at its sole discretion, without notice, for the duration of an emergency, to any Customer that continues to take gas in violation of any rules, notice of limitation or curtailment provided for under this section 15.

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(a) The Company may, in its sole discretion, issue penalties for any unauthorized taking of gas to any Customer failing to comply with any restriction or curtailment made under this Section 15.

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(b) The penalty for unauthorized takes associated with this section shall be equivalent to those for a Critical Day in section 18.5 General Terms for Rates DS, LFD, XD, and IS - Maximum Daily Excess Balancing Charge. Payment of penalties under this section shall be in addition to any liability for direct or indirect damages resulting from Customer's or Customer's NGS failure to comply.

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(c) The Customer shall be liable to the Company for any costs incurred in taking action to discontinue service in accordance with actions taken under subsection 15.9.

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RULES AND REGULATIONS16. GENERAL TERMS FOR RATES DS, LFD, XD, AND IS

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16.1 Application of Rates

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(a) Rates; Notification of Delivery. Transportation of customer-owned gas is available to eligible Customers under Rates DS, LFD, XD and IS. Customer shall notify the Company of any and all gas deliveries to the Company's system, including, but not limited to, the provision of nomination, revised nomination and scheduling information, in accordance with the Company's Nomination Procedure. The quantity of gas received on behalf of the Customer shall be determined as allocated by the Company if required in its sole discretion. It is the Customer's responsibility to arrange that any necessary billing information be provided to the Company and its gas transmission pipeline(s). Customers failing to provide nomination, billing, scheduling and/or other required information to the Company or pipeline(s), or otherwise failing to comply with the Company's Nomination Procedure, shall be subject to applicable imbalance charges in accordance with the provisions set forth within these General Terms for Rates DS, LFD, XD and IS, and, in addition, be charged an Administrative Scheduling Fee in an amount no greater than \$1,000 per day for every day such required information is delayed.

(b) Meter Sequencing. Gas purchased from the Company (retail) shall be sequenced for billing purposes as the first gas through the Customer's meter each billing month. Customer-owned Gas delivered under the transportation Rate Schedules shall be sequenced for billing purposes as the next gas through the meter, and gas purchased under the Retail and Standby Rider shall be sequenced for billing purposes as the last gas through the meter. Gas billed under firm rate schedules shall be billed prior to gas billed under interruptible rate schedules. In lieu of otherwise specified tariff provisions, where the Company and Customer agree, Company shall use pipeline metering facilities for measuring and billing total deliveries to the Customer's facility.

(c) Payment of Charges, Penalties. The Customer shall pay the Company for any and all additional charges incurred on the Customer's behalf or resulting from the Customer's actions or inactions which the Company can demonstrate arise out of the provision of transportation service including, but not limited to, pipeline transportation and service charges. Any such charge, penalty or obligation imposed by a pipeline transporter or supplier as result of balancing of gas delivered to the Customer shall be paid by the Customer in addition to applicable charges set forth in Rates DS, LFD, XD and IS, and the Retail and Standby Rider.

(d) Late Payment Charge. Late Payment Charges shall be billed Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

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RULES AND REGULATIONS

16. GENERAL TERMS FOR RATES DS, LFD, XD, AND IS (Continued)

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(e) NGS is required to notify Company at least ten days prior to dropping Customer from Billing Pool or individual pool. Rules of 16.1(a) are applicable to this notification.

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(f) Billing Pools. Two or more transportation Customers may join together in pooled transactions for the purchase and delivery of gas. The Company may allocate among all such customers the volumes of gas or imbalances for purposes of determining responsibility for charges, rates, penalties or other obligations imposed by the Company, or in connection with operation of the pool. Except as the Company otherwise agrees, the Company is not responsible for determining individual customer responsibility for such charges. Suppliers to Billing Pools must execute an agreement with the Company prior to initiating gas deliveries. Customer is required to submit in writing a request for entry into NGS Billing Pool along with the acknowledgement of NGS granting Customers access into NGS Billing Pool.

- (1) Each Billing Pool shall appoint a Lead Buyer or Agent who will coordinate nomination, billing, reconciliation, allocation and any other necessary communication between the Billing Pool and the Company.
- (2) All members of a Billing Pool shall be of like balancing service election. The Company may restrict formation or operation of any Billing Pool in order to meet like balancing service election or pipeline imposed eligibility requirements.
- (3) Automated Meter Reading. The Company reserves the right as a condition of service under Rate Schedules DS, LFD, XD and IS, with a contract term of one year and greater, to install, at the Customer's expense, automated meter reading ("AMR") equipment for the purposes of daily collection or monitoring, and billing Customer volumes at each meter or multimeter location served under such Rate Schedules. Where AMR equipment is installed, the Customer shall maintain, at its expense, a dedicated phone connection and electric service to the AMR equipment which will allow the Company unlimited remote access to the AMR device at all times.
- (4) Service under Rate NNS is required by, and shall be individually billed to, any and all members of a Billing Pool except when all pool members are monitored on a daily basis through the use of Company owned AMR equipment at all meter locations. Additionally, service under Rate MBS is required by, and shall be individually billed to, any and all members of a Billing Pool when the billing month for each pool member does not end on the same calendar date; Billing Pools having all customers monitored and billed through the use of Company owned AMR equipment at all meter locations shall be exempt from this requirement.

(g) Supplier Notification. Each transportation customer may purchase gas supplies from an unlimited number of suppliers, brokers, marketers or other individuals ("Suppliers"). Customer must notify the Company, as specified in the Company's *Nomination Procedure*, of each Supplier from which the Customer intends to purchase. Customers utilizing Suppliers without proper notification will be charged a \$500 per month Supplier Administration Fee per supplier for those Suppliers.

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RULES AND REGULATIONS

16. GENERAL TERMS FOR RATES DS, LFD, XD, AND IS (Continued)

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16.3 Balancing and No-Notice Service.

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(a) Each Customer shall use best efforts to balance purchases, deliveries and receipts of gas at all times. Except as specified in 16.1(f), for the purposes of balancing excess deliveries and shortfalls and purchasing services under Rates NNS and MBS, Billing Pools may be treated as a single entity. Subject to the terms and conditions set forth below, the Company shall provide no-notice and monthly balancing services under Rate Schedules NNS and MBS. Service under Rate Schedules NNS and MBS is available only for inadvertent fluctuations, limited by the terms and conditions of each Rate Schedule, and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. In the event the Customer fails to use best efforts to balance deliveries and receipts, or otherwise misuses no-notice or balancing services as determined by the Company in its sole discretion, the Company may impose retail and/or standby rates for the period of such default or misuse and may specify mandatory levels of service under Rates NNS and/or MBS for any continued service in addition to any applicable penalties.

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(b) Daily Balancing. The Company shall allow Customer's daily demand to inadvertently vary from daily scheduled deliveries by +/-2.5% without imposing Daily Balancing Charges, provided the total daily quantity taken does not exceed Customer's Daily Firm Requirement, MDQ or otherwise specified contract demand limit. Daily imbalances in excess of the +/-2.5% tolerance, unless otherwise provided by service elected under Rate NNS, shall be assessed a Maximum Daily Excess Balancing Charge in accordance with section 16.5 under Critical Day and Non-Critical Day criteria unless otherwise specified in Customer's contract, in addition to the charges specified in Rates DS, LFD, XD and IS, on all such quantities.

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(c) Imbalance Resolution. Customer's monthly imbalances will be calculated at the end of each billing period to determine if any overdelivery (excess) or underdelivery (shortfall) condition exists for volumes scheduled versus volumes metered. If the Customer is determined to be in an imbalance condition, and has not elected service under Rate MBS, then the Company shall sell and the Customer shall buy any shortfall amount according to the following cash-out pricing:

<u>Shortfall Percent</u>	<u>Cash-Out Price</u>
Up to 5%	Average Monthly Index ("AMI")
Greater than 5%, but not greater than 15%	AMI x 1.1
Greater than 15%, but not greater than 25%	AMI x 1.3
Greater than 25%	AMI x 1.5

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RULES AND REGULATIONS

16. GENERAL TERMS FOR RATES DS, LFD, XD, AND IS (Continued)

Likewise, the Customer shall sell and the Company shall buy any excess amount according to the following cash-out pricing:

<u>Excess Percent</u>	<u>Cash-Out Price</u>
Up to 5%	Average Monthly Index ("AMI")
Greater than 5%, but not greater than 15%	AMI x 0.9
Greater than 15%, but not greater than 25%	AMI x 0.7
Greater than 25%	AMI x 0.5

The AMI (Average Monthly Index) shall be calculated as the average of the published Gas Daily Midpoint index prices for Transco, zone 6 non-N.Y. during the Customer's billing month.

The AMI is applicable to the above tables only for inadvertent monthly imbalances. The HMI (Highest Monthly Index) or the LMI (Lowest Monthly Index) as defined below shall apply respectively to shortfall and excess conditions in those situations where intentional imbalances are involved.

The HMI shall be calculated as the sum of the highest published Gas Daily Midpoint index prices for Transco, zone 6 non-N.Y. during the Customer's billing month.

The LMI shall be calculated as the sum of the lowest published Gas Daily Midpoint index prices for Transco, zone 6 non-N.Y. during the Customer's billing month.

(d) The Company may extend the balancing period for gas volumes and may increase volumes eligible for balancing in its discretion, but only if it determines that such action is consistent with its obligations to other customers.

(e) Supply Transfers. In order to facilitate Monthly balancing related to inadvertent imbalances in Company's sole discretion, the Company shall allow Supply Transfers among Customers and Billing Pools, Customers-to-Billing Pools and Billing Pools-to-Customers at a fee of \$125 per transaction, provided however: (1) such transfer is requested prior to the end of the billing month for both the transferee and the transferor, (2) such transfer is physically possible given pipeline interconnection and delivery point limitations which require transfers to be between parties located on the same segment of the Company's distribution system, and system supplies and reliability are not adversely affected

(f) Customers that use the Company as agent for securing transportation service from gas transmission pipelines will have all the same balancing privileges as other customers.

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RULES AND REGULATIONS16. GENERAL TERMS FOR RATES DS, LFD, XD, AND IS (Continued)

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16.4 Service Agreement and General.

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(a) Limitation on Liability.

- (1) The Company shall not be liable for curtailment of service under Rates DS, LFD, XD and IS, or loss of the Customer's gas as a result of any steps taken to comply with any law, regulation or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation or order.
- (2) Gas transported and delivered by the Company to the Customer hereunder shall be and remain the property of the Customer. The Customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during and after receipt by the Company.
- (3) The Company shall not be liable for any loss to the Customer arising from or out of service hereunder, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the Customer with other supplies.

(b) Warranty, indemnity and special provisions. The receipt of service constitutes Customer's agreement to the following representations and warranties, together with related provisions in the service agreement:

- (1) clear and marketable title to the Customer's gas;
- (2) delivery points, pressure, quality and other specifications acceptable to gas transmission pipeline(s) and the Company;
- (3) eligibility of the Customer for service;
- (4) existence of lawful authority for sale, transportation and delivery;
- (5) agreement to pay all excise, sales, use, gross receipts, or other taxes (other than income taxes) all tariff charges and all penalties, charges, fees for transportation, balancing etc., associated with delivered gas, which may be levied upon or incurred by the Company at any time;
- (6) agreement to indemnify and hold the Company harmless from breach of representations or warranties, and any liability associated with Customer's gas while on the Company's system.

Copy of Gas Purchase Agreements, Other Documents. When requested by the Company, the Customer shall provide the Company with a copy of Customer's gas purchase contract and any related transportation, marketing and brokerage contracts, or, in lieu of providing such contracts, certify pertinent information as required by the Company, and, in order to meet state or federal requirements, provide a sworn affidavit setting forth the Customer's cost of gas for the period requested by the Company. The Company shall endeavor to protect the confidentiality of information provided by the customer in accordance with this provision. The Company will provide such information to third parties only when required to do so by law, regulation or order and in such case, will attempt to maintain confidentiality to the extent possible.

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RULES AND REGULATIONS

16. GENERAL TERMS FOR RATES DS, LFD, XD, AND IS (Continued)

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16.5 Maximum Daily Excess Balancing Charge

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Maximum Daily Excess Balancing Charge that occurs on Critical Days shall be as follows:

The charge for exceeding daily balancing limits shall be ten times the highest price for delivery in Transco Zone 6, New York, as published in *Gas Daily* on the table "Daily Price Survey." This rate shall not be lower than the maximum penalty charge for unauthorized daily overruns as provided for in the FERC-approved gas tariffs of the interstate pipelines which deliver gas into Pennsylvania.

Maximum Daily Excess Balancing Charge that occurs on Non-Critical Days shall be as follows:

<u>Daily Imbalance Percent</u>	<u>Penalty</u>
Up to 15%	GDI
Greater than 15%, but not greater than 30%	GDI x 2
Greater than 30%, but not greater than 45%	GDI x 3
Greater than 45%, but not greater than 60%	GDI x 4
Greater than 60%	GDI x 5
Intentional imbalances	GDI x 10

The GDI (Gas Daily Index) shall be equal to the difference in price between the highest published Gas Daily index price for Transco, Zone 6 Non-NY and the lowest published Gas Daily index price for Transco, Station 65 but shall not be lower than \$0.25/Mcf.

The Company shall not charge any Maximum Daily Excess Balancing Charges if the Excess Daily Imbalance is anticipated to benefit the distribution systems daily balancing position as determined by Company in its sole discretion.

16.6 Operational Flow Orders and Daily Flow Directives

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Daily Flow Directive.

An order issued by the Company to address system management issues on a non-critical day, including actions necessary to comply with statutory directives and obligations including the Company's obligations pursuant to 1307(f) gas procurement activities, but not solely for other economic reasons. DFDs will be communicated to affected Customers or NGSs either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGS. Customers and NGSs must provide the Company with a 24-hour contact for DFDs. Failure to comply with a DFD may result in the Customer or NGS being assessed the penalty charge set forth in Section 16.5 (Section A Gas Service Tariff).

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RULES AND REGULATIONS

16. GENERAL TERMS FOR RATES DS, LFD, XD, AND IS (Continued)

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Operational Flow Orders

A directive issued by the Company that is reasonably necessary to alleviate conditions that threaten the operational integrity of the Company's system on a critical day, including actions necessary to comply with statutory directives and obligations including the Company's obligations pursuant to 1307(f) gas procurement activities, but not solely for other economic reasons. OFOs will be communicated as soon as reasonably practical to affected Customers or NGSSs either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGS. Customers and NGSSs must provide the Company with a 24-hour contact for OFOs. Failure to comply with an OFO may result in the Customer or NGS being assessed the penalty charge set forth in Section 16.5 above.

