

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
BUFFALO, NEW YORK**

**RATES, RULES AND REGULATIONS**

**GOVERNING THE FURNISHING**

**OF**

**NATURAL GAS SERVICE**

**IN**

**TERRITORY DESCRIBED HEREIN**

Issued: February 1, 2006

Effective: August 1, 2006  
Pursuant to Act 74 (1984)  
Amending the Public Utility Code  
To Add Section 1307(f), and the  
Public Utility Commission's  
Regulation at Pa. Code 53.64 (d)

R.J. TANSKI, PRESIDENT  
BUFFALO, NEW YORK

This Supplement Changes, Increases and Decreases Existing Rates  
See Pages 2, 3 and 3A

LIST OF CHANGES MADE BY THIS TARIFF

DECREASE:

1. The Distribution Charge for Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Industrial and Large Volume Industrial decrease.  
Pages 36, 41, 42, 53, 55, 65 and 76.
2. SATC rates decrease.  
Pages 119, 120 and 121.
3. Under rate schedule SATS, percentages of extreme peak day requirements provided through ESS storage and EFT transportation decrease.  
Page 126.
4. Under rate schedule SATS, the weighted average demand cost of upstream capacity decreases to \$11.1446 per Dth.  
Page 131.
5. Purchase gas costs in Rider A decrease.  
Page 147.

INCREASE:

6. The Gas Adjustment Charge and Natural Gas Supply Charge for Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Industrial and Large Volume Industrial increase.  
Pages 36, 41, 42, 53, 55, 65 and 76.
7. Demand Charges for Load Balancing Service increase.  
Pages 48, 61, 72 and 79.
8. Commodity Charges for Load Balancing Service increase.  
Pages 50, 62, 73 and 80.
9. Natural Gas Vehicle Rates increase.  
Pages 82, 83 and 84.
10. The Priority Standby Rate increases.  
Page 93.
11. The Standby Rate increases.  
Page 95.

LIST OF CHANGES MADE BY THIS TARIFF

12. The price for purchase of gas by Distribution from a transportation service customer in the event of a curtailment or interruption will increase to \$13.9714 per Mcf.  
Pages 106 and 117.
13. Extreme peak day degree days increase for allocation to SATS customer group.  
Page 126.
14. Under Rate Schedule SATS the Demand Transfer Rate increases.  
Page 127.
15. Under Rate Schedule SATS extreme peak day percentages increase for release of pipeline capacity.  
Page 131.
16. Purchase gas costs in Rider A increase.  
Page 147.
17. Rider F increases.  
Page 164.

CHANGE:

18. The Company's Website address is changed.  
Page 27.
19. Reference to CBA Aggregators have been eliminated and been replaced by MMNGS Suppliers. A change for security deposits for SATS and MMNGS suppliers is proposed.  
Pages 32, 34 and 34A.
20. LIRA percentage discounts change.  
Pages 37A, 37B, 37C and 37D.
21. Under the MMT Rate Schedule language has been revised to incorporate for the new service class MMNGS.  
Page 98.
22. Under the MMT Rate Schedule the Character of Service has been revised to incorporate the new rate schedule MMNGS and the section entitled "Term of Service Agreement" has been eliminated.  
Page 99.
23. Under the MMT Rate Schedule the Maximum Daily Quantity section has been revised to incorporate the new rate schedule MMNGS and the section entitled "City Gate Balancing" has been eliminated.  
Pages 103 and 104.

LIST OF CHANGES MADE BY THIS TARIFF

24. Under the MMT rate schedule, customers are referenced as MMT Customers.  
Pages 100, 101 and 102.
25. Under the MMT Rate Schedule, the section entitled "Charges for Burner Tip Overdeliveries" has been eliminated.  
Pages 104.
26. Under the MMT Rate Schedule, the section entitled "Special Provision" has been revised for gas delivery and line losses that has been modified in MMNGS.  
Page 105.
27. Under the MMT Rate Schedule, under the section entitled "Special Provision" letter F has been eliminated and replaced with a new letter F section that addresses underdeliveries with the proposed new rate schedule MMNGS.  
Page 106.
28. Under the MMT Rate Schedule, under the section entitled "Special Provision" letters H through M have been renumbered G through L. Under letter L the reference to DMT has been eliminated. In paragraph L, if customers purchase gas from the Company, they have to do it for a period of twelve months.  
Pages 107 and 108.
29. A new service class has been added, MMNGS, which eliminates the existing CBA service.  
Pages 118A - 118J.

