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Via e-Filing

December 17, 2013
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, P A 171 05

Re: Joint application of the Peoples Natural Gas Company LLC, Peoples TWP LLC and Equitable Gas Company, LLC at Docket Nos. A-2013-2353647; A-2013-2353649; A-2013-2353651

Dear Secretary Chiavetta:

Please accept by e-Filing the enclosed Adoption Form and Peoples Natural Gas Tariff No. 46 which adopts the tariff of Equitable Gas Company, LLC in compliance with the approval of the above-referenced proceeding.

If you have any questions or concerns regarding this matter, please do not hesitate to contact me at (412) 208-6528.

Very truly yours,

Lynda Petrichevich

Lynda W. Petrichevich
Manager, Rates and Regulatory Affairs

Pennsylvania Public Utility Commission Adoption Supplements

Equitable Gas Company, LLC (Seller) Tariff - Gas-PA. P.U.C. No. 22
A-2013-2353647; A-2013-2353649; A-2013-2353651

Peoples Natural Gas Company LLC (Buyer) Tariff - Gas-PA. P.U.C. No. 46
A-2013-2353647; A-2013-2353649; A-2013-2353651

Peoples Natural Gas Company LLC, hereby adopts as its Tariff Gas-Pa.
P.U.C. No. 46 that tariff presently in effect for Equitable Gas Company, LLC
designated as Tariff Gas-Pa. P.U.C. No. 22 and all Supplements thereto.

By: Joseph A. Gregorini
(Name of Officer)



Vice President, Rates & Regulatory Affairs
(Title)

Equitable Gas Company, LLC hereby withdraws its Tariff Gas-Pa.
P.U.C. No. 22 and all Supplements thereto.

By: Randall L. Crawford
(Name of Officer)



President, Midstream, Distribution & Commercial
(Title)

ISSUED: 12-17-2013

EFFECTIVE: 12-18-2013

Original Tariff GAS - PA. P.U.C. NO. 46

Peoples Natural Gas Company LLC
EQUITABLE Division

RATES and RULES

FOR

GAS SERVICE IN

CITY OF PITTSBURGH

AND TERRITORY ADJACENT THERETO

(For Lists of Communities Served, see Page No. 4)

Tariff Supplement Filed in Compliance
with the Public Meeting Held on November 14, 2013 Docket Nos. A-2013-
2353647; A-2013-2353649; A-2013-2353651

ISSUED: December 17, 2013

EFFECTIVE: December 18, 2013

By: Morgan K. O'Brien

President

Peoples Natural Gas Company, LLC

375 North Shore Drive, Suite 600

Pittsburgh, PA 15212

LIST OF CHANGES MADE BY THIS TARIFF SUPPLEMENT

Through the issuance of this tariff People Natural Gas adopts the tariff of Equitable Gas in compliance with the order issued on November 14, 2013 at Docket Nos. A-2013-2353647; A-2013-2353649 and A-2013-2353651. Blank pages from Equitable's tariff have been removed.

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EQUITABLE DISTRICT COMMUNITIES SERVED

The Company's charter territory includes Allegheny, Armstrong, Butler, Clarion, Fayette, Greene, Indiana, Jefferson, Washington, and Westmoreland Counties, Pennsylvania. Gas Service for the Equitable district is available in all localities where the Company has facilities, including all or a portion of the following Cities, Boroughs, and Townships:

ALLEGHENY COUNTY (Cities and Boroughs)

Aspinwall	Drovoosburg	Millvale	Swissvale
Avalon	Duquesne	Monroeville	Tarentum
Baldwin	East McKeesport	Mt. Oliver	Thornburg
Bellevue	East Pittsburgh	Munhall	Trafford
Ben Avon	Edgewood	North Braddock	Turtle Creek
Ben Avon Heights	Emsworth	Oakmont	Verona
Bethel Park	Etna	Pitcairn	Versailles
Blawnox	Fox Chapel	Pittsburgh	Wall
Brackenridge	Franklin Park	Pleasant Hills	West Elizabeth
Braddock	Greentree	Plum	West Homestead
Braddock Hills	Heidelberg	Port Vue	West Mifflin
Brentwood	Homestead	Rankin	West View
Bridgeville	Ingram	Rosslyn Farms	Whitaker
Carnegie	Jefferson	Sewickley Heights	Whitehall
Cheswick	Liberty	Sewickley Hills	White Oak
Clairton	Lincoln	Sharpsburg	Wilkesburg
Crafton	McKeesport	Springdale	Wilmerding
Dormont	McKees Rocks		

ALLEGHENY COUNTY (Townships)

Aleppo	Indiana	O'Hara	Shaler
Collier	Kennedy	Ohio	South Fayette
East Deer	Kilbuck	Penn Hills	South Park
Forward	Marshall	Reserve	Springdale
Frazier	McCandless	Robinson	Stowe
Hampton	Mt. Lebanon	Ross	Upper St. Clair
Harmar	North Versailles	Scott	Wilkins
Harrison			

ARMSTRONG COUNTY (Boroughs)

Apollo	Elderton	Ford City
Atwood	Freeport	North Apollo

ARMSTRONG COUNTY (Townships)

Bethel	Gilpin	Parks	South Buffalo
Boggs	Kiskiminetas	Pine	Valley
Burrell	Kittanning	Plumcreek	Washington
Cadogan	Madison	Red Bank	Wayne
Cowenshannock	Manor	South Bend	West Franklin
East Franklin	North Buffalo		

BUTLER COUNTY (Townships)

Buffalo

CLARION COUNTY (Townships)

Limestone	Monroe	Porter	Red Bank
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EQUITABLE DISTRICT COMMUNITIES SERVED (Continued)

		<u>FAYETTE COUNTY (Boroughs)</u>		
Fairchance	Masontown			
		<u>FAYETTE COUNTY (Townships)</u>		
Georges	German	Jefferson		South Union
		<u>GREENE COUNTY (Boroughs)</u>		
Carmichaels	Jefferson	Waynesburg		
Clarksville	Mather			
		<u>GREENE COUNTY (Townships)</u>		
Aleppo	Freeport	Monongahela		Springhill
Canter	Gilmore	Morgan		Washington
Cumberland	Greene	Morris		Wayne
Dunkard	Jackson	Perry		Whiteley
Franklin	Jefferson	Richhill		
		<u>INDIANA COUNTY (Townships)</u>		
Buffington	North Mahoning	Washington		
East Mahoning	South Mahoning			
		<u>JEFFERSON COUNTY (Townships)</u>		
Perry	Porter	Ringgold		
		<u>WASHINGTON COUNTY (Boroughs)</u>		
Beallsville	Cokeburg	Ellsworth		New Eagle
Bentleyville	Deemston	Finleyville		
Canterville	Donara	Monongahela		
		<u>WASHINGTON COUNTY (Townships)</u>		
Amwell	East Finley	Nottingham		South Strabane
Carroll	East Pike Run	Morris		Union
Cecil	Fallowfield	Peters		West Bethlehem
Chartiers	North Bethlehem	Somerset		West Pike Run
East Bethlehem	North Strabane	South Franklin		
		<u>WESTMORELAND COUNTY (Cities and Boroughs)</u>		
Arnold	New Kensington	Vandergrift		
Hyde Park	Oklahoma	West Leechburg		
Mahoning	Trafford			
		<u>WESTMORELAND COUNTY (Townships)</u>		
Allegheny	Franklin	North Huntingdon		Upper Burrell
Bell	Lower Burrell	Penn		Washington

 APOLLO DISTRICT COMMUNITIES SERVED (Continued)

Gas service for the Apollo District is available in all localities where the Company has facilities, including all or a portion of the following Cities, Boroughs, and Townships:

ALLEGHENY COUNTYBoroughs

Tarentum

Townships

East Deer

Frazer

Harrison

ARMSTRONG COUNTYBoroughs

Apollo

Ford City

North Apollo

Townships

Bethel

Boggs

Burrell

Cadogan

Cowanshannock

East Franklin

Gilpin

Kiskiminas

Kittanning

Madison

Manor

North Buffalo

Parks

Pine

Plumcreek

Redbank

South Bend

South Buffalo

Washington

Wayne

West Franklin

CLARION COUNTYTownships

Limestone

Monroe

Porter

Redbank

INDIANA COUNTYTownships

Buffington

East Mahoning

North Mahoning

JEFFERSON COUNTYTownships

Perry

Porter

Ringgold

WESTMORELAND COUNTY

Arnold

Lower Burrell

New Kensington

Boroughs

Mahoning

Hyde Park

Oklahoma

Vandergrift

West Leechburg

Townships

Allegheny

Bell

Upper Burrell

Washington

CLASSIFICATION OF CUSTOMERS TO WHOM SERVICE IS MADE AVAILABLE

Gas service is made available under the rules, regulations and terms and at the rates contained in this Tariff, to the following classes of customers:

Residential Customers

Customers receiving the Company's gas service to a single family dwelling or building, or through one meter set to three or fewer dwelling units in a multi-family residence or building, or through one meter set to a combination of one dwelling unit and one or more business premises, where the residential premises are the predominant gas use factor. A Customer is defined as a natural person in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed or lease of the property for which service is requested.

For purposes of curtailment and priority of service pursuant to Rule 7 -Curtailment of Service - master-metered housing projects, which are otherwise classified as commercial, shall be considered residential customers, provided the units in the project are self-contained, that is have individual heating units.

Commercial Customers

Customers who are engaged in selling, warehousing or distributing a commodity or service, including boarding homes and personal care homes, engaged in some business activity or profession, or in some other form of economic, social, or cultural activity, not primarily involving the manufacturing or processing of a product; and customers who receive the Company's gas service through one meter set to a combination of four or more dwelling units and through one meter set to a combination of up to three dwelling units and one or more business premises, where the business premises are the predominant gas use factor.

For purposes of curtailment and priority of service pursuant to Rule 7 -Curtailment of Service - master-metered housing projects, which are also included in this classification, will be considered residential customers, provided the units in the project are self-contained, that is have individual heating units.

Industrial Customers

Customers who are engaged in a process which creates or changes raw material or unfinished materials into another form or product.

Heating Customers

Customers who use the Company's gas as the principal fuel for space or building heating.

RULES AND REGULATIONS

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RULES AND REGULATIONS

1. ESTABLISHING SERVICE

1.1 Meters and Fittings

The Company will, at its own expense unless otherwise agreed, make the necessary connection between its gas main and the curb, furnish a stop cock, provide a meter, and if it deems it necessary, a gas regulator, also a globe valve or stop cock, and necessary fittings to connect meter, or meter and regulator, to service line and house line. The meter and meterset fittings shall be and remain the property of the Company.

Meters will be installed at the Company's expense only upon request and subject to the following conditions:

- (a) The Company will install one (1) meter per customer service line.
- (b) The type, size and location of the meter will be determined by the Company.
- (c) An individual service line shall be required for each unit of a newly constructed structure consisting of modules which can be sold or leased as and function as separate entities, and having within each such unit control of the total gas energy requirements of that unit, including all interior piping. The requirement of one meter per service line shall apply to renovations of existing structures which meet the aforesaid independency requirements and to which gas service has not been provided for a period of at least one (1) year. The requirement of one meter per service line may be waived for other structures. In this latter event, additional meters will be set by the Company, provided the customer shall bear the cost of all additional meter installations and house line alterations, and such cost of service line alterations as shall be permitted by law.
- (d) Outlet piping from the meter shall not pass through space or property that is or could be controlled or owned by an individual or individuals other than the customer.
- (e) All customer-owned piping shall be installed in accordance with the Company's "Installation Standards Gas Piping and Customer's Premises," dated May 1996, as it now exists or as hereinafter amended, and which is presently on file with the Commission.

RULES AND REGULATIONS - (CONTINUED)1.1 Meters and Fittings (Continued)

(f) Nothing contained in this Rule shall preclude the customer from installing additional meters behind the Company's meter for the purpose of measuring, controlling and/or determining the flow of gas to the customer's premises. The cost of such additional meters, including the installation thereof shall be borne by the customer and such installation shall comply with subsection (e) above.

(g) Exceptions to the requirements of subsections (a) through (e) may be permitted by the Company upon special circumstances and upon good cause shown.

1.2 Applications For Service Extension of Mains

The Company will extend its facilities to a new point of delivery within its service territory if, in its judgment and consistent with Pennsylvania Public Utility Commission regulations, the service to such a new point of delivery will have no adverse effect upon the availability of gas to meet the present and reasonably foreseeable volume and pressure needs of existing ratepayers and the request is not for special utility service. "Special utility service" shall include (a) a request for utility service when the applicant has an installed alternative fuel capability; (b) a request for utility service when the applicant is already receiving natural gas service from another Pennsylvania public utility; (c) a request for utility service from an applicant located in an area in which another natural gas utility is authorized to serve the applicant; (d) a request for utility service by a builder or developer of a residential lot plan who is requesting an extension of the Company's facilities in anticipation of future homeowners' need for natural gas supplies; (e) any request for service by an applicant who, in the Company's view, is unlikely to remain on the Company's system for a sufficient period of time to justify the extension. In the case of requests for a "special utility service," the Company may condition the extension of facilities upon the applicant's providing a contribution in aid of construction (CIAC), the amount which will be determined by the Company.

Even if an applicant's request is not for a "special utility service," the Company may request a CIAC to the extent that the applicant's projected contributions to the Company's costs over the three years immediately following the completion of the extension do not cover the full cost of the extension; provided that the full cost of the extension shall not include the cost of the meter or company (main to curb) service line which shall be borne by the Company. If the Company

RULES AND REGULATIONS - (CONTINUED)

1.2 Applications For Service Extension of Mains (Continued)

requests a CIAC from an applicant whose request is not for "special utility service," and additional volumes are added to the extended facilities financed by the applicant's CIAC within three years of the date of completion of the facilities, the applicant who paid the CIAC will be entitled to a pro-rated refund during the three-year period immediately following completion of the extension.

1.3 Other Service Conditions

In the case of an industrial or commercial customer, the Company may condition the acceptance of a particular application for the initiation or increase of service, whether or not an extension of facilities is required to provide such service, by the establishment of guarantees of revenues or other appropriate conditions, including, but not limited to, the setting of maximum daily volumes to be provided, when such application involves the commitment of a gas supply to provide the service requested or involves conditions of service different from that normally provided to its other customers.

The Company, at its sole discretion, will maintain the necessary facilities to provide a back-up service to a customer for switching purposes between Natural Gas Distribution Companies or alternative fuels. The charge for facilities providing such a back-up service will be the Company's highest allowable monthly service charge per meter, plus the applicable volumetric charge per Mcf consumed.

The Company also reserves the right to charge a tap fee to recover the costs of constructing all facilities related to providing the backup service.

In the case of residential service, prior to providing utility service, the Company may require the Applicant to provide the names of each adult occupant residing at the location and proof of their identity.

1.4 Service Pipes and Fittings

The customer shall, at the customer's own expense, furnish and install all service pipes, fixtures, fittings, valves and appliances, and all materials necessary for meter installations, as required by the Company, between the Company's curb box and the point of consumption of the gas except as otherwise provided in Rule 1; maintain all of the same in good condition and repair, and renew the same when necessary, furnishing such materials, labor and supervision as may be necessary to transport and burn the gas with safety, and shall be liable for any failure to do so.

1.5 Subject to Company Inspection/Duty of Customer to Maintain

The character and arrangement of the facilities through which the gas is transported from the Company's curb box to the point of consumption shall be subject to the inspection and approval of an authorized agent of the Company, but the Company shall not be responsible in any manner for the installation, use and maintenance of those facilities, and shall have no duty or obligation with respect to the care, maintenance or supervision of the facilities.