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RATE R

GENERAL SERVICE - RESIDENTIAL

AVAILABILITY

This rate applies to all Residential Customers in the entire gas service territory of the Company and available at one location, for the total requirements of any residential Customer. Residential Customers are customers receiving the Company's gas service to a single-family dwelling or building, or through one meter to four or fewer units in a multi-family dwelling or premises used as a single family.

STANDBY AVAILABILITY

Where service is provided under this Rate to any residential customer utilizing natural gas as a backup, auxiliary or temporary fuel, a Standby Surcharge shall apply. For purposes of applying the Standby Surcharge, backup, auxiliary or temporary functionality shall be determined at the Company's sole discretion where natural gas is being utilized as a backup heating fuel to any other fuel service.

MONTHLY RATE TABLE

Customer Charge: \$14.85 per customer

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Plus

Distribution Charge: \$5.7210/Dth (or \$0.58869/Ccf)

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Plus

Deleted: 620

Annual C-Factor

As stated in Section 11 Rider B Section 1307 (F) Purchased Gas Costs

Plus

Annual E-Factor

As stated in Section 11 Rider B Section 1307 (F) Purchased Gas Costs

Plus, if Standby:

Customer Charge Surcharge: \$5.43 per Customer

Plus

Distribution Charge Surcharge: \$2.53/Dth (or \$0.2603/Ccf)

Note: Bills rendered for the _____ billing cycle and thereafter shall reflect billing units in Ccf.

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MINIMUM CHARGE

Customer Charge as set forth above.

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RATE R - CONTINUED

GENERAL SERVICE RESIDENTIAL

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12 month intervening period

SURCHARGES

- Rider A - State Tax Adjustment Surcharge
- Rider C - Migration Rider
- Rider D - Merchant Function Charge
- Rider E - Universal Service Program

PAYMENT

In accordance with Section 8.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

RULES AND REGULATIONS

All of the Rules and Regulations of this gas Tariff are a part of this Rate Schedule.

Deleted: Rider F - Energy Efficiency and Conservation Rider¶
Rider G - Conservation Development Rider¶

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RATE RT

GENERAL SERVICE - RESIDENTIAL TRANSPORTATION

AVAILABILITY

This Rate applies to all Residential Customers in the entire gas service territory who are served by a qualified Choice Supplier receiving service under Rate AG and available at one location, for the total requirements of any residential Customer. Residential Customers are customers receiving the Company's gas service to a single-family dwelling or building, or through one meter to four or fewer units in a multi-family dwelling or premises used as a single family.

STANDBY AVAILABILITY

Where service is provided under this Rate to any residential customer utilizing natural gas as a backup, auxiliary or temporary fuel, a Standby Surcharge shall apply. For purposes of applying the Standby Surcharge, backup, auxiliary or temporary functionality shall be determined at the Company's sole discretion where natural gas is being utilized as a backup heating fuel to any other fuel service.

MONTHLY RATE TABLE

Customer Charge: \$14.85, per customer

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Plus

Distribution Charge: \$5.7210/Dth (or \$0.52869/Ccf)

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Plus

Annual C-Factor

As stated in Section 11 Rider B Section 1307 (F) Purchased Gas Costs

Plus

Annual E-Factor

As stated in Section 11 Rider B Section 1307 (F) Purchased Gas Costs

Plus, if Standby:

Customer Charge Surcharge: \$5.43 per Customer

Plus

Distribution Charge Surcharge: \$2.53/Dth (or \$0.2603/Ccf)

Note: Bills rendered for the _____ billing cycle and thereafter shall reflect billing units in Ccf.

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MINIMUM CHARGE

Customer Charge as set forth above.

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RATE RT - CONTINUED

GENERAL SERVICE RESIDENTIAL TRANSPORTATION

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12 month intervening period.

SURCHARGES

- Rider A - State Tax Adjustment Surcharge
- Rider C - Migration Rider
- Rider E - Universal Service Program Rider

PAYMENT

In accordance with Section 8.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

RULES AND REGULATIONS

All of the Rules and Regulations of this gas Tariff are a part of this Rate Schedule.

Where a Customer is returned to the Company or an alternate Supplier of Last Resort prior to the next regular meter reading date, due to the Licensed Choice Natural Gas Supplier's non-performance, Customer will receive service from Company or alternate Supplier of Last Resort for the remainder of the billing month at the contract rate between the Customer and Choice Supplier. Customer must provide evidence of the applicable contract rate, if requested by Company, to receive the contract rate price. As of the next regular meter read date, Customer will be transferred to Rate R, unless enrolled as a Rate RT customer by another Choice Supplier, effective as of the next regular meter read date.

GENERAL TERMS

Company Use and Unaccounted For gas shall be retained in accordance with Section 5, OPERATIONAL REQUIREMENTS, paragraph 5.1, Daily Delivery Requirements, of the Gas Choice Supplier Tariff.

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Rider G - Conservation Development Rider

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RATE GL

GAS LIGHT SERVICE

AVAILABILITY

This service is available for street, highway, driveway or other lighting or sign illumination, where measurement by meter of the gas consumed is not practicable or economical. As used herein, "light" means a single lamp or sign having one (1) gas-flow orifice and one (1) or more mantles, and of a type approved by the Company.

MONTHLY RATE

Distribution Charge: \$6.3089/Dth (or \$6.4919/Mcf)

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Plus

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Rider B - Section 1307(f) Purchased Gas Costs

Rider A - State Tax Adjustment Surcharge

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Where the effective area of the gas-flow orifice in the light does not exceed .00673 square inch (equivalent to drill size No. 69) which shall be deemed to consume one (1) Dth (or .9718 Mcf) per month.

BILLS DUE

All bills for continuing service are due each month when rendered, and the final due date stated on the bill shall be no less than fifteen (15) days from the date of presentation. Upon discontinuance of service, bills are due and payable upon presentation.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

SPECIAL TERMS AND CONDITIONS

Gas will be supplied to lights furnished, erected and maintained by the customer only when equipped with regulators and such devices as the Company considers necessary for turning lights on and off for maintenance and safety purposes.

RULES AND REGULATIONS

The Rules and Regulations set forth in this Tariff shall govern, where applicable, the supply of gas service under this Rate Schedule.

Note: Bills rendered for the _____ billing cycle and thereafter shall reflect billing units in Mcf.

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RATE N

GENERAL SERVICE - NON-RESIDENTIAL

AVAILABILITY

This Rate applies in the entire territory served by the Company and is available to all non-residential Customers using gas for any purpose including gas purchased by another public utility for resale. Service will be supplied only where the Company's facilities and the available quantity of gas are suitable to the service desired. Rate N service may not be applied to supplement or back up interruptible service under Rate IS, DS, LFD or XD, except to the extent of needs for plant protection use. The following shall be permitted only as determined by the Company, and subject to reasonable limitations:

- (a) Rate N service to a new customer having an annual usage of 3,000 MCF or greater.
- (b) Transfers of a customer or customer load having an annual usage of 3,000 Mcf or greater from any other rate schedule to Rate N.

STANDBY AVAILABILITY

Where service is provided under this Rate to any non-residential customer utilizing natural gas as a backup, auxiliary or temporary fuel, a Standby Surcharge shall apply. For purposes of applying the Standby Surcharge, backup, auxiliary or temporary functionality shall be determined at the Company's sole discretion where natural gas is being utilized as a backup heating fuel to any other fuel service.

MONTHLY RATE TABLE

Customer Charge: \$31.00 per customer

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Plus

Distribution Charge: \$3.2042/Dth (or \$3.2971/Mcf)

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Deleted: 4.4570

Plus

Annual C-Factor

As stated in Section 11 Rider B Section 1307 (F) Purchased Gas Costs

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Plus

Annual E-Factor

As stated in Section 11 Rider B Section 1307 (F) Purchased Gas Costs

Plus, if Standby:

Customer Charge Surcharge: \$8.62 per Customer

Plus

Distribution Charge Surcharge: \$2.44/Dth (or \$2.52/Mcf)

Note: Bills rendered for the _____ billing cycle and thereafter shall reflect billing units in Mcf.

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RATE N - CONTINUED

MINIMUM CHARGE

The Customer Charge as set forth above.

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12 month intervening period.

SURCHARGES

- Rider A - State Tax Adjustment Surcharge
- Rider C - Migration Rider
- Rider D - Merchant Function Charge

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

RULES AND REGULATIONS

All of the Rules and Regulations of this gas Tariff are a part of this Rate Schedule.

Deleted: Rider F - Energy Efficiency and Conservation Rider¶
 Rider G - Conservation Development Rider¶
 Rider H - Natural Gas Vehicle Pilot Program Rider¶

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 Natural Gas Vehicle Service offered under this Rate N is subject to the terms set forth in Section 5 "Extension Regulation", paragraph 5.5. ¶

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RATE NT

GENERAL SERVICE - NON-RESIDENTIAL TRANSPORTATION

AVAILABILITY

This Rate applies in the entire territory served by the Company and is available to all Customers who are served by a Choice Supplier receiving service under Rate AG, except residential Customers, using gas for any purpose. Service will be supplied only where the Company's facilities and the available quantity of gas are suitable to the service desired. Rate NT service may not be applied to supplement or back up interruptible service under Rates IS or DS, except to the extent of needs for plant protection use. Service to the same customer under Rate NT and Rates IS or DS and transfers of a customer or customer load from Rates IS or DS to Rate NT shall be permitted only as determined by the Company, and subject to reasonable limitations.

STANDBY AVAILABILITY

Where service is provided under this Rate to any non-residential customer utilizing natural gas as a backup, auxiliary or temporary fuel, a Standby Surcharge shall apply. For purposes of applying the Standby Surcharge, backup, auxiliary or temporary functionality shall be determined at the Company's sole discretion where natural gas is being utilized as a backup heating fuel to any other fuel service.

MONTHLY RATE TABLE

Customer Charge: \$31.00, per customer

Deleted: 26.00

Plus

Distribution Charge: \$3.2042/Dth (or \$3.2971/Mcf)

Deleted: 4.3314

Plus, if Standby:

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Customer Charge Surcharge: \$8.62 per Customer

Plus

Distribution Charge Surcharge: \$2.44/Dth (or \$2.52/Mcf)

Note: Bills rendered for the billing cycle and thereafter shall reflect billing units in Mcf.

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MINIMUM CHARGE

The Customer Charge as set forth above.

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

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RATE NT - CONTINUED

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12 month intervening period.

SURCHARGES

Rider A - State Tax Adjustment Surcharge
Rider C - Migration Rider

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Rider G - Conservation Development Rider
Rider H - Natural Gas Vehicle Pilot Program Rider

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

RULES AND REGULATIONS

All of the Rules and Regulations of this gas Tariff are a part of this Rate Schedule.

Where a Customer is returned to the Company or an alternate Supplier of Last Resort prior to the next regular meter reading date, due to the Licensed Choice Natural Gas Supplier's non-performance, Customer will receive service from Company or alternate Supplier of Last Resort for the remainder of the billing month at the contract rate between the Customer and Choice Supplier. Customer must provide evidence of the applicable contract rate, if requested by Company, to receive the contract rate price. As of the next regular meter read date, Customer will be transferred to Rate N, unless enrolled as a Rate NT customer by another Choice Supplier, effective as of the next regular meter read date.

GENERAL TERMS

Company Use and Unaccounted For gas shall be retained in accordance with Section 5, OPERATIONAL REQUIREMENTS, paragraph 5.1, Daily Delivery Requirements, of the Gas Choice Supplier Tariff.

Deleted: NATURAL GAS VEHICLE SERVICE
Natural Gas Vehicle Service offered under this Rate NT is subject to the terms set forth in Section 5 "Extension Regulation", paragraph 5.5.

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GAS BEYOND THE MAINS SERVICE - SCHEDULE GBMAPPLICABILITY

Available for service throughout the territory served under this Tariff.

AVAILABILITY

The Company may from time to time, at its sole option, provide service to customers requesting natural gas service in the Company's service territory utilizing propane where the extension of natural gas facilities is currently uneconomic but is anticipated to be economic, and absent this rate schedule, the Customer would not receive service from the Company. Schedule GBM service will be closed to new customers as of December 31, 2009, and shall be discontinued to both new and existing Schedule GBM service customers without further obligation by Company as of August 28, 2014, unless or until the PUC issues an order, after investigation, allowing Company specifically, or natural gas distribution companies generally, to offer Schedule GBM service or similar propane service. In the event such an order is not issued by the PUC, Schedule GBM service shall terminate for all customers, without further obligation of Company, as of August 28, 2014.

REPORTING REQUIREMENTS

CPG will provide an explanation in its annual PGC filings why the recovery, through PGC rates, of propane costs incurred to provide service under this rate schedule to any Gas Beyond the Main customers who began to receive service on or after December 1, 2008, and who have received such service for a period of five years or longer, is in the public interest.

NET MONTHLY RATE

The charges for each billing period shall equal the current charges set forth in this tariff under the otherwise applicable rate schedule or, if the PUC has determined that recovery of propane costs incurred to provide service to the customer may not be recovered through PGC rates, the current charges set forth in this tariff under the otherwise applicable rate schedule, excluding purchases gas cost components, plus the market cost of propane supplied to the customer.

ADDITIONAL SERVICE PROVISIONS

1. The cost of converting a Customer's appliance to or from propane or natural gas service, unless otherwise agreed by the Company, shall be paid by the Customer.
2. The Customer shall provide a suitable location for any required propane facilities as determined by the Company.
3. If propane service is requested by a developer for a planned or actual real estate development with multiple actual or potential service locations, the developer shall enter into an agreement with the Company addressing the provision of suitable locations for required propane facilities, appliance conversion characteristics and responsibilities for use of propane distribution facilities.

Issued: Effective for Service Rendered on and after

Deleted: January 14, 2011

Deleted: March 15, 2011

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(C)

RATE GBM - CONTINUED

SURCHARGES

- Rider A - State Tax Adjustment Surcharge
- Rider C - Migration Rider
- Rider D - Merchant Function Charge
- Rider E - Universal Service Program, if applicable

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

RULES AND REGULATIONS

All of the Rules and Regulations of this gas Tariff are a part of this Rate Schedule.

Deleted: Rider F - Energy Efficiency and Conservation Rider
 Deleted: Rider G - Conservation Development Rider
 Deleted: Rider H - Natural Gas Vehicle Pilot Program Rider

Deleted: In accordance with Rule 9.

Issued: Effective for Service Rendered on and after

Deleted: January 14, 2011

Deleted: March 15, 2011

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(c)

RATE CIAC

GENERAL SERVICE - COMMERCIAL AND INDUSTRIAL AIR CONDITIONING

AVAILABILITY

This Rate applies in the entire territory of the Company where natural gas is supplied. It is available to any commercial or industrial Customer using gas for air conditioning purposes when Customer has a written agreement contracting for use of gas under the terms of this Tariff.