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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont')

26. GAS EMERGENCY PLANS

A. Definitions

The following words and terms have the following meanings unless the text clearly indicates otherwise:

- (1) Alternate fuel - Any fuel other than natural gas.
- (2) Alternate fuel capability - The installed and operable ability to use any fuel other than natural gas on a time sensitive basis.
- (3) Commercial use - Gas usage by customers engaged primarily in the sale of goods and services including consumption by office buildings, institutions and government agencies.
- (4) Essential human needs - Gas usage in any building where persons normally dwell including residences, apartment houses, dormitories, hotels, hospitals and nursing homes.
- (5) Firm service - Natural gas service offered to consumers under tariffs or contracts that anticipate no interruption.
- (6) 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.
- (7) Interruptible service - Natural gas services that can be temporarily discontinued under term and conditions specified by tariff or contract.
- (8) Plant protection use - Minimum usage of natural gas required to prevent physical harm to an industrial or commercial consumer's facility, or danger to personnel at the facility, when the protection cannot be afforded through the use of an alternate fuel. Plant protection use includes usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.
- (9) Residential use - Gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating or other domestic purpose.

B. Natural Gas Emergency Planning

- (1) The Company has filed a Natural Gas Emergency Plan ("Plan") with the Pennsylvania Public Utilities Commission ("Commission") reflecting its unique operational characteristics and design criteria. The Plan contains simplified and understandable rules and regulations so that all of the Company's customers and all natural gas suppliers licensed to provide services to their customers can have a responsive action plan in place to protect themselves and their property in the event of a crisis. The Company's Natural Gas Emergency Plan can be located at the Company's website [www.nationalfuelgas.com](http://www.nationalfuelgas.com) under utility services. The Company shall file revisions to the Plan when and as appropriate, or as directed by the Commission. (C)

(C) Indicates Change

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont')

27. Financial Fitness Requirements for SATS and MMNGS Suppliers

(C)

Dun & Bradstreet reports will be utilized as the primary source of credit information to determine the creditworthiness of Supplier applicants for service under Rate Schedule SATS and Rate Schedule MMNGS. The following Dun & Bradstreet standards will be used: a credit risk rating of 1 through 5 and "uncoded", noted on the report (the continuum range is 1 to uncoded). The values for these rating are:

(C)

"1" assets, liabilities and payment history indicate little or no risk to creditors.

"2" assets, liabilities and payment history indicate some risk to creditors.

"3" assets, liabilities and payment history indicate a moderate risk to creditors.

"4" assets, liabilities and payment history indicate a greater than moderate risk to creditors.

"5" assets, liabilities and payment history indicate a severe risk to creditors.

"Uncoded" indicates that there is insufficient historical credit data available to make a reliable credit assessment of the applicant (such as the applicant being in business less than 14 months, change of ownership, etc.).

Upon receipt of the properly completed Credit Application, the Company will obtain various Dun & Bradstreet reports for initial review and assessment. The reports will include, but not be limited to: Payment Analysis Report, Business Information Report, Comprehensive Report and Credit Score

(C) Indicates Change

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont')

Changes indicating that a credit review may be necessary include, but are not limited to: (1) significant changes in Dun & Bradstreet credit reports; (2) credit related information obtained from reliable sources; (3) a change in the number of end-users; (4) a change from the established payment history; as well as any other information received regarding the financial standing of the Supplier or Aggregator. Security deposits will be refunded to the Supplier or Aggregator when it is determined that the Supplier or Aggregator meets the level of creditworthiness criteria that no longer requires a security deposit.

