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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

APPENDIX K

PEOPLES NATURAL GAS COMPANY LLC
***PRO FORMA* TARIFFS**

PEOPLES NATURAL GAS COMPANY LLC

RATES AND RULES GOVERNING THE FURNISHING OF NATURAL GAS SERVICE TO RETAIL GAS CUSTOMERS

Joint Application for Approval of the Transfer of Membership
Interests, Transfer of Certain Assets, and Certain Associated Gas
Supply Agreements Pursuant to Sections 1102(a)(3) and 2204(e) of the
Public Utility Code.

ISSUED:

BY: Morgan K. O'Brien
President
375 North Shore Drive, Suite 600
Pittsburgh, PA 15212

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NOTICE

This tariff makes changes to existing rates.
(See page 2)

PA PUBLIC UTILITY COMMISSION
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LIST OF CHANGES

Page No.	Section	Modification
2A	List of Changes	Additional page added due to length of list of changes.
3	Rate Schedule	Modified to reflect addition of AVC Capacity Charge under Rider B.
3A	Rate Schedule	Modified to reflect addition of AVC Capacity Charge under Rider B and changes to delivery rates
4A	Rate Schedule	Modified to reflect addition of AVC Capacity Charge and changes to delivery rates.
4B	Rate Schedule	Modified to reflect addition of AVC Capacity Charge and changes to delivery rates.
5	Table of Contents	Modified to reflect changes to pages 57 through 59 and the addition of pages 2A, 63A, and 63B.
10	Rates Available Under This Tariff	Removal of Rate ST and Rate ST-SW to reflect discontinuance of on system storage service.
27	Rules & Regulations, Rule 17	Deletion of the word 'pools' in line three of the first paragraph to reflect discontinuance of on system storage service.
31	Rules & Regulations, Rule 21	Delete reference to Rate ST and Rate ST-SW.
36	Rate RS	Reduction in delivery charge.
40	Rate SGS	Reduction in delivery charges.
42	Rate MGS	Reduction in delivery charges.
44	Rate LGS	Reduction in delivery charges.
46	Rate GS-T	Addition of the word 'and' under Rule (8)(3).
47	Rate GS-T	Deletion of Rule (8)(4) to reflect discontinuance of on system storage. Update of Rule (8)(5) to become Rule (8)(4).
47	Rate GS-T	Delete reference to Rate ST and Rate ST-SW under Rule (9)(a).
47	Rate GS-T	Rule (12) updated to reflect new retainage rates.
48	Rate GS-T	Rule (14) update to Negative Monthly Imbalance section to specify 'pipeline' storage withdrawals.
48	Rate GS-T	Rule (14) update to Positive Monthly Imbalance section to remove reference to Rate ST and Rate ST-SW.
49	Rate GS-T	Rule (14) update to reflect language change removing BB&A rates from the current page and referring to Rider B where those rates are set forth.
51	Rate GS-T	Reduction in delivery charges.
52	Rate GS-T	Access to Storage Service section added.
57	Page Intentionally Left Blank	Formerly Rate ST
58	Page Intentionally Left Blank	Formerly Rate ST
59	Page Intentionally Left Blank	Formerly Rate ST-SW
62	Rider B	Rate Schedule updated to reflect addition of AVC Capacity Charge.
63	Rider B	Definitions updated to include addition of AVC, AVCOU, NPI and PIAC.
63A	Rider B	Language added to reflect application and calculation, for AVC Capacity Charge.
63B	Rider B	Additional page added to reflect reconciliation and treatment of Discount Customers for AVC Capacity Charge.

LIST OF CHANGES (cont.)

	Present	Proposed	Increase (Decrease)
	Base Rate	Base Rate	\$/Mcf
Rate RS	\$3.6560	\$3.1497	(\$0.5063)
Rate SGS			
Commercial	\$2.6971	\$2.1939	(\$0.5032)
Industrial	\$2.2655	\$1.7623	(\$0.5032)
Rate MGS			
Commercial	\$2.5210	\$2.1904	(\$0.3306)
Industrial	\$1.8549	\$1.5243	(\$0.3306)
Rate LGS			
Commercial	\$2.4909	\$2.3913	(\$0.0996)
Industrial	\$1.8549	\$1.7553	(\$0.0996)
Rate GS-T			
Residential	\$3.6560	\$3.1497	(\$0.5063)
SGS Commercial & NGDC	\$2.6971	\$2.1939	(\$0.5032)
SGS Industrial & NGDC	\$2.2655	\$1.7623	(\$0.5032)
MGS Commercial & NGDC	\$2.5210	\$2.1904	(\$0.3306)
MGS Industrial & NGDC	\$1.8549	\$1.5243	(\$0.3306)
LGS Commercial & NGDC	\$2.4909	\$2.3913	(\$0.0996)
LGS Industrial & NGDC	\$1.8549	\$1.7553	(\$0.0996)
Rider B -- AVC Capacity Charge			
Residential	\$ -	\$ 0.5063	\$ 0.5063
SGS - Commercial	\$ -	\$ 0.5032	\$ 0.5032
SGS - Industrial	\$ -	\$ 0.5032	\$ 0.5032
MGS - Commercial	\$ -	\$ 0.3306	\$ 0.3306
MGS - Industrial	\$ -	\$ 0.3306	\$ 0.3306
LGS - Commercial	\$ -	\$ 0.0996	\$ 0.0996
LGS - Industrial	\$ -	\$ 0.0996	\$ 0.0996

ISSUED:

EFFECTIVE:

	Rider B - Gas Cost Charges				Base Rate Charges	Rider A STAS	Rider E MFC	Rider F USR	Rider G GPC	Rider H Rate Credit	Rider J Rager Credit	Bill Display Total Rate
	Capacity	AVC Capacity	GCA	Commodity								
	(1)	(2)	(3)	(4)								
					(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12=SUM 1 to 11)
Residential Sales												
Customer Charge					\$ 13.9500					\$ (1.5000)		\$ 12.4500
Capacity	\$ 0.4932	\$ 0.5063				\$ 0.0175						\$ 1.0170
PTC- Commodity Charge			\$ (0.3049)	\$ 4.4330		\$ 0.1466		\$ 0.0900				\$ 4.3647
Delivery Charge					\$ 3.1497			\$ 0.2643		\$ (0.1279)	\$ (0.1407)	\$ 3.1454
State Tax Surcharge						\$ (0.0069)						\$ (0.0069)
Total per MCF						\$ 0.1641						\$ 8.5202
Commercial SGS												
Customer Charge												
0 to 499 MCF/Yr					\$ 14.8800					\$ (1.1200)		\$ 13.7600
500 to 999 MCF/Yr					\$ 27.0000					\$ (1.1200)		\$ 25.8800
Capacity	\$ 0.4792	\$ 0.5032				\$ 0.0037						\$ 0.9861
PTC- Commodity Charge			\$ (0.3049)	\$ 4.4330		\$ 0.0318		\$ 0.0900				\$ 4.2499
Delivery Charge					\$ 2.1939						\$ (0.1351)	\$ 2.0588
State Tax Surcharge						\$ (0.0048)						\$ (0.0048)
Total per MCF						\$ 0.0355						\$ 7.2900
Industrial SGS												
Customer Charge												
0 to 499 MCF/Yr					\$ 20.0000					\$ (1.1200)		\$ 18.8800
500 to 999 MCF/Yr					\$ 27.0000					\$ (1.1200)		\$ 25.8800
Capacity	\$ 0.4932	\$ 0.5032				\$ 0.0038						\$ 1.0002
PTC- Commodity Charge			\$ (0.3049)	\$ 4.4330		\$ 0.0318		\$ 0.0900				\$ 4.2499
Delivery Charge					\$ 1.7623						\$ (0.1404)	\$ 1.6219
State Tax Surcharge						\$ (0.0039)						\$ (0.0039)
Total per MCF						\$ 0.0356						\$ 6.8681
Commercial MGS												
Customer Charge												
1,000 to 2,499 MCF/Yr					\$ 50.0000					\$ (20.4000)		\$ 29.6000
2,500 to 24,999 MCF/Yr					\$ 77.0000					\$ (31.4100)		\$ 45.5900
Capacity	\$ 0.4932	\$ 0.3306				\$ 0.0038						\$ 0.8276
PTC- Commodity Charge			\$ (0.3049)	\$ 4.4330		\$ 0.0318		\$ 0.0900				\$ 4.2499
Delivery Charge					\$ 2.1904					\$ (0.0956)	\$ (0.1445)	\$ 1.9503
State Tax Surcharge						\$ (0.0048)						\$ (0.0048)
Total per MCF						\$ 0.0356						\$ 7.0230

ISSUED:

EFFECTIVE:

	Rider B - Gas Cost Charges				Base Rate Charges	Rider A STAS	Rider E MFC	Rider F USR	Rider G GPC	Rider H Rate Credit	Rider J Rager Credit	Bill Display Total Rate
	Capacity	AVC Capacity	GCA	Commodity								
	(1)	(2)	(3)	(4)								
Industrial MGS												
Customer Charge												
1,000 to 2,499 MCF/Yr					\$ 50.0000					\$ (20.4000)		\$ 29.6000
2,500 to 24,999 MCF/Yr					\$ 77.0000					\$ (31.4100)		\$ 45.5900
Capacity	\$ 0.4932	\$ 0.3306					\$ 0.0038					\$ 0.8276
PTC- Commodity Charge			\$ (0.3049)	\$ 4.4330			\$ 0.0318	\$ 0.0900				\$ 4.2499
Delivery Charge					\$ 1.5243				\$ (0.0956)	\$ (0.1404)		\$ 1.2883
State Tax Surcharge						\$ (0.0034)						\$ (0.0034)
Total per MCF							\$ 0.0356					\$ 6.3624
Commercial LGS												
Customer Charge												
25,000 to 49,999 MCF/Yr					\$ 443.0000					\$ (280.7500)		\$ 162.2500
50,000 to 99,999 MCF/Yr					\$ 545.0000					\$ (345.4000)		\$ 199.6000
100,000 to 199,999 MCF/Yr					\$ 793.0000					\$ (502.5700)		\$ 290.4300
Over 200,000 MCF/Yr					\$ 1,215.0000					\$ -		\$ 1,215.0000
Capacity	\$ 0.4932	\$ 0.0996					\$ 0.0038					\$ 0.5966
PTC- Commodity Charge			\$ (0.3049)	\$ 4.4330			\$ 0.0318	\$ 0.0900				\$ 4.2499
Delivery Charge					\$ 2.3913				\$ (0.0794)	\$ (0.1445)		\$ 2.1674
State Tax Surcharge						\$ (0.0053)						\$ (0.0053)
Total per MCF							\$ 0.0356					\$ 7.0086
Industrial LGS												
Customer Charge												
25,000 to 49,999 MCF/Yr					\$ 443.0000					\$ (280.7500)		\$ 162.2500
50,000 to 99,999 MCF/Yr					\$ 545.0000					\$ (345.4000)		\$ 199.6000
100,000 to 199,999 MCF/Yr					\$ 1,144.0000					\$ (725.0100)		\$ 418.9900
Over 200,000 MCF/Yr					\$ 2,009.0000					\$ -		\$ 2,009.0000
Capacity	\$ 0.4932	\$ 0.0996					\$ 0.0038					\$ 0.5966
PTC- Commodity Charge			\$ (0.3049)	\$ 4.4330			\$ 0.0318	\$ 0.0900				\$ 4.2499
Delivery Charge					\$ 1.7553				\$ (0.0794)	\$ (0.1404)		\$ 1.5355
State Tax Surcharge						\$ (0.0039)						\$ (0.0039)
Total per MCF							\$ 0.0356					\$ 6.3781

ISSUED:

EFFECTIVE:

	Base Rate Charges	Rider A STAS	Rider E MFC	Rider F USR	Rider B Capacity AVC Capacity		BB&A	Rider H Rate Credit	Rider J Rager Credit	Bill Display Total Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10=SUM 1 to 9)
Rate GS-T Residential										
Customer Charge	\$ 13.9500	-0.22%						\$ (1.5000)		\$ 12.4500
Capacity (Includes AVC Capacity)			\$ 0.0175		\$ 0.4932	\$ 0.5063				\$ 1.0170
Delivery Charge	\$ 3.1497			\$ 0.2643				\$ (0.1279)	\$ (0.1407)	\$ 3.1454
State Tax Surcharge		\$ (0.0069)								\$ (0.0069)
Total per MCF										\$ 4.1555
Rate GS-T Commercial SGS										
Customer Charge										
0 to 499 MCF/Yr	\$ 14.8800							\$ (1.1200)		\$ 13.7600
500 to 999 MCF/Yr	\$ 27.0000							\$ (1.1200)		\$ 25.8800
1/ Capacity/BB&A (Includes AVC Capacity)			\$ 0.0037		\$ 0.4792	\$ 0.5032				\$ 0.9861
Delivery Charge	\$ 2.1939								\$ (0.1351)	\$ 2.0588
State Tax Surcharge		\$ (0.0048)								\$ (0.0048)
Total per MCF										\$ 3.0401
Rate GS-T Industrial SGS										
Customer Charge										
0 to 499 MCF/Yr	\$ 20.0000							\$ (1.1200)		\$ 18.8800
500 to 999 MCF/Yr	\$ 27.0000							\$ (1.1200)		\$ 25.8800
1/ Capacity/BB&A					\$ 0.5032	\$ 0.0347				\$ 0.5379
Delivery Charge	\$ 1.7623								\$ (0.1404)	\$ 1.6219
State Tax Surcharge		\$ (0.0039)								\$ (0.0039)
Total per MCF										\$ 2.1559
Rate GS-T Commercial MGS										
Customer Charge										
1,000 to 2,499 MCF/Yr	\$ 50.0000							\$ (20.4000)		\$ 29.6000
2,500 to 24,999 MCF/Yr	\$ 77.0000							\$ (31.4100)		\$ 45.5900
1/ Capacity/BB&A					\$ 0.3306	\$ 0.1614				\$ 0.4920
Delivery Charge	\$ 2.1904							\$ (0.0956)	\$ (0.1445)	\$ 1.9503
State Tax Surcharge		\$ (0.0048)								\$ (0.0048)
Total per MCF										\$ 2.4375

1/ Capacity applies to Priority 1 ratepayers when electing transport service. All other Ratepayers are billed the BB&A charge. For purposes of this schedule, Capacity has been defaulted for Residential and SGS customers and BB&A has been defaulted for MGS and LGS classes.