Service will be supplied only where the Company's facilities and available quantities of gas are suitable to the service desired. The number of Customers to receive service under this Rate may be limited by the Company.

The use of gas under this Rate will only be available beginning with the April billing period and ending with the October billing period.

TERMS AND BILLING

Service shall be for a period of not less than one (1) year with monthly payments for service taken. Gas sold under this Rate Schedule shall be determined and billed by the Company upon the basis of:

- (a) Gas used in excess of the estimated use for purposes other than air conditioning, or
- (b) Gas used for air conditioning separately metered where it is practical and economical.

Where gas is also used for space heating service under Rate N and CIAC usage during the billing month is equal to or greater than 3% of the average Rate N gas usage during January through March, then all air conditioning usage will be billed under Rate CIAC; if less than 3% of the average is consumed, then air conditioning usage will be billed under Rate CIAC, and the difference will be billed under Rate N.

All other gas used, including gas used for air conditioning purposes during months other than the billing periods of April through October, shall be paid for under other rates applicable to Customer.

MONTHLY RATE TABLE

Customer Charge: \$31.00 per customer

Deleted: 26

Plus

Distribution Charge: \$3.2042/Dth (or \$3.2971/Mcf)

Deleted: 4.3314

Deleted: 4.4570

Note: Bills rendered for the billing cycle and thereafter shall reflect billing units in Mcf.

Deleted: Bills rendered for the May 2011 billing cycle

Plus

Annual C-Factor

As stated in Section 11 Rider B Section 1307 (F) Purchased Gas Costs.

Issued: , Effective for Service Rendered on and after

Deleted: January 14, 2011

Deleted: March 15, 2011

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(C)

RATE CIAC - CONTINUED

GENERAL SERVICE - COMMERCIAL AND INDUSTRIAL AIR CONDITIONING

Plus

Annual E-Factor

As stated in Section 11 Rider B Section 1307 (F) Purchased Gas Costs

MINIMUM CHARGE

Customer Charge as set forth above.

SURCHARGES

- Rider A - State Tax Adjustment Surcharge
- Rider C - Migration Rider
- Rider D - Merchant Function Charge

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

RULES AND REGULATIONS

All of the Rules and Regulations of this gas Tariff are a part of this Rate Schedule.

Deleted: Rider F - Energy Efficiency and Conservation Rider¶
 Rider G - Conservation Development Rider¶
 Rider H - Natural Gas Vehicle Pilot Program Rider¶

Deleted: NATURAL GAS VEHICLE SERVICE¶
 ¶
 Natural Gas Vehicle Service offered under this Rate CIAC is subject to the terms set forth in Section 5 "Extension Regulation", paragraph 5.5.¶

Issued: v Effective for Service Rendered on and after v

Deleted: January 14, 2011

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RATE CT

GENERAL SERVICE--COMMERCIAL
AND INDUSTRIAL AIR CONDITIONING - TRANSPORTATION

AVAILABILITY

This Rate applies in the entire territory served by the Company and is available to any commercial or industrial Customer, served by a Choice Supplier receiving service under Rate AG, using gas for air conditioning purposes when Customer has a written agreement contracting for use of gas under the terms of this Tariff. Service will be supplied only where the Company's facilities and available quantities of gas are suitable to the service desired. The number of Customers to receive service under this Rate may be limited by the Company.

The use of gas under this Rate will only be available beginning with the April billing period and ending with the October billing period.

TERMS AND BILLING

Service shall be for a period of not less than one (1) year with monthly payments for service taken. Gas sold under this Rate Schedule shall be determined and billed by the Company upon the basis of:

- (a) Gas used in excess of the estimated use for purposes other than air conditioning, or
- (b) Gas used for air conditioning separately metered where it is practical and economical.

Where gas is also used for space heating service under Rate N or NT and CT usage during the billing month is equal to or greater than 3% of the average Rate N or NT gas usage during January through March, then all air conditioning usage will be billed under Rate CT. If less than 3% of the average is consumed, then air conditioning usage will be billed under Rate CT, and the difference will be billed under Rate N or NT.

All other gas used, including gas used for air conditioning purposes during months other than the billing periods of April through October, shall be paid for under other rates applicable to Customer.

MONTHLY RATE TABLE

Customer Charge: \$31.00 per Customer

Deleted: 26

Plus

Distribution Charge: \$3.2042/Dth (or \$3.2971/Mcf)

Deleted: 4.3314

Deleted: 4.4570

Note: Bills rendered for the billing cycle and thereafter shall reflect billing units in Mcf.

Deleted: rendered for the May 2011 billing cycle

Issued: Effective for Service Rendered on and after

Deleted: January 14, 2011

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(c)

RATE CT - CONTINUED

GENERAL SERVICE--COMMERCIAL AND
INDUSTRIAL AIR CONDITIONING - TRANSPORTATION

SURCHARGES

Rider A - State Tax Adjustment Surcharge
Rider C - Migration Rider

Where a Customer is returned to the Company or an alternate Supplier of Last Resort prior to the next regular meter reading date, due to the Choice Supplier's non-performance under Rate AG, Customer will receive service from Company or alternate Supplier of Last Resort for the remainder of the billing month at the contract rate between the Customer and Choice Supplier. As of the next regular meter read date, Customer will be transferred to Rate CIAC, unless enrolled as a Rate CT customer by another Choice Supplier, effective as of the next regular meter read date.

Deleted: Rider F - Energy Efficiency and Conservation Rider¶
Rider G - Conservation Development Rider¶
Rider H - Natural Gas Vehicle Pilot Program Rider¶

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

MINIMUM BILL

Customer Charge set forth above.

GENERAL TERMS

Company Use and Unaccounted For gas shall be retained in accordance with Section 5, OPERATIONAL REQUIREMENTS, paragraph 5.1, Daily Delivery Requirements, of the Gas Choice Supplier Tariff.

Deleted: NATURAL GAS VEHICLE SERVICE¶
Natural Gas Vehicle Service offered under this Rate CT is subject to the terms set forth in Section 5 "Extension Regulation", paragraph 5.5.¶

Issued: _____ Effective for Service Rendered on and after _____

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RATE DS - DELIVERY SERVICE

AVAILABILITY

This service applies in the entire territory served by the Company. Firm Delivery Service shall be provided for all volumes supplied by the Customer for which the Company has available on system delivery capacity, subject to Section 15 - Gas Emergency Planning provisions of the Company's tariff, applicable rules and regulations of the PUC and any other governmental mandates.

Deleted: 8

The Customer must execute a Service Agreement for not less than (1) one year. The contract shall continue in force for consecutive (1) year periods unless cancelled by the Customer upon ninety (90) days written notice to Company prior to the expiration of a contract term.

Should the warranty of Customer's capacity in whole or part be void or become void during the term of the Delivery Service contract, then unless otherwise agreed by Company, the Company shall have no service obligation thereafter and the Company may transfer the Customer to an otherwise applicable firm rate schedule.

Gas service in excess of volumes delivered by the Customer shall only be provided in accordance with applicable Delivery Service balancing provisions or in accordance with optionally elected and approved balancing or standby services.

Service under Rate DS is subject to the terms set forth under "General Terms for Rates DS, LFD, XD, and IS".

MONTHLY RATE TABLE

The charge for each monthly billing period shall be the sum of the Customer Charge, the Capacity Charge if applicable, and the Distribution Charge as described below. The following are maximum rates.

Customer Charge: 200.00

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Plus

Maximum Distribution Charge: \$2.5541/Dth (or \$2.6282/Mcf)

Deleted: 7725

Note: Bills rendered for the billing cycle and thereafter shall reflect billing units in Mcf.

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Deleted: Bills

Deleted: rendered for the May 2011 billing cycle

SURCHARGES

Rider A - State Tax Adjustment Surcharge
Rider C - Migration Rider

PAYMENT

In accordance with Section 8 of this Tariff.

Deleted: Rider F - Energy Efficiency and Conservation Rider
Rider G - Conservation Development Rider
Rider H - Natural Gas Vehicle Pilot Program Rider

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

Issued: Effective for Service Rendered on and after

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RATE DS - CONTINUED

DELIVERY SERVICE

GENERAL TERMS

Company Use and Unaccounted For gas shall be retained in accordance with Section 16, GENERAL TERMS FOR RATES DS, LFD, XD, AND IS, paragraph 16.1(i).

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RULES AND REGULATIONS

All of the Rules and Regulations of this gas Tariff are a part of this Rate Schedule.

Deleted: NATURAL GAS VEHICLE SERVICE ¶

¶ Natural Gas Vehicle Service offered under this Rate DS is subject to the terms set forth in Section 5 "Extension Regulation", paragraph 5.5. ¶

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Issued: Effective for Service Rendered on and after

Deleted: January 14, 2011

Deleted: March 15, 2011

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RATE NNSNO-NOTICE SERVICEAVAILABILITY

This Rate is available upon request to any Customer served on Rate DS, LFD, XD or IS who, after review and acceptance of such request by Company, has entered into a Service Agreement with Company for service under Rate NNS. The term of the Service Agreement shall be concurrent with that of the Customer's underlying Rate Schedule.

Service under this Rate is available for inadvertent fluctuations only, limited in availability to a cumulative amount not to exceed 10% of the customer's total scheduled deliveries for the month, and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. Service under Rate NNS is subject to the terms and conditions set forth under Section 16.5 "General Terms for Rates DS, LFD, XD, and IS."

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TERMS AND CONDITIONS

Customers monitored on a daily basis through the use of Company owned AMR equipment may elect a specific level of no-notice service under this Rate. Such election shall be made through the specification of a No-Notice Allowance ("NNA"), in MCF per day, of an amount no less than 2.5% and no greater than 100% of Customer's Daily Firm Requirement, Maximum Daily Quantity or otherwise specified daily contract limit. The elected NNA shall be effective for a fixed period equal to the lesser of one year or the remaining balance of the Customer's service agreement or, a lesser time period mutually agreeable to both the Customer and the Company. In no instance shall a NNA be effective for a period of less than one month.

No-notice service shall be provided under this Rate whereby the Company shall forward or bank no-notice supplies to the Customer on a daily basis in such amounts necessary to balance the Customer's daily deliveries with the Customer's daily consumption. Forwarded amounts shall be limited in amount by the lesser of the sum of the Customer's daily nomination plus elected NNA or, the Customer's DFR, MDQ or otherwise specified contract limit. Banked amounts shall be limited to an amount no greater than the Customer's NNA election.

Customer electing an NNA shall be billed for no-notice service according to that specific level of service.

Customer shall be allowed to maintain a cumulative balance of NNS, as calculated on a daily basis, in an amount no greater than +/-10% of Customer's total scheduled deliveries for the month. Volumes in excess of the daily or cumulative balance limits shall be subject to Daily Excess Imbalance Charges as set forth in section 16.5 General Terms For Rates DS, LFD, XD and IS on all such excess quantities, in addition to the charges specified in the Customer's underlying Rate Schedule.

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Customers receiving gas under Rate NNS shall be required to return forwarded gas, or consume banked gas, within the time period and in accordance with the terms specified in the Company's *Nomination Procedure*; such volumes, when authorized, shall be offsetting to Customer's daily calculated cumulative NNS balance. In no instance shall the Customer be required to initiate or continue such return or consumption if such return or consumption would exceed Customer's DFR, MDQ, or otherwise specified contract limit.

Issued: _____ Effective for Service Rendered on and after _____

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UGI CENTRAL PENN GAS, INC.

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RATE NNS - CONTINUED

NO-NOTICE SERVICE

Customer shall continue this corrective action until such time as all no-notice volumes have been returned or consumed, or until the end of the billing period is reached. Volumes not returned or consumed by the end of the billing period shall be included in Customer's applicable monthly imbalance calculation.

MONTHLY RATE TABLE

NNS Rate: \$1.5938/Dth X Customer elected NNS (or \$1.6400/Mcf X Customer elected NNS)

Note: Bills rendered for the _____ billing cycle and thereafter shall reflect billing units in Mcf.

Deleted: Bills rendered for the May 2011 billing cycle

Issued: _____ Effective for Service Rendered on and after _____

Deleted: January 14, 2011

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RATE MBS

MONTHLY BALANCING SERVICE

AVAILABILITY

This Rate is available upon request to any Customer served on Rate DS, LFD, XD or IS who, after review and acceptance of such request by Company, has entered into a Service Agreement with Company for service under Rate MBS. The term of the Service Agreement shall be concurrent with that of the Customer's underlying Rate Schedule.

Service under Rate MBS is available for inadvertent fluctuations only, limited to an amount not to exceed 10% of the customer's total scheduled deliveries for the month, and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. Service under Rate MBS is subject to the terms set forth in Section 16, "General Terms For Rates DS, LFD, XD, and IS."

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Rate MBS is available as a monthly banking service for Customer transportation deliveries. Service under Rate MBS allows Customer transportation imbalances (metered volumes less total scheduled nominations) which are within 10% of Customer's total scheduled nominations for the month to be carried forward in the Customer's MBS Account ("Balance Account") for redelivery of excesses or receipt of shortfalls in subsequent months.

TERMS AND CONDITIONS

Balance Account Operation. To the extent Customer's total deliveries exceed Customer's total consumption at the end of a Billing Month, the excess volumes shall be added to the Customer's Balance Account. To the extent Customer's total consumption exceeds Customer's total deliveries at the end of a Billing Month, the shortfall volumes shall be subtracted from the Customer's Balance Account.

Balance Account Limits. At no time, as calculated at the end of a Billing Month, shall a Customer exceed a Balance Account excess or shortfall balance greater than 10% of the Customer's total scheduled deliveries for the month, as determined by the Company in its sole discretion. Any such imbalance on the Customer's Balance Account shall result in an immediate zeroing of the Balance Account balance in accordance with the Cash-In/Cash-Out pricing set forth in Section 16.3.

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The Company, in its sole discretion, may zero out the Customer's Balance Account at the end of any Billing Month by purchasing or selling such net imbalance volumes in the Customer's Balance Account at the prevailing month's Cash-In/Cash-Out pricing at set forth in Section 16.3, provided such zero out may occur only if necessitated by operational needs of the Company or as a result of a requirement of an applicable interstate pipeline.

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MONTHLY RATE TABLE

Rate DS/IS
\$0.0088/Dth x (or \$0.0090/Mcf) x Monthly Transported Volumes

Rate LFD
\$0.0055/Dth x (or \$0.0057/Mcf) x Monthly Transported Volumes

Rate XD
\$0.0016/Dth x (or \$0.0017/Mcf) x Monthly Transported Volumes

Note: Bills rendered for the _____ billing cycle and thereafter shall reflect billing units in Mcf.