Determination of Security Deposits:

The amount of a security deposit will be determined under the following formula:

(1) For SATS and MMNGS Suppliers during the winter period

a. Using historical data, for (1) transportation service shall be the sum of the two highest months of consumption in the last twelve months. This volume will be multiplied by 60 and divided by the actual amount of billing days, and (2) the commodity volumes shall be determined by taking the highest consumption between November 1 through March 31. This volume will be multiplied by 10 and divided by the actual number of billing days. The consumption for each customer anticipated to be served by the applicant SATS or MMNGS Supplier will be multiplied by (3) the applicable transportation rate; and (4) the corresponding cost of gas.

b. The "corresponding cost of gas" shall be the Natural Gas Supply Charge.

Monthly reviews will be provided, based upon any changes which may affect the Company's risk exposure.

(C)

(C)

(C) Indicates Change

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont')

(2) For SATS and MMNGS Suppliers during the summer period

a. Using historical data, for (1) transportation service shall be the sum of the two highest months of consumption in the last twelve months. This volume will be multiplied by 60 and divided by the actual amount of billing days, and (2) the commodity volumes shall be determined by taking the highest consumption between April 1 through October 31. This volume will be multiplied by 10 and divided by the actual number of billing days. The consumption for each customer anticipated to be served by the applicant SATS or MMNGS Supplier will be multiplied by (3) the applicable transportation rate; and (4) the corresponding cost of gas.

b. The "corresponding cost of gas" shall be the Natural Gas Supply Charge.

Monthly reviews will be provided, based upon any changes which may affect the Company's risk exposure.

(C)

(C) Indicates Change

RESIDENTIAL SERVICE RATE SCHEDULE

RESIDENTIAL CLASSIFICATION

This classification shall include gas supplied for residential purposes such as a private dwelling, apartment house with a single meter supplying four or less dwelling units, separately metered apartments of a multiple dwelling, accessory buildings to dwellings or apartment houses such as garages, except at residences receiving service under Rate Schedule LIRAS for Low Income Residential Assistance Service and other places of residence where gas is used for residential purposes.

Churches and missions (places of worship) shall be entitled to Service under the Residential service rate schedule.

AVAILABILITY OF SERVICE

Gas service shall be available at one location, except as otherwise provided, for residential customers.

APPLICABILITY

Applicable in all areas served under this tariff.

MONTHLY RATE

Basic Service Charge

\$12.00 per Month

Distribution Charges

29.975¢	per 100 cubic feet for the first	5,000 cubic feet	(D)
21.758¢	per 100 cubic feet for all over	5,000 cubic feet	(D)

Gas Adjustment Charge

13.564¢ per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge

137.481¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and Rider F - LIRA Discount Charge as set forth in this tariff.

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(I) Indicates Increase

(D) Indicates Decrease

MONTHLY RATE

After completion of selection of the customers to receive service under this rate schedule, the following percentage discounts shall be applied to the Residential Rate Schedule Basic Service Charge, Distribution Charge, Gas Adjustment Charge and Natural Gas Supply Charge:

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ANNUAL INCOME	HOUSEHOLD SIZE						
	1	2	3	4	5	6	7
\$0 - \$999	70%	70%	70%	70%	80%	80%	80%
\$1,000 - \$1,999	70%	70%	70%	70%	80%	80%	80%
\$2,000 - \$2,999	70%	70%	70%	70%	80%	80%	80%
\$3,000 - \$3,999	70%	70%	70%	70%	80%	80%	80%
\$4,000 - \$4,999	70%	70%	70%	70%	80%	80%	80%
\$5,000 - \$5,999	70%	70%	70%	70%	80%	80%	80%
\$6,000 - \$6,999	60%	70%	70%	70%	70%	80%	80%
\$7,000 - \$7,999	60%	60%	70%	70%	70%	70%	70%
\$8,000 - \$8,999	60%	60%	70%	70%	70%	70%	70%
\$9,000 - \$9,999	50%	50%	60%	60%	70%	70%	70%
\$10,000 - \$10,999	40%	50%	50%	60%	60%	70%	70%
\$11,000 - \$11,999	40%	50%	50%	50%	60%	60%	60%
\$12,000 - \$12,999	40%	40%	50%	50%	50%	60%	60%
\$13,000 - \$13,999	30%	30%	40%	50%	50%	50%	60%
\$14,000 - \$14,999	30%	30%	40%	40%	50%	50%	60%
\$15,000 - \$15,999	0%	30%	40%	40%	40%	40%	50%
\$16,000 - \$16,999	0%	20%	30%	40%	40%	40%	40%
\$17,000 - \$17,999	0%	20%	20%	30%	40%	40%	40%
\$18,000 - \$18,999	0%	10%	20%	30%	30%	40%	40%
\$19,000 - \$19,999	0%	10%	10%	30%	30%	30%	30%
\$20,000 - \$20,999	0%	0%	10%	10%	30%	30%	30%
\$21,000 - \$21,999	0%	0%	10%	10%	20%	30%	30%
\$22,000 - \$22,999	0%	0%	10%	10%	20%	20%	20%
\$23,000 - \$23,999	0%	0%	10%	10%	10%	20%	20%
\$24,000 - \$24,999	0%	0%	10%	10%	10%	20%	20%
\$25,000 - \$25,999	0%	0%	0%	10%	10%	10%	20%
\$26,000 - \$26,999	0%	0%	0%	10%	10%	10%	10%
\$27,000 - \$27,999	0%	0%	0%	10%	10%	10%	10%
\$28,000 - \$28,999	0%	0%	0%	10%	10%	10%	10%
\$29,000 - \$29,999	0%	0%	0%	10%	10%	10%	10%