RULES AND REGULATIONS - (Continued)

1.6 Service Application

An Applicant is defined as a natural person not currently receiving service who applies for service provided by the Company or any adult occupant whose name appears on the mortgage, deed or lease of the property for which service is requested. All applications for service must be made at least three (3) days prior to the date service is to be initiated. Applications will be accepted, subject to a credit investigation of the Applicant and approval by the Company prior to the initiation of service.

The Company shall not accept an application for new or continued service to a multi-unit building or mobile home park except where such application (1) is made by tenants of the landlord ratepayer pursuant to §1527(a) and (b) of the Public Utility Code (§56.125 of the Commission's regulations); (2) is made pursuant to §1527(d) of the Public Utility Code by a tenant for individual service to the tenant's dwelling unit and such individual service can be accomplished without a major revision of distribution facilities or additional right-of-way acquisitions; or (3) is made by a person with an ownership interest in the affected premises.

1.7 Deposits and Advance Payments

The Company reserves the right to collect, prior to or as a condition of providing service, a cash deposit from an Applicant in an amount that is equal to one-sixth of the Applicant's estimated annual bill. The estimated annual bill shall be calculated on the basis of the annual bill to the dwelling at which service is being requested for the prior twelve (12) months, or, if unavailable, a similar dwelling in close proximity selected by the Company. The Company shall not be required to provide service if the Applicant fails to pay the full amount of the cash deposit. A cash deposit may be requested from the following:

- (1) An Applicant who previously received utility distribution services and was a Customer of the Company and whose service was terminated for any of the following reasons:
 - a. Nonpayment of an undisputed delinquent account.
 - b. Failure to complete payment of a deposit, provide a guarantee or establish credit.
 - c. Failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading.
 - d. Unauthorized use of the natural gas service delivered on or about the affected dwelling.
 - e. Failure to comply with the material terms of a settlement or Payment Agreement.
 - f. Fraud or material misrepresentation of identity for the purpose of obtaining service from the Company.

RULES AND REGULATIONS - (Continued)1.7 Deposits and Advance Payments (Continued)

- g. Tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment.
 - h. Violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the delivery system of the Company.
- (2) Any Applicant or Customer who is unable to establish creditworthiness to the satisfaction of the Company through the use of the Company's credit scoring methodology approved at Docket No. P-00011915.
- (3) A Customer who fails to comply with a material term or condition of a settlement or Payment Agreement.

Applicants required to pay a deposit upon reconnection pursuant to Section 1.7(1) shall have up to ninety (90) days to pay the deposit.

In lieu of a cash deposit, an Applicant may furnish a third-party guarantor. The guaranty shall be a written document established by the Company stating the terms of the guaranty. The guarantor shall be responsible for all missed payments owed to the Company. The Company reserves the right to require payment in advance for its seasonal regulated service, when customers elect to take such service, in an amount equal to the estimated total gross charges for such seasonal service as determined by the provisions of the rate under which this service is taken.

Deposits secured from a residential customer may be held by the Company until a timely payment history is established, or for a maximum period of twenty-four (24) months. A timely payment history is established when a customer has paid in full and on time for twelve (12) consecutive months.

At the end of the Deposit Hold Period, the Company will deduct any outstanding Customer balance from the deposit and return or credit any positive difference to the Customer. If distribution service is terminated before the end of the Deposit Hold Period, the Company will deduct any outstanding Customer balance from the deposit and return any positive difference to the Customer within sixty (60) days of termination. If the Customer becomes delinquent before the end of the Deposit Hold Period the Company may deduct the outstanding Customer balance from the deposit.

The Company will accrue interest on all cash deposits until it is returned or credited at the legal rate of interest pursuant to the loan interest and protection law (section 202 of the act of January 30, 1974 p.l.13, no. 6).

RULES AND REGULATIONS - (Continued)

1.8 Resale of Gas By Customer

All gas sales pursuant to the terms of this Tariff are to the ultimate purchaser and are not to be resold for profit in violation of 66 Pa. C.S.A. Section 1313.

1.9 Liability for a Prior Bill

The Company will utilize available means of determining liability for a past due balance of any applicant or customer. This may include the following:

- (1) Use of company records maintained in the ordinary course of business.
- (2) Use of skip tracing tools.

2. GAS MEASUREMENT

2.1 Meter Tests

The measurement of gas by meter shall be conclusive upon the customer and the Company excepting when such meter ceases to register, proves to be defective, or is found by test not to be accurate within the limits specified in the Regulations of the Pennsylvania Public Utility Commission. In such cases, the consumption for the period in question shall be estimated unless the Commission's regulations require otherwise. In the event of the customer's dissatisfaction with the accuracy of the meter, the Company will, upon written application, have the same removed, sealed and tested, and a certificate of test given the customer. If the meter so tested shall be found to be accurate within the limits specified in the Regulations of the Pennsylvania Public Utility Commission, the customer shall, upon presentation of bill, pay the Company for such test according to the schedule of charges for testing meters formulated by the Commission.

2.2 Definition of a Cubic Foot

- (a) Low Pressure Sales: For sales at standard distribution or low pressure other than as provided for under (b) below, a cubic foot of gas shall be the amount of gas which occupies a volume of one cubic foot at the time metered and under the conditions existing at the customer's meter.
- (b) Other than Low Pressure Sales as under (a) above: For sales at high or intermediate pressures not covered under (a) above, a cubic foot of gas shall be that amount of gas that occupies a volume of one cubic foot at an absolute pressure of 14.73 pounds per square inch and a temperature of 60° Fahrenheit.

2.3 Estimated Consumption

The Company will estimate consumption for one month of each meter reading period where scheduled meter readings are on a bi-monthly basis (See Rule 3.2), and will estimate consumption when scheduled meter readings are not obtained because of emergency conditions or inability to gain access to the meter location, or where a meter for any reason

RULES AND REGULATIONS - (CONTINUED)

2.3 Estimated Consumption (Continued)

fails to register properly the full consumption of a customer, or where the Company is unable to obtain a meter reading for other causes beyond its control.

The customer shall be obligated to pay the bill based on the estimated consumption as though the same was based on an actual meter reading, and failure to so pay may subject the customer and service to Rule 6. Bills based on estimated readings shall be subject to adjustment for any unusual circumstances found to have affected the quantity of gas used.

The customer's service is subject to discontinuance if more than five consecutive bills are based on other than actual meter readings by Company personnel.

2.4 Exceptions to Use of Meters

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

2.5 Automatic Meter Readings

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

3. BILL AND PAYMENT THEREOF

3.1 Customer at Two Locations

The Company's rates are based upon gas supply through a single delivery point, as measured by one meter. Separate supply for the same customer account at other points of delivery or through more than one meter shall be billed separately. In the event that it is necessary to provide service to a customer through more than one meter because of the system limitations of the Company, combined billing will be permitted.

3.2 Billing and Payment

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

RULES AND REGULATIONS - (CONTINUED)

3.2 Billing and Payment (Continued)

Upon request the Company will supply any customer annually with a card form upon which the customer may record the meter reading at the end of the first month of each bi-monthly meter reading period. If the card is received by the Company on the date specified on the card, the bill for the month will be computed from the meter reading shown on the card instead of by estimate. The Company will adjust estimates of bills for changes in condition of which it has been notified in advance by a customer. The Company reserves the right to reassign customers into a different billing cycle. If the Company receives a negotiable instrument from an applicant or a customer as payment of any bill, charge or deposit due, and if the instrument (including electronic payment) is subsequently dishonored or is uncollectible for any reason, the Company may charge the applicant or customer a charge of twenty-five dollars (\$25.00).

3.3 Dishonored Payment

If the Company receives a negotiable instrument from an applicant or a customer as payment of any bill, charge or deposit due, and if the instrument (including electronic payment) is subsequently dishonored or is uncollectible for any reason, the Company may charge the applicant or customer a charge of twenty-five dollars (\$25.00).

3.4 Time and Place of Payment

Payments made by mail are assumed to be made on the date of the postmark. Payments made direct at payment receiving offices of the Company and its authorized payment agencies shall be deemed to have been made on date of actual receipt of payment. Bills to the Commonwealth of Pennsylvania or any department or institution thereof, and the United States of America or any department thereof, paid within 30 days from the date of mailing will not be subject to the Finance Charge. Billings made on or after the effective date of a new rate or rider will be made in accordance therewith.

3.5 Execution and Bankruptcy

Service shall, at the option of the Company, cease and terminate, and all claims for previous gas service shall become forthwith due and payable without notice from the Company under the following circumstances, (1)in case a writ of execution is issued against the customer; (2)in case the premises described or referred to in the application as the place at which the gas is to be delivered are levied upon under execution; (3)in case personal property thereon is levied upon under execution; (4)or in case of an assignment or other act of bankruptcy of the customer.

RULES AND REGULATIONS - (CONTINUED)

3.6 Customer Complaints

A Customer must contact the Company about a problem prior to filing a complaint with the PUC. The Company's complaint handling and resolution procedures will conform to the provisions of the PUC's applicable rules and regulations. Pending the outcome of any complaint filed with the PUC, Customers are required to pay that portion of their bill which is not in dispute and subsequent bills which are not in dispute.

4. ACCESS TO PREMISES

4.1 Right of Entry at Reasonable Time

The Company shall have, at all reasonable times, the right to enter in and upon the premises of a customer to (1) read, repair or change meters, or to repair or change regulators, inspect lines and appliances to determine if the gas is being carried, distributed and burned properly and in accordance with these Rules and Regulations (2) to discontinue service and (3) to reclaim any of the property of the Company which may be upon the premises.

4.2 Location of Meter and Accessibility

Meters shall, wherever practicable, be located outside the residence or main building of the customer, but, if located inside, shall be accessible to the Company and shall be placed at a location common to all meters; and, in addition, at structures occupied by persons other than the legal owners thereof, shall not be part of the living quarters of any tenant.

5. TAMPERING

5.1 Customer's Responsibility for Tampering with Meter and Equipment

Where the service facilities or other equipment have been tampered with, resulting in improper measurement of the service supplied or failed transmission of measurement data to the Company, the customer shall be required to pay for such gas service as the Company may estimate, from available information, to have been used but not registered by the Company's meters, and in addition thereto, shall be required to bear all costs incurred by the Company for investigations and inspections, repairs and for such protective equipment as, in the judgment of the Company, may be necessary.

RULES AND REGULATIONS - (Continued)

6. DISCONNECTION, RECONNECTION AND SERVICE CALL TERMS AND FEES

6.1 Disconnection

The authorized agents of the Company shall at all reasonable times have access to the premises of the customer with the right to shut off the gas and remove its property from the premises upon reasonable notice, unless otherwise required by the Commission's regulations, for any of the reasons listed below. Discontinuance or termination of service for any of the following reasons shall not relieve a customer from liability for any minimum payments due:

(a) Replacement, Maintenance, Repairs, Non-payment, Meter Reading

For failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading; for non-payment of any undisputed delinquent account; for failure to complete payment of a deposit, provide a guarantee of payment or establish credit; and for failure to comply with the material terms of a Payment Agreement. The Company cannot terminate service for nonpayment of competitive third party natural gas supplier charges.

A Payment Agreement is an agreement whereby the Customer, upon admitting liability for billed service, is permitted to amortize or pay the unpaid balance of the account in one or more payments.

(b) Violation of Contract, Misrepresentation, Unauthorized Use

For any violation of the terms of service or of these Rules and Regulations so as to endanger the safety of a person or the integrity of the distribution system; or for fraudulent misrepresentation in relation to the consumption of gas or customer identity for the purpose of obtaining service; or unauthorized use of service.

(c) Tampering With Meter or Other Utility Equipment

For tampering with the meter or connection, or for the use of gas through rubber hose, defective piping, or unsafe appliances;

(d) Shortage of Gas, Larceny

For shortage of gas or reasons for safety; for larceny of gas; for any action by the customer to secure through the customer's meter, gas for purposes other than those contracted for, or for any other party, without the written consent of the Company.

RULES AND REGULATIONS - (Continued)6.1 Disconnection (Continued)(e) Dangerous Conditions

If a dangerous condition is found to exist on the premises of customer.

(f) Dishonorable Tender of Payment After Receiving Termination Notice

After the Company has provided a written termination notice and attempted telephone contact, termination of service may proceed without additional notice if: (1) a customer tenders payment which is subsequently dishonored, or (2) a customer tenders payment with an access device which is unauthorized, revoked, or cancelled.

6.2 Reconnection Charge

The Company may not deny restoration of service for the nonpayment of competitive third party natural gas supplier charges.

(a) Residential(1) Residential Termination for Non-payment/Noncompliance

Whenever a residential customer has the gas service shut off or the meter disconnected because of non-payment of bills for regulated service or non-compliance with the Company's Rules and Regulations, a reconnection charge of \$50.00 must be paid at the office of the Company before the gas will be turned on again.

(2) Payment of Outstanding Balance

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

(3) Disconnection at Customer's Request

If service is discontinued at the request of a residential customer, the Company shall not be under any obligation to resume service to the same customer at the same premises unless it shall receive payment of the reconnection charge of \$50.00.

(b) Commercial

If a commercial customer has the gas service shut off or the meter disconnected because of non-payment of bills for regulated service or non-compliance with the Company's Rules and Regulations, the Company shall not be under any obligation to resume service to the same customer at the same premises without the payment of a reconnection charge of \$210.00.

If service is discontinued at the request of a commercial customer, the Company shall not be under any obligation to resume service to the same customer at the same premises unless it shall receive payment of the reconnection charge of \$210.00

RULES AND REGULATIONS - (Continued)

(c) Industrial

If an industrial customer has the gas service shut off or the meter disconnected because of non-payment of bills for regulated service or non-compliance with the Company's Rules and Regulations, the Company shall not be under any obligation to resume service to the same customer at the same premises without the payment of a reconnection charge of \$210.00.

If service is discontinued at the request of a industrial customer, the Company shall not be under any obligation to resume service to the same customer at the same premises unless it shall receive payment of the reconnection charge of \$210.00.

6.3 Transfer and Connection Fees(a) Residential

The Company shall charge a transfer fee of \$25.00 to residential applicants, including but not limited to landlords of residential property, when natural gas service is not being initiated or reinstated but is continuing from a prior ratepayer who is not the builder of the premises. This fee may be waived if applicant agrees to a transfer of service which does not require an on-site visit.

The Company shall charge a connection fee of \$50.00 for residential applicants when natural gas service is being initiated for the first time or had been previously discontinued at the location, except where 6.2 applies.

(b) Commercial

The Company shall charge a transfer fee of \$115.00 to commercial applicants, including but not limited to landlords of commercial property, when natural gas service is not being initiated or reinstated but is continuing from a prior ratepayer who is not the builder of the premises. This fee may be waived if applicant agrees to a transfer of service which does not require an on-site visit.

The Company shall charge a connection fee of \$230.00 for commercial applicants when natural gas service is being initiated for the first time or had been previously discontinued at the location.

(c) Industrial

The Company shall charge a transfer fee of \$115.00 to industrial applicants when natural gas service is not being initiated or reinstated but is continuing from a prior ratepayer who is not the builder of the premises. This fee may be waived if applicant agrees to a transfer of service which does not require an on-site visit.

The Company shall charge a connection fee of \$230.00 for industrial applicants when natural gas service is being initiated for the first time or had been previously discontinued at the location.

