

SUPPLEMENT NO. 13 TO  
GAS -- PA PUC No. S-2

**PEOPLES NATURAL GAS COMPANY LLC**

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

**Filed in Accordance with Final Commission Order Entered  
November 14, 2013 at Docket Nos. A-2013-2353647;  
A-2013-2353649; A-2013-2353651**

**ISSUED: December 17, 2013**

**EFFECTIVE: December 18, 2013**

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**NOTICE**

LIST OF CHANGES

The following changes are made in compliance with the Pennsylvania Public Utility Commission Order entered November 14, 2013 at Docket Nos. A-2013-2353647, A-2013-2353649, and A-2013-2353651 approving the Joint Application of Peoples Natural Gas Company LLC, Peoples TWP LLC, and Equitable Gas Company, LLC for All of the Authority and the Necessary Certificates of Public Convenience (1) to Transfer All of the Issued and Outstanding Limited Liability Company Membership Interest of Equitable Gas Company, LLC to PNG Companies, LLC, (2) to Merge Equitable Gas Company, LLC with Peoples Natural Gas Company LLC, (3) to Transfer Certain Storage and Transmission Assets of Peoples Natural Gas Company LLC to Affiliates of EQT Corporation, (4) to Transfer Certain Assets between Equitable Gas Company, LLC and Affiliates of EQT Corporation, (5) for Approval of Certain Ownership Changes Associated with the Transaction, (6) for Approval of Certain Associated Gas Capacity and Supply Agreements, and (7) for Approval of Certain Changes in the Tariff of Peoples Natural Gas Company LLC.

<i>Page No.</i>	<i>Section</i>	<i>Modification</i>
3	Table of Contents	Modified to reflect changes in page numbers for Rate P1 and the addition of pages intentionally left blank.
8	Rules & Regulations	Removed reference to Rate Schedule ST from Rule 4.b.iii.
12	Rules & Regulations	Removed reference to on system storage balances from Rule 8.
19	Rate P-1 – Assignment of Pennsylvania Produced Supplies	Language added to identify the total costs of purchased PA gas supplies.
19	Rate P-1 – Assignment of Upstream Pipeline Capacity	Modification to reflect the addition of 'Equitrans'. Last paragraph updated to add language regarding FERC rules and regulations.
20	Rate P-1 – Assignment of Capacity	Replace 'standby' with 'capacity' in order to reflect common terminology throughout the Tariff. Updated to add language regarding FERC rules and regulations.
20	Rate P-1 – Assignment of On-System Storage Capacity	Language removed to reflect discontinuance of on-system storage service.
20A	Rate P-1 -- Assignment of Other Supplies	Section added to reflect the availability of other assigned supplies.
21	Rate P-1 -- Determination of Assignment Quantities	Modification of existing language to reflect the discontinuance of on system storage service.
22	Rate P-1 – Nomination of Assigned Pennsylvania-Produced Supplies	Modification to reflect the Company's practice for locally assigned production does not require nomination by the receiving NGS.
23	Rate P-1 – Nomination of Local Gas Volumes	Modification to language regarding local gas volumes to reflect volumes received into the Company's system at production or interstate pipeline.
23	Rate P-1 – Nomination of On System Storage	Modification of existing language to reflect the discontinuance of on system storage service.
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25	Page Intentionally Left Blank	
26	Rate P-1 – Buyback Provisions	Modification of existing language to reflect the discontinuance of on system storage service.
26	Rate P-1 – Nomination of Pool-to-Pool Volumes	Correction of misspelling of the word 'Consumption' in paragraph 1 of this section.
26	Rate P-1 – Nomination of Pool-to-Pool Volumes	Modification of existing language to reflect the discontinuance of on system storage service.
27	Rate P-1 -- Storage Gas Transfers	Deletion of language referring to transfer of storage inventories to reflect the discontinuance of on system storage service.

LIST OF CHANGES (cont.)

<i>Page No.</i>	<i>Section</i>	<i>Modification</i>
31	Rate NP-1 – 2. Assignment of Capacity	Language added to reflect the rules of Capacity Assignment for Allegheny Valley Connector.
31A	Rate NP-1 – 3. Nomination Procedures	Nomination procedures updated to include reference to gas supplies that are produced directly into the Company's system.
32	Rate NP-1 – 3. Nomination Procedures	Modification to language regarding local gas volumes to reflect volumes received into the Company's system at production or interstate pipeline.
32	Rate NP-1 – 3. Nomination Procedures	Deletion of language related to on system storage volumes to reflect the discontinuance of on system storage service.
33	Rate NP-1 – 3. Nomination Procedures	Deletion of language related to on system storage volumes to reflect the discontinuance of on system storage service.
34	Rate NP-1 – 4. Terms and Conditions for Non-Priority One Pool Access to BB&A -- Availability	Language added to provide information on BB&A volumes purchased by the Company.
34A	Rate NP-1 – 4. Terms and Conditions for Non-Priority One Pool Access to BB&A	Updated language to reflect BB&A volumes allocated rather than volumes in inventory.
35	Rate NP-1 – 4. Terms and Conditions for Non-Priority One Pool Access to BB&A Volumes	Updated language to replace 'capacity' with 'volumes'.
35A	Rate NP-1 -- 6. Reconciliation of Local Gas Volumes	Language modified to add 'delivered to the Company' in reference to actual local gas volumes.
36	Rate LGA – Local Gas Aggregation Service	Language added to reference gas 'delivered into the Company's system' throughout the LGA rate schedule.