ISSUED:

EFFECTIVE:

	Base Rate Charges	Rider A STAS	Rider E MFC	Rider F USR	Rider B Capacity AVC Capacity		Capacity/ BB&A	Rider H Rate Credit	Rider J Rager Credit	Bill Display Total Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10=SUM 1 to 9)
Rate GS-T Industrial MGS										
Customer Charge										
1,000 to 2,499 MCF/Yr	\$ 50.0000							\$ (20.4000)		\$ 29.6000
2,500 to 24,999 MCF/Yr	\$ 77.0000							\$ (31.4100)		\$ 45.5900
1/ Capacity/BB&A					\$ 0.3306	\$ 0.0347				\$ 0.3653
Delivery Charge	\$ 1.5243							\$ (0.0956)	\$ (0.1404)	\$ 1.2883
State Tax Surcharge		\$ (0.0034)								\$ (0.0034)
Total per MCF										\$ 1.6502
Rate GS-T Commercial LGS										
Customer Charge										
25,000 to 49,999 MCF/Yr	\$ 443.0000							\$ (280.7500)		\$ 162.2500
50,000 to 99,999 MCF/Yr	\$ 545.0000							\$ (345.4000)		\$ 199.6000
100,000 to 199,999 MCF/Yr	\$ 793.0000							\$ (502.5700)		\$ 290.4300
Over 200,000 MCF/Yr	\$ 1,215.0000							\$ -		\$ 1,215.0000
1/ Capacity/BB&A					\$ 0.0996	\$ 0.1614				\$ 0.2610
Delivery Charge	\$ 2.3913							\$ (0.0794)	\$ (0.1445)	\$ 2.1674
State Tax Surcharge		\$ (0.0053)								\$ (0.0053)
Total per MCF										\$ 2.4231
Rate GS-T Industrial LGS										
Customer Charge										
25,000 to 49,999 MCF/Yr	\$ 443.0000							\$ (280.7500)		\$ 162.2500
50,000 to 99,999 MCF/Yr	\$ 545.0000							\$ (345.4000)		\$ 199.6000
100,000 to 199,999 MCF/Yr	\$ 1,144.0000							\$ (725.0100)		\$ 418.9900
Over 200,000 MCF/Yr	\$ 2,009.0000							\$ -		\$ 2,009.0000
1/ Capacity/BB&A					\$ 0.0996	\$ 0.0347				\$ 0.1343
Delivery Charge	\$ 1.7553							\$ (0.0794)	\$ (0.1404)	\$ 1.5355
State Tax Surcharge		\$ (0.0039)								\$ (0.0039)
Total per MCF										\$ 1.6659

1/ Capacity applies to Priority 1 ratepayers when electing transport service. All other Ratepayers are billed the BB&A charge. For purposes of this schedule, Capacity has been defaulted for Residential and SGS customers and BB&A has been defaulted for MGS and LGS classes.

ISSUED:

EFFECTIVE:

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RATES AVAILABLE UNDER THIS TARIFF

Rate RS - Residential Service

This rate is available to residential ratepayers throughout the territory served by the Company.

Rate CAP

This is available to residential ratepayers who meet the criteria as detailed in this Rate Schedule.

Rate S~~G~~S - Small General Service-

(C)

This rate is available to commercial and industrial ratepayers and NGDCs consuming less than 1,000 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial ratepayers qualifying under Rate NGPV.

Rate M~~G~~S - Medium General Service

(C)

This rate is available to commercial and industrial ratepayers and NGDCs consuming between 1,000 and 24,999 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial ratepayers qualifying under Rate NGPV.

Rate L~~G~~S - Large General Service

(C)

This rate is available to commercial and industrial ratepayers and NGDC's consuming more than 25,000 Mcf annually throughout the territory served by the Company with the exception of commercial ratepayers qualifying under Rate NGPV.

Rate CER - Competitive Energy Rate

This rate is available to all ratepayers throughout the territory served by the Company who, in the determination of the Company, meet the criteria set forth under Rate Schedule CER.

Rate ~~G~~S-T - General Service Transportation

(C)

This rate offers firm transportation service for residential, commercial, industrial, and NGDC ratepayers. Commercial, industrial, and NGDC ratepayers that consume less than 1,000 Mcf per year are classified as Small General Service ratepayers under this tariff. Commercial, industrial, and NGDC ratepayers that consume between 1,000 and 24,999 Mcf per year are classified as Medium General Service ratepayers under this tariff. Commercial, industrial, and NGDC ratepayers that consume more more than 25,000 Mcf per year are classified as Large General Service ratepayers under this tariff.

Rate ~~G~~S-SB - General Standby Service

(C)

This rate offers standby service for residential, commercial, and industrial transportation ratepayers.

Rate NGPV

This rate offers service for natural gas powered vehicles.

Rate ~~S~~T - Storage Service

(C)

~~This rate offers storage service for transportation ratepayers.~~

Rate ~~S~~T-SW - Storage Service - Scheduled Withdrawal

(C)

~~This rate offers storage service for transportation ratepayers.~~

RULES AND REGULATIONS**17. PRIORITY OF SERVICE AND CURTAILMENT FOR RETAIL RATEPAYERS (continued)**

The definitions for terms used in the priority of service categories shall be shown in Appendix A hereto.

Gas Shortage Curtailment Related to Long-Term Supplies

When, in the Company's judgment, its supply of gas is insufficient to meet the full requirements of all the Company's ratepayers on a continuing basis, or when continued delivery of gas would prevent the injection of gas into the Company's storage pools for the protection of subsequent winters' supplies, the Company may require each (C) ratepayer to restrict his monthly consumption to a volume authorized by the Company.

A gas shortage curtailment shall be made only after a minimum 96-hour written notice to the ratepayer given by certified mail and specifying its authorized monthly consumption to which such curtailment applies. The Company will authorize monthly consumption levels from the Company's supplies only to ratepayers then currently purchasing commodity or standby service from the Company. Ratepayers that acquire their own gas supplies and that do not purchase standby service will be entitled to consume only the volumes they have delivered to the Company, less any gas that the Company is authorized to seize for consumption by other ratepayers.

If a ratepayer exceeds its authorized consumption during a period of gas shortage curtailment, then the ratepayer shall be subject to penalties as set forth under this Rule 17.

Actual consumption in any month in excess of the volume authorized in the notice of gas shortage curtailment shall operate to reduce the volume authorized for the second succeeding month by the amount of such excess; during the first month following the month of excess consumption a ratepayer may use less than the volume authorized for that month and receive a credit up to but not exceeding the amount of such reduction, to be applied to the reduced volume authorized for the second month.

RULES AND REGULATIONS**18. SALES OF GAS FOR RESALE**

All gas sales to residential ratepayers are to the ultimate purchaser and are not to be resold for profit.

**SPECIAL RULES APPLICABLE TO ALTOONA
AND JOHNSTOWN AND VICINITY (Rules 19 and 20)**

19. CONNECTION FOR SERVICE

In the city of Altoona, Blair County, and the city of Johnstown, boroughs of Ferndale, Westmont, Lorain, Dale, Southmont, and townships of Lower Yoder, Upper Yoder, and Stonycreek, and vicinity in Cambria County, and not elsewhere, the following rule has been adopted and is applicable in place of Rule 4 above: The meter and all pipes, fittings, and stop cocks furnished by the Company on the premises shall remain the property of the Company which shall have the free right and privilege of ingress and egress at all reasonable times, to lay, maintain, inspect, operate, repair, and finally reclaim its property and for reading and change of meters.

20. LEAKS AND WASTE

In the city of Altoona, Blair County, and the city of Johnstown, boroughs of Ferndale, Westmont, Lorain, Dale, Southmont, and townships of Lower Yoder, Upper Yoder, and Stonycreek, and vicinity in Cambria County, and not elsewhere, the following rule has been adopted and is applicable in place of Rule 7 above: The ratepayer shall use all due care to prevent waste of gas. It is the responsibility of the ratepayer to exercise all due care in the detection of leaks and defects in the service pipes, meter, fittings, and stop cocks on the ratepayer's premises and in case of failure or deficiency of gas, leakage, excess pressure, or other dangerous developments incident to the handling of gas, the ratepayer agrees to give immediate notice thereof to the Company at its office and to take the necessary precaution to prevent explosion and fire, and the failure of the ratepayer to do so, should loss or injury follow, shall be evidence of the ratepayer's negligence and shall relieve the Company from liability for such loss or injury.

21. ORDER OF GAS DELIVERIES THROUGH THE METER FOR BILLING PURPOSES (C)

For purposes of billing more than one type of service provided by the Company to a ratepayer through one meter, the following order of application of rates shall be used:

- a. Rate GS-T (G)
- b. Firm Retail or Standby
- c. Rate CER
- d. ~~The order of Rate ST and Rate ST-SW volumes through the meter is at the ratepayer's discretion, except as noted in Rate ST-SW~~

22. OPERATIONAL FLOW ORDERS

To the extent the Company issues an operational flow order (OFO) pursuant to Rule 4 of its Supplier Tariff, a transportation ratepayer shall comply (or direct its NGS to comply) with the same OFO conditions, including the penalty provisions, outlined in the Company's Supplier Tariff Rule 4. The Company may waive the penalties applicable under the Company's Supplier Tariff Rule 4, for transportation ratepayers.

RATE RS
RESIDENTIAL SERVICE**AVAILABILITY**

This rate is available to residential ratepayers (other than those that the Company determines shall acquire service under Rate GS-SB) located throughout the territory described in the "Description of Territory" in this tariff and shall be applied to consumption for each month determined in accordance with Rule 10.

This rate will be used for provision of supplier of last resort service to residential ratepayers.

RATE TABLE

Customer Charge per meter per month	\$13.95	(+)
Delivery Charge per Mcf	\$3.65601497	(+D)

The currently effective gas cost charges under Rider B and all charges under other applicable tariff riders are (C) set forth on the Summary of Rates located on Page No. 3 of this tariff.

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per ratepayer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a ratepayer pursuant to Rule 17, or complete or partial suspension of operation by the ratepayer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month will be made for failure to make payment in full, for all charges billed by the Company, within five days after the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

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

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when such waiver may occur is when the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the ratepayer's load characteristics.

ISSUED: September 28, 2012

EFFECTIVE: October 1, 2012

**RATE SGS
SMALL GENERAL SERVICE**

(C)

AVAILABILITY

This rate is available to commercial, industrial, and NGDC ratepayers consuming less than 1,000 Mcf annually (other (C) than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff and shall be applied to consumption for each month determined in accordance with Rule 10.

This rate will be used for provision of supplier of last resort service to all commercial, industrial and NGDC ratepayers.

RATE TABLE

Customer Charge per meter per month:

For Commercial ratepayers with annual consumption less than 500 Mcf	\$14.88	(H)
For Industrial ratepayers with annual consumption less than 500 Mcf	\$20.00	(D)
For ratepayers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf	\$27.00	Comm(H) Ind (D)
Delivery Charge per Mcf – Commercial Ratepayers	<u>\$2.6974-1939</u>	(D)
Delivery Charge per Mcf – Industrial Ratepayers	<u>\$2.26551,7623</u>	(D)

| The currently effective gas cost charges under Rider B and all charges under other applicable tariff riders are (C) set forth on the Summary of Rates on page No. 3 of this tariff.

MARKET BASED COMMODITY CHARGE ADJUSTMENT (CCA)

This adjustment will be applicable to Non-Priority One ratepayers that previously had been receiving transportation service from the Company for at least twelve consecutive months and transfers to service under this rate schedule. Once applied, the CCA will be applicable for twelve consecutive months of service under this rate schedule. The Gas Cost Adjustment Charge shall not be applicable if the CCA is being charged.

The CCA shall be determined monthly and shall equal the difference between the Company's city gate price and the currently effective commodity charge under this rate schedule. The CCA shall never be less than zero. The Company's city gate price shall be based on the first of the month Dominion Transmission Inc. Appalachia Index price as published in *Inside FERC's Gas Market Report* plus applicable Dominion Transmission, Inc. transportation charges and retainage.

ISSUED: September 28, 2012

EFFECTIVE: October 1, 2012

**RATE MGS
MEDIUM GENERAL SERVICE**

(C)

AVAILABILITY

This rate is available to commercial, industrial, and NGDC ratepayers consuming between 1,000 and 24,999 Mcf ~~(C)~~ annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff, and shall be applied to consumption for each month determined in accordance with Rule 10.

The Company shall determine the annual consumption of each MGS ratepayer in order to assess the appropriate ~~(C)~~ customer charge. This rate will be used for provision of supplier of last resort service to commercial, industrial, and NGDC ratepayers.

RATE TABLE**Customer Charges:**

For commercial and NGDC ratepayers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf, the charge per meter per month is

month	\$50.00	(H)
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For commercial ratepayers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf the charge, per meter per month is

month	\$77.00	(H)
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For industrial ratepayers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf, the charge, per ratepayer per month is

ratepayer per month is	\$50.00	(D)
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For industrial ratepayers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf, the charge per ratepayer per month

per ratepayer per month	\$77.00	(H)
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Delivery Charge per Mcf – Commercial Ratepayers	\$2.52401904	(D)
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Delivery Charge per Mcf – Industrial Ratepayers	\$1.85495243	(ID)
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The currently effective gas cost charges under Rider B and all charges under other applicable tariff riders are ~~(C)~~ set forth on the Summary of Rates located on Page No. 3 of this tariff.

MARKET BASED COMMODITY CHARGE ADJUSTMENT (CCA)

This adjustment will be applicable to Non-Priority One ratepayers that previously had been receiving transportation service from the Company for at least twelve consecutive months and transfers to service under this rate schedule. Once applied, the CCA will be applicable for twelve consecutive months of service under this rate schedule. The Gas Cost Adjustment Charge shall not be applicable if the CCA is being charged.

The CCA shall be determined monthly and shall equal the difference between the Company's city gate price and the currently effective commodity charge under this rate schedule. The CCA shall never be less than zero. The Company's city gate price shall be based on the first of the month Dominion Transmission Inc. Appalachia Index price as published in *Inside FERC's Gas Market Report* plus applicable Dominion Transmission, Inc. transportation charges and retainage.

ISSUED: September 28, 2012

EFFECTIVE: October 1, 2012

RATE LGS
LARGE GENERAL SERVICE

(C)

AVAILABILITY

This rate is available to commercial, industrial, and NGDC ratepayers consuming greater than 25,000 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff, and shall be applied to consumption for each month determined in accordance with Rule 10.

The Company shall determine the annual consumption of each LGS ratepayer in order to assess the appropriate customer charge. This rate will be used for provision of supplier of last resort service to commercial, industrial, and NGDC ratepayers.

RATE TABLECommercial Ratepayers: Customer Charge per meter per month:

For ratepayers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	\$443.00	
For ratepayers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	\$545.00	(H)
For ratepayers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	\$793.00	(H)
For ratepayers with annual consumption equal to or greater than 200,000 Mcf	\$1,215.00	(H)
Delivery Charge per Mcf	\$2.49093913	(D)

Industrial Ratepayers: Customer Charge per ratepayer per month

For ratepayers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	\$443.00	
For ratepayers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	\$545.00	
For ratepayers with annual consumption equal to or greater than 100,000 Mcf by less than 200,000 Mcf	\$1,144.00	
For ratepayers with annual consumption equal to or greater than 200,000 Mcf	\$2,009.00	
Delivery Charge per Mcf	\$1.85497553	(ID)

The currently effective gas cost charges under Rider B and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

MARKET BASED COMMODITY CHARGE ADJUSTMENT (CCA)

This adjustment will be applicable to Non-Priority One ratepayers that previously had been receiving transportation service from the Company for at least twelve consecutive months and transfers to service under this rate schedule. Once applied, the CCA will be applicable for twelve consecutive months of service under this rate schedule. The Gas Cost Adjustment Charge shall not be applicable if the CCA is being charged.