RULES AND REGULATIONS - (CONTINUED)6.3 Transfer and Connection Fees (Continued)

In no case shall a connection or transfer fee be charged to a residential ratepayer whose income does not exceed 150% of the Federal Poverty Level and/or who is eligible to receive a LIHEAP award; or to the builder of a residence or commercial building who is using natural gas during the construction process; or to a ratepayer in a competitive posture, as determined in the sole discretion of the Company. Separate connection fees for reinstatement are set forth in Section 6.2.

6.4 Customer Service Charge

(a) Residential

Any residential customer requesting service that requires an on-site visit will be charged a service charge of \$70.00.

For residential customers requesting same-day service that requires an on-site visit an additional \$70.00 fee shall apply. This service is provided based on resource availability and is in addition to any fees for services performed or other applicable services outlined in this tariff.

No service charge shall apply to reasonably suspected hazardous situations, including but not limited to those involving an unexplained odor of gas.

In lieu of the \$70.00 service charge, the following service charges will apply to the corresponding service: \$200.00 service charge for a temporary service line; \$60.00 service charge for a high bill investigation; \$50.00 service charge for the relighting of an appliance; and \$100 service charge for inspection of residential, renewed, house lines.

In the case of a high bill investigation, no charge shall apply if the investigation detects a measurement error.

Customers that request to add a meter set without adding additional load will be charged \$225.00 for 1 meter, \$275.00 for 2 meters and \$105.00 each for 3 or more meters.

(b) Commercial

Any commercial customer requesting service that requires an on-site visit will be charged a service charge of \$105.00.

For commercial customers requesting same-day service that requires an on-site visit an additional \$105.00 fee shall apply. This service is provided based on resource availability and is in addition to any fees for services performed or other applicable services outlined in this tariff.

RULES AND REGULATIONS - (CONTINUED)

No service charge shall apply to reasonably suspected hazardous situations, including but not limited to those involving an unexplained odor of gas.

In lieu of the \$105.00 service charge, the following service charges will apply to the corresponding service: \$200.00 service charge for a temporary service line; \$340.00 service charge for a high bill investigation; \$50.00 service charge for the relighting of an appliance.

In the case of a high bill investigation, no charge shall apply if the investigation detects a measurement error.

(c) Industrial

Any industrial customer requesting service that requires an on-site visit will be charged a service charge of \$105.00.

For industrial customers requesting same-day service that requires an on-site visit an additional \$105.00 fee shall apply.

No service charge shall apply to reasonably suspected hazardous situations, including but not limited to those involving an unexplained odor of gas.

In lieu of the \$105.00 service charge, the following service charges will apply to the corresponding service: \$200.00 service charge for a temporary service line; \$340.00 service charge for a high bill investigation; \$50.00 service charge for the relighting of an appliance.

In the case of a high bill investigation, no charge shall apply if the investigation detects a measurement error.

6.5 Seven Days Notice

Customers who intend to remove from the premises, discontinue the use of gas or terminate in any manner their liability to pay for gas delivered to the premises, shall give seven days' notice thereof; otherwise they will be held responsible for all gas delivered to the premises until seven days shall have expired after such notice has been received. New occupants must make application at the office of the Company at the time they commence the use of gas, or they will be held responsible for any back charge against the premises.

RULES AND REGULATIONS - (CONTINUED)

6.6 Final Bill

Except as otherwise provided in this rule, final bills for customers receiving service under any rate schedule within this tariff may be based on estimated consumption without an actual meter reading. When disconnect and reconnect orders are executed on different days, an actual or estimated meter reading shall be obtained. When disconnect and reconnect orders are executed on the same day, final bills may be estimated. When a final bill is estimated, consumption shall be based on average daily usage for non-heat usage, average usage per degree day for heating usage, and the number of days in the final billing period in accordance with the Rule 6.5 Seven Days Notice. Final bills will not be estimated when usage factors cannot be calculated, when a customer specifically requests that the meter be read, or when the customer provides the meter reading which is subject to the Company's review. The Company reserves the right to estimate any customer's final meter reading in instances where access to the meter is not provided within a reasonable time.

RULES AND REGULATIONS - (CONTINUED)

7. CURTAILMENT OF SERVICE

When for any reason, in the Company's judgment, its supply of gas is insufficient to meet the firm requirements of all customers on a continuing basis, the Company shall have the right to partially or completely curtail gas service. This rule does not apply to normal limitations on the use or interruption of interruptible service contemplated pursuant to the Company's interruptible service offerings.

7.1 Priority of Service

Curtailment of service will commence with the highest numbered priority set forth below and proceed in descending order to the next lower numbered priority after all requirements in the higher number priority have been completely curtailed. Where only partial curtailment of one priority is required, such will be implemented pro rata, that is, weighted in accordance with the base period volumes of the customers within that classification. Following are the priority of service categories listed in descending order of priority:

- (1) Residential and firm critical commercial essential human needs.
- (2) Firm small commercial requirements, excluding critical essential human needs requirements in Category 1, and firm large commercial, as well as large and small industrial requirements for plant protection.
- (3) Firm small industrial requirements excluding plant protection requirements in Category 2.
- (4) Firm large critical commercial and industrial requirements, excluding firm critical commercial essential human needs requirements in Category 1 and firm commercial and industrial requirements for plant protection in Category 2.

RULES AND REGULATIONS - (CONTINUED)7.1 Priority of Service (Continued)

- (5) Firm large non-critical commercial and industrial requirements other than requirements for boiler fuel use.
- (6) Firm large non-critical commercial and industrial requirements for boiler fuel use when the boiler fuel usage in the aggregate is greater than 300/Mcf/day.
- (7) Service which is interruptible pursuant to the Company's tariff rate schedules.

7.2 Definitions

The definitions for terms used in the Priority of Service Rule are as follows:

Alternate Fuel Capability: The ability to use an alternate fuel, whether or not the facilities for such use have actually been installed. For purposes of this definition, alternate fuel means any fuel other than natural gas, propane or other gaseous fuel.

Commercial Use: Gas usage by customers engaged primarily in the sale of goods or services including, but not limited to, consumption by office buildings, institutions and governmental agencies. Commercial use shall not include use of gas for manufacturing or electric power generation.

Critical Use: Gas usage where natural gas, propane or other gaseous fuel is the only feasible form of energy due to its combustion characteristics, controllability or chemical properties.

Essential Human Needs Use: Gas usage by customers without alternate fuel capability for service to any buildings where persons normally dwell, including, but not limited to, apartment houses, dormitories, hotels, hospitals and nursing homes as well as the use of natural gas by sewage plants.

Firm Service: Service pursuant to schedules or contracts under which the utility is expressly or impliedly obligated to deliver specific volumes within a given time period or which anticipate no interruptions, but which may permit unexpected interruptions in case service to higher priority customers is threatened. A utility shall be deemed to be impliedly obligated to deliver specific volumes where such utility has by any means previously or presently established periodic allocations for its customers.

Industrial Use: Gas usage by customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.

RULES AND REGULATIONS - (CONTINUED)7.2 Definitions (Continued)

Interruptible Service: Service pursuant to schedules or contracts under which the utility expressly or impliedly reserves the option to interrupt or curtail deliveries.

Non-Critical Use: Gas usage where natural gas, propane or other gaseous fuel is not the only feasible form of energy, i.e., where the user has alternate fuel capability.

Plant Protection Use: Minimum volumes of natural gas required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternative fuel. Plant protection requirements include volumes necessary for the protection of such material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.

Residential Use: Gas usage in a residential dwelling or unit for space heating, air-conditioning, cooling, water heating or other domestic purposes.

Large Commercial and Industrial Customers: Commercial and industrial customers having a peak day usage of 300 Mcf per day or more.

Small Commercial and Industrial Customers: Commercial and industrial customers with peak day usage of less than 300 Mcf per day.

Peak Day: The highest maximum monthly volume in the base period, divided by the number of billing days in that month.

Monthly Entitlement Volumes: The maximum volume of gas that the Company is obligated to deliver to a commercial or industrial customer in a month.

Maximum Seasonal Volumes: The total of the monthly authorized volumes for the following time periods:

- a) Winter Season: The billing months of November through March.
- b) Summer Season: The billing months of April through October.

The customer shall be billed and shall pay for all volumes taken in excess of the customer's maximum seasonal volumes at the applicable rate, together with any other applicable charges pursuant to Rule 7.5 herein.

Monthly Authorized Volumes: The customer's monthly entitlement volume reduced or limited as a result of the application of the curtailment provisions set forth in Rules 7, 7.1 and 7.3.

RULES AND REGULATIONS - (CONTINUED)

7.3 Base Period Volumes

Monthly entitlement volumes shall be established for each commercial and industrial customer, having a peak day usage of 300 Mcf/d or more, on the basis of actual billing month usage for a 12 month period at the Company's discretion extending from January 1, 1971 through December 31, 1971. Such maximum monthly volumes shall constitute a customer's base period volume and shall be used to provide for the equitable allocation of gas available for sale to firm customers.

The base period volume shall be further divided by the Company into the base volumes for each Priority of Service in Categories 2, 4, 5, 6 and 7. For the purpose of distributing base period volumes into the appropriate curtailment priority categories, each affected commercial and industrial customer shall furnish such historic consumption and equipment data as the Company may require.

Base period volumes shall be adjusted (1) to recognize abnormalities in plant operations during the base period as well as deletions or approved installations of equipment during or subsequent to the base period, (2) to include volumes of gas equivalent to volumes conserved during the base period when the customer converted gas burning equipment to alternate fuel in anticipation of future curtailment and (3) to include volumes of gas consumed by equipment approved for installation prior to January 1, 1971 for industrial customers and prior to October 1, 1974 for commercial customers.

The Company reserves the right to annually review the base period volumes and to adjust such base period volumes upward or downward based upon the customer's actual consumption of sales service and/or contractually specified needs for firm service provided, however, that upward adjustment of a customer's base period volumes may be made only in time periods when Equitable is approving gas sales to new customers or additional gas sales to existing customers.

Where the Company has entered into a contract specifying an annual volume of firm gas to be delivered or made available, and that volume is less than the imputed base period volume, the annual contractual volume shall be deemed to be the annual base period volume.

RULES AND REGULATIONS - (CONTINUED)

7.4 Gas Shortage, Curtailment

Base period volumes shall be used as the basis for determining each customer's authorized entitlement in the event of curtailment. Authorized entitlement shall be determined by multiplying the customer's base period volume for the priority to be curtailed by the ratio of the total gas available for that priority category to the total of all base period volumes of all customers in that priority category. When, in the Company's judgment its supply of gas is insufficient to meet the base period volume requirements of all customers on a continuing basis, or when continued delivery of gas to customers would prevent the injection of gas into underground storage reservoirs for the protection of winter supply, deliveries may be curtailed in accordance with the seven priorities of service outlined in Rule 7.1.

Customers with Categories 4, 5 and 6 requirements may be restricted to monthly entitlement volumes when, in the Company's judgment, its supply of gas will be insufficient to meet the requirements of all of its customers on a continuing basis absent such restriction.

Whenever it is necessary to curtail Category 6 requirements, all customers with Categories 4 and 5 requirements shall be limited to the lesser of their base period volumes or their authorized entitlements.

Maximum possible notice of a gas shortage curtailment or of a change in curtailment level shall be given. If such notice is by telephone, then it must be followed by a written notice to the customer, specifying the customer's curtailment percentage and resulting peak day, daily, monthly, seasonal or annual authorized entitlement as the case may be.

The Company may curtail or discontinue gas service in accordance with this rule without thereby incurring any liability for any loss, injury or expense that may be sustained by the customer.

7.5 Penalty Provisions for Excess Takes

Provisions of these or any other penalty sections do not serve to reduce any charge, assessment, or penalties otherwise payable or applicable under provisions of any effective rate schedule or contract

At the end of each billing month, a customer having a peak day of 300 Mcf per day or more in its base period, who has exceeded the authorized monthly entitlement for the first time during each curtailment period, shall receive written notice advising the customer of the penalty provisions of this Rule. Such written notice will also advise the customer to reduce usage in subsequent months so that the sum of all actual monthly consumptions will not exceed the maximum seasonal volume.

 RULES AND REGULATIONS - (CONTINUED)
7.5 Penalty Provisions for Excess Takes (Continued)

Should a customer exceed its monthly seasonal volume for the winter or summer period, that customer shall pay a penalty computed according to the following schedule:

Winter Period

If, at the end of the five month period ending with the March billing period, a customer has exceeded the sum of its monthly authorized entitlements for such a period, that customer shall pay on demand a penalty according to the following schedule:

<u>Actual Usage as Percentage of Total Monthly Authorized Entitlement</u>	<u>Penalty for Excess Takes</u>
Greater than 103% but not in excess of 110%.	\$10/Mcf
Greater than 110% but not in excess of 125%.	\$20/Mcf
Greater than 125%.	\$50/Mcf

Summer Period

If, at the end of the seven month period ending with the October billing month, a customer has exceeded the sum of its monthly authorized entitlements for such period, that customer shall pay on demand a penalty according to the following schedule:

<u>Actual Usage as Percentage of Total Monthly Authorized Entitlement</u>	<u>Penalty for Excess Takes</u>
Greater than 103% but not in excess of 110%	\$10/Mcf
Greater than 110% but not in excess of 125%	\$20/Mcf
Greater than 125%	\$30/Mcf

There shall be excluded from the volumes subject to penalty under this provision, volumes for which the buyer has previously been penalized pursuant to over-runs of emergency curtailment. (Rule 7.8)

RULES AND REGULATIONS - (CONTINUED)

7.6 Availability of Excess Gas

If in the Company's judgment, sufficient gas supply is available to permit deliveries in addition to the monthly authorized entitlement in any month, the Company will provide all buyers with as much advance notice as possible of the amount of such additional gas anticipated to be available. Such gas shall be apportioned by the Company to all customers of the highest priority being curtailed on the basis of the total of the base period volumes for all buyers in that priority for that month.

To the extent that a customer has exceeded the sum of its authorized entitlements for any period, penalties shall not be assessed for any excess volumes authorized pursuant to the provisions of this section.

7.7 Disposition of Penalties

As of December 31 of each year, the Company shall subtract the total of all over-run penalties paid that year to the Company's suppliers from penalties collected that year from customers. The Company will then distribute among its curtailed customers who did not incur over-runs, all penalties collected in excess of those paid by the Company to its suppliers.

To determine the amount of reimbursement due a customer, the total amount to be redistributed shall be divided by the total volume of sales during the twelve month period to all customers eligible for reimbursement. This quotient shall represent the factor, which when multiplied by an eligible customer's total purchase volume during the twelve month period will equal the amount to be credited to that customer. However, no reimbursement shall be made to customers who have terminated service during the year.

The Company will specify a reasonable minimum for the amount of penalties that will be distributed, below which excess penalties shall be retained until the distributable amount is accumulated. The Company will make periodic reports to the Commission containing itemized statements, status of penalty accounts and the extent and nature of disbursements from such accounts made during that period.

 RULES AND REGULATIONS - (CONTINUED)

7.8 Emergency Curtailment

When the Company is unable to fulfill the daily requirements of all its firm service customers because of reasons unrelated to long range supplies, the Company may require each large commercial and industrial customer to reduce its consumption of gas. In the event further reductions to system demand are required, the Company may require other commercial and industrial customers to reduce their consumption. The reduction required shall be determined by the Company without regard to priorities of use; however, the authorized volume shall not be lower than the minimum volume necessary for the prevention of damage to plant equipment.