(C) Indicates Change

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MONTHLY RATE (Con't)

(C)

ANNUAL INCOME	HOUSEHOLD SIZE						
	8	9	10	11	12	13	14
\$0 - \$999	80%	80%	80%	80%	80%	80%	80%
\$1,000 - \$1,999	80%	80%	80%	80%	80%	80%	80%
\$2,000 - \$2,999	80%	80%	80%	80%	80%	80%	80%
\$3,000 - \$3,999	80%	80%	80%	80%	80%	80%	80%
\$4,000 - \$4,999	80%	80%	80%	80%	80%	80%	80%
\$5,000 - \$5,999	80%	80%	80%	80%	80%	80%	80%
\$6,000 - \$6,999	80%	80%	80%	80%	80%	80%	80%
\$7,000 - \$7,999	80%	80%	80%	80%	80%	80%	80%
\$8,000 - \$8,999	70%	80%	80%	80%	80%	80%	80%
\$9,000 - \$9,999	70%	70%	70%	70%	70%	70%	70%
\$10,000 - \$10,999	70%	70%	70%	70%	70%	70%	70%
\$11,000 - \$11,999	70%	70%	70%	70%	70%	70%	70%
\$12,000 - \$12,999	70%	70%	70%	70%	70%	70%	70%
\$13,000 - \$13,999	60%	70%	70%	70%	70%	70%	70%
\$14,000 - \$14,999	60%	60%	60%	60%	60%	60%	60%
\$15,000 - \$15,999	60%	60%	60%	60%	60%	60%	60%
\$16,000 - \$16,999	60%	60%	60%	60%	60%	60%	60%
\$17,000 - \$17,999	50%	60%	60%	60%	60%	60%	60%
\$18,000 - \$18,999	40%	50%	60%	60%	60%	60%	60%
\$19,000 - \$19,999	40%	50%	50%	50%	50%	50%	50%
\$20,000 - \$20,999	40%	40%	40%	50%	50%	50%	50%
\$21,000 - \$21,999	40%	40%	40%	50%	50%	50%	50%
\$22,000 - \$22,999	30%	40%	40%	40%	50%	50%	50%
\$23,000 - \$23,999	30%	40%	40%	40%	40%	50%	50%
\$24,000 - \$24,999	30%	30%	30%	30%	30%	40%	40%
\$25,000 - \$25,999	20%	30%	30%	30%	30%	30%	40%
\$26,000 - \$26,999	20%	30%	30%	30%	30%	30%	30%
\$27,000 - \$27,999	20%	30%	30%	30%	30%	30%	30%
\$28,000 - \$28,999	20%	20%	20%	20%	20%	20%	20%
\$29,000 - \$29,999	10%	20%	20%	20%	20%	20%	20%

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NATIONAL FUEL GAS  
DISTRIBUTION CORPORATION

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NATIONAL FUEL GAS  
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Cancelling Original Page No. 37D

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APPLICABILITY

Applicable in all areas served under this tariff.