The CCA shall be determined monthly and shall equal the difference between the Company's city gate price and the currently effective commodity charge under this rate schedule. The CCA shall never be less than zero. The Company's city gate price shall be based on the first of the month Dominion Transmission Inc. Appalachia Index price as published in *Inside FERC's Gas Market Report* plus applicable Dominion Transmission, Inc. transportation charges and retainage.

ISSUED: September 28, 2012

EFFECTIVE: October 1, 2012

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

AVAILABILITY

This service is available to provide for the delivery of transportation volumes to residential, commercial, (other than those that use natural gas as a motor vehicle fuel), industrial, and natural gas distribution company ratepayers regulated by the (C) Commission. Priority-one customers (as defined in Rule 17), must purchase standby service in accordance with the terms and conditions of GS-SB.

RULES AND DELIVERY TERMS

- (1) The entity to whom the Company delivers the transported gas shall be considered the ratepayer under this rate schedule. The ratepayer is responsible for paying the Company's bill unless the Company agrees to receive payment from a third party.
- (2) Any ratepayer consuming less than 500 Mcf per year who wishes to acquire transportation service may do so as long as the ratepayer agrees to collectively pool supplies for balancing purposes on the Company's System, in order to make provision of transportation service to these small consumers administratively feasible.
- (3) A single-entity ratepayer is a ratepayer with multiple meters and/or multiple locations within the Company's service territory which, in the sole determination of the Company, shall be recognized as one ratepayer for administrative purposes. Any retail or standby service shall be billed as if an equal amount of gas passed through each meter of the single-entity ratepayer each month. Only one bill will be issued each month to a single-entity ratepayer.
- (4) The ratepayer will pay for any investment costs required to receive the ratepayer's gas into the Company's system at agreed-upon transportation gas receipt points. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.
- (5) A Transportation Agreement, as prepared by the Company, must be executed by the ratepayer(s) with competitive alternatives to whom Rate GS-T is made available at less than maximum rate. This Agreement shall be for a minimum term of one year, unless the Company agrees otherwise. This Agreement may set forth the maximum daily volumes that may be transported and other negotiated conditions of service.
- (6) This service will be provided by the Company only if the ratepayer provides gas of reasonable quality to the Company. The volumes, pressures, and receipt points will be agreed upon by the parties in advance and set forth in the Transportation Agreement or in the Company's pooling agreement with the NGS providing gas supply service to the ratepayer.
- (7) Unless otherwise agreed, the ratepayer is responsible for all arrangements required to acquire and to deliver the ratepayer's gas to the receipt points set forth in the Transportation Agreement.
- (8) On those days when the transportation gas of an individual industrial ratepayer who uses at least 50,000 Mcf (C) annually is not received into the Company's system at its nominated level, or if the said transportation ratepayer has failed to arrange for deliveries to be made into the Company's system on its behalf, and the Company determines that it may not be able to satisfy all the demands of its firm retail and transportation ratepayers without exceeding its pipeline contract level, then the Company may declare an "upset day."

On an upset day, those ratepayers described in this subparagraph No. 8, whose transportation volumes are not received at all or at the nominated level into the Company's system shall be restricted to the following consumption levels:

- 1) Transportation gas volumes received by the Company on the ratepayer's behalf on that day;
- 2) Banked volumes from the ratepayer's most recent billing statement divided by the number of days in the month;
- 3) 3.5 percent of the gas volumes received by the Company, on the ratepayer's behalf that day, -
representing advanced gas; and (C)

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

(C)

- 4) ~~Storage volumes from the ratepayer's most recent billing statement divided by the number of~~ (C)
~~days in the month, if requested by the ratepayer; and~~
 54) All standby volumes contracted for the month by the ratepayer. _____ (C)

Transportation ratepayers whose nominated daily volume are received in whole by the Company shall not be affected by the provisions in this subparagraph No. 8.

At least six hours prior to the beginning of an "upset day," the utility will provide notice to any one of three persons designated by the ratepayer. After contact is attempted by the Company with the three persons designated by the ratepayer, the Company will be deemed to have satisfied its notice obligations.

- (9) Unless otherwise agreed under paragraph (17) below, the Company will arrange its utilization of available capacity by endeavoring to fairly accommodate, to the extent practicable, the interests of its retail and transportation ratepayers.
- a. Available System Capacity for Transportation Service: Capacity for the transportation of ratepayer-owned gas is available on the Company's system to the same extent as capacity is available for the general system supplies that the Company acquires for its retail ratepayers, except where operational constraints may require otherwise. Those operational constraints can include the safety of persons or property and the displacement of locally produced or purchased retail gas supplies and conditions required under Rate ST & ST-SW. _____ (C)
- b. Actual Unavailability of or Restrictions on Capacity: In the event that capacity on the Company's system either is unavailable for the transportation of ratepayer-owned gas or is available but restricted, the Company will provide its transportation ratepayer or the ratepayer's designated representative with a written explanation of why capacity is unavailable or restricted; and the steps examined by the Company to alleviate the unavailability or restriction. Where capacity is restricted, the Company will allocate capacity to its transportation ratepayers without regard to the sources of the ratepayers' natural gas supplies.
- c. Anticipated Unavailability of or Restrictions on Capacity: Whenever the Company anticipates that an extraordinary activity or occurrence will make capacity either unavailable or available but restricted, the Company will provide written notice to Pennsylvania producers, as early as possible, of the specific portions of the Company's system on which capacity may be unavailable or available but restricted and of the length of time that the unavailability or restriction likely will last.
- (10) As soon as practical after the ratepayer learns of any disruption or interruption in its supply of gas, the ratepayer shall notify the Company.
- (11) The measurements at the point of receipt and delivery shall be the responsibility of the Company. All quantities of gas received, transported, and delivered shall be expressed in terms of "Mcf." If the ratepayer's gas is received by the Company in Btus, the Company will divide the number of Btus by 1.030, or such other factor as the Company may determine appropriate, to determine the Mcf of gas received by the Company for transportation.
- (12) The Company shall retain ~~8-0~~ 6.5 percent of the total volume of gas received into its system on behalf of (C) residential (C) and commercial ratepayers and ~~6-9~~ 5.5 percent of the total volume of gas received into its system on behalf (C) of the industrial ratepayer as gas used in Company operations and for unaccounted-for gas -under Transportation Agreements that have been or are entered into pursuant to this rate, except in the following circumstances, where the Company may exercise its discretion to waive retainage in conjunction with a positive cost/benefit analysis:

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

- 1) If ratepayer can obtain alternate transportation service via direct bypass;
- 2) If ratepayer receives transportation service through Company-owned facilities which do not produce the retainage percentage set forth in this rate schedule;
- 3) If ratepayer has a competitive offer from a non-PUC-jurisdictional entity;
- 4) If ratepayer can demonstrate economic development or job retention considerations are present; or
- 5) If ratepayer has a bona fide competitive offer from an alternative energy source.

As used in this rate schedule, "alternative energy source" shall not include natural gas service from other Natural Gas Distribution Companies.

- (13) Ratepayer-owned locally produced gas received into the Company's gathering system by the Company will be (C) available as nominated by the ratepayer or his agent in the current month. Nominations will be accepted if determined to be reasonable by the Company. Reconciliation of the actual volumes delivered to the Company's (C) system to nominated volumes will be made in the first month available.

(14) Monthly Balancing Provisions

The Company will bank for one month following the month that the ratepayer's gas is available for the ratepayer's use, up to 3.5 percent of the volumes delivered on the ratepayer's behalf (net of the payback of advanced gas). Banked gas shall precede current deliveries of gas through the ratepayer's meter during the month following the banking period. The Company will balance ratepayer's daily deliveries with ratepayer's actual daily consumption during the month. The Company will advance up to 3.5 percent of the volumes received on the ratepayer's behalf in any month. The first gas received on the ratepayer's behalf in the succeeding month will be deemed the payback of advanced gas.

Negative Monthly Imbalance - A negative imbalance fee will be assessed on consumption by the ratepayer in excess of gas deliveries plus gas advanced, ~~storage withdrawals delivered to the Company's system,~~ and any contracted (C) for standby service. The negative imbalance volume will be sold by the Company at a price (which will include the applicable customer delivery charge and surcharges) including the highest monthly price of gas purchased by the Company, excluding the value of gas withdrawn from storage, plus the firm transportation charges to bring the gas to the Company's system, adjusted for shrinkage on Dominion Transmission, Inc. and the Company and multiplied by the applicable Price Multiplier set forth below. Volumes sold by the Company are subject to applicable taxes. The Company may waive these restrictions if its actions cause the ratepayer to exceed the 3.5 percent tolerance level.

Positive Monthly Imbalance - If the ratepayer fails to use at least 96.5 percent of the volumes delivered to the Company on ratepayer's account in any month, then the Company may buy the gas which has remained in the bank longer than the banking period or in excess of the amount used and banked in the month from the ratepayer, ~~(unless the (C) ratepayer is eligible to store gas under Rate ST or Rate ST-SW conditions of availability and elects to store the gas.)~~ The positive imbalance volume will be purchased by the Company at a price using the lowest monthly price of gas purchased by the Company, excluding the value of gas withdrawn from storage, plus the firm transportation charges to bring the gas to the Company's system, adjusted for shrinkage on Dominion Transmission, Inc. and multiplied by the applicable Price Multiplier set forth below.

<u>Monthly Imbalance Percentage</u>	<u>Negative Imbalance Price Multiplier</u>	<u>Positive Imbalance Price Multiplier</u>
Over 3.5% up to and including 10%	1.1	0.9
Over 10%	1.2	0.8

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

A banking, balancing, and advancing (BB&A) charge will be assessed against each Mcf of gas transported per day (C) at \$0.1614 per Mcf for commercial ratepayers and \$0.0347 per Mcf for industrial ratepayers. This rate will be recalculated in each of the Company's annual 1307(f) gas cost proceedings.

The BB&A charge will not be assessed if (1) the ratepayer is already paying the standby charge under Rate Schedule GS-SB on the same volumes or (2) if the ratepayer or pool can balance its supply and deliveries on a daily basis in a manner satisfactory to the Company.

- (15) Backup service is available to ratepayers under this rate schedule only under Rate GS-SB, unless the ratepayer qualifies for service under Rate CER or unless otherwise agreed under paragraph (17) below.
- (16) The Company reserves the right, as a condition of service under this rate schedule, to require any ratepayer requesting service under this rate schedule to install and bear the costs of enhanced metering capability. The Company also reserves the right to require installation of such metering capability, at the ratepayer's expense, as a condition of continuation of service under this rate schedule.
- (17) When the ratepayer purchasing service under this rate is using natural gas for generating power or steam for use by third parties, ratepayer and the Company shall enter into a separate (operating) agreement by which the ratepayer and the Company will agree to, among other things, set limits on hourly or daily consumption; require provision of notice of ratepayer's specific plans concerning intent to consume natural gas, the volume that will be used, the time period of which such consumption will occur, and when usage will end; establish criteria for interruption of all or part of ratepayer's planned consumption, whether through transportation or retail service; establish penalties for failure of ratepayer to adhere to agreed-upon usage levels or to interrupt consumption as agreed upon by the parties; and agree upon the availability of retail service. In negotiating the rate for provision of transportation service under Rate GS-T with a ratepayer using natural gas to generate power or steam, the parties may agree to establish fixed levels of minimum daily, monthly, or annual consumption for which ratepayer shall pay the negotiated rate regardless of actual consumption.
- (18) The Company will from time to time make pipeline capacity available for release to transportation ratepayers. Each release transaction will be made in accordance with and subject to applicable pipeline tariff requirements and necessary regulatory requirements.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

(Continued)

\$1,215.00	Customer Charge per month per meter for Commercial or NGDC ratepayers with annual consumption greater than 200,000 Mcf annually.	(I)
\$2,009.00	Customer Charge per month per ratepayer for Industrial ratepayers with annual consumption equal to or greater than 200,000 Mcf.	

Delivery Charge, Per Mcf - the delivery charge will be negotiated by the Company and the ratepayer and expressed in the Transportation Agreement.

The following is the maximum charge per Mcf for transportation service:

For Residential Service Ratepayers	\$3.65603.1497	(D)
For Small General Service Commercial and NGDC Ratepayers	\$2.69742.1939	(D)
For Small General Service Industrial Ratepayers	\$2.26551.7623	(D)
For Medium General Service Commercial and NGDC Ratepayers	\$2.52402.1904	(D)
For Medium General Service Industrial Ratepayers	\$1.85491.5243	(D)
For Large General Service Commercial and NGDC Ratepayers with annual consumption equal to or greater than 25,000 Mcf.	\$2.49092.3913	(D)
For Large General Service Industrial Ratepayers with annual consumption equal or greater to 25,000 Mcf.	\$4.85491.7553	(D)

The delivery charge will be assessed on all volumes at the time of delivery to the ratepayer, including current transportation, banked, advanced, and storage volumes withdrawn and delivered to the Company. A (C) transportation standby charge will be applicable to all volumes transported under Rate Schedule GS-T for Priority One ratepayers (refer to Rate Schedule GS-SB).

The currently effective gas cost charges under Rider B and all charges under other applicable tariff riders are (C) set forth on the Summary of Rates located on Page No. 3 of this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for residential ratepayers will be made for failure to make payment in full for all charges billed by the Company within five days after the due date shown on the bill. A late-payment charge of 2.00 percent per industrial ratepayers and 1.50 percent per month for commercial and NGDC ratepayers shall be applied (C) for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges. The overdue portion of the bill may include NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

ISSUED: September-28, 2012

EFFECTIVE: October 1, 2012

RATE GS-T
GENERAL SERVICE - TRANSPORTATIONSURCHARGES

All applicable riders to this tariff.

CURTAILMENT

Service under this rate may be curtailed when gas supply shortages force the Company to invoke emergency curtailment provisions pursuant to Tariff Rule No. 17 because gas supply to Priority-One ratepayers is threatened. Under this circumstance, the transportation ratepayer must agree to sell its gas supply to the Company at either the ratepayer's city gate price or at the Company's average gas cost contained in the prevailing 1307(f) rate applicable to that class of ratepayer, whichever is greater, to be used to supply the needs of Priority-One ratepayers.