The Company shall specify in the notice of the emergency curtailment, the authorized consumption for a specified period or until further notice. An emergency curtailment may be made after oral notice to the customer, effective when so given, but such oral notice must be confirmed in writing within 48 hours. The Commission is to be notified immediately of the declaration of an emergency situation.

If a customer exceeds its authorized consumption during a period of emergency curtailment, then the customer shall pay a penalty according to the following schedule:

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

8. LIABILITY

8.1 Failure of Supply

The Company does not guarantee uninterrupted gas service and shall not be liable for damages due to variations in or interruptions of service.

8.2 Disclaimer of Warranty; Limitation of Liability

The Company makes NO WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, express or implied, by operation of law or otherwise. The liability of Company arising out of failure to comply with a customer's direction to install, restore or terminate service, or mistakes, omissions, delays or errors or defects in the delivery of gas,

RULES AND REGULATIONS - (CONTINUED)

8.2 Disclaimer of Warranty; Limitation of Liability (Continued)

for damage or injury arising from the presence or use of gas after it passes from the Company's facilities is limited to when such damage or injury occurs as a result of the company's willful misconduct, reckless acts or gross negligence. In no event will Company be liable for incidental, indirect, special or consequential damages, including but not limited to loss of use or loss of profit. These limitations shall apply whether the claim is pleaded in contract or in tort, including negligence and strict liability in tort.

8.3 Waste, Leaks Excessive Pressure, etc., Notice to Company

The customer shall use all due care to prevent waste of gas and the responsibility of detection of defects or leaks between the curb and point of consumption of gas is upon the customer; and in case of failure or deficiency of gas, irregular supply, leakage, excessive pressure and other developments incident to handling gas under pressure, the customer agrees to give immediate notice thereof to the Company and customer's failure to do so, should loss follow, shall be conclusive evidence of negligence on the part of the customer.

9.SERVICE FROM FIELD LINE

9.1 Company May Discontinue Service

It is understood and agreed that in case the line from which the Company supplies gas is a field line, the same may not be a permanent one, and the Company may, at its own discretion, cease to furnish gas, either temporarily or permanently, and change, repair or remove its pipe line, or change the use of it, and either party may cancel service on ten days' written notice, without prejudice to the right of the Company to continue its supply to other customers.

9.2 Company Not Liable for Damage

The Company shall not be liable for any deficiency in the supply caused by the use of pumping stations, breakage of lines, or other causes, or for any claim for damage on account of any matters set forth in this rule.

9.3 At Field Pressure

Gas from field lines shall be furnished by the Company at the point of connection between the customer's service line and the Company's main, and shall be allowed to flow into the customer's service line at the pressure in the main of the Company, which pressure, it is understood, is not governed by regulations but varies from time to time.

RULES AND REGULATIONS - (Continued)9.4 Customer to Furnish Regulator

The customer shall furnish a regulator or regulators approved by the Company and assume the duty of regulating the flow and pressure on the customer's own service line and house lines by the necessary labor, care and supervision of the same, so that the customer may safely conduct gas over the customer's premises and use it at a pressure not exceeding eight ounces per square inch.

9.5 Customer Assumes Risk

The customer assumes all risks from variation in pressure, from defects in pipe, connections and appliances, from leakage of gas, from the sticking of valves and regulators, and from all causes incident to the use of gas.

10. AGREEMENTS INCONSISTENT HEREWITH

10.1 Agreements

No agent or employee of the Company has authority to make any promise, agreement or representation inconsistent with these Rules and Regulations, and no such promise, agreement or representation shall bind the Company unless in writing signed by an executive officer of the Company.

11. RULES APPLICABLE TO DELIVERY AND POOLING SERVICES

11.1 Sign-Up Procedures

A Pool Administrator must notify the Company, either in written, telephonic, or electronic form, in order to initiate delivery service on behalf of a prospective delivery service customer. The notice shall include the customer's name and address and account number.

Pool Administrators shall obtain the customer's consent in a verifiable form before submitting notice to the Company. If a customer is applying directly to the Company for delivery service, a signed request is required. The Company agrees to respond in-hand and in writing to the Pool Administrator within 10 working days of receipt of all notices. Service will either be granted or denied. If service is granted by the Company, the Pool Administrator will begin flowing gas for its new customers on the first day of the following calendar month. If the Company denies service under the requested rate schedule, the Company shall provide a detailed explanation supporting its decision. The Pool Administrator and the Company agree to work together to resolve discrepancies or mismatches in the notice process within a 30 day period.

RULES AND REGULATIONS - (Continued)

Each Pool Administrator will be obligated to keep on file written evidence of each customer's enrollment with that Pool Administrator, which evidence shall be available for Company review at any time, upon 24 hours' notice.

The Company will provide to a Pool Administrator a confirmed list of added and deleted customers in its Pool by the 15th of the month prior to each service month via an electronic media. At the same time, the Company agrees, for existing customers, to provide the last fourteen (14) months of consumption information or, for new Company customers, estimated volumes. Further, the Company will provide its capacity assignment levels, to each Pool Administrator as defined in Rate FPS at the same time.

11.2 Service Agreement

Service agreements for delivery services are not required unless the customer consumes more than 10,000 Mcf per year or has negotiated a delivery service rate less than the maximum rate.

When a service agreement is required, an agreement for a minimum of one year must be executed by each applicant as a condition to receiving delivery service unless the Company agrees to a shorter term. The Service Agreement, when required, shall include but not be limited to: 1) the point(s) at which the Company will receive customer's gas; 2) the point(s) at which the Company will deliver customer's gas to customer's facilities; 3) pressure, maximum and minimum daily volumes, and annual delivery service volumes. Delivery of gas will not begin until a Service Agreement is fully executed.

11.3 Natural Gas Supply Shortage

In the event of a natural gas supply shortage which threatens Priority 1 Service, the delivery service customer agrees to sell its natural gas supply to the Company at the Company's weighted average cost of gas. If the delivery service customer is a Priority 1 customer, this section will apply only in the event of and to the same extent as curtailment of service to all Priority 1 customers impacted by the gas supply shortage. The customer will be required to furnish a copy of the customer's supply contract or other evidence of price to the Company upon request.

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RULES AND REGULATIONS - (Continued)11.4 Shrinkage

The Company's retention allowance for delivery service shrinkage is 6.0 percent of the total volume delivered into its system. The Company reserves the right to discount shrinkage at the Company's discretion.

In addition to the shrinkage rate listed above the Company reserves the right to retain a portion of all Apollo District transportation volumes as compressor fuel. The portion will be established in each customer contract based upon the character of the actual service to be provided by the Company, but will not be greater than 3.0%

11.5 Quality of Gas

Gas of suitable quality, consistent with the Company's operating standards, must be provided by the customer at receipt point(s) designated in the Service Agreement.

11.6 Obligation To Serve

Delivery service customers who hold assigned capacity pursuant to Rate FPS sufficient to meet their firm requirements may return to sales service and the Company will accept back the underlying capacity. The Company shall treat delivery service customers who do not hold assigned capacity sufficient to meet their firm requirements and who wish to return to retail service in the same manner in which it would treat similarly situated customers who apply for retail service for the first time, except that, if the customers are permitted to return to firm service, then the Company shall accept back any capacity previously assigned to the customers.

For Pool Administrators not electing the Company's Purchase of Receivables (POR) billing option, failure of a customer to pay a Pool Administrator's bill is not a basis for termination of a customer by the Company or for denying the customer's return to retail sales service. Where the Company provides a consolidated bill, partial payment will be credited first to the Company's portion of the bill because the Company retains the obligation to serve. Customer accounts, whose Pool Administrator has elected to participate in the Company's POR billing option, who fail to pay for basic services may be terminated pursuant to Rule 6.1.

11.7 Company Agency

The Company will offer this service as an agent for securing storage services, transportation capacity on transmission pipelines to transport customer's gas to the pipeline delivery points on the Company's system and gas supply services only under the following limited circumstances:

(1) The customer requests such service of the Company; (2) the customer is an existing customer of the Company; (3) the customer represents that it has received a bona fide offer from another company to bypass or otherwise leave the Equitable distribution system; (4) Equitable must attempt to obtain offers for supply services from at least three different natural gas suppliers; and (5) Equitable shall provide documentation to the Commission, upon request, that the four conditions above have been met.

RULES AND REGULATIONS - (Continued)

11.8 Verification of Gas Delivered

The customer is responsible for providing or causing to be provided to the Company any and all information requested by the Company in order to verify the volumes of gas delivered into the Company's system on behalf of the customer.

11.9 Additional or Updated Facilities

The customer will reimburse the Company for the addition, alteration, and installation of facilities and/or equipment deemed necessary by the Company to administer and provide service to the customer. The customer will pay the cost of maintaining Company facilities devoted solely to serving the customer.

11.10 Commingled Gas

The Company reserves the right to commingle gas of the customer with that of other suppliers and customers.

11.11 Additional Charges

The customer's agent or, where applicable, a GDS customer, shall be liable for any additional charges which arise out of the provision of delivery service. Any charge, penalty or obligation imposed by a pipeline transporter or supplier as a result of the monthly or daily balancing of the customer's deliveries and consumption shall be paid by the customer's agent or where applicable the GDS customer in addition to the applicable charges set forth elsewhere in this Tariff and under the applicable delivery service rate schedule.

11.12 Estimated Consumption

The Company reserves the right to estimate consumption for delivery service customers. Please see Rules 2.3 and 3.2 in the Rules and Regulations of this tariff.

11.13 Operational Flow Order (OFO)

The customer's agent or, where applicable, GDS customers are subject to the Company's issuance of OFOs. In order to address operational reliability or, in the case of GDS, to prevent undue cost shifting the Company will have the authority to direct a customer, or where the customer is part of an aggregation pool, the customer's Pool Administrator, to adjust daily scheduled volumes to a specified level or to deliver gas to specified receipt point(s) into the Company's distribution system or to receipt points prescribed by upstream pipelines. Generally, during peak design day conditions, the specified level will be equal to the Maximum Daily Quantity (MDQ) as defined in 11.17. Should conditions be greater or less than peak design day conditions, the specified level of the OFO may be greater or less than the MDQ. Required deliveries to specified receipt points will not exceed: in the case of a FDS customer, the customer's primary delivery capacity to that receipt point; in the case of a GDS or DDS customer, the customer's MDQ for that receipt point as set forth in the customer's service agreement. Action or inaction by the Company shall be reviewable in the Company's Section 1307(f) proceedings.

RULES AND REGULATIONS - (Continued)

When a difference exists between the daily OFO volume and actual daily scheduled deliveries to the Company or between the OFO volume to a specified receipt point and the actual deliveries to that receipt point, the following charges will be assessed:

- 1) Ten dollars per Mcf on the difference; and
- 2) A pro-rata share of any other charges incurred by the Company as a result of the customer's noncompliance with the OFO.

In addition, where the daily OFO volume exceeds the actual daily scheduled deliveries to the Company, the difference will be Cashed-out at 150% of the sum of the highest price gas purchased by the Company, on the day the shortfall occurs, plus the applicable transportation costs, including retainage, to transport the gas from the supply area to the Company's city gate and the applicable Gross Receipts Tax.

If a customer or its agent fails to comply with an OFO the Company may suspend, for one year, the party responsible for the non-compliance. The degree of harm caused by such non-compliance and any efforts undertaken in attempting to comply shall be factors considered in any suspension. In the event of a proposed suspension, the Company will provide the party notice of such action, advising the party of the opportunity to meet with a Company representative who shall have authority to recommend the canceling of such suspension. The Company's actions shall not be unduly discriminatory and shall be subject to Commission review pursuant to the complaint procedure of the Public Utility Code, including an opportunity to obtain a stay of such suspension pending final resolution by the Commission. Suspension of a customer shall mean the customer must return to an applicable sales service within this tariff. Suspension of an agent shall mean the agent's pool(s) will be dismantled. In that case, all customers included in the suspended agent's pool(s) must choose one of the following options: return to an applicable sales service under this tariff or join another pool that is not affiliated with the suspended agent.

11.14 Finance Charge

If payment of a monthly bill for regulated services for commercial and industrial customers has not been received within fifteen days from the date of mailing or twenty days in the case of a bill for residential service, a Finance Charge of 1.5 percent will be added to the unpaid balance each month until the entire bill is paid.

RULES AND REGULATIONS - (Continued)11.15 Billing Service

The Company will bill customers each month for Distribution services. A Pool Administrator may elect to have the Company bill for its basic services (commodity charges) on this monthly statement. An Agreement for this consolidated billing service must be entered into between the Company and the Pool Administrator which shall include, but not be limited to: (1) services and bill content; (2) billing and payment data exchange, (3) collection and remittance of taxes, (4) charges and fees. The Company shall not be required to provide space for bill inserts, bill messages, or for the billing of charges other than gas commodity charges. Customers' payments shall be credited first to amounts due to the Company, including finance charges, installment payments of amounts due to the Company under an existing payment plan and receivables acquired under a POR program.

11.16 Liability

Subject to Rule 8.2 of this tariff, the Company shall not be liable for any loss or injury, including but not limited to loss of gas or interruption of service, arising from or out of the Company's delivery services unless such loss or injury is a direct result of the Company's willful misconduct, reckless acts or gross negligence. The Customer's Agent/Pool Administrator, or, where applicable, a GDS customer shall indemnify Company from and against any and all losses and damages of every kind and character which customer or agent may sustain or be liable for, and will hold Company harmless from any and all damages, claims, suits, actions or proceedings, either threatened or initiated, as the result of issuance of an OFO, except for losses, damages or expenses caused solely by Company's willful misconduct, reckless acts or gross negligence.

11.17 Maximum Daily Quantity

All delivery service customers will be assigned, by the Company, a Maximum Daily Quantity (MDQ). The MDQ will be equal to the customer's estimated usage on a design day. Unless specified by the Company, a customer may not nominate gas above the MDQ.

11.18 Customers Switching Suppliers

Customers may switch gas suppliers upon filing written notice to the Company 25 working days prior to the start of the customer's next service month.

The Company will refer all customers who orally contact the Company to switch natural gas suppliers to the selected natural gas supplier in order to initiate the change.

Once a customer is buying gas from a Pool Administrator, the Company agrees to contact the customer's existing Pool Administrator, if a notice to switch to another Pool is received on behalf of a customer and consent is verified with the customer in a manner consistent with the Commission's currently effective guidelines regarding Customer Consent to a Change of Natural Gas Supplier.

11.19 Commercial and Industrial Customers

Large Commercial and Large Industrial Customers are customers who the Company estimates will use more than 1,000 Mcf of gas annually through a single meter in a 12 month period.

Small Commercial and Small Industrial Customers are all other commercial and industrial customers who qualify for delivery service.

RULES AND REGULATIONS - (Continued)11.20 Creditworthiness

In order to commence pooling service or continue pooling service on the Company's system, the Company requires a Pool Administrator to establish its creditworthiness using the following criteria or, being unable to establish creditworthiness, provide security to the Company ensuring the Pool Administrator's financial responsibility. The Company will apply creditworthiness criteria to all Pool Administrators on a non-discriminatory basis.

Creditworthiness Criteria:

(a) At the Company's request, a Pool Administrator shall provide current audited financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss the Pool Administrator's financial condition, a list of all corporate affiliates, parent companies and subsidiaries, and any available credit reports. The Company shall apply consistent analytical criteria to determine if a Pool Administrator's overall financial condition meets internal credit risk parameters.