Deleted: Bills rendered for the May 2011 billing cycle

Issued: _____ Effective for Service Rendered on and after _____

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(C)

RATE LFDLARGE FIRM DELIVERY SERVICEAVAILABILITY

This Rate applies in the entire territory served by the Company. It is available to any Customer who executes a Service Agreement with the Company for an on system Daily Firm Requirement (DFR), as agreed to by Customer and Company in said agreement, for not less than fifty (50) MCF of gas per day of firm service. Volumes delivered under this Rate shall be metered separately from service under any of the Company's other rates, except as provided for in Rates IS, NNS, and MBS. In lieu of separate metering, the Company may accept contractual commitments specifying minimum volumes of service under Rate LFD.

Service will be provided by the Company where the Customer provides suitable gas delivered to a Company authorized receipt point, as determined by the Company in its sole discretion, provided Company has available on-system and/or pipeline capacity available in such quantities to meet Customers requirements. The Company shall be under no obligation to maintain on-system facilities required for service beyond the term of an executed service agreement. The Company shall use best efforts to maintain firm service to the Customer beyond the term of Customer's Service Agreement, but is under no obligation to provide such service.

Unless otherwise agreed by the Customer and Company, the Customer must enter into a Service Agreement for a minimum term of three (3) years. The Service Agreement shall continue in force for consecutive three (3) year periods unless cancelled by Customer upon one (1) year written notice to the Company prior to the expiration of the then current Service Agreement term.

The DFR shall be the Company's contracted maximum firm delivery obligation to the Customer on any day and shall be no less than fifty (50) MCF or the sum of firm standby service provided by the Company to the Customer and firm pipeline capacity obtained or contracted for by the Customer which has been warranted by the Customer, and approved by the Company in its sole discretion subject to the following criteria:

- a) The capacity has a Company approved city gate listed as a primary delivery point by the pipeline;
- b) The capacity is non recallable;
- c) The capacity has Company approved pipeline receipt points which access one or more major gas sourcing locations or Customer contracted gas supplies; and
- d) Unless otherwise agreed by the Customer and the Company, the duration of the capacity contract shall be at least equal to the term of Customer's service agreement for this Rate.

Should the warranty of capacity in whole or part be void or become void during the term of the Service Agreement, then unless otherwise agreed by Company, the Company shall have no service obligation thereafter and the Customer shall remain liable for minimum bill requirements for the length of the Service Agreement under this Rate, including applicable penalties.

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(C)

RATE LFD - CONTINUED

LARGE FIRM DELIVERY SERVICE

Firm service shall be provided for all volumes provided by the Customer for which the Company has available delivery capacity, subject to the curtailment provisions of the Company's Tariff, applicable rules and regulations of the PUC and any other governmental mandates.

Gas service in excess of volumes delivered by the Customer shall only be provided in accordance with applicable balancing provisions or in accordance with optionally elected and approved balancing services.

Service in excess of the DFR is interruptible.

Service under Rate LFD is subject to the terms set forth under "General Terms for Rates DS, LFD, XD, and IS."

MONTHLY FIRM REQUIREMENT

The Monthly Firm Requirement is the product of the DFR and the number of days in the Billing Month.

MONTHLY RATE TABLE

The charge for each monthly billing period shall be the sum of the Customer Charge, the Demand Charge, the Distribution Charge and any Excess Take Charge as described below. The following are maximum rates.

Customer Charge: \$500.00

Plus

Maximum Demand Charge: \$5.34/Dth (or \$5.50/Mcf) of Customer's elected DFR

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Plus

Maximum Distribution Charge: \$1.2600/Dth (or \$1.2965/Mcf)

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Deleted: 0.8603

Note: Bills rendered for the billing cycle and thereafter shall reflect billing units in Mcf.

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Deleted: Bills rendered for the May 2011 billing cycle

GENERAL TERMS

Company Use and Unaccounted For gas shall be retained in accordance with Section 16, GENERAL TERMS FOR RATES DS, LFD, XD, AND IS, paragraph 16.1(i).

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SURCHARGES

Rider A - State Tax Adjustment Surcharge

Deleted: Rider F - Energy Efficiency and Conservation Rider

Deleted: Rider G - Conservation Development Rider
Rider H - Natural Gas Vehicle Pilot Program Rider

Issued: Effective for Service Rendered on and after

Deleted: January 14, 2011

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RATE LFD - CONTINUEDLARGE FIRM DELIVERY SERVICEPAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

EXCESS TAKE CHARGE

Except as provided in the Company's *Nomination Procedure*, for authorized usage on any day in excess of the Daily Firm Requirement there will be a charge of \$6.00 per MCF in addition to the charges specified in the rate table.

MINIMUM BILL

Monthly: The Minimum Monthly Bill shall be the Customer Charge and Demand Charge.

Annual: The Minimum Annual Bill shall be based on the Customer maintaining a 0.50 annual load factor and shall be due and payable with the bill for the 12th month in the contract year. The Customer's actual load factor shall be determined by dividing the total volume of gas taken during the contract year (including volumes taken under the Retail and Standby Rider, the Cash-Out provisions of Section 16.3) by the sum of the Monthly Firm Requirements for the contract year. If the actual load factor is less than 0.50, then, in addition to payment for actual usage, the Customer shall pay a Minimum Annual Bill charge equal to the product of: (1) the difference between 0.50 and the actual load factor, (2) the sum of the Customer's Monthly Firm Requirements, and (3) the average delivery charge paid by the Customer over the previous 12 month period, as calculated by the Company. If the Customer's actual load factor is greater than or equal to 0.50, no Minimum Annual Bill charge will be required.

CHARGE FOR OTHER TRANSPORTATION

If the Customer chooses to use the Company as agent in regard to transportation service by others, any costs calculated by or billed to the Company, with regard to such agency, shall be billed to the customer by the Company and may include an applicable administrative fee as agreed by the Customer and Company.

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RATE LFD - CONTINUED

LARGE FIRM DELIVERY SERVICE

CHARGE FOR UNAUTHORIZED OVERRUN

Whenever it is necessary to limit the service to the amount of the Daily Firm Requirement or confirmed delivered volumes to a Company authorized receipt point, the Company will give at least two (2) hours notice but upon written request of Customer up to six (6) hours notice, in a reasonable manner as determined by the Company. If the Customer takes gas in excess of the DFR or otherwise applicable flowing gas limitations on any day for which notice of limitation has been given, the Customer shall be billed and shall pay for such excess gas at the rate to be calculated in compliance with Section 16.5 Maximum Daily Excess Balancing Charge, in addition to the charges specified in the Rate Table and applicable gas costs. Customer shall indemnify Company from any claims by third parties resulting from Customer's unauthorized overrun.

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WAIVER OF PENALTY

The Company shall have the right to waive any penalty for unauthorized use of gas.

SERVICE UNDER OTHER RATES

Volumes purchased under the Retail and Standby Rider or under the Cash-Out provisions of Section 16.3 or taken under Rate NNS shall be included for the purposes of determining Excess Take Charge and Unauthorized Overrun gas.

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RULES AND REGULATIONS

All of the Rules and Regulations of this gas Tariff are a part of this Rate Schedule.

Deleted: NATURAL GAS VEHICLE SERVICE ¶
Natural Gas Vehicle Service offered under this Rate LFD is subject to the terms set forth in Section 5 "Extension Regulation", paragraph 5.5. ¶

Issued: Effective for Service Rendered on and after

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RATE XD

EXTENDED LARGE FIRM DELIVERY SERVICE

AVAILABILITY

This Rate applies in the entire territory served by the Company on request of a Customer which the Company determines, in its sole discretion, has a prospective gas volume usage of at least 200,000 MCF per year at the time of execution or renewal of a Service Agreement.

Service will be provided by the Company where the Customer provides suitable gas delivered to a Company authorized receipt point, as determined by the Company in its sole discretion, provided Company has available on-system and/or pipeline capacity available in such quantities to meet Customer's requirements. The Company shall use best efforts to maintain on-system firm service to the Customer beyond the term of Customer's contract, but is under no obligation to provide such service. The Company shall be under no obligation to maintain facilities required for service beyond the term of an executed Service Agreement.

Unless otherwise agreed to by the Customer and the Company, the Customer must enter into a Service Agreement for a minimum term of three (3) years. For a Customer requesting firm service, the Service Agreement shall specify an initial Daily Firm Requirement (DFR).

The DFR shall be the Company's contracted maximum firm delivery obligation to the Customer on any day and should be equal to the sum of, 1) firm standby service provided by the Company to the Customer, and 2) firm pipeline capacity obtained or contracted for by the Customer which has been warranted by the Customer, and approved by the Company in its sole discretion subject to the following criteria:

- a) The capacity has a Company approved city gate listed as a primary delivery point by the pipeline;
- b) The capacity is non-recallable;
- c) The capacity has Company approved pipeline receipt points which access one or more major gas sourcing locations or Customer contracted gas supplies; and,
- d) Unless otherwise agreed by the Customer and the Company, the duration of the capacity contract(s) shall at all times be at least equal to 1 year or the remaining term of the Customer's Service Agreement for this Rate, whichever is lesser in duration.

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Should the warranty of capacity in whole or part be void or become void during the term of the Service Agreement, then unless otherwise agreed by the Company, the Company shall have no service obligation thereafter and the Customer shall remain liable for minimum bill requirements for the length of the Service Agreement under this Rate, including applicable penalties.

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RATE XD - CONTINUED

EXTENDED LARGE FIRM DELIVERY SERVICE

For Customers requesting firm service, Firm Delivery Service shall be provided for all volumes provided by the Customer for which the Company has available delivery up to DFR, subject to the Section 15 - Gas Emergency Planning provisions of the Company's tariff, applicable rules and regulations of the PUC and any other governmental mandates.

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Service in excess of volumes delivered by the Customer shall only be provided in accordance with applicable balancing provisions or in accordance with optionally elected and approved balancing or standby services.

Service in excess of the DFR is interruptible and will be provided under terms and conditions identical to those set forth under Rate Schedule IS.

Service under Rate XD is subject to the terms set forth under "General Terms for Rates DS, LFD, XD, and IS."

MONTHLY RATE TABLE

The charge for each monthly billing period shall be negotiable and shall be the sum of the Customer Charge, Distribution Charge, Demand Charge if applicable, and the Minimum Annual Bill as described below.

The following are maximum rates.

Customer Charge: Charge as determined by negotiation.

Plus

Maximum Demand Charge: Charge as determined by negotiation but no higher than \$10.60/Dth (or \$10.91/Mcf) of Customer's elected DFR.

Plus

Maximum Distribution Charge: \$1.2600/Dth (or \$1.2965/Mcf)

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Note: Bills rendered for the _____ billing cycle and thereafter shall reflect billing units in Mcf.

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Deleted: Bills rendered for the May 2011 billing cycle

SURCHARGES

Rider A - State Tax Adjustment Surcharge

GENERAL TERMS

Unless otherwise agreed between the Customer and the Company, Company Use and Unaccounted For gas shall be retained in accordance with Section 16, GENERAL TERMS FOR RATES DS, LFD, XD, AND IS, paragraph 16.1(i).

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MINIMUM BILL

Minimum Bill Volumes and terms shall be determined by negotiation.

CHARGE FOR OTHER TRANSPORTATION

If the Customer chooses to use the Company as agent in regard to transportation service by others, any costs calculated by or billed to the Company, with regard to such agency, shall be billed to the Customer by the Company and may include an applicable administrative fee as agreed by the Customer and Company.

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RATE XD - CONTINUED

EXTENDED LARGE FIRM DELIVERY SERVICE

CHARGE FOR UNAUTHORIZED OVERRUN

Whenever it is necessary to limit the service to the amount of the Daily Firm Requirement or confirmed delivered volumes to an authorized contract receipt point, the Company will give at least two (2) hours notice but upon written request of Customer up to six (6) hours' notice, in a reasonable manner as determined by the Company. If the Customer takes gas in excess of the DFR or otherwise applicable flowing gas limitations on any day for which notice of limitation has been given or upon failure of customer's capacity warranty in whole or part, the Customer shall be billed and shall pay for such excess gas at a charge of at the rate to be calculated in compliance with Section 16.5 Maximum Daily Excess Balancing, in addition to the charges specified in the Rate Table and applicable gas costs. Customer shall indemnify Company from any claims by third parties resulting from Customer's unauthorized overrun.

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WAIVER OF PENALTY

The Company shall have the right to waive any penalty for unauthorized use of gas.

Volumes purchased under the Retail and Standby Rider or under the Cash-Out provisions of Section 16.3 or taken under Rate NNS shall be included for the purpose of determining Unauthorized Overrun gas.

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PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

RULES AND REGULATIONS

All of the Rules and Regulations of this gas Tariff are a part of this Rate Schedule.

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RATE R/S

RETAIL AND STANDBY RIDER

AVAILABILITY

Retail and Standby services are available under the Retail and Standby Rider to any Customer receiving service under Rate Schedules DS, LFD, XD and IS. Service shall be supplied only where the Company's facilities are suitable and available for the service desired. Service is subject to curtailment under Tariff Rule No. 15, Emergency Gas Planning.

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Retail and Standby services under this schedule may be provided on a firm and/or interruptible basis. Subject to the Company's sole discretion, services shall be provided only if, and to the extent, sufficient Company and/or Customer provided capacity exists for the transportation of available gas supplies. Unless otherwise agreed by the Company and Customer, the Customer must enter into a service agreement for a minimum term of one (1) year with monthly payments for service taken.

The Company may provide capacity, supply or a bundled service, retail or standby, to the Customer under this rate schedule per one or more of the following: For Customers having upstream capacity rights: Company shall provide, or stand ready to provide, gas supplies to the Customer in such amounts and at such delivery or receipt points as necessary to meet Customers' contract requirements, as specified on a daily, monthly, seasonal or annual basis.

For Customers providing, selling or forwarding gas supplies to the Company for redelivery to Customer: Company shall provide, or stand ready to provide, pipeline and/or system capacity to deliver such gas supplies to the Customer.

For Customers requiring bundled sales service: Company shall provide, or stand ready to provide, the necessary pipeline and/or system capacity, and gas supplies necessary to provide gas service to the Customer at the Customers' metered location.

Where applicable, Customer must nominate standby service requirements by specifying a Nominated Standby Requirement (NSR) in MCF and a Daily Standby Requirement (DSR) in MCF per day of amounts equal to the Customer's total and daily standby supply requirements. Unless otherwise agreed by the Company and Customer, the firm or interruptible DSR shall be equal to the NSR divided by the number of days in the standby period.