LIABILITY

1. The Company shall not be liable for disruption of service under this rate or loss of gas of the ratepayer 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 shall be and remain the property of the ratepayer while transported and delivered by the Company. The ratepayer 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 ratepayer arising from or out of service under this rate, including loss of gas in the possession of the Company or any other cause, except upon gross negligence or willful misconduct of the Company's own employees or agents. The Company reserves the right to commingle gas of the ratepayer with that of other NGS.
4. The Company will not be liable for disruption along upstream pipelines, or disruption caused by the Company's inability to physically receive the gas.
5. If service furnished pursuant to this rate is disrupted, the Company will notify the ratepayer as soon as it is reasonably practicable. If delivery of volumes is disrupted for any of the above reasons, the Company shall not be liable for delivering said volumes at a later date.

ARRANGEMENT OF INTERSTATE TRANSPORTATION

At the request of a ratepayer, other than an NGDC, the Company will act as its agent for arranging transportation of ratepayer-owned gas by an interstate pipeline(s). The Company will bill the ratepayer the applicable pipeline tariff rate(s) for any interstate transportation billed to the Company in its role as ratepayer's agent for arranging interstate transportation.

ACCESS TO STORAGE SERVICE

(C)

The Company shall provide Non-Priority One ratepayers and suppliers with access to storage capacity held by the Company on the Allegheny Valley Connector ("AVC") system, an interstate pipeline system subject to the regulation of the FERC, that was previously provided under Rate ST and ST-SW. Non Priority One ratepayers and suppliers shall have the annual option to accept all or a portion of such access to storage capacity offered by the Company. Unless Company and ratepayer agree otherwise, Company shall not release more than 1/12th of the ratepayer's annual usage. The Company shall assign and release such capacity to Non-Priority One ratepayers or suppliers at an equivalent storage rate of \$0.95/Mcf. Company's release of such capacity shall, in all respects, be in accordance with the FERC Gas Tariff governing service on the AVC system and the applicable rules and regulations of FERC regarding the release of capacity, including FERC's posting and bidding requirements. The Non-Priority One ratepayer or supplier is responsible for paying the pipeline for the capacity assigned under these provisions, which payments shall include all applicable surcharges for service on the AVC system. The Company shall not reimburse the Non-Priority One ratepayer or supplier for these pipeline capacity charges.

THIS PAGE INTENTIONALLY LEFT BLANKRATE ST
STORAGE SERVICEAVAILABILITY

Storage/balancing service is available to transportation ratepayers under the following conditions:

a. Rate ST is available for overdeliveries in excess of 3.5 percent, subject to a maximum volume limitation in storage at any one time that will be based on the ratepayer's average monthly usage and on monthly volumetric injection levels set forth below.

b. Monthly limitations on scheduled injection levels into storage are as follows: (C)

April 2 percent of the allocated storage capacity

May 15 percent of the allocated storage capacity

June-September 20 percent of the allocated storage capacity

October 15 percent of the allocated storage capacity

In addition, injections during November through March may be restricted during any of the "Critical Day-Planning" events listed in Paragraph 3 of the Rules and Regulations section of Peoples' Tariff S-2.

c. Withdrawals from storage shall be limited to a maximum daily amount equal to 1/44 of the ratepayer's (C) allocated storage capacity. As of March 31, if the gas inventory balance in storage exceeds 40% of the allocated storage capacity, the excess amount will be automatically withdrawn in March.

d. Storage of gas by a transportation ratepayer other than described in a. and b. above will be at the Company's sole discretion.

RULES AND DELIVERY TERMSDeliveries Into and From Storage

Deliveries to the Company in excess of the 3.5 percent banking level will be injected into storage unless the ratepayer requests otherwise by the 25th of the month. If the monthly injection causes inventory levels to exceed the allocated (C) storage capacity, then the Company may purchase these volumes under the buy-back provisions in paragraph 13 of Rate GS-T.

The Company shall withdraw the ratepayer's gas from storage to meet the ratepayer's needs in excess of gas advanced in accordance with the terms of Rates GS-T, unless the ratepayer notifies the Company by the 25th day of the month. (C) If the ratepayer does not have the required storage inventory balance to meet the withdrawal, then the ratepayer will be subject to the balancing provisions contained in Rate GS-T.

Request for storage under availability provision (d) above must be made by the 25th day of the month. The Company will notify the ratepayer of acceptance or rejection of this request within three days of the receipt of the request.

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RATE SCHEDULE
STORAGE SERVICE

STORAGE CHARGE

~~\$ 0.0532 per Mcf at the time of delivery into storage (injection fee)~~
~~\$ 0.0532 per Mcf at the time of withdrawal from storage (withdrawal fee)~~
~~\$ 0.8436 per Mcf fee assessed on the maximum storage level attained in the storage year (storage fee) (C)~~

~~The injection fee for delivery into storage will be assessed in the month in which (a) the storage election is made or (C) (b) the Company grants a request for storage. The rate for storage of gas (storage fee) will also be assessed at that time and will be applied to the maximum storage level attained in a storage year (April 1 through March 31) and will be reassessed annually on April 1. The withdrawal fee for delivery of gas from storage will be assessed in the month the gas is withdrawn. At the time of withdrawal, the applicable transportation rate from GS-T will also be assessed.~~

LATE PAYMENT CHARGE

~~A late payment charge of 2.00 percent per month for industrial and and 1.50 percent per month for commercial and NGDC ratepayers shall be applied for failure to make payment in full by the due date shown on the bill. A late payment charge of 1.50 percent per month for residential ratepayers will be made for failure to make payment in full within five days after the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late payment charges.~~

SURCHARGES

~~All applicable riders to this tariff.~~

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RATE ST-SW
STORAGE SERVICE—SCHEDULED WITHDRAWAL

AVAILABILITY

~~Storage service is available to transportation ratepayers under the following conditions:~~

- ~~a. Rate ST-SW is available for overdeliveries in excess of 3.5 percent, subject to a maximum volume limitation in storage at any one time, that will be based on the ratepayer's average monthly usage and on monthly volumetric injection levels set forth below.~~
- ~~b. Monthly limitations on scheduled injection levels into storage are as follows: (C)~~
 - ~~April: 2 percent of the allocated storage capacity~~
 - ~~May: 15 percent of the allocated storage capacity~~
 - ~~June-September: 20 percent of the allocated storage capacity~~
 - ~~October: 15 percent of the allocated storage capacity~~
 - ~~November-March: Zero percent of the allocated storage capacity~~
- ~~c. The ratepayer must withdraw all gas in storage under Rate ST-SW during a consecutive four month period, beginning either November 1, December 1, or January 1, whichever date the ratepayer selects. One quarter (1/4) of the gas in storage when scheduled withdrawal begins will be withdrawn each month. For withdrawals other than during the four month period of scheduled withdrawal, the ratepayer must request withdrawal of gas stored under Rate ST-SW by the 25th of the month. If the ratepayer does not notify the Company that gas stored under Rate ST-SW should be withdrawn, and the ratepayer has not delivered sufficient quantities of gas during the month to meet that month's requirements, the Company will automatically withdraw any gas stored under Rate ST. If the ratepayer has no gas stored under Rate ST, the ratepayer will be subject to the balancing provisions of Rate GS-T. (C)~~
- ~~d. Storage of gas by a transportation ratepayer other than described in a., b., and c. above will be at the Company's sole discretion.~~

RULES AND DELIVERY TERMS

Deliveries Into and From Storage

~~If the ratepayer has service under Rate ST, deliveries to the Company in excess of the 3.5 percent banking level will be injected into storage under Rate ST unless the ratepayer requests that the gas be stored under Rate ST-SW by the 25th of the month. If the monthly injection causes inventory levels to exceed the allocated storage capacity, then the Company may purchase these volumes under the (C) balancing provisions in Rate GS-T.~~

~~Unless otherwise agreed to by the Company, the ratepayer's storage gas shall be withdrawn from storage in accordance with a Storage Withdrawal Schedule, consistent with the terms of paragraph c. above, provided to the Company by the ratepayer prior to October 15. If the ratepayer does not notify the Company by October 15 of its storage withdrawal schedule, then withdrawals will begin January 1.~~

STORAGE CHARGE

- ~~\$ 0.0532 per Mcf at the time of delivery into storage (injection fee)~~
- ~~\$ 0.0532 per Mcf at the time of withdrawal from storage (withdrawal fee)~~
- ~~\$ 0.4065 per Mcf assessed on the maximum storage level attained in the storage year (storage fee) (C)~~

LATE PAYMENT CHARGE

~~A late payment charge of 2.00 percent per month for industrial and NGDC ratepayers and 1.50 percent per month for commercial ratepayers shall be applied for failure to make payment in full, for all charges billed by the Company, by the due date shown on the bill. A late payment charge of 1.50 percent per month for residential ratepayers shall be applied for failure to make payment in full within five days after the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late payment charge.~~

SURCHARGES

~~All applicable riders to this tariff.~~

RIDER B
RECOVERY OF PURCHASED GAS COSTS (1307(f) RATES)

COMPUTATION OF PURCHASED GAS COSTS

The purchased gas cost rates for Residential, Commercial, and Industrial Service ratepayers shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set forth below:

$$\text{Demand Capacity} = \frac{\text{DC} - \text{BB\&A} - \text{DOU}}{\text{S} + \text{SBP1AC} + \text{SBC}}$$

$$\text{Commodity} = \frac{\text{CC} - \text{R}}{\text{S} + \text{SBR}}$$

$$\text{Over/Under Collection} = \frac{\text{E}}{\text{S} + \text{SBR} + \text{MR}}$$

$$\text{AVC Capacity} = \frac{\text{AVC} - \text{AVCOU}}{\text{S} + \text{P1AC} + \text{NP1}}$$

(For definitions of "AVC", "DC", "CC", "E", "S", "SBC", "NP1", "SBP1AC", "R", "BB&A", and "DOU" refer to Section II under below this rider).

The purchased gas cost rates are as follows:

Sales	Rates (per Mcf)			
	Capacity Charge — Demand 1/	Gas Cost Adjustment Charge - (Over)/Under Collection	Natural Gas Supply Charge - Commodity	AVC Capacity Charge 2/
Rate RS	\$0.4932	(\$0.3049)	\$4.4330	\$0.5063
Rate SGS Commercial	\$0.4792	(\$0.3049)	\$4.4330	\$0.5032
Rate SGS Industrial	\$0.4932	(\$0.3049)	\$4.4330	\$0.5032
Rate MGS	\$0.4932	(\$0.3049)	\$4.4330	\$0.3306
Rate LGS	\$0.4932	(\$0.3049)	\$4.4330	\$0.0996

Transportation: P-1	Rates (per Mcf)	
	Capacity Charge 1/	AVC Capacity Charge 2/
GS-T Residential	\$0.4932	\$0.5063
GS-T Commercial SGS	\$0.4792	\$0.5032
GS-T Commercial MGS	\$0.4932	\$0.3306
GS-T Commercial LGS	\$0.4932	\$0.0996

Transportation: NP-1	Rates (per Mcf)
Rate Schedule	AVC Capacity Charge 2/
GS-T Commercial	\$0.5032
GS-T Industrial	\$0.5032
GS-T Commercial MGS	\$0.3306
GS-T Industrial MGS	\$0.3306
GS-T Commercial LGS	\$0.0996
GS-T Industrial LGS	\$0.0996

~~RS, SGS (industrial), MGS, LGS, NGPV~~

Capacity Charge Demand \$0.4932 per Mcf (1)
 Gas Cost Adjustment Charge (Over)/Under Collection (\$0.3049) per Mcf (1)
 Natural Gas Supply Charge Commodity \$4.4330 per Mcf (1)
 GS-SB Capacity Charge Priority One \$0.4932 per Mcf (1)

~~SGS (commercial)~~

Capacity Charge Demand \$0.4792 per Mcf (1)
 Gas Cost Adjustment Charge (Over)/Under Collection (\$0.3049) per Mcf (1)

Natural Gas Supply Charge — Commodity	\$4.4330 per Mcf	(1)
GS-SB Capacity Charge Priority One	\$0.4792 per Mcf	(1)

(continued)

(continued)

~~1/ "BB&A" refers to Banking, Balancing and Advancing services. Different rates apply if customers are receiving Standby service. Refer to Rate GS-SB for the applicable rates.~~

~~1/ The capacity charge has not been updated for revised costs under the proposed agreements with EQT affiliates and will be updated during the course of the proceeding.~~

~~2/ The AVC capacity charge will be subject to adjustment through the ongoing 1307(f) mechanism as a result of a modernization and compliance tracker for system improvements on the AVC system.~~

ISSUED: December 31, 2012 _____

EFFECTIVE: January 1, 2013 _____

RIDER B

RECOVERY OF PURCHASED GAS COSTS (1307(f) RATES)DEFINITIONS

"AVC"	The projected capacity costs associated with the Allegheny Valley Connector Interstate Pipeline System. (C)
"AVCOU"	Experienced net overcollection or undercollection of the AVC Capacity costs. (C)
"DC":	The projected demand or capacity cost of purchased gas (excluding AVC Capacity Charges). (C)
"CC":	The projected commodity cost of purchased gas.
"DOU"	Experienced net overcollection or undercollection of the demand or capacity cost (excluding the AVC Capacity Charges) and of purchased gas, including any interstate pipeline refunds of demand costs. Any changes in demand costs will be reflected in this calculation. (C)
"E":	Experienced net overcollection or undercollection of the commodity cost of purchased gas ¹ .
"S":	Projected retail sales in Mcf during the application period.
"NP1"	Projected volumes in Mcf for NP-1 transportation ratepayers and any ratepayer served by a NP-1 supplier. (C)
"SBP1AC"	Projected standby volumes in Mcf for P-1 transportation ratepayers who are assigned capacity. (C)
"SBC":	Projected contracted standby volumes in Mcf by NP-1 transportation ratepayers.
"SBR":	Projected retail commodity standby volumes in Mcf.
"R":	Shared (savings) or costs for demand charge recovery from the capacity-release program.
"BB&A":	Banking, balancing, and advancing recovery.
"MR":	Projected transportation volumes, in Mcf, subject to Rider D.

"Projected" refers to the twelve-month period beginning with October 1 of the year that the calculation is made.

ADJUSTMENT TO BASE RATES

Whenever a change occurs in the calculation rates for collection of purchased gas costs, a corresponding change will occur in the base rates of applicable rate schedules.

FILING WITH THE COMMISSION

The Company shall meet all the filing requirements set forth in the regulations implementing Section 1307(f) of the Public Utility Code.

(continued)

ISSUED: September 28, 2012

EFFECTIVE: October 1, 2012

RIDER B

RECOVERY OF PURCHASED GAS COSTS (1307(f) RATES) (cont.)

REPORTING REQUIREMENTS

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

Interest will be applied in accordance with the applicable law.