(b) In addition to the information described in (a), a Pool Administrator shall provide a bank reference and at least two trade references. The results of the reference checks and any credit reports submitted in (a) must show that a Pool Administrator's obligations are being paid on a timely basis.

(c) A Pool Administrator must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation under state laws. An exception can be made for a Pool Administrator who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act, but only as adequate assurances that the Company's billing under the Agreement will be paid promptly as a cost of administration under the federal court's jurisdiction.

(d) If a Pool Administrator has a relationship with the Company, then the Pool Administrator: (i) must have paid its account in the past according to the terms of the service agreement; and (ii) must have no delinquent balances outstanding for services rendered by the Company.

(e) Pool Administrator must provide written notification to the Company within two business days if a Pool Administrator initiates or becomes a party to any of the events or actions described in (c), or if a Pool Administrator's Credit Rating is downgraded below Ba3 from Moody's or BB- from S&P or Fitch. "Credit Rating" means the rating assigned to the Pool Administrator's unsecured, senior long-term debt obligations (not supported by third party security) by Moody's, S&P, or Fitch.

RULES AND REGULATIONS - (Continued)

"Moody's" means Moody's Investor Services, Inc., or its successor. "S&P" means the Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor. "Fitch" means Fitch Ratings (a division of the Fitch Group) or its successor. If Pool Administrator is rated by more than one rating agency and the existing Credit Ratings are split, then Pool Administrator must maintain an Investment Grade Rating from any two of the three rating agencies.

Security Ensuring Financial Responsibility:

If a Pool Administrator fails to establish its creditworthiness under one or more of the criteria described above in (a), (b), (c), (d), and (e), Pool Administrator will provide security ensuring its financial responsibility as calculated below:

- (i) A security deposit equal to the aggregated pool Maximum Daily Quantity times \$4.00 per Dth times 60 days.
- (ii) A payment in advance equal to the amount calculated in (i).
- (iii) An irrevocable letter of credit drawn upon a bank acceptable to the Company equal to the amount calculated in (i).

Security Deposit Adjustments:

The amount of security established above may be subsequently reviewed and adjusted based on one or more of the following criteria:

- (i) Change of 25% over a consecutive 30 day period of number of customers served, volume of gas delivered, or unit price of natural gas.
- (ii) A change in credit rating as described in (e) above.
- (iii) Pool Administrator fails to deliver natural gas supply sufficient to meet customer's needs on five separate occasions within a 30 day period.

11.21 Acceptable Business Practices

In addition to the creditworthiness criteria Pool Administrators must also adhere to the following business practices.

(a) The bills rendered by the Pool Administrator will be clear and in plain language and shall meet the billing information requirements of Chapter 56 of the Commission's regulations. Bills rendered by a Pool Administrator shall contain a statement directing the ratepayer to "register any question or complaint about the bill prior to the due date", as directed by Commission regulations and shall contain the Company's and the Pool Administrator's telephone numbers where the customer may initiate an inquiry or complaint. Bills must also include the phone number of the Commission's customer hot line.

(b) Pool Administrators shall provide customers with minimum payment periods required by the Commission's regulations; i.e. residential customers shall have 20 days to pay and commercial customers shall have 15 days. The Pool Administrator shall notify the customer with adequate notice of the consequences of failure to pay.

(c) Pool Administrators must establish and use customer complaint procedures and respond to complaints in a timely fashion.

RULES AND REGULATIONS - (Continued)

11.21 Acceptable Business Practices (Cont)

(d) If a Pool Administrator determines to terminate gas supply service to any customer, the Pool Administrator shall give 25 working days notice of its intention in this regard to the Company and the customer. If the customer is a Priority 1 customer, the Pool Administrator will relinquish any capacity assigned to the Pool Administrator on the customer's behalf. If the Pool Administrator proposes to terminate a Priority 1 customer during the heating season (December 1 through March 31), and the capacity assigned is insufficient to meet the customer's requirements, then the Pool Administrator may be required to serve the customer until the end of the heating season.

(e) Pool administrators will follow the Commission's Customer Information and Disclosure Guidelines for requirements related to NGS disclosure of the terms of service, marketing, advertising and sales practices, and privacy of customer information.

(f) Pool administrators will follow the Commission's standards of credit determination, deposits, initiation and disconnection of service in accordance with the Commission's currently effective Guidelines for Maintaining Customer Service.

11.22 BTU Conversion Factor

For the purposes of determining monthly and daily imbalances of a delivery service pool, the Company will use the BTU conversion factor utilized in the Company's most recent Section 1307(f) proceeding.

11.23 Consumption Information

Individual customer consumption data, including actual or estimated meter readings, shall be posted as meters are read during the month.

11.24 Dispute Resolution

The Company will work in good faith to resolve disputes with Pool Administrators within 90 days. Disputes will be resolved according to Commission procedures.

11.25 Standards of Conduct

Equitable Gas Company and all Natural Gas Suppliers operating on its system will comply with the following requirements.

1) Equitable shall apply its tariffs in a nondiscriminatory manner to its affiliated natural gas supplier and any nonaffiliated natural gas supplier.

2) Equitable shall not apply a tariff provision in any manner that would give its affiliated natural gas supplier an unreasonable preference over other natural gas suppliers with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, or non-delivery, and all other services provided to its affiliated natural gas supplier.

3) Mandatory tariff provisions shall not be waived by Equitable for any natural gas suppliers absent prior approval of the Commission.

RULES AND REGULATIONS - (Continued)11.25 Standards of Conduct (continued)

4) If a tariff provision is not mandatory or provides for waivers, Equitable shall grant the waivers without preference to its affiliated natural gas supplier or non-affiliated natural gas supplier.

5) Equitable shall maintain a chronological log of tariff provisions for which it has granted waivers. Entries shall include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived and the reason for the waiver. The chronological log shall be open for public inspection during normal business hours.

6) Equitable shall process requests for distribution services promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period. Equitable shall maintain a chronological log showing the processing of requests for transportation services. The chronological log shall be open for public inspection during normal business hours.

7) If Equitable provides a distribution service discount, fee waiver or rebate to its favored customers, or to the favored customers of its affiliated natural gas supplier, Equitable shall offer the same distribution service discount, fee waiver or rebate to other similarly situated customers. Offers shall not be tied to any unrelated service, incentive or offer on behalf of either Equitable or its affiliated natural gas supplier. A chronological log shall be maintained showing the date, party, time and rationale for the action. The chronological log shall be open for public inspection during normal business hours.

8) Subject to customer privacy or confidentiality constraints, Equitable shall not disclose, directly or indirectly, any customer proprietary information to its affiliated natural gas supplier unless authorized by the customer. To the extent that Equitable does disclose customer information without customer authorization, it shall contemporaneously provide this same information to other similarly situated natural gas suppliers in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliated natural gas supplier any advantage related to the disclosure.

A chronological log shall be maintained showing the date, time and rationale for the disclosure. The chronological log shall be open for public inspection during normal business hours.

9) Equitable shall justly and reasonably allocate to its affiliated natural gas supplier the costs or expenses for general administration or support services provided to its affiliated natural gas supplier.

RULES AND REGULATIONS - (Continued)11.25 Standards of Conduct (continued)

10) Equitable shall not condition or tie the provision of any product, service or price agreement by Equitable (including release of interstate pipeline capacity) to the provision of any product or service by its affiliated natural gas supplier.

11) Equitable shall not give its affiliated natural gas supplier preference over a non-affiliated natural gas supplier in the provision of goods and services including processing requests for information, complaints and responses to service interruptions. Natural gas distribution companies shall provide comparable treatment in its provision of such goods and services without regard to a customer's chosen natural gas supplier.

12) Equitable and its affiliated natural gas supplier shall maintain separate books and records. Further, transactions between Equitable and its affiliated natural gas supplier shall not involve cross-subsidies. Any shared facilities shall be fully and transparently allocated between the Equitable function and the affiliated natural gas supplier function. Equitable accounts and records shall be maintained such that the costs incurred on behalf of an affiliated natural gas supplier may be clearly identified.

13) Equitable employees who have responsibility for operating the distribution system, including natural gas delivery or billing and metering, shall not be shared with an affiliated natural gas supplier, and their offices shall be physically separated from the office(s) used by those working for the affiliated natural gas supplier. Such Equitable employees may transfer to an affiliated natural gas supplier provided such transfer is not used as a means to circumvent these interim standards of conduct.

14) Neither Equitable nor its affiliated natural gas supplier shall directly or by implication, falsely and unfairly represent to any customer, natural gas supplier or third party that an advantage may accrue to any party through use of Equitable's affiliates or subsidiary, such as:

- That the Commission regulated services provided by Equitable are of a superior quality when services are purchased from its affiliated natural gas supplier; or
- That the merchant services (for natural gas) are being provided by Equitable when they are in fact being provided by an affiliated natural gas supplier;
- That the natural gas purchased from a non-affiliated natural gas supplier may not be reliably delivered;
- That natural gas must be purchased from an affiliated natural gas supplier to receive Commission regulated services.

RULES AND REGULATIONS - (Continued)11.25 Standards of Conduct (continued)

15) When an affiliated natural gas supplier markets or communicates to the public using the Equitable name or logo, it shall include a legible disclaimer that states:

- That the affiliated natural gas supplier is not the same company as Equitable;
- That the prices of the affiliated natural gas supplier are not regulated by the Pa PUC; and
- That a customer does not have to buy natural gas or other products from the affiliated natural gas supplier in order to receive the same quality service from Equitable.

When an affiliated natural gas supplier advertises or communicates verbally through radio or television to the public using Equitable's name or logo, the affiliated natural gas supplier shall include at the conclusion of any such communication a legible disclaimer that includes all of the disclaimers listed in this paragraph.

16) Except in competitive bid situations Equitable shall not (a) jointly market or jointly package its Commission regulated services with the services of an affiliated natural gas supplier or (b) offer or provide to its affiliated natural gas supplier products or services, including bill inserts in its bills promoting an affiliated natural gas supplier's services or a link from Equitable's web-site, unless Equitable offers or provides the products or service to all non-affiliated natural gas supplier on the same terms and conditions.

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

18) Equitable shall keep a chronological log of any complaints, excepting paragraph (9), regarding discriminatory treatment of natural gas suppliers. This chronological log shall include the date and nature of the complaint and the resolution of the complaint. The chronological log shall be open for inspection during normal business hours.

RULES AND REGULATIONS - (Continued)11.25 Standards of Conduct (continued)

19) Dispute Resolution Procedures: The following procedures are established for dealing with any alleged violation of these Standards of Conduct, with the exception of paragraph 9 which is within the exclusive purview of the Commission. The Commission may grant any exception to these requirements if warranted by the fact and circumstances:

- In any dispute between a natural gas supplier, and/or an affiliated natural gas supplier, and a non-affiliated natural gas supplier alleging a violation of any of these Standards of Conduct provisions, the natural gas supplier must provide Equitable and/or affiliated natural gas supplier, as applicable, a written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute.
- Within five (5) days of Equitable's and/or affiliated natural gas supplier's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.
- In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. A party may request mediation prior to that time if it appears that informal resolution is not productive.
- If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.
- Any Party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.
- Parties alleging violations of these standards may pursue their allegations through the Commission's established complaint procedures. A complainant bears the burden of proof consistent with 66 Pa. C.S. §332 (relating to Public Utility Code) in regard to the allegations and may impose penalties for such violations pursuant to 66 Pa.C.S. § 3301.

(20) Equitable and its affiliated natural gas supplier shall formally adopt and implement these provisions as company policy and shall take appropriate steps to train and instruct its employees in their content and application.

RULES AND REGULATIONS - (Continued)

11.26 Privacy of Customer Information

Neither Equitable nor any Pool Administrator may release private customer information to a third party if the customer requests to restrict the release of private information.

Thirty days prior to the release of customer information, customer will be notified and given the opportunity to restrict the release of customer information. Customers may restrict the release of customer information by returning a signed form, orally or electronically.

A customer may restrict only the customer's historical billing data or may restrict the release of all private customer information including name, billing address, service address, rate class, rate sub class, account number and historical billing data.

Customer telephone numbers may not be released to third parties under any circumstances.

11.27 Partial Payments

If the Company is providing a consolidated billing service on behalf of a third party NGS that is not participating in the POR program, the Company will apply partial payments in accordance with the Commission's currently effective Guidelines for Maintaining Customer Service.

11.28 Customer Complaints with Natural Gas Suppliers

Customer complaints related to any services provided by a Third Party Natural Gas Supplier will be referred to the Natural Gas Supplier for resolution. The Company will track each complaint and will refer customers not satisfied by the actions taken or lack of actions taken by the Natural Gas Supplier to the Bureau of Consumer Services.

11.29 Purchase of Receivables (POR)

A Firm Pool Administrator may elect to sell its accounts receivable to the Company. An agreement for Consolidated Billing Service and POR must be executed between the Company and Pool Administrator and be consistent with the following requirements, among others:

1. POR service is available to Pool Administrators providing service to residential and small commercial customers (annual consumption less than 300 Mcf) pursuant to Rate Schedule FPS.
2. If elected by a Pool Administrator, all eligible customers served by a Pool Administrator, or an affiliate of a Pool Administrator, must participate in the POR program.

RULES AND REGULATIONS - (Continued)11.29 Purchase of Receivables (POR) - (Continued)

3. A Pool Administrator may opt in, or out of the POR program on an annual basis only.
4. Only basic gas supply service is eligible for participation in the Company's POR program. Basic service is service necessary for the physical delivery of natural gas to a retail customer, consisting of natural gas distribution services and natural gas supply services. Products and services sold in relation to, or in addition to, basic service will not be included.
5. The Company shall purchase receivables at a discount rate determined in accordance with PUC Rules and Regulations. The discount rate for residential customer receivables is 1.5492%. The discount rate for commercial and industrial customer receivables is 0.5304%.
6. The Pool Administrator must accept all non-CAP customers whose accounts will be included in the POR program without performing a credit check or requiring an additional security deposit from the customer.
7. The Company may terminate service for the full amount of the basic natural gas supply charges purchased under the POR program in accordance with the service termination provisions of Chapter 14 of the Public Utility Code and Chapter 56 of the Commission's regulations. The Pool Administrator must inform customers directly of this policy.
8. At the time of selection by a Pool Administrator to participate in a POR program, the Company will notify customers that service may be terminated for failure to pay basic natural gas supply charges purchased under the POR program by a separate bill insert. The enrollment letter issued by the Company will also inform customers that service may be terminated for failure to pay basic supply service charges.

The Company will initiate billing system modifications required to implement the POR program upon receipt of an executed Consolidated Billing Service and Purchase of Receivable Agreement from the first Pool Administrator operating on its system electing participation in the POR Program. The estimated time to accommodate the billing system modifications is nine months.

RATE RS - RESIDENTIAL SERVICE

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company.

AVAILABILITY

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

RATE

The monthly charge for each customer served at each location under this rate schedule and in accordance with Rider A Purchased Gas Costs, shall be the following:

Monthly Service Charge:	\$13.25 per meter
Natural Gas Supply Charge:	\$5.57 per Mcf
Natural Gas Delivery Charge:	\$3.993 per Mcf

Customers returning from delivery service in accordance with Rider B

Natural Gas Delivery Charge:	\$3.183 per Mcf
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LATE PAYMENT CHARGE

If payment of bill has not been received within twenty days from date of mailing, a Late Payment Charge of 1.5% per month, will be added to the unpaid balance each month until the entire bill is paid.

MINIMUM CHARGES

The minimum monthly payment shall be the Monthly Service Charge.