Customers served under firm Rate Schedules DS, LFD and XD may take firm retail and/or standby service under this rate schedule in any amount up to their available Daily Firm Requirement (DFR) or otherwise specified contract limit. All other terms and conditions of service as specified in Customer's Rate Schedules DS, LFD and XD and/or contract shall continue to apply.

Capacity and/or supply utilization under this rate schedule shall be on an as available basis for customers requesting retail and/or standby services. Subject to the Company's sole discretion, other incrementally obtained capacity and/or supply shall be assigned according to a Customer request queue or otherwise specified auction procedure. When necessary, such request queue or auction procedure shall be established in accordance with the terms outlined in the Company's *Nomination Procedure*.

The Company, upon notice to the Customer, may specify minimum levels of retail and/or standby nominations required for service under this rate schedule.

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RATE R/S - CONTINUED

RETAIL AND STANDBY RIDER

Service under Rate R/S is subject to the terms set forth in Section 16.3.

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MONTHLY RATE TABLE

The charge for each Billing Month shall be the sum of the Customer Charge

Plus
The Capacity/Reservation Charge corresponding to the Customer's service election,

Plus
The Commodity Charge as shown below.

Plus
Administrative Service Fee: \$75 per month.

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Capacity/Reservation Charge:

Deleted: Plus \$

Firm Retail Option: The applicable market price for available upstream capacity, plus the applicable charge for available system capacity, less any capacity charges paid under the Customer's applicable Rate Schedule, but in no case less than zero.

Firm Standby Option: The applicable Firm Standby Reservation Charge per MCF of DSR and/or per MCF of NSR.

- a) The Firm Standby Reservation Charge shall be equal to the sum of the monthly contract demand rates charge by the Company's interstate pipeline suppliers divided by the sum of the daily contract demands.
- b) The Firm Standby Reservation Charge shall be subject to increase or decrease whenever any of the Company's interstate pipeline suppliers make changes in their contract demand rates. Any change in the Standby Rate shall become effective on the first day of the month following the date on which the change in pipeline contract demand rate becomes effective.
- c) The Firm Standby Reservation Charge revenues will be credited to the PGC.

Interruptible Standby Option: The applicable interruptible standby reservation charge per MCF of DSR and/or per MCF of NSR.

Plus
Commodity Charge: The distribution charge applicable under the Customer's Rate Schedule plus the applicable commodity cost, which shall be the identifiable additional cost of supply necessary to serve the Customer's usage, plus any applicable reservation cost of supply.

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RATE R/S - CONTINUED

RETAIL AND STANDBY RIDER

The minimum monthly bill under this rate schedule shall be the sum of the Customer and Capacity/Reservation Charges plus any commodity reservation costs per MCF of NSR.

SURCHARGES

Rider A - State Tax Adjustment Surcharge

Any charges or penalties imposed by pipeline suppliers as a result of usage under this rider shall, at the Company's sole discretion, be allocated to Customers according to each Customer's contractual obligation or be assigned to the Customer responsible for the incurrence of the charges or penalties.

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

RULES AND REGULATIONS

All of the Rules and Regulations of this gas Tariff are a part of this Rate Schedule.

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RATE ISINTERRUPTIBLE SERVICEAVAILABILITY

This Rate applies in the entire territory served by the Company. It is available to any commercial or industrial Customer using gas for any purpose when Customer has executed a Service Agreement with a term of at least one (1) year for use of gas under the terms of this Tariff.

Unless otherwise agreed by both Customer and Company, service under IS is available only to Customer loads with documented installed capability to consume an alternate fuel, and the Customer must enter into a Service Agreement for a minimum term of one (1) year with monthly payments for service taken.

Where for Manual Interruptible (MI) Customers, the Customer and Company agree that the Customer has the capability of consuming at least 5,000 MCF of gas during April through October (Off Peak Period) and for Automatic Temperature Control (ATC) Customers, the Customer agrees to install and operate equipment that transfers the interruptible equipment from natural gas to the alternate fuel at a predetermined temperature setting as determined annually by the Company.

The Company shall verify, prior to commencement of service for new Customers, that the customer load being served qualifies under these provisions. The Company shall be permitted to inspect the facilities and piping at the premises of the Customer from time to time to confirm that the load being served so qualifies. The Company, at its discretion, may require such separate metering and piping and elimination of any cross-connection to non-qualifying end use equipment as may be necessary to enforce these provisions and to ensure the interruption of service hereunder during periods of restricted service. It is the Customer's responsibility to ensure qualifying alternate fuel capability is maintained in good working order as Company shall maintain no obligation for service during periods of interruption. If Customer fails to maintain qualifying alternate fuel facilities, as determined by the Company in its sole discretion, the Company may transfer the Customer to the otherwise applicable firm or standby rate schedule, provided sufficient on-system capacity is available.

Service will be provided by the Company where the Customer provides suitable gas delivered to a Company authorized contract receipt point, as determined by the Company in its sole discretion and only when in the opinion of the Company there are sufficient facilities and gas supply. The Company maintains sole discretion to determine the appropriate allocation of gas to Customers.

Gas service in excess of volumes delivered by the Customer shall be provided only in accordance with applicable balancing provisions or in accordance with optionally elected and approved balancing or standby services and shall only be provided when, in the Company's sole discretion, sufficient system capacity is available for such services.

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RATE IS - CONTINUEDINTERRUPTIBLE SERVICEINTERRUPTION NOTIFICATION

MI Customers agree to maintain a twenty four hour capability to receive notification of interruptions by the Company. When notified by the Company, the MI customer must discontinue use of natural gas for the Rate IS account until notification of Company to resume use of natural gas under Rate IS. The Company will provide due notice of any interruption at least two hours prior or upon written request of the Customer, if agreed by Company, of up to six hours, in a reasonable manner.

ATC Customers agree to maintain equipment required to automatically switch fuels from natural gas to Customer's alternate fuel and from alternate fuel back to natural gas based on outside temperatures, as determined solely by the Company and noticed annually by Customer. The ATC equipment shall meet specifications as provided by the Company and shall be in working order at all times from November through March of each year.

The Company reserves the right to periodically verify MI and ATC Customer's alternate fuel as well as to verify the proper operation of ATC equipment.

Failure to maintain ATC equipment operation for ATC or MI Customers, a 24 hour notification capability, shall immediately disqualify the Customer from this rate.

MONTHLY RATE TABLE

Customer Charge: Charge as negotiated between the Customer and the Company.

Plus

Distribution Charge:

Charge as negotiated between the Customer and Company based upon the alternate fuels that the Customer has the economic capability of consuming, inclusive of related business factors.

The charge shall be no greater than the Rate DS Distribution Charge. Monthly payments will be made only when service is taken.

MINIMUM ANNUAL BILL

For ATC Customers: Shall be as negotiated by the Customer and Company, but shall be no less than the product of five hundred (500) MCF times the distribution rate in effect on the first day of the Service Agreement or subsequent anniversary date if renewed Service Agreement.

For MI Customers: Shall be as negotiated by the Customer and Company, but shall be no less than five thousand (5,000) MCF of natural gas in Off Peak Period times the distribution rate in effect on the first day of the Service Agreement or subsequent anniversary date if renewed Service Agreement.

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RATE IS - CONTINUED

INTERRUPTIBLE SERVICE

The Minimum Annual Bill shall be calculated at the end of any Service Agreement period or anniversary and shall be due and payable in accordance with terms of the Service Agreement. Volumes of natural gas taken under this rate or Standby Service during Service Agreement period shall be credited to the Minimum Annual Bill volumes.

SURCHARGES

Rider A - State Tax Adjustment Surcharge

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.6.

RULES AND REGULATIONS

All of the Rules and Regulations of this gas Tariff are a part of this Rate Schedule.

CHARGE FOR UNAUTHORIZED OVERRUN

Whenever it is necessary to restrict gas supplied under this Rate, the Company will provide due notice of such restriction. If a Customer, after having received due notice of restriction, shall take gas in excess of the amount made available by such notice, then Customer shall be billed for such excess gas at the rate of Twenty Seven Dollars and Fifty Cents (\$27.50) per MCF (or \$26.72/Dth) in addition to the charge specified in the monthly rate table. Customer shall indemnify Company from any claims by third parties resulting from Customer's unauthorized overrun.

Gas delivered under the Rate IS or purchased under the Cash-Out provisions of Section 19.3 or the Retail and Standby Rider or taken under Rate NNS shall be included in the determination of Unauthorized Overrun gas.

Note: Bills rendered for the _____ billing cycle and thereafter shall reflect billing units in Mcf.

Deleted: Bills rendered for the May 2011 billing cycle

GENERAL TERMS

Company Use and Unaccounted For gas shall be retained in accordance with Section 16, GENERAL TERMS FOR RATES DS, LFD, XD, AND IS, paragraph 16.1(i).

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WAIVER OF PENALTY

The Company shall have the right to waive any penalty for unauthorized use of gas.

Each Customer served under Rate IS shall specify a Maximum Daily Quantity ("MDQ"), in MCF per day, which may be used by the Company, in such a manner and at such times as the Company deems necessary, in order to restrict customer nominations, deliveries or takes on a daily basis. The Company reserves the right to adjust Customer's MDQ at any time to reflect historic, projected or otherwise estimated maximum usage capabilities of the Customer.

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UGI CENTRAL PENN GAS, INC.

GAS CHOICE SUPPLIER TARIFF

Rates and Rules
Governing the
Furnishing of
Gas Aggregation Service

Issued: Effective:

Deleted: January 14, 2011

Deleted: March 15, 2011

By: Paul J. Szykman
Vice President - Rates
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<http://www.ugi.com/CPG/>

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Vice President - Rates¶
100 Kachel Boulevard, Suite
400¶
Post Office Box 12677¶
Reading, PA 19612-2677¶
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RULES AND REGULATIONS

1. THE CHOICE SUPPLIER TARIFF

- 1.1 Filing and Inspection. A copy of this Choice Supplier Tariff (Sections 1 - 9) (hereinafter "Supplier Tariff"), which includes the Charges and Rules and Regulations under which the Company will supply Aggregation Service to Company approved Natural Gas Suppliers (Choice Suppliers) serving customers under Rate Schedules RT, NT, and CT, is on file with the Pennsylvania Public Utility PUC and is available on the Company's website <http://www.ugi.com/CPG/>.
- 1.2 Application. The provisions of the Supplier Tariff apply to all Choice Suppliers serving customers under Rate Schedules RT, NT, and CT.
- 1.3 Statement by Agents. No representative has authority to modify a Supplier Tariff rule or provision, or to bind the Company by any contrary promise or representation.
- 1.4 Rule and Regulations. The Rules and Regulations, as part of this Supplier Tariff, are a part of every Aggregation Agreement entered into by the Company pursuant to this Supplier.
- 1.5 Purpose of Tariff. This Supplier Tariff sets forth the basic requirements for interactions and coordination between the Company in its role as a Natural Gas Distribution Company (NGDC) and Choice Suppliers, and includes rules necessary for maintaining the delivery of gas to customers served under Rate Schedules RT, NT, and CT.

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RULES AND REGULATIONS

2. CHOICE SUPPLIER QUALIFICATION

- 2.1 Service under this Tariff is contingent upon the Choice Supplier completing the Company's Choice Supplier Application Form to Serve Choice Customers (Application) and Company's approval of such Application. Company is the sole judge of a Choice Supplier's Application to safely and reliably serve the Company Choice Customers.
- 2.2 Choice Supplier must meet all pipeline credit standards and prove it is qualified by the pipeline to receive an assignment, release or transfer of pipeline capacity.
- 2.3 Choice Supplier shall include with its returned Application, payment of a non-refundable Enrollment Fee of five hundred dollars (\$500).
- 2.4 Incomplete Applications. In the event the Choice Supplier submits an incomplete application, the Company shall provide written notice to the Choice Supplier of the Application's deficiencies. An incomplete Application will not be processed by the Company until it is fully completed by the Choice Supplier and received by the Company. Failure to submit a fully completed Application within thirty (30) calendar days following notice that the Application was incomplete will result in a rejection of the Application.
- 2.5 Processing of Application. The Company shall, on a best efforts basis, complete the processing of each Application within ten (10) days after receipt of the Application and notify the Choice Supplier of the results of Company's review of such Application.
- 2.6 Rejection of Application. The Company may reject any Application on any of the following grounds:
- a. The Choice Supplier has undisputed outstanding debts to the Company;
 - b. The Choice Supplier has failed to comply with Financial Security requirements specified in Section 8. of this Supplier Tariff;
 - c. Any material fact set forth in the registration or application is false or misleading at the time the application is delivered to the Company or becomes false or misleading at a later date.

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RULES AND REGULATIONS

2. CHOICE SUPPLIER QUALIFICATION - CONTINUED

- 2.7 Approval of Application. Upon approval of Choice Supplier's Application, Company shall execute the duplicate originals of the Aggregation Agreement tendered by the Choice Supplier and return one copy to the Choice Supplier.
- 2.8 Supplemental Evaluations. Company may require additional periodic credit evaluations to ensure ongoing financial fitness as set forth in Section 8 of this Tariff. The Choice Supplier will be assessed a \$250 fee for all credit evaluations performed by Company. The evaluation will be based on standard credit factors such as previous Choice Supplier's customer service record, Dun & Bradstreet or similar financial and credit ratings, trade references, bank information, unused line of credit, and financial information. Company shall have sole discretion to determine creditworthiness based on the above criteria, but will not deny creditworthiness without reasonable cause.

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RULES AND REGULATIONS

3. CUSTOMER LIST

- 3.1 Customer Choice List. Company will maintain a list of Rate R and RT customers that have authorized the release of their information in a secure portion of a Web Site accessible to Choice suppliers in compliance with the requirements of Rule 3.2. Company will also maintain a list of Rate N, NT, CT, CIAC, and DS customers with annual usage less than 300 MCF per year that have authorized the release of their information in a secure portion of a Web Site accessible to Choice suppliers in compliance with the requirements of Rule 3.2. When authorized by the customer, this list shall also include account number, address, rate code and / or historical usage.
- 3.2 Customer List Confidentiality. Such list shall only be accessible by Choice Suppliers that have executed an Electronic Trading Partner Agreement and are otherwise qualified to serve Rate RT, NT, and CT customers under this Tariff.