AVC CAPACITY CHARGE (C)

APPLICABILITY

The AVC Capacity Charge is applicable to all ratepayers with the exceptions defined below under Discounted Rate Customers and relates to the recovery of capacity costs incurred by the Company for firm transportation and storage service provided by -on the Allegheny Valley Connector ("AVC") System. The AVC system represents certain transmission and storage assets formerly owned and operated by the Company that are necessary to provide services by the Company to its customers. Upon Commission approval and implementation of the AVC capacity charge, all ratepayers shall receive an initial and one-time reduction to rates related to the elimination of costs for the transmission and storage assets formerly owned and operated by the Company. -

The AVC Capacity Charge shall recover fixed demand charges and applicable surcharges assessed to the Company under the -FERC Gas Tariff for firm transportation and storage services on the AVC System. The AVC Capacity Charge shall be adjusted to reflect ongoing changes in charges assessed to the Company. The AVC Capacity Charge shall not recover fixed demand charges related to storage capacity on the AVC System that is released to and paid for by Non-Priority One ratepayers or suppliers. Applicable volumetric and fuel charges for service on the AVC system shall not be recovered through the AVC charge and such charges shall be paid for by the shipper utilizing the AVC capacity. -

RATES

Refer to page 62 for the currently effective AVC Capacity Charge rates.

These rates will be recalculated on a quarterly basis in conjunction with the other Rider B costs and reported on as applicable in the quarterly and annual filings as required in the regulations implementing Section 1307(f) of the Public Utility Code. The rates shall be calculated by customer class based on the results of the allocation factors set forth below and applicable billing determinants for each class.

ALLOCATION OF AVC CAPACITY COSTS

The fixed demand and applicable surcharges assessed to the Company for services on the AVC system shall be allocated to customer classes based on the allocation factors below.

The AVC Capacity Charge allocation factors are as follows:

<u>Rate Class</u>	<u>Allocation</u>
<u>Residential</u>	<u>66.25%</u>
<u>SGS</u>	<u>11.94%</u>
<u>MGS</u>	<u>12.99%</u>
<u>LGS</u>	<u>8.82%</u>

ISSUED:

EFFECTIVE:

AVC CAPACITY CHARGE (cont.)

The Company will review the appropriateness of the AVC Capacity Charge allocation factors on an annual basis and such factors will be subject to review in the Company's 1307(f) gas cost proceeding.

ANNUAL RECONCILIATION

The AVC Capacity Charge costs will be subject to over/undercollection tracking and reconciled annually.

DISCOUNTED RATE CUSTOMERS

Upon Commission approval and implementation of the AVC capacity charge, all ratepayers receiving a negotiated discount delivery charge under Rate GS-T, shall: 1) receive an initial and one-time delivery charge reduction equal to the reduction applicable to all customers within its rate class; and 2) be assessed an initial AVC capacity charge equal to the AVC charges set forth immediately below. To the extent that a customer is receiving a discounted delivery rate that is less than the initial AVC charge set forth below, such customer shall receive a delivery charge reduction that is equal to its discounted delivery charge and be assessed an initial AVC charge that is equal to its discounted delivery charge.

<u>Rate Class</u>	<u>Initial AVC Charge</u>
Residential	\$0.5063
SGS	\$0.5032
MGS	\$0.3306
LGS	\$0.0996

To the extent permitted under the customer's discounted rate contract, the Company may recover ongoing increases to the initial AVC charge from such customers.

[†]~~Interest will be applied in accordance with the applicable law.~~

ISSUED: _____

EFFECTIVE: _____

PEOPLES NATURAL GAS COMPANY LLC

**RATES AND RULES
GOVERNING THE
FURNISHING OF
SERVICE TO
NATURAL GAS
SUPPLIERS**

Joint application for Approval of the Transfer of Membership Interests, Transfer of
Certain Assets, and Certain Associated Gas Supply Agreements Pursuant to Sections
1102(a)(3) and 2204(e) of the Public Utility Code

ISSUED:

**By: Morgan K. O'Brien
President
375 North Shore Drive, Suite 600
Pittsburgh, PA 15212**

EFFECTIVE:

NOTICE

LIST OF CHANGES

Page No.	Section	Modification
3	Table of Contents	Updated to reflect addition of page 2A.
8	OFO Procedures	Removed reference to Rate Schedule ST.
12	Rule 8. Procedures when a NGS Exits the System	Modification of existing language to reflect discontinuance of on system storage service.
19	Rate P-1 – Assignment of Pennsylvania Produced Supplies	Language added to identify and include variable costs of purchased PA gas supplies delivered from the Allegheny Valley Connector pipeline system. Correction to remove 'capacity' and replace it with 'supplies'. The use of 'capacity' was included in error.
19	Rate P-1 – Assignment of Upstream Pipeline Capacity	Modification to reflect the addition of 'Equitrans' (Proposed New Assignment) and 'Texas Eastern (TETCO) (Existing Assignment)' Modification to remove reference to 'pipelines upstream of DTI'.
20	Rate P-1 – Assignment of Capacity	Replace 'standby' with 'capacity' in order to reflect common terminology throughout the Tariff.
20	Rate P-1 – Assignment of On-System Storage Capacity	Language removed to reflect discontinuance of the assignment of on-system storage service. A comparable level of storage will be provided to P-1 suppliers on the Allegheny Valley Connector through the Assignment of Upstream Pipeline Capacity section of Rate P-1.
20A	Rate P-1 – Assignment of Other Supplies	Page added to accommodate new section entitled 'Assignment of Other Supplies'. Section added to reflect the availability of other assigned gas supplies under a proposed gas supply contract with the Company.
21	Rate P-1 -- Determination of Assignment Quantities	Modification of existing language to reflect the availability of other assigned gas supplies under a proposed gas supply contract with the Company and the discontinuance of on system storage service.
22	Rate P-1 – Nomination of Assigned Pennsylvania-Produced Supplies	Modification to delete existing language to reflect the Company's past and continuing practice that locally assigned production does not require a nomination by the receiving NGS.
23	P-1 – Nomination of Local gas Volumes	Modification of existing language to reflect the ability of locally produced gas to be delivered into the Company's system directly and through the Allegheny Valley Connector pipeline system.
23	P-1 – Nomination of On System Storage	Modification of existing language to reflect the discontinuance of on system storage service.
24	Page Intentionally Left Blank	
25	Page Intentionally Left Blank	
26	Rate P-1 – Buyback Provisions	Modification of existing language to reflect the discontinuance of on system storage service.
26	Rate P-1 – Nomination of Pool-to-Pool Volumes	Correction of misspelling of the word 'Consumption' in paragraph 1 of this section.
26	Rate P-1 – Nomination of Pool-to-Pool Volumes	Modification of existing language to reflect the discontinuance of on system storage service.
27	Storage Gas Transfers	Deletion of language referring to transfer of storage inventories to reflect the discontinuance of on system storage service.
31	Rate NP-1 – 2. Assignment of Capacity	Language added to reflect the rules of Capacity Assignment on the Allegheny Valley Connector.

LIST OF CHANGES (cont.)

Page No.	Section	Modification
31A	Rate NP-1 – 3. Nomination Procedures	Nomination procedures updated to include reference to gas supplies that are produced directly into the Company's system.
32	Rate NP-1 – 3. Nomination Procedures	Modification to reflect the ability of locally produced gas to be delivered into the Company's system directly and through the Allegheny Valley Connector pipeline system.
32	Rate NP-1 – 3. Nomination Procedures	Deletion of language related to the nomination of on system storage volumes to reflect the discontinuance of on system storage service.
33	Rate NP-1 – 3. Nomination Procedures	Deletion of language related to the nomination of on system storage volumes to reflect the discontinuance of on system storage service.
34	Rate NP-1 – 4. Terms and Conditions for Non-Priority One Pool Access to BB&A Volumes	Language added to describe the Company's process for making BB&A volumes available to NGSs.
34A	Rate NP-1 – 4. Terms and Conditions for Non-Priority One Pool Access to BB&A Volumes	Replace 'capacity' with 'volumes'. Modification to replace reference to 'gas in inventory' with 'allocated BB&A volumes'.
35	Rate NP-1 – 4. Terms and Conditions for Non-Priority One Pool Access to BB&A Volumes	Replace 'capacity' with 'volumes'.
35A	Rate NP-1 -- 6. Reconciliation of Local Gas Volumes	Language modified to add 'delivered to the Company' in reference to actual local gas volumes.
36	Rate LGA – Local Gas Aggregation Service	Language added to reference gas 'delivered into the Company's system' throughout the LGA rate schedule.

ISSUED:

EFFECTIVE:

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RULES AND REGULATIONS**4. Operational Flow Orders****a. Issuance of OFOs**

The Company may issue, in its sole discretion, an OFO (Operational Flow Order) in any of the following circumstances: To the extent possible, the Company will provide a 24-hour prior notice of an OFO in situations where a prior indication of the need to issue an OFO exists.

- i. to alleviate conditions that threaten the operational integrity of the Company's system; or
- ii. to maintain pressures necessary for the Company's operations; or
- iii. to insure adequate flowing supplies are delivered to specific receipt points on the Company's system; or
- iv. to alleviate operational problems arising from overdeliveries or underdeliveries by NGSs or customers transporting supplies for their own consumption ("Direct End User"), in violation of their agreements or Company tariffs.

b. OFO Procedures

In the event of the issuance of an OFO, NGSs and Direct End Users (or a Supplier that the Direct End User has arranged with and designated to the Company to receive notification of the OFO) will be directed to maintain its supply according to the steps set forth below.

- i. The NGS or the Direct End User must adjust supply nominations, including any Pool-to-Pool Volumes to equal Aggregate Daily Consumption Volume, with gas delivered at the points specified by the Company. The Company shall provide such estimates no later than 10:00 am of the same day.
- ii. Upon the NGS or Direct End User request, the Company will consider, if time permits, adjustments to the Aggregate Daily Consumption Volume or the Daily Available Volume to the extent such adjustment, in the Company's discretion, benefits system operations during the OFO event and if such adjustment is confirmable the Company.
- iii. During an OFO, to the extent the NGS or a Direct End User has gas in storage, the maximum storage withdrawal shall equal the maximum withdrawal requirements as defined in the Company's Retail tariff under its Rate Schedule ST or any further (C) limitation as the Company in its discretion finds necessary to impose in accordance with reasonable and standard industry practice during the OFO event.

RULES AND REGULATIONS

7. Bonding Requirement

In addition to any creditworthiness requirements as set forth in Rule 6, the Company may also (C) require that the NGS post a performance bond or any other security suitable to the Company, to cover any costs associated with the NGS prematurely discontinuing service to customers or the NGS default of payments of Commission imposed financial penalties and restitution to customers. The amount of the performance bond or other security shall be equal to \$2 times the volumes the NGS is expected to serve during the month of January. The level of the bond shall be recalculated annually.

The bonding requirement will be waived for that portion of the NGS's load used to serve Non-Priority One ratepayers whose annual consumption is 300 Mcf or more, but in such circumstance, the Company shall not be responsible to provide those ratepayers service as supplier of last resort and the Company shall have none of the obligations arising under Section 2207(a) and (k) of the Public Utility Code. The Company may waive the bonding requirement related to delivery failure for the NGS that demonstrates to the Company's satisfaction that it will assign the gas supply contract to the Company in the event of a default. With regard to the latter, the Company, in its sole discretion, which shall not be unreasonably exercised, may waive the bonding requirement related to delivery failure if the NGS assigns its gas supply contracts acquired for purposes of serving its customers on the Company's system (and if applicable, any related financial risk management contracts) to the Company in the event the NGS prematurely discontinues service to its customers. Such waiver shall be subject to the following conditions:

- a. The NGS's supplier agrees to assign applicable gas supply to the Company.
- b. The Company is satisfied with the relevant contract assignment language and applicable reasonable terms and conditions.
- c. The Company is satisfied with the NGS's supplier's credentials or the security of supply;
- d. The NGS agrees to reimburse the Company for any losses the Company suffers as a result of agreeing to the assignment of contracts, including, but not limited to, losses from a differential in the assigned gas prices and the NGS's contracted price with its customers and losses resulting from the NGS's supplier refusing to assign the relevant gas supply

8. Procedures when a NGS Exits the System

Prior to exiting the Company's system the NGS shall provide the Company with two months prior notice. Upon the NGS's exit from the Company's system, the Company will serve the NGS's former customers at the Company's supplier of last resort rates, or at the agreed-to NGS price for the remainder of the billing cycle if the NGS discontinues service prior to the beginning of the next billing cycle. Any differences between the cost incurred by the Company and the NGS's price shall be recovered from the NGS. Any capacity or supplies previously assigned to the NGS will revert to the Company, including gas held in storage. If the NGS had used capacity not assigned by the (C) Company to bring gas on to the Company's system, then the NGS agrees to offer to assign said capacity, including gas held in storage, to the Company, which the Company may, at its sole discretion, accept or reject.

Balancing for NP-1 and P-1 pools of both interstate and local supplies for the exiting NGS's final month of service shall be performed in accordance with the "Monthly Balancing" provisions under Rate NP-1. No imbalance price multipliers will be applied. Remaining on-system storage balances for exiting (C) NGSs, not used to offset final imbalances, shall be subject to the buyback provision under Rate P-1.

RATE P-1
PRIORITY ONE POOLING SERVICEAVAILABILITY

Service under this rate schedule is available to any Priority One Pool Operator who has entered into a Priority One Pooling Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements. Ratepayers must assign their rights provided under the applicable transportation rate schedules to said Pool Operators.

RULES AND CONDITIONS1. Assignment of Capacity (C)

Pool Operators who take service under this rate schedule must take assignment of a pro-rata or other agreed upon share of the pipeline and storage capacity and Pennsylvania produced gas supplies ("assigned capacity") that would otherwise be utilized by the Company to meet the ratepayer's commodity service requirements. Assigned capacity shall be subject to recall to the extent that the Pool Operator is unable to deliver necessary gas supplies, in which case the Company will provide for the delivery of necessary gas supplies pursuant to the terms of the standby rate schedule. More specific terms with respect to capacity assignment requirements are set forth in the following sections. However, such additional terms with respect to capacity assignment requirements shall be subject to review in the Company's annual Section 1307(f) proceeding.

Assignment of Pennsylvania—Produced Supplies (C)

Pennsylvania gas produced from wells under gas purchase contracts for sale to the Company and for ultimate delivery into the Company's system shall be assigned or sold to the NGS as agent for (C) the ratepayer of the NGS's Priority-One Pool. The assignment shall be structured at a monthly weighted average purchase cost of the assigned Pennsylvania-produced supplies. Such (C) purchased gas cost shall (C) include any volumetric delivery and fuel charges incurred by the (C) Company for local production volumes delivered to the Company via interstate pipelines. The (C) term of the assignment shall be from the first month in which the NGS renders commodity service to the customer until the NGS's supply agreement with customer expires, or as otherwise provided herein.