MONTHLY RATE

For "Small" Commercial/Public Authority Customers using not more than 250,000 cubic feet per year:

Basic Service Charge			
\$17.00	per Month		
Distribution Charges			
28.343¢	per 100 cubic feet for the first 5,000 cubic feet		(D)
25.296¢	per 100 cubic feet for all over 5,000 cubic feet		(D)
Gas Adjustment Charge			
13.564¢	per 100 cubic feet		(I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge			
137.481¢	per 100 cubic feet		(I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

For "Small" Commercial/Public Authority Customers using greater than 250,000 cubic feet but not more than 1,000,000 cubic feet per year:

Basic Service Charge			
\$26.50	per Month		
Distribution Charges			
21.885¢	per 100 cubic feet for the first 20,000 cubic feet		(D)
20.573¢	per 100 cubic feet for all over 20,000 cubic feet		(D)
Gas Adjustment Charge			
13.564¢	per 100 cubic feet		(I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

(I) Indicates Increase  
(D) Indicates Decrease

Natural Gas Supply Charge  
137.481¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

For "Large" Commercial/Public Authority Customers:

Basic Service Charge  
\$121.01 per Month

Distribution Charges  
15.055¢ per 100 cubic feet for the first 300,000 cubic feet (D)  
14.104¢ per 100 cubic feet for the next 1,700,000 cubic feet (D)  
12.361¢ per 100 cubic feet for all over 2,000,000 cubic feet (D)

Gas Adjustment Charge  
13.564¢ per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
137.481¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

#### APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

#### RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(I) Indicates Increase  
(D) Indicates Decrease

1. The purchased gas demand costs applicable to the Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial classes, the "DC", shall be obtained from Rider "A" - Section 1307(f) Purchased Gas Costs.
2. The number 12 shall be multiplied by the sum of (a) the volume of gas (expressed in Mcf) purchased from the Company by all Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial customers, during the Company Peak Sales Month and (b) the volume of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month.

(a) "Company Peak Sales Month" is defined as the calendar month within which the Company experienced the System-Wide Peak Sales Day, such month being December, January or February preceding the Section 1307(f) Application Period for which the determination of the rate per Gas BDU is being made.

(b) "System-Wide Peak Sales Day" is defined as the day of maximum gas purchased by the Company, including all volumes of gas purchased from the Company throughout its entire system in the states of Pennsylvania and New York.

3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost	\$ .8112/BDU	(I)
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Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2, and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

(I) Indicates Increase

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$14.0461 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity Costs, set forth in Rider "A"	\$13.6020/Mcf	(I)
Non-Gas Costs	\$ .4441/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" Factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus
2. The amount of \$.4441 per Mcf for recovery of non-gas costs.

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made of the commodity component of purchased gas costs (Item 1, above) and the rate per Mcf shall be changed accordingly. The component included in the rate for recovery of non-gas costs shall remain constant until changed in accordance with a procedure, other than a proceeding pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. Section 1307(f).

2. Commodity Charge for Transportation Service

The monthly commodity charge for Transportation Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas transported by the Company to the Customer's load balancing facilities.

The rate per Mcf for transportation of gas under this rate schedule shall be \$.5941 per Mcf, which includes \$.4441 for recovery of non-gas costs and \$.1500 for recovery of purchased gas.

(I) Indicates Increase

MONTHLY RATE

Basic Service Charge  
\$65.60 per Month

Distribution Charges  
22.062¢ per 100 cubic feet (D)

Gas Adjustment Charge  
13.564¢ per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this Tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
137.481¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge.

APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(D) Indicates Decrease  
(I) Indicates Increase

MONTHLY RATE

Basic Service Charge  
\$149.00 per Month

Distribution Charges

17.039¢	per 100 cubic feet for the first	100,000 cubic feet	(D)
13.219¢	per 100 cubic feet for the next	1,900,000 cubic feet	(D)
10.229¢	per 100 cubic feet for all over	2,000,000 cubic feet	(D)

Gas Adjustment Charge  
13.564¢ per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
137.481¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(D) Indicates Decrease  
(I) Indicates Increase



2. Margin Demand Charge

a. The rate per Margin BDU shall be \$.4795 per Margin BDU.

b. Determination of Customer's Margin BDUs

The Customer's Margin BDU shall be determined as follows:  
The actual deliveries of gas to the Customer by Company, including not only volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities but also volumes of Customer-owned gas transported to the Customer's load balancing facilities through the Company's facilities, during such Customer's Peak Billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the Customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Margin BDUs applicable to Customer shall be zero (0).