SURCHARGES AND RIDERS

Rider D Universal Service and Energy Conservation (except for customers enrolled in CAP), Rider E Distribution System Improvement Charge, Rider F Merchant Function Charge, Rider G Gas Procurement Charge and state tax adjustment surcharge also apply to this rate.

RULES AND REGULATIONS

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

SPECIAL PROVISION

Temporary service for new construction transferred from a builder or developer to an owner is not subject to the Migration Rider B or Standby Service requirements.

RATE GSS - GENERAL SERVICE SMALL

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company.

AVAILABILITY

Available for the total gas requirements at each service location of a commercial or industrial customer who the Company estimates will use 1,000 MCF or less in a twelve month period at that service location. The Company, at its sole discretion, may allow for the aggregation of volumes to qualify for a defined Delivery rate. In these cases, the monthly charge applicable will be based on the volume delivered via each meter.

RATE

The monthly charge for each customer served at each location under this rate schedule and in accordance with Rider A Purchased Gas Costs, shall be the following:

Monthly Service Charge:	
Annual Throughput < 500	\$17.00 per meter
Annual Throughput 500 - 1,000	\$28.00 per meter
Natural Gas Supply Charge:	\$5.57 per Mcf
Natural Gas Delivery Charge:	\$3.401 per Mcf

Customers returning from delivery service in accordance with Rider B

Natural Gas Delivery Charge:	\$2.591 per Mcf
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LATE PAYMENT CHARGE

If payment of bill has not been received within fifteen days from date of mailing, a Late Payment Charge of 1.5% per month will be added to the unpaid balance each month until the entire bill is paid.

MINIMUM CHARGES

The minimum monthly payment shall be the Monthly Service Charge.

SURCHARGES AND RIDERS

Rider E Distribution System Improvement Charge, Rider F Merchant Function Charge, Rider G Gas Procurement Charge, and state tax adjustment surcharge also apply to this rate.

RULES AND REGULATIONS

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

SPECIAL PROVISION

Temporary service for new construction transferred from a builder or developer to an owner is not subject to the Migration Rider B or Standby Service requirements.

RATE GSL - GENERAL SERVICE LARGE

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company.

AVAILABILITY

Available for the total gas requirements at each service location of an industrial or commercial customer who the Company estimates will use more than 1,000 Mcf in a twelve month period at that service location. The Company, at its sole discretion, may allow for the aggregation of volumes to qualify for a defined Delivery rate. In these cases, the monthly charge applicable will be based on the volume delivered via each meter.

RATE

The monthly charge for each customer served at each location under this rate schedule and in accordance with Rider A Purchased Gas Cost shall be the following:

Monthly Service Charge:

Annual Throughput 1,001 - 4,999	\$150.00 per meter
Annual Throughput 5,000 - 25,000	\$300.00 per meter
Annual Throughput > 25,000	\$1,600.00 per meter

Natural Gas Supply Charge:	\$5.57 per Mcf
Natural Gas Delivery Charge:	\$3.305 per Mcf

Customers returning from delivery service in accordance with Rider B

Natural Gas Delivery Charge:	\$2.495 per Mcf
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LATE PAYMENT CHARGE

If payment of bill has not been received within fifteen days from date of mailing, a Late Payment Charge of 1.5% will be added to the unpaid balance each month until the entire bill is paid.

MINIMUM CHARGE

The minimum monthly payment shall be the Monthly Service Charge.

SURCHARGES AND RIDERS

Rider E Distribution System Improvement Charge, Rider F Merchant Function Charge, Rider G Gas Procurement Charge and state tax adjustment surcharge also apply to this rate.

RULES AND REGULATIONS

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

SPECIAL PROVISION

Temporary service for new construction transferred from a builder or developer to an owner is not subject to the Migration Rider B or Standby Service requirements.

RATE GL - GAS LIGHTS

APPLICABILITY

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

AVAILABILITY

Available for any gas lighting where the gas is not measured by meter.

USAGE

Consumption per light will be assumed at:

Residential	1.8 Mcf/Month
Commercial and Industrial	2.8 Mcf/Month

These volumes will be billed monthly under the customer's otherwise applicable rate schedule.

SURCHARGES AND RIDERS

Customers served under this rate schedule are subject to Rider E Distribution System Improvement Charge (DSIC) except that the DSIC rate may be reduced or eliminated for any customer with competitive alternatives or negotiated contracts.

SPECIAL TERMS AND CONDITIONS

Gas will be supplied only to lamps furnished, erected, and maintained by the customer and equipped with devices satisfactory to the Company. Consumption and billing will be assumed to be continuous until customer notifies Company that gas light(s) has been permanently shut off and Company verifies to its satisfaction that service has been disconnected. Company may require gas lights to be metered except in instances where it is not economically feasible or is otherwise impractical, to be determined solely at the discretion of the Company.

RATE FDS - FIRM DELIVERY SERVICE

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company, i.e., Equitable and Apollo Districts

AVAILABILITY

Service under this rate schedule is available for resale service and to any essential human needs customer and any customer who consumes 300 Mcf annually or less, and to any other customer who consumes no more than 5,000 Mcf annually where the customer's full commodity requirements are supplied through a single aggregation pool pursuant to the Company's Firm Pooling Service (FPS).

RATE

The applicable rate for each district shall be determined by negotiation between the Company and the customer and shall not exceed the rates set forth below plus riders applicable to this service:

Monthly Service Charge:

Residential	\$ 13.25 per meter
Commercial and Industrial:	
Annual Throughput < 500	\$ 17.00 per meter
Annual Throughput 500 - 1,000	\$ 28.00 per meter
Annual Throughput 1,001 - 4,999	\$150.00 per meter

Delivery Charge:

Residential Service	\$ 3.183 per Mcf
Small Commercial, Industrial and Resale	\$ 2.591 per Mcf
Large Commercial and Industrial	\$ 2.495 per Mcf

Balancing Charge:

Pursuant to Special Provision (a):	\$ 0.27 per Mcf
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MINIMUM CHARGE

The minimum monthly payment shall be the Monthly Service charge.

RATE FDS - FIRM DELIVERY SERVICE (CONTINUED)

RULES AND REGULATIONS

Service under this rate schedule is subject to the Additional Rules Applicable to All Delivery Services and other applicable rules contained in this tariff. Customers served under this rate schedule are subject to all applicable surcharges and riders including:

Transportation Migration Rider B

Distribution System Improvement Charge Rider E

Residential:

Universal Service and Energy Conservation Rider D

LATE PAYMENT CHARGE

If payment of bill has not been received within twenty days for Residential and within fifteen days for Commercial and Industrial from date of mailing, a Late Payment Charge of 1.5% per month, will be added to the unpaid balance each month until the entire bill is paid.

RATE GDS - GENERAL DELIVERY SERVICE

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company, i.e., Equitable and Apollo Districts

AVAILABILITY

Delivery service under this rate schedule is available for resale service and to commercial and industrial customers using in excess of 300 Mcf annually who do not qualify for or elect service under Rate FDS and whose full commodity requirements are supplied through a single aggregation pool pursuant to the Company General Pooling Service (GPS). A customer who uses more than 5,000 Mcf annually is not required to receive supply through the Company's General Pooling Service

RATE

The applicable rate for each district shall be determined by negotiation between the Company and the customer and shall not exceed the rates set forth below plus riders applicable to this service:

Monthly Service Charge:

Commercial and Industrial:

Annual Throughput < 500	\$ 17.00 per meter
Annual Throughput 500 - 1,000	\$ 28.00 per meter
Annual Throughput 1,001 - 4,999	\$150.00 per meter
Annual Throughput 5,000 - 25,000	\$300.00 per meter
Annual Throughput > 25,000	\$1,600.00 per meter

Delivery Charge:

Small Commercial, Industrial and Resale	\$ 2.591 per Mcf
Large Commercial and Industrial	\$ 2.495 per Mcf

Balancing Charge:

Pursuant to Special Provision (b)	\$ 0.27 per Mcf
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TERM

The term for service shall be a minimum of one (1) year from the commencement of deliveries of gas supplies for the customer's account.

MINIMUM CHARGE

The minimum monthly payment shall be the Monthly Service charge.

RATE GDS - GENERAL DELIVERY SERVICE (CONTINUED)

SPECIAL PROVISIONS

(a) Customers will be allowed to transfer to or from this rate schedule only if: (1) the Company can obtain any increase or decrease in its gas supplies, transportation capacity and storage capacity or any combination thereof required to accommodate such transfer; or (2) the Company, in its sole judgment concludes that no increase or decrease is required.

(b) The Balancing Charge includes the cost of the resources needed by the Company to balance its system. The Company retains the right to waive this charge, in whole or in part, for customers with competitive options. The Company will provide a credit to Rider A gas costs associated with the capacity utilized to provide balancing services to transportation customers. The balancing charge rate will be adjusted each year in conjunction with the Company's 1307(f) filing.

(c) This service is interruptible, however, customers may elect to take an assignment of capacity or purchase Standby Service from the Company.

Monthly Balancing

All delivery service customers served under this rate schedule not included in a Pool Administrator's Aggregation pool under Rate GPS, shall be subject to the following monthly balancing provisions.

(1) A monthly imbalance will exist when (a) a customer's consumption in a month falls short of the gas supply available for the customer's use in a month (monthly supply excess) or (b) a customer consumes more gas than the gas supply available for the customer's use in a month (monthly supply shortfall).

(2) A monthly supply excess equal to, or less than, three and one-half percent (3.5%) of the customer's consumption for a month shall be carried forward to the following month and added to the gas delivered to the Company for the customer's use for that month to arrive at the total gas supply available to the customer for that month.

(3) A monthly supply shortfall equal to, or less than, three and one-half percent (3.5%) of the customer's consumption for a month shall be carried forward to the following month and subtracted from the gas delivered to the Company for the customer's use for that month to arrive at the total gas supply available to the customer for that month.

RATE GDS - GENERAL DELIVERY SERVICE (CONTINUED)

(4) Any monthly excess or shortfall in a customer's gas supply greater than the amount that can be carried forward to the following month shall be purchased by the Company from the customer (Cash-In) or purchased by the customer from the Company (Cash-Out) at the following prices:

(a) Cash-In Price: The price paid by the Company for a customer's supply excess shall be equal to eighty-five percent (85%) of the sum of the lowest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point for the month, plus the transportation costs, including retainage, to move the gas from the supply areas to the Company.

(b) Cash-Out Price: The price paid by the customer to satisfy its supply shortfall shall be equal to one hundred twenty-five percent (125%) of the sum of the highest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point for the month, plus the transportation costs, including retainage, to move the gas from the supply areas to the Company.

(5) All rates set forth in this rate schedule that are billed on a volumetric per Mcf basis may be billed using cycled metered volumes, either actual or estimated. Cash-in and Cash-out prices cover only gas supply costs as defined herein.

Rules and Regulations

Service under this rate schedule is subject to the Additional Rules Applicable to All Delivery Services and other applicable rules contained in this tariff.

Customers served under this rate schedule are subject to all applicable surcharges and riders including:

Transportation Migration Rider B
Distribution System Improvement Charge Rider E

LATE PAYMENT CHARGE

If payment of bill has not been received within fifteen days from date of mailing, a Late Payment Charge of 1.5% per month will be added to the unpaid balance each month until the entire bill is paid.

RATE DDS - DAILY DELIVERY SERVICE

AVAILABILITY

Delivery service under this rate schedule is available for resale service and to any commercial or industrial customer with annual usage in excess of 5,000 Mcf who:

- (1) has entered into a written contract with the Company for service under this rate schedule for a minimum of 12 months; and
- (2) has the ability to withstand interruption and satisfy periodic interruption tests conducted by the Company; or has installed, operable alternative fuel equipment capable of meeting the customer's peak day requirements; or pays for the cost of, installation of and monthly expenses associated with a Remotely Actuated Valve, which can interrupt gas flow without a site visit by the Company.

CHARACTER OF SERVICE

Service will be provided by the Company based on the Company having available capacity and the customer delivering suitable gas into the Company's distribution system. Gas transported by the Company shall be and remain the property of the customer.

MEASUREMENT OF DELIVERIES

All customers electing service under this rate schedule must pay for and maintain a dedicated telephone line installed to the meter, communication system costs, and all equipment, including installation, deemed necessary by the Company to administer daily balancing by providing all delivery points specified in the contract with real-time electronic gas measurement. The cost to the customer shall be set forth in the service agreement and may be assessed in equal monthly payments over the term of the agreement plus interest equal to the Company's overall rate of return as authorized by the Commission.

 RATE DDS- DAILY DELIVERY SERVICE (CONTINUED)

RATE

The applicable rate shall be determined by negotiation between the Company and the customer and shall not exceed the rates set forth below plus riders applicable to this service:

Monthly Service Charge:

Commercial and Industrial:

Annual Throughput 5,000 - 25,000	\$300.00 per meter
Annual Throughput > 25,000	\$1,600.00 per meter

Delivery Charge:

Resale Service	\$ 2.711 per Mcf
Large Commercial and Industrial	\$ 2.600 per Mcf

Balancing Charge:

Pursuant to Special Provision (a)	\$ 0.27 per Mcf
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Customers served under this rate schedule are subject to all applicable surcharges and riders including:

Transportation Migration Rider B
Distribution System Improvement Charge Rider E

SPECIAL PROVISIONS

(a) The Balancing Charge includes the cost of the resources needed by the Company to balance its system. The Company retains the right to waive this charge, in whole or in part, for customers with competitive options. The Company will provide a credit to Rider A gas costs associated with the capacity utilized to provide balancing services to transportation customers. The balancing charge rate will be adjusted each year in conjunction with the Company's 1307(f) filing.

BALANCING CHARGES

Daily Balancing

A daily imbalance will exist when (a) a customer's consumption in a day falls short of the daily gas supply nominated (daily supply excess), or (b) a customer's consumption in a day exceeds the daily supply nominated (daily supply shortfall).

- (1) All daily supply excess or shortfall greater than 3.5% of the customer's consumption for a day shall be charged a \$0.25 per Mcf penalty.
- (2) A daily supply excess greater than 3.5% will be Cashed-In at 85% of the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point on the day the excess occurs.

RATE DDS- DAILY DELIVERY SERVICE (CONTINUED)

- (3) A daily supply shortfall greater than 3.5% will be Cashed-Out at 125% of the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point on the day the shortfall occurs, plus the applicable transportation and retainage charges to transport the gas from the supply area to the Company's city gate.
- (4) A daily supply excess less than 3.5% will be considered first gas through the meter on the following day and will be added to gas delivered on that day to determine daily imbalances.
- (5) A daily supply shortfall less than 3.5% will be subtracted from gas delivered the following day to arrive at the amount of gas to be used to determine daily imbalances.

OPERATIONAL MATCHING ORDERS (OMO)

All DDS customers are subject to the Company's issuance of OMOs which will direct the customer to adjust usage to match volumes authorized by the Company. Failure to comply with an OMO will result in the billing of the following charges when the actual daily usage exceeds the daily flowing volume:

- 1) Ten dollars (\$10.00) per Mcf on the difference.
- 2) The difference will be Cashed-Out at 150% of the sum of the highest price gas purchased by the Company, on the day the shortfall occurs, plus the applicable transportation and retainage charges to transport the gas from the supply area to the Company's city gate.
- 3) A pro-rata share of any other charges incurred by the Company as a result of the customer's noncompliance with the OMO.

If a customer fails to comply with an OMO the Company reserves the right to suspend, for one year, the customer's right to subscribe to a delivery service or require the customer to purchase Standby Service.