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RULES AND REGULATIONS

4. CHOICE SUPPLIER OBLIGATIONS

- 4.1 Unless otherwise authorized by Company, Choice Suppliers must accept a release, assignment or transfer on a recallable basis of a pro rata share of Company's applicable interstate pipeline and storage contracts at the applicable contract rate, or if authorized by Company, obtain firm pipeline transportation capacity for delivery of gas supply to delivery point(s) determined by Company in an amount sufficient to meet the peak requirements of Rate RT, NT, and CT customers being served with this capacity.
- 4.2 A Choice Supplier must provide and maintain a bond or other financial guarantee in a form and amount as set forth in Section 8 that is acceptable to Company and/or other PUC-approved Supplier of Last Resort.
- 4.3 A Choice Supplier must acquire or agree to acquire an adequate supply of natural gas to serve Choice Supplier's Aggregation Pool and make or cause to be made arrangements by which such gas supplies can be transported to Company's city gates, as directed by Company. Such supplies must be ranked on the transporting pipeline at the pipeline's highest Predetermined Allocation ranking.
- 4.4 A Choice Supplier must enter into an Aggregation Agreement to serve Choice customers under Rate Schedules RT, NT, and CT.
- 4.5 A Choice Supplier must comply with Company system reliability requirements, including Daily Flow Directives (DFDs), Operational Flow Orders (OFOs), and notice requirements.
- 4.6 A Choice Supplier must comply with applicable communications standards, including approved internet based Electronic Data Exchange (EDI) procedures.
- 4.7 A Choice Supplier must cooperate with Company in the preparation of an annual reliability plan presented to the PUC.
- 4.8 A Choice Supplier must acquire and maintain a PUC license.
- 4.9 A Choice Supplier (including their nominating agents, if applicable) who nominates gas for delivery to the Company's system must have and maintain Internet access. The Choice Supplier shall also provide Company with a valid email address, a 24-hour a day phone and a 24-hour a day fax number for contact purposes.
- 4.10 The Company's provision of Aggregation Service is contingent upon the Choice Supplier paying all amounts billed to it by the Company in a timely manner.
- 4.11 Failure to comply with all Choice Supplier Obligations will result in the Company disqualifying the Choice Supplier from serving customers under Rate Schedules RT, NT, and CT. In the event the Company disqualifies a Choice Supplier, the Choice Supplier may appeal the disqualification to the PUC. If the PUC does not reverse the disqualification within 45 days, the Choice Supplier will be disqualified at the end of the 45 day period and its customers will be returned to sales service or switched to another Choice Supplier. Any Company disqualification will be on a non-discriminatory basis.

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RULES AND REGULATIONS

5. OPERATIONAL REQUIREMENTS

- 5.1 Daily Delivery Requirements. The Company will communicate to each Choice Supplier a Daily Delivery Requirement (DDR). The DDR will be the required volume of gas to be delivered for the indicated date for each Choice Supplier's pool of customers served under Rate Schedules RT, NT, and CT, and may specify the required points of delivery. The DDR includes a volume of gas that the Company will retain for Company use gas, and lost and unaccounted for gas, equal to 2.9% of the total volume of gas delivered into its system for the Customer's account. Choice Suppliers who fail to deliver their DDR will be subject to penalties and imbalance charges as outlined in Rate AG.
- 5.2 Daily Flow Directive. An order issued by the Company to address system management issues on a non-critical day, including actions necessary to comply with statutory directives and obligations including the Company's obligations pursuant to 1307(f) gas procurement activities, but not solely for other economic reasons. DFDs will be communicated to affected Customers or NGSS either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGSS. Customers and NGSS must provide the Company with a 24-hour contact for DFDs. Failure to comply with a DFD may result in the Customer or NGSS being assessed the penalty charge set forth in Section 16.5 (Section A Gas Service Tariff).
- 5.3 Operational Flow Orders. A directive issued by the Company that is reasonably necessary to alleviate conditions that threaten the operational integrity of the Company's system on a critical day, including actions necessary to comply with statutory directives and obligations including the Company's obligations pursuant to 1307(f) gas procurement activities, but not solely for other economic reasons. OFOs will be communicated as soon as reasonably practical to affected Customers or NGSS either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGSS. Customers and NGSS must provide the Company with a 24-hour contact for OFOs. Failure to comply with an OFO may result in the Customer or NGSS being assessed the penalty charge set forth in Section 16.5 (Section A Gas Service Tariff).

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RULES AND REGULATIONS

6. BILLING AND PAYMENT

- 6.1 Billing Period. On or before the 15th of a month, Company shall send each Choice Supplier an invoice reflecting all charges incurred by the Choice Supplier for the prior calendar month activities. Such invoice may include charges related to adjustments for prior periods.
- 6.2 Payment. Payments will be due 10 days following issuance of the invoice. Choice Supplier shall make payment to the Company of such invoiced amount by wire transfer to the bank and account specified on the invoice. If the invoiced amount is less than \$1,000, payment can be made by check, payable to the Company. Unpaid balances shall accrue interest at the rate of 1.5 percent per month. Unpaid balances may result in the Company accessing the financial security posted by the Choice Supplier and / or the Choice Supplier being disqualified from providing Aggregation Service
- 6.3 Billing Dispute. If Choice Supplier asserts a good faith billing dispute, the Choice Supplier shall inform the Company in writing of such dispute and pay the undisputed amount. The disputed amount shall accrue interest at the effective prime rate of interest as published under "Money Rates" by "The Wall Street Journal", or the maximum contract rate permitted by law, whichever is less. The Choice Supplier and the Company shall endeavor to resolve any disputes promptly and the amount determined to be properly invoiced, plus accrued interest on such amount shall be paid to the Company within fifteen (15) days following such resolution. Unpaid amounts not subject to dispute shall accrue interest at the rate specified in 6.2.
- 6.4 Licensed Supplier Budget Billing. The Company will bill all budget billing amount calculated and provided by the Licensed Supplier. The Company will not determine a License Supplier's budget bill charge.
- 6.5 Application of Payments for Rates RT, NT, and CT. Where Company renders a bill for natural gas supply service on behalf of a Natural Gas Supplier and a partial payment is received, the partial payment shall first be applied to pre-retail access Company balances and then to post-retail access Company balances. In the event a customer has a pre-retail access Company balance, partial payment shall be applied in the following order of priority:
1. First to outstanding pre-retail access Company balances, or the installation amount on a payment agreement with Company on this balance; then to
 2. Current Company charges; then to
 3. Choice Supplier supply charges; then to
 4. Non-Basic Service charges; then to
 5. Hardship Energy Fund contributions.

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RULES AND REGULATIONS

6. BILLING AND PAYMENT - CONTINUED

In the event a Customer develops a post-retail access balance, partial payment shall first be applied to the pre-retail access Company balances in the order of priority specified above. Thereafter, partial payment shall be applied in the following order of priority:

1. First to outstanding post-retail access Company Balances, or the installation amount on a payment agreement with Company on this balance; then to
2. Current Company charges; then to
3. Choice Supplier service charges; then to
4. Non-Basic service charges; then to
5. Hardship Energy Fund contributions.

Where Company renders a budget bill on behalf of a Choice Supplier for Natural Gas Supply service, partial payments shall be applied on a pro rata basis after outstanding pre-retail access balances and post retail access balances have been paid in accordance with the orders of priority specified above.

For purposes of this Section, pre-retail access balances means outstanding account balances incurred prior to Customer transferring to Rate RT, NT, and CT.

For purposes of this Section, post-retail access balances means outstanding account balances incurred after Customer transfers to Rate RT, NT, and CT.

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RULES AND REGULATIONS

7. NOMINATION PROCEDURE

- 7.1 Customer Choice Nomination Procedure. The Nomination Procedure specifies requirements for nominating, scheduling, balancing, and communicating information relating to Choice Supplier's gas deliveries for customers served under Rates RT, NT, and CT.
- 7.2 Contact Persons. A list of Company contact persons will be posted on the Company's Web Site, along with their department affiliation, telephone number, and fax number.
- 7.3 Pipeline Capacity. Where applicable, upstream pipeline firm transportation and storage capacity held by Company in a manner consistent with Rules and Regulations shall be released, assigned or otherwise transferred to the Choice Supplier to serve customers under Rate RT, NT, and CT. The term of the assignment, release or transfer will be determined by the Company.
- 7.4 Capacity Recall. All capacity assigned, released or transferred by Company is subject to recall, or in the event:
- a. A Choice Supplier is disqualified as an approved Choice Supplier on Company's system; or
 - b. The amount of capacity assigned, release or otherwise transferred is no longer required to serve the Choice Supplier's Pool; or
 - c. The Choice Supplier fails to comply with Section 4 of this tariff (Supplier Obligations) and the capacity is required by the Company or PUC approved Supplier of Last Resort to meet its firm commitments, provided, however, such capacity recall will only be made on Critical Days where a Choice Supplier fails to have such capacity scheduled for delivery pursuant to Section 7.8 "Daily Nominations" in the first NAESB-defined Timely nomination cycle.
- 7.5 Agents. A Choice Supplier may have one or more agents who perform one or more supply obligations under this Supplier Tariff. In the event such an agent or agents are utilized, Choice Supplier shall notify Company of the responsibilities of the Agent, and shall provide Company with the Agent's valid e-mail address, 24 hour contact, fax number and phone number for contact purpose. Choice Suppliers using Agents shall remain liable for all charges and penalties.
- 7.6 Determination of Capacity Assignment Quantities. Assignments, releases or transfers of upstream pipeline firm transportation capacity made pursuant to Section 2.3.1 shall be made on the basis of and in accordance with the supply portfolio held by Company at the time of assignment and the composition of the Choice Supplier's Pool. Company will evaluate and adjust the capacity assignments, releases or transfers made to the Choice Supplier from time to time, as required.

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RULES AND REGULATIONS

7. NOMINATION PROCEDURE -CONTINUED

- 7.7 City Gate Receipt Points. For nomination purposes, all transportation volumes received on behalf of customers served under Rates RT, NT, and CT shall be nominated to the Company's City Gate receipt points. Company reserves the right to specify delivery receipt points.
- 7.8 Daily Nominations. Choice Suppliers serving Rate RT, NT, and CT customers shall submit daily nominations equal to the DDR, consistent with the Company's requirements
- 7.9 Third Party Supply Nominations - Customer Consent. All Company Choice Customers must provide consent to any Choice Supplier nominating on their behalf. Enrollments by Choice Suppliers are deemed to constitute that the customer has provided such consent. For transportation customers served under Rates RT, NT, and CT the Choice Supplier must maintain and produce upon request by Company evidence of customer consent within one business day notice.

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RULES AND REGULATIONS

8. FINANCIAL SECURITY

- 8.1 Financial Security. A Choice Supplier shall provide financial security to ensure that Company and/or other PUC-approved Supplier of Last Resort is able to receive, without undue delay, funds or other forms of remuneration sufficient to meet the financial consequences of a Choice Supplier's failure to perform its natural gas supply delivery service obligations hereunder. Company may also use such forms of financial security to ensure the ability of a Choice Supplier to pay the penalties authorized by this Supplier Tariff.
- 8.2 Forms of Financial Security. Financial security shall be provided in a form that is acceptable to Company and/or other PUC-approved Supplier of Last Resort. Acceptable forms of financial security include, but are not limited to, performance bonds, letters of credit, guarantees, call options satisfying the requirements of Section 8.3 hereof or gas supply contract assignment provisions satisfying the requirements of Section 8.4 hereof. Company will not require a credit review if a Choice Supplier has obtained a license to provide natural gas supply services to retail customers from the PUC within one (1) year.
- 8.3 Call Option. A Choice Supplier may meet some or all of its financial security obligations by providing to Company or paying the Company to procure a Call Option for a volume equal to the monthly Design Day Requirements of the Choice Supplier's customers served under Rate Schedules RT, NT, and CT. Unless otherwise authorized by Company, this Call Option must have a strike price equal to or less than the Choice Supplier's contract price(s) with its customers served under Rate Schedules RT, NT, and CT. The Call Option shall allow Choice Supplier or Company to call on a volume equal to the Choice Supplier's Design Day Requirement on each and every day the Call Option is in place such that the exercise on any day does not preclude or impact the ability to exercise the option on a subsequent day. Call Options shall be subject to the following rules:
- a. If procured by Choice Supplier, the Call Option must enable Company to exercise the Call Option in the event of non-performance by the Choice Supplier without obtaining the prior consent of Choice Supplier.
 - b. If procured by Choice Supplier, the Call Option may be exercised by it for any reason, including economic reasons, on any day when Company and/or other PUC-approved supplier of last resort does not need to exercise it because of Choice Supplier's failure to perform its natural gas supply delivery service obligations hereunder.
 - c. Company shall specify the period over which the Call Option may be exercised.
 - d. The Call Option may be a direct NYMEX instrument or it may be obtained indirectly from a third party. If the Call Option is a direct NYMEX instrument, the Choice Supplier shall assign the applicable capacity to Company. If the Call Option is obtained indirectly from a third party, then the transaction point shall be at a Company-approved city gate receipt point.
 - e. Choice Supplier shall be responsible for the cost of the Call Option.

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RULES AND REGULATIONS

8. FINANCIAL SECURITY - CONTINUED

- 8.4 Supply Contract Assignment. In lieu of other forms of financial security, a Choice Supplier may meet some or all of its financial security obligations hereunder by demonstrating to the Company's satisfaction that gas supply contracts acquired for purposes of serving its customers on the Company's system (and if applicable, any financial risk management contracts) shall be assigned to Company in the event of a Choice Supplier's failure to perform its natural gas supply delivery service obligations hereunder. Such assignment arrangements shall be subject to the following rules:
- a. The Company, in its sole discretion, which shall not be unreasonably be withheld, is satisfied with the relevant contract assignment language and applicable reasonable terms and conditions; and
 - b. Company, in its sole discretion, which shall not be unreasonably withheld, is satisfied with the security of the supply; and
 - c. Choice Supplier agrees to reimburse Company for any losses Company suffers as a result of agreeing to the assignment arrangement, including, but not limited to, losses from a differential in the assigned gas prices and the Choice Supplier's contracted price with its customers and costs resulting from the assignment not being consummated for any reason.
- 8.5 Bonding Level - Unless Company otherwise agrees, the minimum level of financial security, in whatever form, shall be no less than the following:

The difference between \$11.76/Dth and \$4.50/Dth, times 30.4 days, times 0.61, times the Design Day Requirement (in Dth) for Choice Supplier's Aggregation Pool.