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$13.9585 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$13.6020/Mcf	(I)
Non-Gas Costs	\$ .3565/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" Factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus

(I) Indicates Increase

- C. An Industrial Customer, for which the Company estimates that the total volumes of gas purchased from the Company or transported by the Company during the next succeeding twelve months will be not less than 50,000 Mcf, if the Industrial Customer has used total volumes of gas in at least one billing month of not less than 4,167 Mcf, even if the Customer disagrees with the Company's estimate.
- D. An Industrial Customer for which the Company estimates that total volumes of gas to be used by the customer during the next succeeding twelve months will not be less than 50,000 Mcf of gas per year whether the gas is purchased by the Industrial Customer from the Company, delivered by the Company to the Industrial Customer, or obtained by the customer from another source.

An Industrial Customer that meets the above criteria under this rate schedule at the beginning of an Application Period is required to continue to be subject to this rate schedule during all months of such Application Period. An Industrial Customer that meets the above criteria under this rate schedule during an Application Period is required to continue to be subject to this rate schedule during all or remaining months of such Application Period.

MONTHLY RATE

Basic Service Charge  
\$ 404.50 per Month

Distribution Charges

13.328¢	per 100 cubic feet for the first	100,000 cubic feet	(D)
11.532¢	per 100 cubic feet for the next	1,900,000 cubic feet	(D)
9.468¢	per 100 cubic feet for the next	18,000,000 cubic feet	(D)
8.113¢	per 100 cubic feet for all over	20,000,000 cubic feet	(D)

Gas Adjustment Charge  
13.564¢ per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
137.481¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge.

(I) Indicates Increase  
(D) Indicates Decrease

Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial customers, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS and (b) the volume of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS.

3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost	\$ .8112/BDU	(I)
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Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2 and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

b. Determination of Customer's Gas BDUs

The Customer's Gas BDUs shall be determined as follows: The actual volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered qualifying load balancing facilities during such Customer's Peak Billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered qualifying load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently completed billing cycle and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Gas BDUs applicable to Customer shall be zero (0).

(I) Indicates Increase

2. Margin Demand Charge

a. The rate per Margin BDU shall be \$.3144 per Margin BDU.

b. Determination of Customer's Margin BDUs

The Customer's Margin BDU shall be determined as follows:  
The actual deliveries of gas to the Customer by Company, including not only volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities but also volumes of Customer-owned gas transported to the Customer's load balancing facilities through the Company's facilities, during such Customer's Peak Billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently completed billing cycle ended in December and ending with the current billing cycle.

If the Customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Margin BDUs applicable to Customer shall be zero (0).

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$13.8464 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$13.6020/Mcf	(I)
Non-Gas Costs	\$ .2444/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" Factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus

(I) Indicates Increase

- C. An Industrial Customer, for which the Company estimates that the total volumes of gas purchased from the Company or transported by the Company during the next succeeding twelve months will be not less than 200,000 Mcf, if the Industrial Customer has used total volumes of gas in at least one billing month of not less than 17,000 Mcf, even if the Customer disagrees with the Company's estimate.

An Industrial Customer that meets the above criteria under this rate schedule at the beginning of an Application Period is required to continue to be subject to this rate schedule during all months of such Application Period. An Industrial Customer that meets the above criteria under this rate schedule during an Application Period is required to continue to be subject to this rate schedule during all or remaining months of such Application Period.