RATE FPS - FIRM POOLING SERVICE

TERMS AND CONDITIONS

1. AVAILABILITY

Service under this rate schedule is available to anyone who aggregates a minimum of 50 customers or 5,000 Mcf annually, who demonstrates to the Company's satisfaction that it has met the creditworthiness and fitness standards defined in the Rules and Regulations of this tariff, and who has entered into a Firm Pooling Service Agreement with the Company.

2. TYPE OF SERVICE

This is a customer aggregation service whereby a creditworthy third party, the Pool Administrator, takes assignment on behalf of a FDS customer of the customer's nomination and balancing responsibilities and, under separate contractual agreement with the Company, aggregates the customer's gas deliveries and consumption with those of other FDS customers for the purposes of calculating imbalances on the Company's system.

3. SERVICE CONDITIONS

3.1 Assignment of Upstream Capacity

The Company will assign the following upstream firm pipeline capacity to the Pool Administrator in a two-tiered approach: firm transportation on the Company's upstream transportation pipeline, Texas Eastern Transmission Corporation ("TETCo"); firm transportation on Equitrans L.P. ("Equitrans") with primary receipt points at interconnections with TETCo; and storage related firm transportation on Equitrans. Capacity will be assigned on behalf of each customer of the Pool Administrator's FPS Pool based on the Company's determination of peak design day consumption of the customer. The two tiers of capacity assignment are as follows:

(i) Pools with MDQs less than 1,000 Dth per day

No capacity will be assigned. The firm standby charge will apply to the Pool consumption and be billed to the Pool Administrator. The Pool Administrator will have the option of (1) purchasing and delivering supplies under its own supply contracts, or (2) purchasing gas supplies on an interruptible basis from the Company.

RATE FPS - FIRM POOLING SERVICE (CONTINUED)

- (ii) Pools with MDQs greater than or equal to 1,000 Dth per day

The Pool Administrator will be assigned firm transportation and firm storage capacity on a pro-rata basis. However, the Pool Administrator may elect, subject to the Company's approval, assignment on a non-discriminatory basis of other than a pro-rata allocation.

- (iii) Customers using 300 Mcf annually or less must reside in a Firm Pool under this rate schedule and follow the capacity assignment guidelines discussed in parts (i) and (ii).

RATE FPS - FIRM POOLING SERVICE (CONTINUED)

Capacity assignments will be structured as a release of capacity at the maximum rate on each individual pipeline. The term of any release will commence the first day of customer's service month as determined pursuant to the customer sign-up procedures set forth in Rule 11.1 and will continue for the earlier of the annual review period (April 1), through the termination date of the current pipeline contract, or, in the event of early termination of the Pool Administrator's 12 month service agreement with the customer, through the last day of the calendar month in which the Pool Administrator ceases service to the customer on whose behalf the capacity had been assigned.

Any capacity acquired by Pool Administrator through non-renewal of capacity contracts by the Company must be assignable to Equitable or another pool administrator qualified by the Company to operate under this rate schedule. If the Pool Administrator had used capacity not assigned by the Company then the Pool Administrator agrees to reassign that capacity, including any gas held in storage, to the Company or another pool administrator, which those parties may, at their sole discretion, accept or reject.

Once storage capacity is assigned, the Pool Administrator is responsible for meeting all injection and withdrawal schedules required by the storage operator. If storage capacity is (a) assigned to a Pool Administrator, (b) returned by a Pool Administrator upon cessation of service to a customer, or (c) recalled from a Pool Administrator, with gas in place (i.e., with gas in storage) then the Company shall, as the case may be, either sell to the Pool Administrator gas in place at the Company's weighted average cost of storage gas ("Storage WACOG"), or purchase from the Pool Administrator gas in place at the lesser of the Company's Storage WACOG or at the Company's weighted average cost of gas purchased during the month.

RATE FPS - FIRM POOLING SERVICE (CONTINUED)

3.2 Monthly Capacity Assignment

Each month, the Company will assign capacity to each qualified Pool Administrator, on behalf of the FDS customers aggregated and signed-up, in accordance with the provisions contained in Rule 11.1 and Section 3.1, above, by the Pool Administrator during the preceding month. The amount of capacity to be assigned will be based on the peak design day consumption of the end use customers served by the Pool Administrator. For a residential customer the capacity assignment level will be 1.16 Mcf per 100 Mcf usage based on historic normalized annual consumption. The Company will evaluate the capacity assignments made to the Pool Administrator on behalf of the FDS customer (30) days prior to April 1st of each year. To the extent that the evaluation so indicates the Company may revise the Pool Administrator's capacity assignment level.

3.3 Adding and Subtracting Customers

A Pool Administrator may add customers monthly provided that a notice is received pursuant to Rule 11.1 at least twenty five (25) working days prior to the start of the service month. The Pool Administrator's service to the customer will start on the first day of the calendar month which follows the month when the notice was received. No cessation of service will be effective unless the Pool Administrator provides the Company at least twenty-five (25) working days written notice thereof.

3.4 Contract Duration

The Pool Administrator's Firm Pooling Service contract with the Company shall be for a term of service of no less than twelve months. If a Pool Administrator's contract with a customer is for a term other than an annual or multi-annual period, the Pool Administrator will be charged firm standby service and will not be eligible for capacity assignment on behalf of the customer. Notwithstanding any contract duration provision contained in a service agreement between the customer and the Pool Administrator, the Company may process any customer request to return to retail service or to transfer to a pool maintained by another pool administrator, and the Company assumes no liability for such action.

3.5 Load Forecasting

Prior to the start of the month the Company will provide daily Required Nomination Quantity (RNQ) for the forecasted month. A pool's daily (RNQ) will be equal to the total daily forecasted requirements for the customers in that pool. The Company will make available its methodology by which it forecasted RNQ levels for pools in general. The Company will forecast the daily gas requirements of the Pool Administrator's FPS Pool and post those requirements electronically not later than 36 hours prior to the Gas Day. The Company may revise the forecasted daily gas requirements not later than 24 hours prior to the Gas Day.

RATE FPS - FIRM POOLING SERVICE (CONTINUED)3.6 Scheduling of Service

All transportation volumes received for Pool Administrator's account at transportation receipt points must be nominated to the Company in advance. Nominations must distinguish among (1) upstream pipeline firm transportation service assigned to the Pool Administrator and (2) contract storage assigned to the Pool Administrator.

3.7 Daily Gas Deliveries

The Pool Administrator must acquire an adequate supply of natural gas of a quality acceptable to the Company, including allowances for any retention required by upstream pipelines and the Company, and make, or cause to be made, arrangements by which such gas supply can be transported directly to the Company's city-gates. The Pool Administrator is required to deliver its RNQ.

Any difference between the RNQ and the gas delivered and confirmed that day on behalf of the Pool Administrator's account, plus pool-to-pool transfers, shall be Cashed-in or Cashed-out based on the following index and tolerance levels:

Daily Index Price: Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point.

Daily Supply Excess: All volumes delivered in excess of the RNQ (a daily supply excess) will be subject to the following:

- (1) A daily supply excess up to and including 3.5% will be cashed-in at 85% of the Daily Index Price. Cash-in payments will be made to Pool Administrators on a bi-annual basis on April 1 and November 1 of each year provided that the Pool Administrator is in good standing with the Creditworthiness Criteria in Section 11.20.
- (2) A daily supply excess greater than 3.5% will be charged a \$0.25 per Mcf penalty and will be Cashed-in at 85% of the lowest price gas purchased by the Company on the day the excess occurs.

Daily Supply Shortfall: All volumes delivered below the RNQ (a daily supply shortfall) will be subject to the following:

- (1) A daily supply shortfall up to and including 3.5% will be cashed-out at 125% of the Daily Index Price.
- (2) A daily supply shortfall greater than 3.5% will be charged a \$0.25 per Mcf penalty and Cashed-out at 125% of the sum of the highest price gas purchased by the Company, on the day the shortfall occurs, plus the applicable transportation and retainage charges to transport the gas from the supply area to the Company's city-gate.

RATE FPS - FIRM POOLING SERVICE (CONTINUED)

If the Pool Administrator fails to deliver quantities equal to the daily RNQ, the Company reserves the right, at its sole discretion, to recall or otherwise withdraw capacity rights assigned to the Pool Administrator and terminate the Firm Pooling Service contract upon ten (10) days written notice to the Pool Administrator.

All customers receiving gas supply from a suspended Pool Administrator's pool must choose one of the following options: (1) return to an applicable sales service under this Tariff or (2) join another pool that is not affiliated with the suspended Pool Administrator.

3.8 Reconciliation of Monthly Volumes

The difference between calendar month supply and calendar month pool consumption as adjusted for net unbilled volumes and any prior month billing corrections, shall be reconciled at least once per year. Equitable, may reconcile the difference more frequently if the cumulative difference is deemed significant. The cumulative difference shall be reconciled in the first full calendar month following its determination by adjusting the Pool Administrator's Required Nomination Quantity on each day in the adjustment month by an amount equal to the cumulative difference divided by the number of days in the adjustment month.

Section 3.9 Supplier Exiting System

Prior to exiting the Company's system a Pool Administrator must provide 60 days written notice to the Company and its customers. The pool administrator must return or reassign capacity in accordance with Section 3.1 of this rate schedule. If the pool administrator discontinues service or defaults prior to the expiration of its contract with the customer, the Company shall provide service to the customer at the applicable tariff sales rate commencing with the next billing cycle. The customer shall be charged the rate negotiated with the discontinuing or defaulting pool administrator for the remainder of the billing cycle. Any difference between the cost incurred by the Company and the amount payable by the retail gas customer shall be recovered from the pool administrator.

4. OTHER

In the event of the Pool Administrator's nonpayment of any of these charges, the transportation customer participating in the nonpaying Pool Administrator's pool shall be liable to the Company for its share of such charges.

RATE GPS- GENERAL POOLING SERVICE

1. AVAILABILITY

Service under this rate schedule is available to anyone who aggregates 2 or more customers, who demonstrates to the Company's satisfaction that it has met the creditworthiness and fitness standards defined in the Rules and Regulations of this Tariff, and who has entered into a General Pooling Service Agreement with the Company.

2. TYPE OF SERVICE

This is a customer aggregation service whereby a creditworthy third party, the Pool Administrator, takes assignment on behalf of a GDS customer of the customer's nomination and balancing responsibilities and, under separate contractual agreement with the Company, aggregates the customer's gas deliveries and consumption with those of other GDS customers for the purposes of calculating imbalances on the Company's system.

3. SERVICE CONDITIONS

3.1 Scheduling of Service

All transportation volumes received for Pool Administrator's account at transportation receipt points will be nominated to the Company in advance. Subject to permitted inter-pool transfers, each end use customer of the Pool Administrator's GPS Pool must have all of its natural gas consumption over the entire Customer billing cycle supplied by Pool volumes nominated by the Pool Administrator.

3.2 Monthly Balancing

The Pool Administrator shall pay all applicable balancing charges and penalties that are set forth in the Company's tariff. In the event of the Pool Administrator's nonpayment of any of these charges, the transportation customer participating in the non paying Pool Administrator's pool shall be liable to the Company for its share of such charges. For the purposes of determining monthly imbalances of the transportation pool, the Company will use the BTU conversion factor utilized in the Company's most recent 1307(f) proceeding. All transportation pools served under this Rate Schedule shall be subject to the following monthly balancing provisions.

- (1) A monthly imbalance will exist when (a) Pool consumption in a month falls short of the gas supply available for the Pool's use in a month (monthly supply excess) or (b) a Pool consumes more gas than the gas supply available for the Pool's use in a month (monthly supply shortfall).

RATE GPS- GENERAL POOLING SERVICE (CONTINUED)3.2 Monthly Balancing (Continued)

- (2) A monthly supply excess equal to, or less than, three and one-half percent (3.5%) of the pools consumption for a month shall be carried forward to the following month and added to the gas delivered to the Company for the Pool's use for that month to arrive at the total gas supply available to the Pool for that month.
- (3) A monthly supply shortfall equal to, or less than, three and one-half percent (3.5%) of the Pool's consumption for a month shall be carried forward to the following month and subtracted from the gas delivered to the Company for the Pool's use for that month to arrive at the total gas supply available to the Pool for that month.
- (4) Any monthly excess or shortfall in a Pool's gas supply greater than the amount that can be carried forward to the following month, plus pool-to-pool transfers, shall be purchased by the Company from the Pool Administrator (Cash-In) or purchased by the Pool Administrator from the Company (Cash-Out) at the following prices:
- (a) Cash-In Price: The price paid by the Company for a Pool Administrator's supply excess shall be equal to eighty-five percent (85%) of the sum of the lowest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point for the month, plus the average variable firm transportation costs, including retainage, to move the gas from the supply areas to the Company's city gate the Company's city gate. Cash-in payments will be made to Pool Administrators on a bi-annual basis on April 1 and November 1 of each year provided that the Pool Administrator is in good standing with the Creditworthiness Criteria in Section 11.20.
- (b) Cash-Out Price: The price paid by the Pool Administrator to satisfy its supply shortfall shall be equal to one hundred twenty-five percent (125%) of the sum of the highest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point for the month, plus the average variable firm transportation costs, including retainage, to move the gas from the supply areas to the Company's city gate.
- (5) All rates set forth in this rate schedule that are billed on a volumetric per Mcf or Dth, basis may be billed using cycled metered volumes, either actual or estimated. Cash-in and cash-out prices cover only gas supply costs as defined herein.

3.3 Contract Duration

The Pool Administrator's General Pooling Service contract with the Company shall be for a term of service of no less than twelve months. Notwithstanding any contract duration provision contained in a service agreement between the customer and the Pool Administrator, the Company may process any customer request to return to retail service or to transfer to a pool maintained by another pool administrator, and the Company assumes no liability for such action.

RATE GPS- GENERAL POOLING SERVICE (CONTINUED)

4. OTHER

A Pool Administrator may trade deliveries between pools to assist in mitigating pool imbalances. The imbalance trading period will be three days following the issuance of the Company's pool consumption report.

In the event of the Pool Administrator's nonpayment of any of these charges, the transportation customer participating in the nonpaying Pool Administrator's pool shall be liable to the Company for its share of such charges.

STANDBY SERVICE

Firm Standby Service is mandatory for essential human needs customers served under any delivery service except where the customer has Alternate Fuel Capability, or the customer has received an assignment of Company's upstream pipeline capacity. Firm Standby Service is optional for other customers upon request. For a customer who does not receive Firm Standby Service, daily consumption in excess of daily deliveries on customer's behalf, in excess of customer's Maximum Daily Firm Requirement (MDFR) or in excess of a customer's Maximum Daily Quantity (MDQ) is interruptible.

Firm Standby Service is available pursuant to the following terms and conditions and subject to availability of sufficient gas supply and system capacity.

1. Customers who require natural gas service through a single meter of 20,000 Mcf or more annually:

Customers who desire Firm Standby Service must also nominate a MDFR for the entire year. MDFR nominations must be specified in the customer's service agreement.

The MDFR nominations must be at a level which is reasonably sufficient to meet the customer's peak winter season demand. The Company reserves the right to require revisions to nominations which it has determined are insufficient. The Company at its discretion may allow customers to nominate MDFRs which are below anticipated winter season peak demands and in such cases may require separate piping and/or metering to segregate the customer's firm and interruptible loads and may require the customer to reimburse the Company for any cost incurred in making the necessary modifications.