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

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

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

**b. OFO Procedures**

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

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

**RULES AND REGULATIONS****7. Bonding Requirement**

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

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

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

**8. Procedures when a NGS Exits the System**

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

Balancing for NP-1 and P-1 pools of both interstate and local supplies for the exiting NGS's final month of service shall be performed in accordance with the "Monthly Balancing" provisions under Rate NP-1. No imbalance price multipliers will be applied. (C)

**RATE P-1**  
**PRIORITY ONE POOLING SERVICE**

**AVAILABILITY**

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

**RULES AND CONDITIONS****1. Assignment of Capacity**

(C)

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

*Assignment of Pennsylvania –Produced Supplies*

(C)

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

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

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

*Assignment of Upstream Pipeline Capacity*

(C)

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

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

RATE P-1  
PRIORITY ONE POOLING SERVICE

1. Assignment of Capacity (continued)

(C)

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

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

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

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

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



**Assignment of Other Supplies**

(C)

The Company reserves the right to assign or sell other gas supplies that are under contract with the Company and used to satisfy its supplier of last resort obligation to Priority-One ratepayers. To the extent that a Priority-One supplier receives an assignment of the Company's capacity it holds on the Equitrans-Sunrise System, the Company shall provide Priority-One suppliers with an option to purchase from the Company a pro-rata share of the firm gas supplies available to the Company under its gas supply agreement with EQT Energy, LLC. Such purchase shall also occur if the Company determines that, as a result of the Priority One ratepayer's migration from supply service provided by the Company to supply service provided by P-1 NGSs, the amount of gas supplies under long term firm purchase contracts are in excess of the usage requirements of supplier of last resort ratepayers currently served by the Company.

Such gas shall be sold to the NGS as agent for the ratepayer of the NGS's Priority One Pool. The sale shall be structured at the actual purchase cost of the supplies associated with firm purchase contracts.

Supplies sold under this section shall be discontinued by the Company under the following conditions:

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

RATE P-1  
PRIORITY ONE POOLING SERVICE1. Assignment of Capacity (continued)Determination of Assignment Quantities (C)

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

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

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

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

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

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

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

RATE P-1  
PRIORITY ONE POOLING SERVICE

2. Nomination Procedures (continued)

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

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

Nomination of Assigned Pennsylvania-Produced Supplies

(C)

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

RATE P-1  
PRIORITY ONE POOLING SERVICE**2. Nomination Procedures (continued)***Nomination of Local Gas Volumes* (C)

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

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

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

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

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

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

(C)

Buyback Provisions:

(C)

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

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

Nomination of Pool-to-Pool Volumes

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

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

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

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

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

RATE P-1  
PRIORITY ONE POOLING SERVICE

**2. Nomination Procedures (continued)**

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

**3. Storage Gas Transfers**

(C)

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

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

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



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

**AVAILABILITY**

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

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

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

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

**2. Assignment of Capacity**

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

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

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

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**Assignment of Capacity (Cont.)**

(C)

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

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

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

**3. Nomination Procedures**

(C)

**Nomination of Upstream Pipeline Volumes**

(C)

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

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

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

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

(C)

RATE NP-1  
NON-PRIORITY ONE POOLING SERVICE

3. Nomination Procedures (continued)

Nomination of Local Gas Volumes (C)

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

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

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

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

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

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

**3. Nomination Procedures (continued)**

*Nomination of Pool-to-Pool Volumes*

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

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

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

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

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

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

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

**4. Terms and Conditions for Non-Priority One Pool Access to BB&A Volumes** (C)

**AVAILABILITY**

The Company will make available for purchase by Non-Priority One pool volumes used by the Company to provide balancing, banking and advancing services ("BB&A") for Non-Priority One customers. (C)

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

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

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

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

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

BB&A volumes will be purchased by the Company according to the following schedule, with daily (C)  
purchase volumes in a given month determined by dividing the monthly amount by the number of (C)  
days in the month:

April and October -  $1/12^{\text{th}}$  of allocated BB&A volumes  
May – September -  $1/6^{\text{th}}$  of allocated BB&A volumes

**WINTER PERIOD SALE** (C)

BB&A volumes shall be sold by the Company according to the following schedule, with daily (C)  
volumes in a given month determined by dividing the monthly amount by the number of days in (C)  
the month:

November - 9 percent of allocated BB&A volumes  
December - 17 percent of allocated BB&A volumes  
January - 27 percent of allocated BB&A volumes  
February - 27 percent of allocated BB&A volumes  
March - 20 percent of allocated BB&A volumes

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

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

**OTHER PROVISIONS**

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

Monthly Balancing Provisions

BB&A gas volumes purchased will be considered as part of the Monthly Available Volumes and will have the priority immediately following pay-back of prior month advanced and banked volumes. (C)

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

**5. Monthly Balancing**

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

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

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

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

**RATE NON-PRIORITY ONE  
NON-PRIORITY ONE POOLING SERVICE****6. Reconciliation of Local Gas Volumes**

(C)

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

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

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

**RATE TABLE**

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

ISSUED: December 17, 2013

EFFECTIVE: December 18, 2013



**RATE LGA**  
**LOCAL GAS AGGREGATION SERVICE**

**AVAILABILITY**

(C)

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

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

**RULES AND CONDITIONS****1. Points of Receipt**

(C)

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

**2. Nomination of Aggregated Production**

(C)

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

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

**3. Reconciliation of Aggregation Volumes**

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

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