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RULES AND REGULATIONS

9. ENROLLMENT OF CUSTOMERS INTO RATE SCHEDULES RT, NT, and CT

- 9.1 To be served under Rate Schedules RT, NT, and CT, a Customer must be enrolled by the Choice Supplier elected by the Customer. Such enrollment by the Choice Supplier must be provided in an electronic file to the Company via an approved internet based EDI transaction. The requirement filed shall include:
- a. The customer's name;
 - b. The customer's address;
 - c. The customer's Company account number;
 - d. The specific transaction;
 - e. The elected billing option.
- 9.2 Company Confirmation. Company will electronically confirm receipt of the enrollment information and within one (1) business day and subsequently provide an electronic validation of the Choice Supplier's transmitted information.
- 9.3 Determination of Gas Flow Date. For enrollments received on or before the 15th of any calendar month, the customer will be switched to Rate Schedule RT, NT, and CT, where the customer does not respond within 10 days from the Company's mailing of a letter confirming the election to be served by the Choice Supplier, on the Customer's regularly scheduled meter reading date in the calendar month immediately following the month the enrollment information was received. For enrollments received after the 15th of any calendar month, the customer will be switched to Rate Schedule RT, NT, and CT, where the customer does not respond within 10 days from the Company's mailing of a letter confirming the election to be served by the Choice Supplier, on the Customer's regularly scheduled meter reading date in the second calendar month following the month the enrollment information was received.
- 9.4 Multiple Enrollments. In the event a Customer is enrolled by more than one Choice Supplier in the same calendar month and the customer does not cancel any enrollment, the customer will be deemed to be served by the Choice Supplier submitting the most recent enrollment. The Company will send notice via an approved internet based EDI transaction to the Choice Supplier(s) that previously enrolled the Customer that the Customer was dropped and selected another Choice Supplier.

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RATE AG

AGGREGATION SERVICE

AVAILABILITY

Rate AG - Aggregation Service (AG Service) is available to and required for an approved Natural Gas Supplier (Choice Supplier) licensed by the PUC to provide natural gas supply service to customers who qualify to receive service under Rate RT (General Service - Residential Transportation) or Rate NT (General Service - Non-residential Transportation) (hereinafter a Choice Supplier).

AGGREGATION SERVICE

A Choice Supplier qualified to receive Rate AG Aggregation Service shall aggregate the load of customers served under Rates RT, NT and CT customers in an Aggregation Pool. Such Aggregation Pool is limited to customers served under Rates RT, NT, and CT.

ASSIGNMENT OF COMPANY PIPELINE CAPACITY

Company has the right to require the Choice Supplier to accept a release, assignment or transfer of Company pipeline capacity on a recallable basis. The minimum such assignment shall be one (1) Dth per day per pipeline path. Company retains the right to allow Choice Suppliers to use third party capacity to serve customers served under Rates RT, NT, and CT.

RATE TABLE

Balancing Fee for Choice Supplier (\$/MCF) - As posted.

(Total Cost of Pipeline Assets Retained by Company for System Balancing - Balancing Related PGC Credits) divided by (Projected Annual Sales and Transportation Volumes Utilizing the Assets, as projected in each annual 1307(f) filing). This rate will be posted on Company's Delivery Service Web Site or its successor and will be updated as required.

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RATE AG - CONTINUED

AGGREGATION SERVICE

SWITCHING FEE:

\$10 / Customer Switch (The first switch to Rates RT, NT, and CT shall be Free).

RATE AG ENROLLMENT FEE: \$500.

CREDIT CHECK OF CHOICE SUPPLIER: \$250 / Credit Check.

Unit rate to be billed will be in compliance with Section 16.5 Maximum Daily Excess Balancing Charge applied to the difference between the DDR and the delivered volumes plus all incremental costs incurred by Company as a result of the failure to deliver the DDR.

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FAILURE TO COMPLY WITH AN OFO OR DFD:

Unit rate to be billed will be in compliance with section 16.5 Maximum Daily Excess Balancing Charge plus all incremental costs incurred by the Company as a result of the failure to comply with the OFO or DFD.

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PIPELINE CAPACITY:

Choice Supplier shall pay directly to the pipeline the charges for any assigned capacity.

NOTICE

A Choice Supplier must provide Company, or any PUC-authorized alternative Supplier of Last Resort and its Rate RT, NT, and CT Customer(s) with ninety (90) days advance written notice of its intention to discontinue natural gas supply service to a Customer(s) for any reason. In the event a Choice Supplier discontinues service or exits the market before its contract for natural gas supply service to a Rate RT, NT, and CT Customer expires and such Customer returns to its Supplier of Last Resort, Choice Supplier shall provide all contract billing data required by Company or other PUC-approved Supplier of Last Resort to render bills to Choice Supplier's customers for the period between Choice Supplier's default or exit from the market and the customer's next meter reading date.

RIGHT OF FIRST REFUSAL

Should any Choice Supplier stop serving Customers in its Aggregation Pool, the Choice Supplier shall:

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RATE AG- CONTINUEDAGGREGATION SERVICE

Return any capacity originally released, assigned or transferred to it by Company and offer to assign, release or transfer any third party capacity it acquired to serve Rate RT, NT, and CT Customers at the contract rate until such time as the Company is able to contract for, using reasonable efforts, operationally equivalent capacity, or if requested, assign, release or transfer the capacity to another Choice Supplier that has accepted the customers in the Choice Supplier's Aggregation Pool; and Continue to maintain its Financial Security, or alternate Company approved method of fulfilling Financial Security requirements, until it has satisfied all of its outstanding claims of the Company.

BALANCING

Company will balance the daily difference, if any, between the anticipated Customer use, as communicated through the DDR, and the actual usage of Choice Supplier's customers. For this service, the Choice Supplier shall pay to Company the applicable Balancing Fees shown in this rate schedule, per MCF of Aggregation Pool usage, as measured at the meter.

RECONCILIATION

Company shall calculate the difference between the actual deliveries of each Choice Supplier's Aggregation Pool, and the usage of each such Aggregation Pool. The Company shall adjust future DDRs to account for any usage differences between forecasted weather and actual weather. Where actual meter reads cannot be obtained, the company will estimate usage and such estimate shall be deemed actual usage. In July of each year, the cumulative difference between delivered volumes and usage of the Choice Supplier's Aggregation Pool shall be cashed out at Company's average cost of gas purchased for the 12 months ending June 30. The average cost of gas shall be calculated as the product of the total commodity cost of gas purchases including transportation and fuel used and accounted for for the 12-months ending June 30, divided by tariff sales for the same 12-month period.

DAILY FLOW DIRECTIVES

An order issued by the Company to address system management issues on a non-critical day, including actions necessary to comply with statutory directives and obligations. DFDs will be communicated to affected Customers or NGSS either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGS. Customers and NGSS must provide the Company with a 24-hour contact for DFDs. Failure to comply with a DFD may result in the Customer or NGS being assessed the penalty charge set forth in Section 16.5 (Section A Gas Service Tariff).

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RATE AG-CONTINUEDAGGREGATION SERVICE

Failure to comply with a properly communicated DFD will result in the penalty charge set forth within this rate schedule.

DFDs will be communicated to affected Choice Suppliers either electronically, by telephone, facsimile or other method agreed upon between Company and Choice Supplier. Choice Suppliers must provide the Company with a 24-hour contact.

OPERATIONAL FLOW ORDERS

The Company shall have the right to issue Operational Flow Orders (OFOs) on a daily or intraday basis. An OFO shall mean a directive issued by Company to the Choice Supplier, which is reasonably necessary to alleviate conditions that threaten the operational integrity of the Company's system on a critical day.

Failure to comply with a properly communicated OFO will result in the penalty charge set forth within this rate schedule.

OFOs will be communicated to affected Choice Suppliers either electronically, by telephone, facsimile or other method agreed upon between Company and Choice Supplier. Choice Suppliers must provide the Company with a 24-hour contact.

NATURAL GAS SUPPLY PLANS

Choice Supplier shall cooperate with Company in the preparation of such reliability plans required under Section 1317 of the Public Utility Code, and shall provide all reasonable information related to gas deliverability assets under its control required by Company including providing copies of pipeline capacity contracts or delivered supply contracts, or, in lieu of providing such contracts, warrant pertinent information as required by the Company or any regulatory authority. Choice Supplier shall also enter into any necessary contractual arrangements, or make any required regulatory filings, to ensure that contracts and assets under its control, which are relied upon in Company's reliability plan, are available to Company or PUC-authorized supplier of last resort in accordance with Choice Supplier's obligations under its Aggregation Agreement and this Tariff.

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RATE AG - CONTINUED

AGGREGATION SERVICE

COMPLIANCE WITH PUC REQUIREMENTS

Choice Supplier shall at all times comply with all applicable PUC requirements and regulations.

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UGI CENTRAL PENN GAS, INC.
AGGREGATION AGREEMENT
FOR RATE SCHEDULES RT, NT, and CT
(Pro Forma)

This Aggregation Agreement for Rate Schedules RT, NT, and CT ("Aggregation Agreement") is made and entered into this _____ day of _____, 20____, by and between UGI Central Penn Gas, Inc., a Pennsylvania Corporation ("Company"), and _____, a _____ ("Choice Supplier").

WHEREAS, Company is a Pennsylvania public utility that, amongst other things, provides intrastate transportation service to Rate RT, NT, and CT customers located within its certificated service territory; and

WHEREAS, Choice Supplier is engaged in the business of selling natural gas supply services, and desires to market such services to Rate RT, NT, and CT customers located within Company's certificated service territory; and

WHEREAS, pursuant to the terms and conditions set forth in this Aggregation Agreement, Company is willing to receive natural gas supplies at specified points of interconnection situated between Company's facilities and the facilities of one or more interstate natural gas pipeline companies to serve the aggregated load of Rate RT, NT, and CT customers served by Choice Supplier, and to provide other services to facilitate the provision by Choice Supplier of natural gas supply services to customers; and

WHEREAS, pursuant to the terms and conditions set forth in this Aggregation Agreement, Choice Supplier is willing to deliver natural gas supplies for receipt by Company for subsequent transportation and redelivery at specified end-use customer locations, and to acquire aggregation services from Company.

NOW, THEREFORE, intending to be legally bound hereby, Company and Choice Supplier agree as follows:

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ARTICLE I. DEFINITIONS

For the purposes of this Aggregation Agreement, in addition to any definitions set forth in Company's Gas Service Tariff and *Nomination Procedure*, which are hereby incorporated herein by reference, the following definitions apply:

1. Aggregation Service means services provided by Company to Choice Supplier to facilitate the delivery of gas supplies to customers receiving service under Rates RT, NT, and CT.

2. Balancing means services provided by Company to cover differences between a Choice Supplier's Daily Delivery Requirement and the actual usage of the Choice Supplier's Aggregation Pool.

3. Customer means a recipient of service under Rate Schedules RT, NT, and CT that contracts for natural gas supply service from a Choice Supplier.

4. Daily Delivery Requirement (DDR) means the daily quantities of natural gas supplies a Choice Supplier is required to deliver for an Aggregation Pool, as forecasted and communicated by Company, and may specify the required points of delivery. Such forecast shall be calculated to include volumes needed for end-use requirements, prior imbalances and Company use and unaccounted for gas.

5. Daily Flow Directive (DFD) An order issued by the Company to address system management issues on a non-critical day, including actions necessary to comply with statutory directives and obligations. DFDs will be communicated to affected Customers or NGSS either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGS. Customers and NGSS must provide the Company with a 24-hour contact

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for DFDs. Failure to comply with a DFD may result in the Customer or NGS being assessed the penalty charge set forth in Section 16.5 (Section A Gas Service Tariff).

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6. Delivery Point means a point specified by Company where Choice Supplier may deliver natural gas supplies for subsequent redelivery by Company to Choice Marketer's Rate RT, NT, and CT customers.

7. Operational Flow Order ("OFO") A directive issued by the Company that is reasonably necessary to alleviate conditions that threaten the operational integrity of the Company's system on a critical day. OFOs will be communicated as soon as reasonably practical to affected Customers or NGSS either electronically, by telephone, by facsimile, through the use of the media or by an alternate mutually agreed upon method between the Company and the Customer or NGS. Customers and NGSS must provide the Company with a 24-hour contact for OFOs. Failure to comply with an OFO may result in the Customer or NGS being assessed the penalty charge set forth in Section 16.5 (Section A Gas Service Tariff).

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8. Rate Ready Billing is the method of billing used by the Company to calculate the natural gas supply services provided by the Choice Supplier. Under this method, the Company uses actual meter readings obtained by the Company, or estimated consumption when the Company is unable to obtain an actual meter reading, and billing rate information provided by the Choice Supplier to calculate the bill.

9. Transportation means a service provided by Company on its facilities that enables gas owned by others to be received into, moved through, and delivered out of facilities owned, leased, or operated and controlled by Company.

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10. Upstream Capacity Assignment, Release or Transfer means the process to provide access to interstate pipeline capacity and storage contracts owned by Company to Choice Supplier pursuant to Company's tariff and any applicable regulatory rules.

ARTICLE II. TERM

This Aggregation Agreement shall become effective on _____ and shall remain in effect, unless terminated pursuant to Section 6.1 hereof, or by either party by providing ninety (90) days' prior written notice, for so long as Choice Supplier is qualified to receive Rate AG service from Company. In the event this Aggregation Agreement expires or terminates, Company shall have no obligation, as between Choice Supplier and Company, to accept any natural gas supplies tendered by Choice Supplier for receipt into Company's facilities, and Choice Supplier's payment and financial obligations shall continue until fully discharged.

ARTICLE III. CHOICE SUPPLIER'S OBLIGATIONS

1. Compliance. Choice Supplier agrees that it shall comply with all of the applicable terms and conditions of Company's Gas Service Tariff and Company's Supplier Tariff, both of which are hereby incorporated by reference.

2. Upstream Pipeline Capacity. Choice Supplier shall accept a release, assignment or transfer, on a recallable basis, of a pro-rata portion, but in no event less than one (1) Dth per day per pipeline path, of Company's interstate pipeline and storage contracts at the applicable contract rate or, if authorized by Company, obtain firm pipeline transportation capacity for delivery of gas supply to a delivery point(s) as determined by Company in an amount sufficient to meet the Company-specified peak requirements of its Aggregation Pool.

3. Natural Gas Supplies. In the event Company has contracted for gas supplies either for storage or flowing gas for retail customers, who subsequently elect to receive service under Rates RT, NT, and CT Choice Supplier shall purchase

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from Company a pro rata share of that supply. In the event Choice Supplier receives a release, assignment or transfer from Company of a storage contract, Choice Supplier shall maintain storage inventories at seasonal levels specified by Company consistent with its reliability plan.

In the event Company recalls such storage capacity to meet system needs, Company shall have the right to purchase any associated storage inventory at cost, and Choice Supplier shall not enter into any contractual or other arrangements that might impair Company's ability to make such purchases.

4. Customer Enrollment. Choice Supplier will provide notification of customer enrollment, including, but not limited to customer name and respective account number, for all customers on whose behalf Choice Supplier is authorized to deliver gas. All customers enrolled by the 15th of each month will be transferred to their respective Choice Supplier effective with their next calendar month meter read. Enrollment information must be provided via approved internet based Electronic Data Interchange (EDI) transactions, or as otherwise determined by Company.