Assigned Pennsylvania-produced supplies shall be recallable by the Company only under the following circumstances:

- (1) the ratepayer on whose behalf the capacity supplies have been assigned is no longer (C) served by the NGS or
- (2) the NGS has failed to comply with terms and conditions set forth herein.

Assignment of Upstream Pipeline Capacity (C)

This section applies to the Company's upstream pipeline capacity on Dominion Transmission, Inc. ("DTI"), pipelines upstream of DTI Texas Eastern (TETCO), Equitrans, and any other pipelines on (C) which the Company may contract for capacity from time to time, excluding Equitrans, Inc. and (C) National Fuel Gas Supply Corporation.

Consistent with FERC rules and regulations for capacity releases under state retail choice programs, upstream pipeline firm transportation capacity held by the Company shall be assigned to the NGS as agent for the customers of the NGS's Priority-One Pool. The assignment shall be structured as a release of capacity at the full maximum rates paid by the Company. The term of the release shall be on a seasonal basis, commencing with the first month in which the NGS rendered commodity service

RATE P-1
PRIORITY ONE POOLING SERVICE

1. Assignment of Capacity (continued) (C)

to the customer to the earlier of the end of the seasonal period (Winter releases shall terminate March 31 and summer releases shall terminate October 31.) or the termination date of the contract(s) between the Company and the upstream pipeline or the last month in which the NGS renders commodity service to the customer on whose behalf the capacity had been assigned; provided however, the Company may in its discretion release such capacity on a monthly basis. The NGS must comply with all upstream pipeline requirements to become an eligible shipper on the upstream pipeline system. The NGS is responsible for paying the upstream pipeline directly for capacity assigned under this provision, which payments shall include all applicable pipeline surcharges. To the extent the NGS's customers are paying equivalent standby capacity -charges in accordance with the _____ (C) Company's Retail Tariff, the Company will reimburse the NGS for these pipeline charges in the _____ (C) same manner. _____ (C)

The firm transportation capacity released pursuant to the previous section shall be recallable by the Company only under the following circumstances:

- a. the customer on whose behalf the capacity has been assigned is no longer served by the NGS or
- b. the NGS has failed to comply with the terms and conditions set forth herein.

Consistent with FERC rules and regulations for capacity releases under state retail choice programs, Upstream pipeline storage capacity held by the Company shall be assigned to the NGS as agent for the ratepayers of the NGS's Priority-One Pool. The assignment shall be structured as a release of capacity at the full maximum rates paid by the Company and may be subject to conditions of release (including, but not limited to, injection and withdrawal rights) that differ from the applicable upstream pipeline storage service. The release shall terminate at the end of the then-current storage season pursuant to the applicable upstream pipeline rate schedule terms and conditions; provided however, the Company may in its discretion release such capacity on a monthly basis. The NGS is responsible for paying the upstream pipeline directly for capacity assigned under this provision, which payments shall include all pipeline surcharges. To the extent the NGS's customers are paying equivalent capacity standby charges in accordance with the Company's tariff, the Company will reimburse (C) the NGS for these pipeline charges in the same manner. _____ (C)

Capacity released pursuant to this section shall be recallable by the Company only upon failure of the NGS to comply with the terms and conditions set forth herein or in connection with a buyback of gas by the Company as set forth in paragraph 2 of this rate schedule.

Assignment of the Company's On-System Storage Capacity _____ (C)

~~On-system storage capacity shall be assigned to the NGS as agent for the ratepayers of the NGS's Priority One Pool. The costs associated with such capacity shall be recovered in the volumetric rates paid by ratepayers under the GS-T rate schedule and shall not be the direct responsibility of the NGS. If the NGS turns its assigned on-system storage more than once during the year commencing April 1, the NGS will pay the appropriate injection and withdrawal charges as specified in the Company's Rate Schedule ST. The assignment shall terminate at the end of each winter period.~~

~~The on-system storage assignment made pursuant to this section shall be withdrawn by the Company only upon failure of the NGS to comply with the terms and conditions set forth herein or in connection with a buyback of gas by the Company as set forth in paragraph 2 of this rate schedule.~~

Assignment of Other Supplies (C)

The Company reserves the right to assign or sell other gas supplies that are under contract with the Company and used to satisfy its supplier of last resort obligation to Priority-One ratepayers. Such assignment shall occur if the Company determines that, as a result of the Priority One ratepayer's migration from supply service provided by the Company to supply service provided by P-1 NGSs, the amount of gas supplies under long term firm purchase contracts are in excess of the usage requirements of supplier of last resort ratepayers currently served by the Company.

Such gas shall be assigned to the NGS as agent for the ratepayer of the NGS's Priority One Pool. The assignment shall be structured at the monthly weighted average purchase cost of the assigned supplies including any applicable fixed demand costs associated with firm purchase contracts.

Assigned supplies under this section shall be recallable by the Company under the following conditions:

1. The ratepayer on whose behalf the supplies have been assigned is no longer served by the NGS; or
- 1-2. The NGS has failed to comply with terms and conditions set forth herein.

RATE P-1
PRIORITY ONE POOLING SERVICE**1. Assignment of Capacity (continued)**Determination of Assignment Quantities (C)

Unless provided otherwise herein, assignments of assigned-Pennsylvania-produced and other (C) supplies, upstream pipeline firm transportation capacity, and upstream pipeline storage capacity shall be assigned on a *pro rata* basis in accordance with the supply portfolio held by the Company at the time of assignment to serve its Priority-One customers; provided however, the Company shall not be required to assign capacity that is de minimis in nature.

The Company will evaluate the capacity and supply assignments made to the NGS as agent for ratepayers of the NGS's Priority-One Pool monthly based on the methodology set forth above. The evaluation will include an assessment of whether the upstream pipeline storage and on-system (C) storage capacity assignments are adequate to serve the needs of the customers of the Pool (C) Operator at that time. To the extent that the evaluation so indicates, revisions to the upstream pipeline storage and on-system storage capacity assignments will be made effective with the summer period. To the extent that the winter evaluation so indicates, the Company may require the NGS to secure additional reliable natural gas commodity, capacity and delivery service to meet the needs of the NGS's Customers. In addition to the preceding, the Company will evaluate the capacity assignments made pursuant to this section from time to time to ensure adequate compliance with its provisions.

Capacity assigned to the NGS hereunder by the Company may be traded with other Priority-One NGSs as long as each NGS retains an aggregate amount determined by the Company to be necessary to satisfy the total demands of the NGS's customers. Such trading may occur no more frequently than twice per calendar year unless otherwise agreed to by the Company. Any capacity trades must be reduced to writing and provided to the Company for final approval.

Any assignments made pursuant to this tariff are made subject to any order of the Commission. Should the Commission, or any body authorized by law require a disallowance in the Company's rates that is directly attributable to the Company's assigning or transferring gas supplies to the NGS pursuant to these procedures, the NGS agrees to reimburse to the Company within 30 days of notification of any monies disallowed by the Commission or such other body that are directly attributable to the NGS. The Company shall provide such notification no later than thirty (30) days after a final order is entered by the Commission or other such body.

2. Nomination ProceduresNomination of Upstream Pipeline Volumes (Transportation and Storage)

All Transportation Volumes received for the NGS's account at upstream pipeline transportation receipt points shall be nominated to the Company in advance according to the procedures outlined in this Section. Nominations shall distinguish among the following volumes delivered to the Company's system for the NGS's account: (1) upstream pipeline transportation and storage capacity assigned to the NGS by the Company and (2) all other upstream pipeline transportation and storage volumes.

Nominations are to be transmitted to the Company by the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified in the Company's Calendar of Nominations, as amended from time to time, which is available on the Company's Electronic Nominations System.

RATE P-1
PRIORITY ONE POOLING SERVICE2. Nomination Procedures (continued)

Subject to the limits of the Company's operating conditions and facilities, previously confirmed nominations and timely confirmation by upstream pipelines, the Company will either confirm, in total or in part, or reject the NGS's transportation volume nomination. Confirmed assigned upstream pipeline transportation and storage volumes will be posted on the Company's Electronic nominations System.

Confirmed nominations will become effective on the date specified in the NGS's nomination and will remain in force until the last day of the current calendar month, subject to continued receipt by the Company from upstream pipeline of the confirmed volume, unless superseded by a subsequent transportation volume nomination. Nomination procedures provided for in this section shall be superseded by natural gas industry standards promulgated by FERC (i.e., GISB standards).

Nomination of Assigned Pennsylvania-Produced Supplies (C)

~~All assigned Pennsylvania-produced supplies received for the NGS's account at production receipt points shall be nominated to the Company in advance according to the procedures outlined in this Section.~~

~~Five business days prior to the nominations due date, the Company will provide to the NGS the volume of assigned Pennsylvania-produced supplies at the various production receipt points that the NGS should nominate for that month. The Company shall have the right to revise such nominations throughout the month, and the NGS shall be responsible for revising its nomination of assigned Pennsylvania-produced supplies on a timely basis.~~

~~Nominations are to be transmitted to the Company by the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified in the Company's Calendar of Nominations, as amended from time to time.~~

~~Nominations must conform, in content and format, with the Company's specifications for assigned Pennsylvania-produced supplies nominations, which shall include, at a minimum: the NGS's name; the NGS's company contract number; requested daily assigned Pennsylvania-produced supplies and assigned local production; and the name and telephone number of the NGS's nominations contact.~~

~~Subject to the limits of the Company's operating conditions and facilities, and the reasonableness of the NGS's nomination as determined solely by the Company, the Company will either confirm, in total or in part, or reject the NGS's assigned Pennsylvania-produced supplies. Confirmed assigned Pennsylvania-produced supplies will be posted on the Company's Electronic Nominations System.~~

~~Assigned Pennsylvania-produced supplies volumes shall be considered to be first through the meter.~~

~~Confirmed nominations will become effective on the date specified in the NGS's nomination and will remain in force until the last day of the current calendar month, unless superseded by a subsequent assigned Pennsylvania-produced supplies nomination.~~

~~Nomination procedures provided for in this section shall be superseded by natural gas industry standards promulgated by FERC (i.e., GISB standards).~~

All Pennsylvania-produced supplies assigned or sold to the NGS for a given month will be divided by the number of days of that month and automatically credited to the pool operator's Daily Available Volumes.

RATE P-1
PRIORITY ONE POOLING SERVICE

2. Nomination Procedures (continued)Nomination of Local Gas Volumes (C)

All local gas volumes received into the Company's system for the NGS's account at production (C) or interstate pipeline receipt points shall be nominated to the Company in advance according to (C) the procedures outlined in this Section.

Nominations are to be transmitted to the Company by the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified in the Company's Calendar of Nominations, as amended from time to time, which is available on the Company's Electronic Nominations System.

Nominations must conform, in content and format, with the Company's specifications for local gas volume nominations, which shall include, at a minimum: the NGS's name; the NGS's company contract number; requested daily local gas volume to be received at each of the production receipt points; and the name and telephone number of the NGS's nominations contact.

Subject to the limits of the Company's operating conditions and facilities, and the reasonableness of the NGS's nomination as determined solely by the Company, the Company will either confirm, in total or in part, or reject the NGS's local gas volume nomination. Confirmed local gas volumes will be posted on the Company's Electronic Nominations System.

Confirmed nominations will become effective on the date specified in the NGS's nomination and will remain in force until the last day of the current calendar month, unless superseded by a subsequent local gas volume nomination. Nomination procedures provided for in this section shall be superseded by natural gas industry standards promulgated by FERC (i.e., GISB standards).

Nomination of On-System Storage

~~All on-system storage volumes requested to be injected or withdrawn for the NGS's account shall be nominated to the Company in advance according to the procedures outlined in this Section.~~

~~Nominations are to be transmitted to the Company by the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified in the Company's Calendar of Nominations, as amended from time to time, which is available on the Company's Electronic Nominations System.~~

~~Nominations must conform, in content and format, with the Company's specifications for on-system storage volume nominations, which shall include, at a minimum: the NGS's name; the NGS's company contract number; requested daily on-system storage volume; and the name and telephone number of pool operator's nominations contact.~~

~~Subject to the limitations as outlined in this Section, and the reasonableness of the NGS's nomination as determined solely by the Company, the Company will either confirm, in total or in part, or reject the NGS's storage volume nomination. Confirmed on-system storage volumes will be posted on the Company's Electronic Nominations System.~~

~~Confirmed nominations will become effective on the date specified in the NGS's nomination and will remain in force until the last day of the current calendar month, unless superseded by a subsequent on-system storage volume nomination. Nomination procedures provided for in this section shall be superseded by natural gas industry standards promulgated by FERC (i.e., GISB standards).~~

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RATE P-1
PRIORITY ONE POOLING SERVICE

2. Nomination Procedures (continued)

Summer Period Storage Operation

The maximum quantity of gas which the NGS shall be entitled to nominate for injection on a firm basis into on-system storage on any one day is one one hundred and twenty fifth (1/125) of the on-system storage capacity assigned to the NGS when the NGS's on-system storage inventory level is less than or equal to 65 percent of capacity, and one two hundred and fourteenth (1/214) of capacity thereafter. Such injections shall be subject to interruptions or curtailment based on the failure of an upstream pipeline to deliver transportation volumes, the failure of the NGS to deliver local gas volumes, the issuance of operational flow orders by the Company, force majeure conditions, or an order of the Commission or other governmental body.

The NGS may request permission to nominate volumes for injection in excess of the amounts set forth in the preceding Section. The Company shall endeavor to inject those additional volumes into on-system storage on any day on an interruptible basis as operating conditions permit. The Company may decline such requests whenever, in its judgment, the injection of volumes in excess of the amounts set forth in the preceding Section would be detrimental to the operation of the Company's system or its ability to meet retail sales demand in a cost effective manner.

The NGS must nominate injection volumes in such a manner as to attain minimum on-system storage inventory levels, expressed as a percentage of the NGS's capacity, over the summer period in accordance with the schedule set forth below:

<u>Minimum Inventory Level as a Percentage of Capacity</u>	<u>Date by Which Inventory Must be Attained ("Target Inventory Date")</u>
40%	July 1
65%	August 1
80%	September 1
97 %	November 1

In the event the NGS is unable to attain the above inventory level by the applicable target inventory date as a result of customers initially receiving service from the NGS after the commencement of the summer period, the NGS may purchase on-system storage volumes from the Company.

Failure of the NGS otherwise to attain the above inventory level by any of the target inventory dates shall result in a concomitant reduction of the maximum quantity of gas which the NGS shall be entitled to nominate for withdrawal on a firm basis from on-system storage on any one day during the succeeding winter period. The Company shall have the right to use any capacity that becomes available due to the imposition of this provision.

Winter Period Storage Operation

Subject to the previous Section, the maximum quantity of gas which the NGS shall be entitled to nominate for withdrawal on a firm basis from on-system storage on any one day ("Demand Entitlement") shall be based on the on-system storage capacity assigned to the NGS and shall not exceed the maximum withdrawal requirements defined in the Company's Retail Tariff under its Rate ST. Such withdrawals shall be subject to interruptions or curtailment based on the issuance of operational flow orders by the Company, force majeure conditions, or an order of the Commission or other governmental body.