2. Customers who require annual natural gas service through a single meter of less than 20,000 Mcf:

STANDBY SERVICE - (CONTINUED)

Customers receiving Firm Standby Service shall pay a Standby Reservation charge as described below.

Monthly Reservation Charges (charged each month of the year):

Large Volume Customers

Customers who require natural gas service through a single meter for 20,000 Mcf annually or more:

\$6.42 per Mcf of MDFR

Customers who require annual natural gas service of less than 20,000 Mcf:

\$0.50 per Mcf of throughput

The Reservation charges shall be redetermined annually during the course of the Company's 1307(f) proceeding. The Standby rate will be determined to provide a credit to Rider A gas costs associated with the capacity utilized to provide firm standby services to transportation customers. This credit amount shall be credited to Purchased Gas Cost for the purpose of determining the "E" factor.

A customer may discontinue Firm Standby Service, if the Company, in its sole discretion, can obtain any decrease in its transportation and storage entitlements or any combination thereof required to accommodate such transfer from Standby service and the customer provides written notice to the Company at least twelve months prior to the expiration date of the customer's Service Agreement. The Company retains the right to waive this charge, in whole or in part, for customers with competitive options.

STATE TAX ADJUSTMENT SURCHARGE

There shall be added to or subtracted from each gas bill, under tariff rate schedules RS, GSS, GSL, FDS, GDS, DDS, and GL, (0.00)% of the bills as otherwise computed in accordance with the Company's tariff.

The above surcharge will be recomputed, using the elements prescribed by the Commission in accordance with the Commission's State Tax Adjustment Procedure at 52 Pa. Code Section 69.51 et seq.

The above recalculation will be submitted to the Commission within 10 days after the occurrence of the event or date which occasions such recomputation. If the recomputed surcharge is less than the one in effect, the Company will, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after filing. If the recomputed surcharge is more than the one then in effect the Company may submit with such recomputation a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after filing.

RIDER APURCHASED GAS COSTI. Provision for Purchased Gas Cost

The Purchased Gas Cost (PGC) is the rate determined pursuant to Section 1307(f) of the Public Utility Code for recovery of natural gas costs and shall be included in Rate Schedules RS, GSS, and GSL of this Tariff (PGC Rate Schedules) as explained here and after.

II. Computation and Application of Purchased Gas Cost (PGC)

The PGC shall be computed to the nearest one cent (\$0.01) in accordance with the formula set forth below:

$$\text{PGC} = \frac{\text{C} - \text{E}}{\text{S}}$$

The PGC rate shall be redetermined annually and will go into effect Oct 1 of each year. Thereafter, the Company may make quarterly filings on January 1, April 1 and July 1, effective on one day's notice, and upon determination that the effective rate will result in more than a +/- 2% change in the PGC rate.

The quarterly revisions may reflect adjustments to the "C" factor for more current projected commodity costs of purchased gas for the periods remaining until Oct 1 of each year and a reconciliation and adjustment for the over or under collection of natural gas supply costs from the three month period ending one month prior to the quarterly filing date applied to the projected annual Mcf sales of gas in the computation year of the Company's most recent annual proceeding.

The "E" factor may be adjusted for variations in actual volumes of gas compared to the projected volumes of gas based on the Company's most recent annual proceeding.

III. Definitions

"PGC" -- purchased gas cost determined to the nearest one cent (\$0.01) comprised of a "C" factor and an "E" factor. The C factor is the natural gas supply charge included in the PGC Rate Schedules. The E factor is included in the natural gas delivery charge in the PGC Rate Schedules except for those customers returning from Delivery Service Rate Schedules in accordance with Rider B.

"C-Factor" -- a number of dollars, determined as follows: (a) for all types of "Purchased Gas," project the cost for each purchase (adjusted for net current gas stored) for the computation year plus (b) the arithmetical sum of (1) the projected book value of noncurrent gas at the beginning of the computation year minus (2) the projected book value of noncurrent gas at the end of the computation year. The C factor is C divided by S.

RIDER A - (Continued)

"E-Factor" -- Net over collection or under collection of the cost of purchased gas including interest, for the period beginning with the month following the last month of the historic reconciliation included in the previous PGC and ending with the month preceding the effective date of the new PGC. The E factor is E divided by S.

The "E" factor shall also provide for refund or recovery of amounts necessary to adjust for differences between actual over and under collections and estimated over and under collections included in the "E" factor of the previous PGC.

Interest shall be computed monthly at the appropriate rate as provided for in Section 1308(d) of the Public Utility Code from the month the over or under collection occurs to the effective month such over collection is refunded or such under collection is recouped.

Supplier refunds received applicable to PGC Rate Schedules will be included in the calculation of "E" with interest added at the annual rate of six percentum (6 percent) calculated in accordance with the foregoing procedure beginning with the months such refund is received by the Company.

For the purpose of computing monthly over and undercollections to be reflected in "E" a Standby Service credit, as well as a Balancing credit will be deducted from Purchased Gas Cost.

"S" -- projected Mcf of gas to be billed under PGC Rate Schedules during the computation year.

"Purchased Gas" -- the volume of gas projected to be purchased by the Company and delivered to customers under PGC Rate Schedules, plus such portion of the company-used and unaccounted-for-gas as the Commission permits, including, but not limited to, natural gas, liquefied natural gas, synthetic gas, liquefied propane and naphtha.

"The Current PGC" -- is \$6.38 per Mcf, comprised of a C factor of \$5.57 and an E factor of \$0.81.

"Computation Year" -- the projected year during which the PGC will be in effect.

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

 RIDER A - (Continued)

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

Price to Compare

The Price to Compare ("PTC") is a way to provide sales service customers with information to make appropriate choices as to their natural gas service. The PTC is comprised of the Purchased Gas Cost ("PGC") defined in Rider A, the Merchant Function Charge defined in Rider F, and the Gas Procurement Charge defined in Rider G.

The PTC rate will change whenever any components of the PTC change. The current PTC per Mcf is detailed below:

<u>Price to Compare</u>	<u>Rate RS</u>	<u>Rate GSS</u>	<u>Rate GSL</u>
PGC (Rider A)			
c-factor	\$5.570	\$5.570	\$5.570
e-factor	\$0.810	\$0.810	\$0.810)
Merchant Function Charge (Rider F)	\$0.096)	\$0.032	\$0.032
Gas Procurement Charge (Rider G)	<u>\$0.123</u>	<u>\$0.123</u>	<u>\$0.123</u>
	\$6.599	\$6.535	\$6.535

 RIDER B

TRANSPORTATION MIGRATION RIDER

I. This rider provides a method under 1307(f) of the Public Utility Code for recovery of the experienced net over/under collection of purchased gas costs as adjusted quarterly from ratepayers who shifted from the retail service to delivery service on or after the effective date of this rider. The Company may waive this rider, in whole or in part, for customers with competitive options.

II. The migration rider rate shall equal the current 1307(f) rate less the C-Factor (projected cost of gas) as approved in the Company's most recent annual Section 1307(f) natural gas cost proceeding, including all E-Factor adjustments to the rate resulting from the Company's quarterly recalculation of natural gas costs.

Revenue under this rider will be credited in the Company's 1307(f) mechanism.

III. This rider shall be applicable to Rate FDS, GDS and DDS customers for a period of one year from the date upon which the customer last shifted from the Company's retail service.

IV. Applicable Surcharges

	<u>\$ Mcf</u>
Rate Schedules FDS, GDS, DDS	\$0.81

This rate will be recalculated as part of the 1307(f) proceedings and will be tracked monthly.

Reverse Migration Charge:

Customers returning to retail sales service, who have been receiving delivery service for a minimum of twelve consecutive months, are not subject to the E-Factor portion of the Company's purchase gas cost rate so long as they remain a retail sales service customer for a period of one year.

RIDER D

UNIVERSAL SERVICE AND ENERGY CONSERVATION

- I. This rider provides a method of recovery of costs associated with the Company's Universal Service and Energy Conservation programs.
- II. This Rider shall be applicable to Rate RS, and residential customers receiving service under rate FDS except customers enrolled in the CAP. The rate will be adjusted quarterly and filed with the Company's quarterly gas cost filings to be effective one (1) day after filing.
- III. Rate: \$0.45 per Mcf

Each PGC quarter, Rider D shall be calculated to recover projected Customer Assistance Program ("CAP") Credits plus LIURP costs, plus the amortization of pre-CAP customer arrearages. Cost offsets will be applied as a credit to the quarterly calculation as follows: Equitable will recognize universal service cost offsets when the base level of CAP shortfall (\$23,836,467) and CAP arrearages (\$780,397) which is \$24,616,864 in the aggregate, and CAP participation of 20,335 CAP customers are both exceeded. The CAP offset will be determined using 12% of the average CAP credit attributable to CAP customers in excess of 20,335. These offsets will be applied if necessary as a credit to Rider D on a quarterly adjustment basis.

Total CAP costs will be calculated as follows: The average annual usage of current CAP customers and projected CAP additions will be multiplied by the projected quarterly residential sales rate plus applicable monthly meter charges for current and additional CAP customers, less projected average CAP customer payments and average LIHEAP grants, plus LIURP costs, plus CAP arrearages. Appropriate cost offsets will then be credited if necessary. The net result will be divided by projected non-CAP residential throughput.

- IV. Annual Reconciliation: Each year, actual total CAP costs, less appropriate cost offsets, will be reconciled with actual total CAP recoveries. The reconciliation period will be from September 1st through August 31st. An annual reconciliation statement will be filed by September 30th in accordance with 66 Pa. C.S. §1307(e). Any over/under recoveries of CAP costs will be reflected in the determination of the new Rider D rate effective one (1) day after filing on October 1 of each year.

RIDER E

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 0.57% will apply consistent with the Commission Order dated July 16, 2013 at Docket No. P-2013-2342745, approving the DSIC.

1. General Description

A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

B. Eligible Property: The DSIC-eligible property will consist of the following:

- Piping (account 376);
- Couplings (account 376);
- Gas services lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (account 381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities;
- Other related capitalized costs; and
- Field Lines (account 332).

C. Effective Date: The DSIC will become effective for bills rendered on or after October 1, 2013.

 RIDER E - DSIC (Continued)
2. Computation of the DSIC

A. Calculation: The initial DSIC, effective for bills rendered on or after October 1, 2013, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service between June 1, 2013 and August 31, 2013. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month periods ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

<u>Effective Date of Change</u>	<u>Date to which DSIC-Eligible Plant Additions Reflected</u>
April 1	December 1 - February 28/29
July 1	March 1 - May 31
October 1	June 1 - August 31
January 1	September 1 - November 30

B. Determination of Fixed Costs: The fixed costs of eligible distribution system improvements projects will consist of depreciation and pre-tax return, calculated as follows:

1. Depreciation: The depreciation expense shall be calculated by applying the annual accrual rates employed in the Company's most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.

2. Pre-tax return: The pre-tax return shall be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

 RIDER E - DSIC (Continued)

C. Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service under the Company's otherwise applicable rates and charges, excluding amounts billed for the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for distribution service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of the STAS.

D. Formula: The formula for calculation of the DSIC is as follows:

$$\text{DSIC} = \frac{(\text{DSI} * \text{PTRR}) + \text{Dep} + e}{\text{PQR}}$$

Where:

DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation.

PTRR = Pre-tax return rate applicable to DSIC-eligible property.

Dep = Depreciation expense related to DSIC-eligible property.

e = Amount calculated under the annual reconciliation feature or Commission audit, as described below.

PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

Quarterly revenues will be determined on the basis of one fourth of projected annual revenues.

3. Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, and the Bureau of Audits at least ten (10) days prior to the effective date of the update.

RIDER E - DSIC (Continued)**4. Customer Safeguards**

A. Cap: The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.

B. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq.*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over-collection.

C. New Base Rates: The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base will be reflected in the quarterly updates of the DSIC.

D. Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

E. All customer classes: The DSIC shall be applied equally to Rate Schedules RS, GSS, GSL, GL, FDS, GDS, DDS, and AGS except that the DSIC rate may be reduced or eliminated for any customers with competitive alternatives and negotiated contracts.

F. Earning Reports: The DSIC will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company would earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section.

Rider F - Merchant Function Charge

1. The Merchant Function Charge ("MFC") Rider is a component of the Price to Compare ("PTC") commodity rate. The MFC Rider is a volumetric charge that is applicable to Rate RS, GSS, and GSL.
2. The MFC Rider provides a method of recovery for purchased gas costs which are expected to be uncollectible.
3. The MFC Rider will be updated quarterly to reflect changes in the Current Purchased Gas Cost ("PGC") defined in Rider A and will become effective January 1, April 1, July 1, and October 1 of each year.
4. For customers receiving service under Rate RS, the MFC Rider shall equal 1.5120% of the current PGC. The current MFC for Rate RS is \$0.096/Mcf.
5. For customers receiving service under Rate GSS or Rate GSL, the MFC Rider shall equal 0.4990% of the current PGC. The current MFC for Rate GSS and Rate GSL is \$0.032/Mcf.
6. The MFC Rider is not subject to reconciliation for any prior period over or under collections.
7. Updates to the write-off factor shall be determined in the Company's next base rate case.

Rider G - Gas Procurement Charge

1. The Gas Procurement Charge ("GPC") Rider is a component of the Price to Compare ("PTC") commodity rate. The GPC Rider is a volumetric charge that is applicable to Rate RS, GSS, and GSL.
2. The GPC Rider provides a method of recovery for natural gas procurement costs incurred solely on behalf of its sales service customers.
3. The costs incorporated in the GPC Rider shall include the following. The total cost is divided by the sum volume for sales service customers to determine the rate.
 - a. Natural gas supply service, acquisition, and management costs, including natural gas supply bidding, contracting, hedging, credit, risk management costs, and working capital.
 - b. Administrative, legal, regulatory and general expenses related to those natural gas procurement activities, excluding those related to the administration of firm storage and transportation capacity.
4. The current GPC is \$0.123/Mcf.
5. The GPC Rider is not subject to reconciliation for any prior period over or under collections.
6. Updates to the natural gas procurement costs shall be determined in the Company's next base rate case.

RATE AGS - APPALACHIAN GATHERING SERVICE

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company.

AVAILABILITY

Service under this rate schedule is available to any party desiring to transport gas through the gathering system as well as to deliver gas directly into the Company's distribution system, provided that there exists: (1) a gas purchase agreement with the Company or an executed Rate AGS Service Agreement; and (2) compliance with the provisions of this Rate Schedule and with all other provisions of this Tariff.

RATES

All volumes of gas received at any point under this service will be subject to a gathering rate (billed in dekatherms) and a retainage rate. All rates for this service shall be determined by negotiation.

SURCHARGES AND RIDERS

Customers served under this rate schedule are subject to Rider E Distribution System Improvement Charge (DSIC) except that the DSIC rate may be reduced or eliminated for any customer with competitive alternatives or negotiated contracts.

TERM

The term for service shall be a minimum of one (1) year from the commencement of deliveries of gas supplies.

CHARACTER OF SERVICE

Equitable's only obligation under this Rate Schedule shall be to receive gas from any Appalachian receipt point and to permit that gas to flow against the existing pressure in Equitable's facilities. Equitable shall not be obligated to lower such line pressure by compression or otherwise to accommodate receipts from local Appalachian producers under this Rate Schedule.

Service under this Rate Schedule shall be subject to Operational Flow Orders pursuant to Section 11.13 of the Rules and Regulations of this Tariff. Nothing in this Rate Schedule shall limit Equitable's right to interrupt service or to take other action as may be required to alleviate conditions which threaten the integrity of its system.