5. DDR. Each day, Choice Supplier shall deliver its Daily Delivery Requirement, as directed by Company.

6. Charges. Choice Supplier shall pay all charges set forth in Company's Rate AG billed by Company on or before the due date.

7. Creditworthiness. Choice Supplier shall establish, and maintain throughout the term of this Aggregation Agreement, and thereafter until all of Choice Supplier's payment obligations incurred under this Aggregation Agreement have been fully discharged, a satisfactory Financial Security status with Company. To enable the Company to determine credit status, Choice Supplier will provide to the Company the following: 1) relevant financial information to determine creditworthiness; 2) appropriate trade and banking references; and 3) written consent for Company to

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(C) conduct a credit investigation. In addition, Choice Supplier shall comply with the Financial Security provisions of Company's Supplier Tariff, and may, based on Choice Supplier's credit standing with Company, be required to provide financial security in excess of the minimum amounts specified therein.

8. Standards of Conduct. Choice Supplier shall abide by all standards of conduct and other legal requirements applicable to Choice Supplier's line of business, including but not limited to the standard of conduct applicable to Choice Suppliers set forth in rules and regulations established by regulatory bodies having jurisdiction over Choice Supplier's activities, and other applicable law.

9. Payments. Choice Supplier will remit payment for all services within 10 days after receipt of Company invoice. A late payment charge of 1.50% per month will be applied to all outstanding balances as of the due date.

10. Customer List. Choice Supplier shall execute an Electronic Trading Partner Agreement and will keep confidential any customer information acquired either directly or indirectly from Company, and use such information solely for the purpose of offering natural gas supply service to Rate RT, NT, and CT customers. In the event the Company determines the Choice Supplier impermissibly released customer information to another party, in addition to all available remedies, Company may, at its option, immediately cancel this Aggregation Agreement.

ARTICLE IV. COMPANY'S OBLIGATIONS

1. DDR. Company shall provide Choice Supplier with its DDR for each Gas Day. Company shall accept receipt of all gas volumes up to the DDR. Company shall have the right to accept, but shall in no instance be required to accept, an Over-delivery by Choice Supplier. The acceptance of such over delivery shall not constitute any waiver of any provisions of the Company's Gas Service Tariff or *Nomination Procedure*.

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2. Monthly Statement. Company shall bill Choice Supplier by the 15th of each month for services provided by Company during the preceding month and other amounts due to Company.
3. Enrollment Notification. Company shall generate and send a letter to all customers enrolled by a Choice Supplier indicating the supplier selected and the date service from the Choice Supplier is scheduled to commence. All customers enrolled by the 15th of each month will be transferred to their respective Choice Supplier effective with their next calendar meter read if customer does not respond within ten (10) days following confirmation to challenge the enrollment. Company shall send an electronic message confirming the selection to the Choice Supplier. In the event a customer is enrolled by two or more suppliers, the Company will send a confirmation notice for the last Choice Supplier that enrolled the customer, and the other enrolling supplier will be notified of that fact.
4. Rate AG. Company shall provide all of the other aggregation services applicable to Choice Supplier specified in the Rate AG provisions of its tariff.

ARTICLE V. BILLING SERVICE

- 5.1 Standard Billing Service. Company shall bill Choice Supplier's Rate RT, NT, and CT customers for natural gas supply services provided by Choice Supplier on a rate-ready basis unless a Choice Supplier's customer elects to receive a separate bill for such services from its Choice Supplier. Choice Supplier must provide all billing rate information no later than ten (10) days prior to the effective date of such rate.
- 5.2 Standard Billing Charges. Choice Supplier shall pay to Company the following fees for billing services:

Billing Fee \$0.25/Bill.

Billing Adjustment Fee

Affecting One (1) Month - \$3.10/Revised Bill

Affecting More than One (1) Month - \$3.60/Revised Bill

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(C) 5.3 Negotiated Billing Service. In the event a Choice Supplier wants Company to provide a billing service other than the Standard Billing Service, such service shall be negotiated between Company and Choice Supplier.

5.4 Choice Supplier Budget Billing. The Company will bill all budget billing amounts calculated and provided by the Choice Supplier. The Company will not determine or reconcile a License Supplier's budget bill charge.

ARTICLE VI. REMEDIES

6.1 Termination Upon Default. In addition to other rights a party may have under this Aggregation Agreement, if either party fails to perform an obligation, or breaches any representation or warranty ("Defaulting Party") under this Agreement, then the other party (Non-Defaulting Party") shall have the right to terminate this Agreement by providing prior written notice thereof to the Defaulting Party. Termination pursuant to this Article shall be without waiver of any additional remedy, whether at law or in equity, to which the party not in default otherwise may be entitled for breach of this Agreement.

6.2 Limitation of Liability. Except as expressly permitted under this Agreement and Company's Gas Service Tariff, neither party shall be entitled to recover incidental, consequential or punitive damages, or lost profits, for any breach by the other party of an obligation, representation or warranty under this Agreement, provided such limitation shall not apply to willful or grossly negligent misconduct on the part of the Defaulting Party.

ARTICLE VII. REPRESENTATIONS, WARRANTIES AND INDEMNIFICATION

Choice Supplier warrants that 1) it shall have good title to all natural gas tendered for receipt by Company hereunder, or is authorized by the owner of such gas to tender it for delivery to Company, and 2) such gas will be free and clear of all liens, encumbrances, and claims whatsoever. Choice Supplier shall fully indemnify

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Company, and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of a breach of such warranties.

ARTICLE VIII. LIMITATION OF THIRD PARTY RIGHTS

This Agreement is entered into solely for the benefit of the Company and the Choice Supplier, and is not intended and should not be deemed to vest any rights, privileges or interests of any kind or nature to any third party, including, but not limited to the Customers that comprise Choice Supplier's Pool under this Agreement.

ARTICLE IX. SUCCESSION AND ASSIGNMENT

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. However, no assignment of this Agreement, in whole or in part, will be made without the prior written approval of the non-assigning party. The written consent to assignment shall not be unreasonably withheld.

ARTICLE X. APPLICABLE LAW AND REGULATIONS

This Agreement shall be construed under the laws of the State of Pennsylvania and shall be subject to all valid applicable State, Federal and local laws, rules, orders, and regulations. Nothing herein shall be construed as divesting or attempting to divest any regulatory body of any of its rights, jurisdiction, powers or authority conferred by law.

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ARTICLE XI. NOTICES AND CORRESPONDENCE

Written notice and correspondence to Company shall be addressed as follows:

UGI Central Penn Gas, Inc.
2525 N. 12th Street, Suite 360
P.O. Box 12677
Reading, PA 19612-2677
Attention: David Lahoff
Telephone: (610) 796-3520
Facsimile: (610) 796-3559
Email: dlahoff@ugi.com

Written notices and correspondence to Choice Supplier shall be addressed as follows:

Name
Address

Attention: _____
Telephone:
Facsimile
Computer:

Either party may change its address for receiving notices effective upon receipt, by written notice to the other party.

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ARTICLE XII. MISCELLANEOUS

12.1 No modification of the terms and provisions of this Agreement shall be or become effective except by execution of written contracts or by modification of Company's Gas Service Tariff.

12.2 No waiver by any party of any one of more defaults by any other party of any provisions of this Agreement shall operate or be construed as a waiver of any subsequent or previous default or default, whether of a like or a different character.

12.3 In the event any tax or assessment is imposed, directly or indirectly, upon the gas tendered to, or received by Company for redelivery, Choice Supplier agrees to bear the amount of such tax or assessment. In the event that Company is required to pay such tax, Choice Supplier agrees to reimburse Company for such payment.

12.4 The subject heading of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.

12.5 In the event of a conflict between the provisions of this Agreement and Company's Gas Service Tariff, the provisions of Company's Gas Service Tariff shall govern.

UGI CENTRAL PENN GAS, INC.

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IN WITNESS WHEREOF, the parties hereto executed this Agreement on the day and year first above written.

ATTEST:

UGI CENTRAL PENN GAS, INC.

BY _____

ATTEST

CHOICE SUPPLIER

BY _____

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RULES AND REGULATIONS

15. RIDER F

ENERGY EFFICIENCY AND CONSERVATION RIDER

Applicability and Purpose

The Company shall recover costs related to the Company's Energy Efficiency and Conservation Plan ("EECP") for 2011-2014 through an Energy Efficiency and Conservation Rider ("EEC Rider").

The EEC Rider shall be computed separately for each of the following two customer classes:

1. Residential customers served under Rate Schedules R, RT.
2. Non Residential customers served under Rate Schedules N, NT, CIAC, CT, DS and LFD.

EEC Rider Rate:

<u>Residential</u>	\$0.4182/Dth (or \$0.4303/Mcf)
<u>Non-Residential</u>	\$0.0727/Dth (or \$0.0748/Mcf)

Note: Bills rendered for the May 2011 billing cycle and thereafter shall reflect billing units in Mcf.

The EEC Rider shall apply to all customers whether they are receiving retail, Choice or transportation service from the Company, and shall be subject to the State Tax Adjustment Surcharge.

Calculation

The EEC Rider shall be determined as follows:

1. Costs to be recovered shall include Company incurred costs to implement its Commission approved EECP during each plan year (October 1st through September 30th) (Plan Year), including all costs incurred to develop and administer the Company's EECP.
2. The Residential EEC Rider shall be calculated in accordance with the formula below and shall be rounded to the fourth decimal:

Residential EEC Rider = $(Cr / Sr) - (Er / Sr)$ where

Cr = Projected Residential EECP Costs.

Sr = Projected Residential Class Sales.

Er = Net over or under collection of the Residential EEC Rider resulting from the difference between the EEC Rider revenues received and the EECP costs incurred.

The Non Residential EEC Rider shall be calculated in accordance with the formula below and shall be rounded to the fourth decimal:

Non Residential EEC Rider = $(Cn / Sn) - (En / Sn)$ where

Cn = Projected Non Residential EECP Costs.

Sn = Projected Non Residential Class Sales.

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RULES AND REGULATIONS

15. RIDER F - Continued

ENERGY EFFICIENCY AND CONSERVATION RIDER

En = Net over or under collection of the Non Residential EEC Rider resulting from the difference between the EEC Rider revenues received and the EECP costs incurred.

4. The Residential and Non Residential EEC Riders will be updated annually and will be filed with the Commission on one day's notice to be effective December 1 of each year. The Company reserves the right to make an interim reconciliation filing to adjust the EEC Riders.
5. Any over or under collection at the end of the third plan year shall be recovered or refunded either through a subsequent EECP approved by the Commission or through continuation of the EEC Riders until full recovery or refunding has occurred.

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RULES AND REGULATIONS

16. RIDER G

CONSERVATION DEVELOPMENT RIDER

General. The Company shall recover lost revenue associated with the reduction in energy consumption as a result of the conservation programs established in the Company's Energy Efficiency and Conservation Plan ("EECP"). Such lost revenues will be recovered through a Conservation Development Rider ("CD Rider"). The CD Rider shall be computed separately for each of the following two customer classes:

1. Residential customers served under Rate Schedules R, and RT.
2. Non Residential customers served under Rate Schedules N, NT, CIAC, CT, DS and LFD.

CD Rider Rate:

<u>Residential</u>	\$0.0000/Dth (or \$0.0000/Mcf)
<u>Non-Residential</u>	\$0.0000/Dth (or \$0.0000/Mcf)

Note: Bills rendered for the May 2011 billing cycle and thereafter shall reflect billing units in Mcf.

The CD Rider shall apply to all customers whether they are receiving retail, Choice or transportation service from the Company, and shall be subject to the State Tax Adjustment Surcharge.

Calculation. The CD Rider shall be determined as follows:

1. Lost revenues to be recovered shall include distribution revenue the Company would have earned on the sales that were otherwise reduced as a result of the EECP programs for a plan year (October 1st through September 30th) ("Plan Year"). The lost revenues associated with each EECP program shall be directly assigned to the applicable customer class.

2. The Residential CD Rider shall be calculated in accordance with the formula below and shall be rounded to the fourth decimal:

Residential CD Rider = $((Rr / Sr) - (Er / Sr))$ where

Rr = Projected Residential Lost Revenues.

Sr = Projected Residential Class Sales.

Er = Net over or under collection of the Residential CD Rider resulting from the difference between the CD Rider revenues received and the revenues lost due to the EECP programs.

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RULES AND REGULATIONS

16. RIDER G - Continued

CONSERVATION DEVELOPMENT RIDER

3. The Non Residential CD Rider shall be calculated in accordance with the formula below and shall be rounded to the fourth decimal:

Non Residential CD Rider = $(Rn / Sn) - (En / Sn)$ where

Rn = Projected Non Residential Lost Revenues.

Sn = Projected Non Residential Class Sales.

En = Net over or under collection of the Non Residential CD Rider resulting from the difference between the CD Rider revenues received and the revenues lost due to the EECP Programs.

4. The CD Rider will be updated annually and will be filed with the Commission on one day's notice to be effective December 1 of each year. The Company reserves the right to make an

interim reconciliation filing to adjust the CD Rider.

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RULES AND REGULATIONS

17. RIDER H

NATURAL GAS VEHICLE PILOT PROGRAM RIDER

Applicability and Purpose

The Company shall recover costs related to the Company's Natural Gas Vehicle Pilot Program through a Natural Gas Vehicle Pilot Program Rider ("NGVP Rider"). The NGVP Rider shall apply to all non-residential customers except customers served under Rate IS or Rate XD.

NGVP Rider Rate: \$0.0232/Dth (or \$0.0239/Mcf)

Note: Bills rendered for the May 2011 billing cycle and thereafter shall reflect billing units in Mcf.

Calculation

The NGVP Rider shall be determined as follows:

1. Costs to be recovered shall include Company incurred costs to implement its Commissioned approved NGVP Program during each Plan Year (October 1st through September 30th) ("Plan Year"), including all costs to develop and administer the Company's NGVP Program.
2. The NGVP Rider shall be calculated in accordance with the formula below and shall be rounded to the fourth decimal.

$$\text{NGVP Rider} = (C / S) - (E/S) \text{ where}$$

C = Projected NGVP Program Costs

S = Projected Non Residential Sales excluding Sales related to Rates IS and XD

E = Net over or under collection of the NGVP Rider resulting from the difference between the NGVP Rider revenues received and the NGVP Rider costs incurred.

3. The NGVP Rider will be updated annually and will be filed with the Commission on one day's notice to be effective December 1 of each year. The Company reserves the right to make an interim reconciliation filing to adjust the NGVP Rider.
4. Any over or under collection at the end of the third Plan Year shall be recovered or refunded either through a subsequent NGVP Program approved by the Commission or through continuation of the NGVP Rider until full recovery or refunding has occurred.