PAGE INTENTIONALLY LEFT BLANKRATE P-1PRIORITY ONE POOLING SERVICE2. Nomination Procedures (continued)

The NGS's Demand Entitlement shall be reduced in accordance with the inventory-based ratchet provisions set forth below:

a. If at the end of any day, the NGS's on system storage inventory level is less than or equal to 45% of the NGS's total capacity but greater than 20% of such volume, the NGS's Demand Entitlement shall be reduced by 40% for remaining portion of the current winter period.

b. If at the end of any day, the NGS's on system storage inventory level is less than or equal to 20% of the NGS's total Capacity, the NGS's Demand Entitlement shall be reduced by 80% for the remaining portion of the current winter period.

The NGS may request permission to nominate volumes for withdrawal in excess of the amounts set forth above. The Company shall endeavor to withdraw these additional volumes from on system storage on any day on an interruptible basis as operating conditions permit. The Company may decline such requests whenever, in its judgment, the withdrawal of volumes in excess of the amounts set forth in the preceding Section would be detrimental to the operation of the Company's system or its ability to meet Retail Sales Demand in a cost effective manner.

The NGS must maintain minimum on system storage inventory levels, expressed as a percentage of the NGS's total capacity, over the winter period in accordance with the schedule set forth below:

<u>Date</u>	<u>Minimum On System Storage Inventory Level</u>
	<u>As a percentage of Total Capacity</u>
<u>January 31</u>	<u>45%</u>
<u>February 28</u>	<u>20%</u>

Failure of the NGS to maintain the minimum on system storage inventory levels in accordance with the above schedule shall result in a further 25% reduction of the Demand Entitlement level until such time as the NGS achieves the required minimum on system storage inventory level.

The NGS may request permission to nominate volumes for re-injection during the winter period of up to one two hundred and fourteenth (1/214) of the NGS's total capacity. The Company shall endeavor to inject these re-injection volumes into on system storage on any day on an interruptible basis as operating conditions permit. The Company may decline such requests whenever, in its judgment, the injection of volumes in excess of the amounts set forth in the preceding section would be detrimental to the operation of the Company's system or its ability to meet retail sales demand in a cost effective manner. The Company may require winter period on system storage re-injections under an on system storage operational flow order in which it will indicate the total quantity of gas to be nominated in excess of the NGS's Aggregate Daily Consumption Volume for the period during which the on system storage OFO is in effect. Adjustments to the effective Demand Entitlement level may be made by the Company at its sole discretion and in accordance with reasonable and standard industry practice based on operating conditions. Failure to comply with an on system storage OFO may result in the Company, at its sole discretion and in accordance with reasonable and standard industry practice, reducing the NGS's Demand Entitlement levels by up to an additional 50% for the remainder of the winter period.

ISSUED: October 28, 2010

EFFECTIVE: June 10, 2011

PRIORITY ONE POOLING SERVICE**2. Nomination Procedures (continued)**

(C)

~~The NGS shall not have a storage inventory level exceeding 15% of the NGS's on-system storage capacity at April 15. Any volumes remaining in on-system storage in excess of 15% as of that date will be purchased by the Company using the Gas Daily midpoint index price for gas delivered to Dominion Transmission, Inc's Appalachian South Point plus the firm transportation charges to transport and deliver the gas to the Company's system, adjusted for shrinkage, and the result total multiplied by 0.5.~~

Buyback Provisions:

(C)

In the event: 1) the NGS's Priority-One Pooling Agreement is terminated or canceled or 2) the NGS is no longer serving customers on whose behalf the storage capacity has been assigned and to the extent the Company in its sole judgment determines it operationally requires such storage capacity to serve the returning customers, the Company shall have the right, but not the obligation to purchase up to the ~~remaining storage gas in both on-system storage and upstream pipeline storage inventories or up to~~ (C) the volumes in storage attributable to the NGS's load loss, respectively. The buyback rate shall be the lower of: 1) Storage Gas Transfer Price or 2) the midpoint index price for gas delivered to Dominion Transmission, Inc.'s ("DTI") Appalachian South Point as published on the effective date of the buyback plus firm transportation changes to bring the gas to the Company's system, including applicable fuel retainage.

To the extent this provision is invoked and the NGS's storage gas in inventory is below the minimum inventory levels required by these procedures and the Company is required to purchase additional gas supplies on the open market, the NGS agrees to pay the Company an amount equal to the deficiency in volumes from the required inventory levels multiplied by the difference between the price the Company paid and the buyback rate.

Nomination of Pool-to-Pool Volumes

All Pool-to-Pool Volumes received for the NGS's account shall be nominated to the Company in advance according to the procedures outlined in this Section.

A Priority-One Pool may transfer volumes to another Priority-One Pool or Non Priority-One Pool that ~~balances on the same basis. Such transfers shall be used to resolve current daily imbalances~~ (C) created by the NGS's inability to match Daily Available volumes with the Aggregate Daily Consumption Volume and shall not be used to resolve daily imbalances occurring for any prior (C) day or days.

~~A Priority-One pool may also transfer storage inventory volumes to any Non Priority-One pool after the end of the calendar month during the four-day imbalance trading period.~~ (C)

Nominations are to be transmitted to the Company by the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified in the Company's Calendar of Nominations, as amended from time to time, which is available on the Company's Electronic Nominations System.

Nominations must conform, in content and format, with the Company's specifications for Pool-to-Pool Volume nominations, which shall include, at a minimum: the NGS's name; the NGS's company contract number; requested daily Pool-to-Pool Volume; name and the Company contract number of the NGS from whom the NGS plans to receive supply, the name and telephone number of the NGS's nominations contact, and confirmation from the other NGS.

Subject to the limits of the Company's operating conditions and facilities, and the reasonableness of the NGS's nomination as determined solely by the Company, the Company will either confirm, in total or in part, or reject the NGS's Pool-to-Pool Volume nomination. Confirmed Pool-to-Pool Volumes will be posted on the Company's Electronic Nominations System. Nomination procedures provided for in this section shall be superseded by natural gas industry standards promulgated by FERC (i.e., GISB standards).

ISSUED: September 28, 2012

EFFECTIVE: October 1, 2012

RATE P-1
PRIORITY ONE POOLING SERVICE

2. Nomination Procedures (continued)

Confirmed nominations will become effective on the date specified in the NGS's nomination and will remain in force until the last day of the current calendar month, unless superseded by a subsequent Pool-to-Pool Volume nomination.

3. Storage Gas Transfers (C)

- a. Storage gas transfers may be required by the Company under the following conditions:
- i. The NGS is unable to attain the storage inventory level requirements by the applicable target inventory date as a result of ratepayers initially receiving service from the NGS after the commencement of the Summer Period and such target inventory date; or,
 - ii. The NGS is assigned ~~on-system or~~ upstream pipeline storage capacity during the (C) Winter Period as a result of ratepayers initially receiving service from the NGS during the Winter Period.
- b. The maximum volume of storage gas transfers for the applicable month shall be determined (C) as follows:
- i. ~~For assigned on-system storage capacity, the maximum storage gas transfer shall (C) be on-system storage capacity incrementally assigned for the month multiplied by the estimated beginning of the month percentage of the Company's total on-system storage inventory level to the Company's on-system storage capacity held by the Company; and~~
 - ii. For assigned upstream pipeline storage capacity, the maximum storage gas transfer shall be the upstream pipeline storage capacity incrementally assigned for the month multiplied by the estimated beginning of the month percentage of the Company's upstream pipeline storage inventory level to the Company's upstream pipeline storage capacity.

Storage gas transfers shall not be allowed if in the Company's sole discretion it determines such transfers would be detrimental to the operation of the Company's system or its ability to meet Retail Sales Demand in a cost effective manner.

The storage gas transfer price each month shall be at the Company's estimated commodity cost of storage gas for the year, plus any applicable taxes. The storage gas transfer price shall be reconciled each calendar year to take into account the actual commodity cost of gas injected into storage net of withdrawals for the current year and, as applicable, the commodity cost of gas from previous years' LIFO inventory layers. The Company shall bill such additional costs as soon as practicable. With respect to storage gas transfers from upstream pipeline storage capacity, the NGS will pay an additional charge equal to the upstream pipeline storage capacity injection and storage fuel charges.

RATE NP-1
NON-PRIORITY ONE POOLING SERVICE**AVAILABILITY**

Service under this rate schedule is available to any Non-Priority One Pool Operator who has entered into a Non-Priority One Pooling Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements. Ratepayers must assign their rights provided under the applicable transportation rate schedules to said Pool Operators.

If the Non-Priority One Pool Operator supplies Priority One ratepayers with a total annual consumption greater than 30,000 mcf, then the Non-Priority One Pool Operator shall establish a separate Priority One Pool for these ratepayers or eliminate sufficient Priority One ratepayers from the Non-Priority One Pool to reduce the total annual consumption by Priority One ratepayers to an amount less than 30,000 mcf.

RULES AND CONDITIONS**1. Scheduling of Service**

All transportation volumes received for Pool Operator's account at transportation receipt points shall be nominated in advance according to the procedures set forth below. Pool Operators may not nominate volumes in excess of the total maximum daily volumes of its ratepayers as determined by the Company or as set forth in a ratepayer's transportation contract with the Company, times the number of days in the month. The Company may issue Operational Flow Orders consistent with the terms of the Company's tariff.

2. Assignment of Capacity (C)

NGSs who take service under this rate schedule must take assignment of a pro-rata or otherwise agreed upon by the Company share of the pipeline and storage capacity held by the Company on the Allegheny Valley Connector ("AVC") pipeline system, an interstate pipeline system subject to the regulation of FERC, that would otherwise be utilized by the Company to meet the ratepayer's commodity service requirements. Assigned capacity shall be subject to recall to the extent that the NGS is unable to deliver necessary gas supplies, in which case the Company will provide for the delivery of necessary gas supplies under its supplier of last resort obligation. The capacity assignment requirements shall be subject to review in the Company's annual 1307(f) proceeding.

Consistent with FERC's rules and regulations for capacity releases under state retail choice programs, upstream pipeline firm transportation capacity held by the Company on the AVC pipeline system shall be assigned to the NGS as agent for the ratepayers of the NGS's Non Priority-One Pool. The assignment shall be structured as a release of capacity at the full maximum rate paid by the Company. The term of the release shall be on a seasonal basis commencing with the first month in which the NGS renders commodity service to the ratepayer to the earlier of the end of the seasonal period (winter releases shall terminate March 31 and summer releases shall terminate October 31) or the termination date of the Company's contract for service on the AVC system or the last month in which the NGS renders commodity service to the ratepayer on whose behalf the capacity has been assigned; provided however, the Company may in its discretion release such capacity on a monthly basis.

Upstream pipeline firm storage capacity held by the Company on the AVC pipeline system may be assigned to the NGS as agent for the ratepayers of the NGS's Non Priority-One Pool. With regard to capacity that represents storage service formerly provided under Rate ST and Rate ST-SW, the Company may release storage capacity on the AVC system at less than maximum rates. The release shall terminate at the end of the then-current storage season pursuant to the applicable rate schedule terms and conditions for service on the AVC system; provided however, the Company may at its discretion release such capacity on a monthly basis. Company's release of such capacity shall, in all respects, be in accordance with the FERC Gas Tariff governing service on the AVC system and the applicable rules and regulations of FERC regarding the release of capacity, including FERC's rules for capacity releases occurring as part of a state retail choice program.

Assignment of Capacity (Cont.)

The NGS must comply with all pipeline tariff requirements to become an eligible shipper on the AVC pipeline system. The NGS is responsible for paying the pipeline directly for capacity assigned under these provisions, which payments shall include all applicable surcharges for service on the AVC system. To the extent that the NGS's customers are paying equivalent capacity charges in accordance with the Company's Retail Tariff, the Company will reimburse the NGS's for these pipeline capacity charges.

The capacity released under this section shall be recallable by the Company under the following conditions:

1. The ratepayer on whose behalf the supplies have been assigned is no longer served by the NGS; or
- 4-2. The NGS has failed to comply with terms and conditions set forth herein.

3. Nomination Procedures

(C)

Nomination of Upstream Pipeline Volumes

(C)

All transportation volumes received for the NGS's account at upstream pipeline transportation receipt points shall be nominated to the Company in advance according to the procedures outlined in this Section. Unless specifically designated as Pennsylvania produced gas supplies that are produced (C) directly into the Company's system, all nominations shall be assumed to be volumes delivered to (C) the Company's system for the NGS's account from other than gas supplies produced in Pennsylvania.

Nominations are to be transmitted to the Company by the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified in the Company's Calendar of Nominations, as amended from time to time, which is available on the Company's Electronic Nominations System.

Subject to the limits of the Company's operating conditions and facilities, previously confirmed nominations and timely confirmation by upstream pipelines, the Company will either confirm, in total or in part, or reject the NGS's transportation volume nomination. Confirmed upstream pipeline transportation and upstream pipeline Pennsylvania gas volumes will be posted on the Company's Electronic Nominations System.

Confirmed nominations will become effective on the date specified in the NGS's nomination and will remain in force until the last day of the current calendar month, subject to continued receipt by the Company from upstream pipeline of the confirmed volume, unless superseded by a subsequent transportation volume nomination. Nomination procedures provided for in this section shall be superseded by natural gas industry standards promulgated by FERC (i.e., GISSB standards). (C)

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32. Nomination Procedures (continued)Nomination of Local Gas Volumes (C)

All local gas volumes received into the Company's system for the NGS's account at production (C) or interstate pipeline receipt points shall be nominated to the Company in advance according to (C) the procedures outlined in this Section.

Nominations are to be transmitted to the company by the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified in the Company's Calendar of Nominations, as amended from time to time, which is available on the Company's Electronic Nominations System.

Nominations must conform, in content and format, with the Company's specifications for local gas volume nominations, which shall include, at a minimum: the NGS's name; the NGS's company contract number; requested daily local gas volume to be received at the Production receipt points in aggregate; and the name and telephone number of the NGS's nominations contact.

Subject to the limits of the Company's operating conditions and facilities, and the reasonableness of the NGS's nomination as determined solely by the Company, the Company will either confirm, in total or in part, or reject the NGS's local gas volume nomination. Confirmed local gas volumes will be posted on the Company's Electronic Nominations System.

Confirmed nominations will become effective on the date specified in the NGS's nomination and will remain in force until the last day of the current calendar month, unless superseded by a subsequent local gas volume nomination. Nomination procedures provided for in this section shall be superseded by natural gas industry standards promulgated by FERC (i.e., GISB standards).

~~Nomination of On-System Storage Volumes~~ (C)

~~On-system storage volumes requested to be injected or withdrawn for the NGS's account shall be nominated to the Company in advance according to the procedures outlined in this Section and in the Company's currently effective storage provisions under Rate Schedule ST and ST-SW as outlined in the Company's retail tariff.~~

~~Nominations are to be transmitted to the Company by the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified in the Company's Calendar of Nominations, as amended from time to time, which is available on the Company's Electronic Nominations System.~~

~~Nominations must conform, in content and format, with the Company's specifications for on-system storage volume nominations, which shall include, at a minimum: the NGS's name; the NGS's company contract number; requested daily on-system storage volume; the type of storage service requested ST or ST-SW, and the name and telephone number of the NGS's nominations contact.~~

~~Subject to the limitations as outlined in this Section, and the reasonableness of the NGS's nomination as determined solely by the Company, the Company will either confirm, in total or in part, or reject the NGS's storage volume nomination. Confirmed on-system storage volumes will be posted on the Company's Electronic Nominations System.~~

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NON-PRIORITY ONE POOLING SERVICE

23. Nomination Procedures (continued)

~~Confirmed nominations will become effective on the date specified in the NGS's nomination and (C) will remain in force until the last day of the current calendar month, unless superseded by a subsequent on-system storage volume nomination. Nomination procedures provided for in this section shall be superseded by natural gas industry standards promulgated by FERC (i.e., GISB standards).~~

~~The maximum amount of gas in storage the NGS may have in their pool is equal to one twelfth (C) (1/12) of the annual end-use customer consumption included in the pool, unless otherwise agreed.~~

Nomination of Pool-to-Pool Volumes

All Pool-to-Pool Volumes received for the NGS's account shall be nominated to the Company in advance according to the procedures outlined in this Section.

A Non Priority-One Pool may transfer volumes to another Non Priority-One Pool or Priority-One Pool(C) that balances on the same basis. A Non-Priority One pool may also transfer storage inventory volumes to any Priority-One pool after the end of the calendar month during the four-day imbalance trading period.

Nominations are to be transmitted to the Company by the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified in the Company's Calendar of Nominations, as amended from time to time, which is available on the Company's Electronic Nominations System.

Nominations must conform, in content and format, with the Company's specifications for Pool-to-Pool Volume nominations, which shall include, at a minimum: the Company's name; the Company's company contract number; requested daily Pool-to-Pool Volume; source of Pool-to-Pool Volumes (Local Pa. Produced, Pa. produced via Interstate, or Interstate), name and the Company contract number of the Company from whom the Company plans to receive supply, the name and telephone number of the NGS's nominations contact, and confirmation from the other NGS.

Subject to the limits of the Company's operating conditions and facilities, and the reasonableness of the NGS's nomination as determined solely by the Company, the Company will either confirm, in total or in part, or reject the NGS's Pool-to-Pool Volume nomination. Confirmed Pool-to-Pool Volumes will be posted on the Company's Electronic Nominations System. Nomination procedures provided for in this section shall be superseded by natural gas industry standards promulgated by FERC (i.e., GISB standards).

~~Confirmed nominations will become effective on the date specified in the NGS's nomination and will remain in force until the last day of the current calendar month, unless superseded by a subsequent Pool-to-Pool Volume nomination.~~

**RATE NON-PRIORITY ONE
NON-PRIORITY ONE POOLING SERVICE**

**43. _____ Terms and Conditions for Non-Priority One Pool Access to BB&A Storage
VolumesCapacity (C)**

AVAILABILITY

The Company will make available for purchase by to Non-Priority One pools, at no additional (C) cost, seasonal injection, storage and withdrawal rights to on-system storage capacity ("BB&A (C) Capacity") volumes used by the Company to provide balancing, banking and advancing services ("BB&A") for Non-Priority One customers.

The availability of such capacity shall be limited to on-system storage only and shall not include (C) off-system pipeline storage capacity used by the Company to provide BB&A services.

The Company will purchase BB&A volumes based on the Summer Period schedule set forth below. Such volumes shall be purchased by the Company at the first of the month Dominion Transmission Inc. Appalachia Index price as published in *Inside FERC's Gas Market Report*. The Company will sell BB&A volumes on the Winter Period schedule set forth below. Such monthly volumes shall be sold to Non-Priority One pools at a price equal to the sum of:

1. Weighted average cost of BB&A volumes purchased during the summer season;
2. The Company's carrying costs associated with BB&A volumes purchased by the Company to be sold to Non-Priority One pools. The rate used to calculate the carrying costs shall be based on the Company's rate of return used for recovery of costs under the DSIC mechanism; and
3. Any applicable interstate pipeline volumetric charges and fuel associated with the delivery of any BB&A volumes to the Company's system.

All of the revenues generated by the sale of BB&A gas to the Non-Priority One pools shall be (C) credited to ratepayers through the 1307(f) mechanism.

The volume amount of BB&A volumesCapacity to be made available for purchase by to each (C) Non-Priority One pool will be determined based on the percentage of annual volumes served by each Non-Priority One pool to total annual volumes served by all Non-Priority One pools, based on February business of each year. The Company will inform each Non-Priority One pool of its allocation of BB&A volumes available for purchase capacity no later than nine business days (C) before the end of March and each Non-Priority One pool must inform the Company of the amount of BB&A volumes to be purchased storage capacity it will accept, up to 100 percent of its allocated (C) volumes, no later than six business days before the end of March. Any BB&A volumesCapacity (C) not accepted for purchase by a Non-Priority One pool shall be utilized by the Company and will not be made available to other Non-Priority One pools throughout the ensuing injection and withdrawal (C) winter season. The amount of BB&A volumes storage capacity accepted by a Non-Priority One (C) pool shall be final for the ensuing storage winter period year and shall fix the volume of BB&A to (C) be purchased capacity available to and which the Non-Priority One pool is obligated to utilize (C) throughout the entire injection and withdrawal winter period. _____ (C)

4. Terms and Conditions for Non-Priority One Pool Access to BB&A Volumes Storage Capacity (cont.) (C)**SUMMER PERIOD INJECTIONS PURCHASE (C)**

~~BB&A volumes Participating Non-Priority One pools' gas will be automatically injected~~ purchased (C)
by the Company according to the following schedule, with daily ~~injection~~ purchase volumes in a (C)
given month determined by dividing the monthly amount by the number of days in the month:

April and October - 1/12th of allocated BB&A ~~volumes~~ capacity
May – September - 1/6th of allocated BB&A ~~volumes~~ capacity

WINTER PERIOD WITHDRAWAL SALE (C)

~~BB&A volumes Each participating Non-Priority One pools' BB&A storage inventory shall be (C)~~
automatically withdrawn ~~by the Company~~ according to the following schedule, with daily (C)
withdrawal ~~volumes~~ in a given month determined by dividing the monthly amount by the number of
days in the month:

November - 9 percent of allocated BB&A volumes ~~gas in inventory as of October 31st of the~~
~~current calendar year~~
December - 17 percent of allocated BB&A volumes ~~gas in inventory as of October 31st of the~~
~~current calendar year~~
January - 27 percent of allocated BB&A volumes ~~gas in inventory as of October 31st of the~~
~~prior calendar year~~
February - 27 percent of allocated BB&A volumes ~~gas in inventory as of October 31st of the~~
~~prior calendar year~~
March - 20 percent of allocated BB&A volumes ~~gas in inventory as of October 31st of the~~
~~prior calendar year~~

(continued)

**RATE NON-PRIORITY ONE
NON-PRIORITY ONE POOLING SERVICE**

**3. Terms and Conditions for Non-Priority One Pool Access to BB&A Storage VolumesCapacity
 (continued) (C)**

OTHER PROVISIONS

Annual Level of BB&A CapacityVolumes to be Made Available for Purchase (C)
 On an ongoing annual basis, the Company shall review the total level of BB&A volumesCapacity (C) made available for sale to Non-Priority One pools and, based on changes in the total annual volumes served by all Non-Priority One pools, may revise from year to year the total level of available BB&A volumesCapacity. Any proposed revisions to the total level of BB&A volumesCapacity shall be (C) reflected in the Company's annual 1307(f) filings and will be determined by multiplying a factor of 46.7% times forecasted January Non-Priority One transportation usage. The Company shall, for a period of three years, notify active Non-Priority One suppliers of any proposed revision to the total level of BB&A volumesCapacity at the time of any annual 1307(f) filing containing such a revision.

Monthly Balancing Provisions

~~BB&A gas volumes purchasedInjections and withdrawals will be considered as part of the (C) Monthly Available Volumes, with injections resulting in a reduction to Monthly Available Volumes.(C) Injections and withdrawals and will have the priority immediately following pay-back of prior month(C) advanced and banked volumes.~~

All Supplier Tariff provisions shall apply to Non-Priority One pool access to BB&A volumesstorage (C) ~~capacity and inventory~~ unless otherwise modified herein.

54. Monthly Balancing (G)

Any difference between the customers' Aggregate Monthly Consumption Volume and the total Monthly Available Volumes shall be subject to monthly balancing.

Negative Monthly Imbalance - The negative imbalance volume will be sold by the Company at a price equal to the highest monthly price of gas purchased by the Company, excluding the value of gas withdrawn from storage, plus the firm transportation charges to bring the gas to the Company's system, adjusted for shrinkage on Dominion Transmission, Inc. and the Company and multiplied by the applicable Price Multiplier set forth below. Volumes sold by the Company are subject to applicable taxes.

Positive Monthly Imbalance - The positive imbalance volume will be purchased by the Company at a price using the lowest monthly price of gas purchased by the Company, excluding the value of gas withdrawn from storage, plus the firm transportation charges to bring the gas to the Company's system, adjusted for shrinkage on Dominion Transmission, Inc. and multiplied by the applicable Price Multiplier set forth below.

<u>Monthly Imbalance Percentage</u>	<u>Negative Imbalance Price Multiplier</u>	<u>Positive Imbalance Price Multiplier</u>
Over 3.5% up to and including 10%	1.1	0.9
Over 10%	1.2	0.8

**RATE NON-PRIORITY ONE
NON-PRIORITY ONE POOLING SERVICE**

65. Reconciliation of Local Gas Volumes (C)

No later than five days prior to the end of each month, the Pool Operator will provide the Company with its local gas nomination for the following month. The Company shall determine the reasonableness of the Pool Operator's local gas nomination and will either confirm, in total or in part, or reject the Pool Operator's local gas nomination within two business days after receipt of the nomination. Once the Pool Operator and the Company agree on the local gas production nomination, the agreed upon volumes will be the confirmed volumes used for reconciling local gas nominations and actual production. Confirmed local gas volume nominations will be credited to Pool Operator's account on the date specified in the Pool Operator's nomination. When actual local gas volumes delivered to the Company are known, any discrepancies between actual and confirmed local gas (C) volumes will be reconciled in the first full calendar month following the determination of actual local gas volumes (the "Adjustment Month").

The volumetric discrepancy between the actual produced local gas volumes and the nominated local gas volumes will be reconciled in the Adjustment Month by adjusting the Pool Operator's Monthly Available Volume in the Adjustment Month by an amount equal to the volumetric discrepancy.

Local gas volumes supplied from a Local Gas Aggregation Pool are not subject to this reconciliation.

RATE TABLE

Pooling Fee	\$0.0436 pooling charge per 1,000 cubic feet (mcf) for each mcf delivered into a (C)-pool each month subject to a minimum charge of \$800.00 per month. Pool Operators that operate more than one Non-Priority One Pool will only be subject to a single minimum charge of \$800 per month, except that the pooling charge shall only be assessed to the pool which receives gas via a pool-to-pool transfer and shall not be assessed to the pool which supplies gas in a pool-to-pool transfer and/or an imbalance trade.
Pool-to-Pool Transfer Fee:	\$0.04 per 1,000 cubic feet (mcf) up to a maximum amount of \$100 per transaction assessed to the pool which supplies volumes of gas to another pool balancing on the same basis, either daily or monthly. Pool-to-Pool Transfers occurring during a calendar month may be nominated at any time during the calendar month but no later than by 5:00 p.m. on the second business day of the following calendar month.
Imbalance Trading Fee:	\$0.04 per 1,000 cubic feet (mcf) up to a maximum of \$100 per transaction charged to (C) the pool which supplies volumes of gas to another Non-Priority One pool or Priority-One pool that balances on the same basis. These fees shall also apply to the pool that transfers storage inventory volumes to a Priority-One pool after the end of the calendar month. Imbalance trades must be nominated by 5:00 p.m. on the fourth full business day after the Company provides actual consumption volumes to the Pool Operator.

RATE LGA
LOCAL GAS AGGREGATION SERVICE

AVAILABILITY _____ (C)

Service under this rate schedule is available to any Aggregator who has entered into a Local Gas Aggregation Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements.

The locally produced gas nominated out of the Local Gas Aggregation Pool will be balanced monthly with actual production delivered into the Company's system. _____ (C)

RULES AND CONDITIONS**1. Points of Receipt** _____ (C)

The points of receipt for local gas aggregation shall be those metering stations identified by the Aggregator in its Measurement Operating Agreement with the Company or any other designated (C) point where gas is delivered into the Company's system. The Aggregator will pay for any _____ (C) investment costs required to receive gas into the Company's system at agreed-upon transportation gas receipt points. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.

2. Nomination of Aggregated Production _____ (C)

No later than five days prior to the end of each month, the Aggregator will provide the Company with its local gas aggregation nomination for the metering stations identified in the agreement or other (C) point of interconnection into the Company's system. The Company shall determine the _____ (C) reasonableness of the Aggregator's local gas aggregation nomination and will either confirm, in total or in part, or reject the Aggregator's nomination within two business days after receipt of the nomination. Once the Aggregator and the Company agree on the local gas aggregation nomination, the agreed upon volumes will be the confirmed volumes used for reconciling local gas nominations and actual production. The Aggregator may change its local gas aggregation nomination during the month in accordance with the Company's Operating Rules for Local Gas Aggregation Service. The Company may, at its discretion, ask for additional justification for any nomination, which may result in an adjustment to the nomination.

Nominations are to be transmitted to the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified in the Company's Calendar of Nominations, as amended from time to time, which is available on the Company's Electronic Nominations System. Nominations must conform, in content and format, with the Company's specifications which shall include, at a minimum, the Aggregator's name; contract number; requested daily local gas volume to be received; and the name and telephone number of the Aggregator's nominations contact.

3. Reconciliation of Aggregation Volumes

Confirmed local gas aggregation nominations will be credited to the Aggregator's account on the date specified in the Aggregator's nomination. When actual local gas aggregation volumes delivered (C) into the Company's system are known, any discrepancies between actual and local gas _____ (C) aggregation nominations will be reconciled, in the first full calendar month following the determination of actual local gas aggregation volumes (the "Adjustment Month").

The volumetric discrepancy between the actual local gas aggregation volumes and the local gas aggregation nominations will be reconciled in the Adjustment Month by adjusting the aggregator's monthly available volume in the adjustment month.