MONTHLY RATE

Basic Service Charge  
\$ 514.50 per Month

Distribution Charges

11.128¢	per 100 cubic feet for the first	100,000 cubic feet	(D)
9.332¢	per 100 cubic feet for the next	1,900,000 cubic feet	(D)
7.269¢	per 100 cubic feet for the next	18,000,000 cubic feet	(D)
5.914¢	per 100 cubic feet for all over	20,000,000 cubic feet	(D)

Gas Adjustment Charge  
13.564¢ per 100 cubic feet (I)

For a period of twelve months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this twelve month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
137.481¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge.

GAS SHORTAGE CURTAILMENT

Service under this schedule to an LIS Industrial Customer is subject to curtailment and excess consumption penalty as set forth in Rule 26 of this tariff.

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this Rate Schedule.

(D) Indicates Decrease  
(I) Indicates Increase

LBS and (b) volume of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS.

3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost	\$ .8112/BDU
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(I)

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2 and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

b. Determination of Customer's Gas BDUs

The Customer's Gas BDUs shall be determined as follows: The actual volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities during such Customer's Peak Billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluding billing cycles ended in December, January, February or March, then the level of Gas BDUs applicable to Customer shall be zero (0).

(I) Indicates Increase

2. Margin Demand Charge

- a. The rate per Margin BDU shall be \$.2510 per Margin BDU.
- b. Determination of Customer's Margin BDUs

The Customer's Margin BDU shall be determined as follows:  
The actual deliveries of gas to the Customer by Company, including not only volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities but also volumes of Customer-owned gas transported to the Customer's load balancing facilities through the Company's facilities, during such Customer's Peak Billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the Customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Margin BDUs applicable to Customer shall be zero (0).

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$13.7939 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$13.6020/Mcf	(I)
Non-Gas Costs	\$ .1919/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

(I) Indicates Increase

Rate Schedule - NGV

NATURAL GAS VEHICLE SERVICE

I. APPLICABILITY

Throughout the territory served under this tariff.

II. AVAILABILITY

Sales Service under this rate schedule is available for use of natural gas by a customer directly in a natural gas motor vehicle ("NGV").

III. NATURE OF SERVICE

Service provided in this rate schedule shall be firm service subject to the curtailment priorities of Rule 26. For curtailment purposes, service under this rate schedule shall be defined as curtailment priority number (6), firm large noncritical commercial and industrial requirements other than requirement for boiler fuel use.

IV. RATE

Rates per 100 cu. ft. shall be established by the Company on the first day of each calendar month for each of the categories set forth below to compete with alternative vehicle fuels. The rates shall not be less than the 100% load factor base cost of gas, plus the take-or-pay surcharge, plus the surcharge for Transition Cost, plus the incremental operating cost incurred by the Company for operating Company owned NGV compression equipment on a per Ccf basis, if any, plus \$0.01 per 100 cu. ft., plus the state tax adjustment surcharge, and not more than the tailblock rate of the Commercial and Public Authority Service Rate Schedule, including all applicable surcharges, plus the incremental operating cost incurred by the Company for operating Company owned NGV compression equipment on a per Ccf basis, if any.

The 100% load factor base cost of gas shall be \$1.44132 per 100 cu. ft. (I)  
(as calculated by adding the purchase gas components of the Load Balancing Service Rates).

Purchased Gas 100% Load Factor Demand Cost	\$0.08112/Ccf	(I)
plus		
Purchased Gas Commodity Cost	<u>\$1.36020/Ccf</u>	(I)
equals		
100% Load Factor Base Cost of Gas	\$1.44132/Ccf	(I)

The incremental operating cost for compression shall be \$0.13436/Ccf.

(I) Indicates Increase

Natural gas vehicle customers are classified into the following categories:

- NGV(1) All natural gas vehicle customers utilizing Company owned filling facilities. A uniform rate shall be established each month within the parameters set forth above, for customers utilizing Company-owned filling facilities.
- The minimum NGV(1) rate shall be \$1.58568/Ccf (I)
- The current components of the minimum NGV(1) rate are as follows:
- |                                                                        |               |     |
|------------------------------------------------------------------------|---------------|-----|
| 100% load factor base cost of gas:                                     | \$1.44132/Ccf | (I) |
| Incremental operating cost of Company owned NGV compression equipment: | \$0.13436/Ccf |     |
| Transition Cost Surcharge                                              | \$0.00000/Ccf |     |
| State Tax Adjustment Surcharge:                                        | \$0.00000/Ccf |     |
| Minimum allowable Non-Gas cost:                                        | \$0.01000/Ccf |     |
- The maximum NGV(1) rate shall be \$1.76842/Ccf (I)
- The current components of the maximum NGV(1) rate are as follows:
- |                                                                              |               |     |
|------------------------------------------------------------------------------|---------------|-----|
| Tailblock rate of the Commercial and Public Authority Service Rate Schedule: | \$1.63406/Ccf | (I) |
| Incremental operating cost of Company owned NGV Compression equipment:       | \$0.13436/Ccf |     |
| State Tax Adjustment Surcharge:                                              | \$0.00000/Ccf |     |
- NGV(2) Natural gas vehicle customers utilizing customer owned filling facilities. A uniform rate will be established each month, within the parameters set forth above, to customers utilizing customer owned filling facilities.
- The minimum NGV(2) rate shall be \$1.45132/Ccf (I)
- The current components of the minimum NGV(2) rate are as follows:
- |                                    |               |     |
|------------------------------------|---------------|-----|
| 100% load factor base cost of gas: | \$1.44132/Ccf | (I) |
| Transition Cost Surcharge          | \$0.00000/Ccf |     |
| State Tax Adjustment Surcharge:    | \$0.00000/Ccf |     |
| Minimum allowable Non-Gas cost:    | \$0.01000/Ccf |     |
- The maximum NGV(2) rate shall be \$1.63406/Ccf (I)

(I) Indicates Increase

The current components of the maximum NGV(2) rate are as follows:

Tailblock rate of the Commercial and Public Authority Service Rate Schedule:	\$1.63406/Ccf	(I)
State Tax Adjustment Surcharge:	\$0.00000/Ccf	

V. SURCHARGE

All charges under this rate schedule will be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

VI. AMOUNTS TO BE INCLUDED IN OVER/UNDERCOLLECTION OF GAS COSTS

Purchased gas cost revenues billed under this rate schedule shall be included as revenues for recovery of gas costs for purposes of computing Factor "E" of Company's 1307(f) rate in accordance with procedures set forth in Rider "A" - Section 1307(f) Purchased Gas Costs. Purchased gas cost revenues recovered under this rate schedule shall be the 100% load factor base cost of gas as defined above.

VII. RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(I) Indicates Increase

RATE SCHEDULE PSB

PRIORITY STANDBY SERVICE

APPLICABILITY

Throughout the territory served under this tariff.

AVAILABILITY OF SERVICE

Service under this rate schedule is available to all customers under the Residential, Commercial and Public Authority, and SVIS Rate Schedules which enter into a contract for service under this Rate Schedule. A customer will be permitted to enter into a contract, prepared by the Company, for service under this rate schedule, however, only if the Company projects that sufficient volumes of gas will be available to the Company during the period of the customer's contract for Priority Standby Service.

Service under this rate schedule is mandatory for all customers categorized as Priority 1 under the curtailment priorities of Rule 26 who enter into contracts with the Company to receive Transportation Service and who do not have dual or alternate fuel equipment on site which is installed and operable with sufficient amounts of alternate fuel available on site during each winter period of each year commencing on December 1 and ending on March 31 of the following year. Service under this rate schedule is voluntary for all other customers.

NATURE OF SERVICE

Priority standby service shall permit the customer to purchase gas on a firm basis subject to curtailment priorities of Rule 26. The Company will take all reasonable steps to obtain or to maintain gas supplies sufficient to enable the Company to provide reasonably continuous service to each Customer receiving Priority Standby Service.

MONTHLY RATE

The monthly rate shall be \$0.5831 per Mcf, which shall be applied to the total monthly volumes transported by the customer during the month. (I)

The rate shall equal the PGDC portion of the commodity rate applicable to the corresponding sales rate classification.

(I) Indicates Increase

MONTHLY RATE

The monthly rate shall be \$0.2732 per Mcf, which shall be applied to the Monthly Volume, as defined below. (I)

MONTHLY VOLUME

The Mcf volume of gas to which the Monthly Rate set forth above shall be applied, shall be determined for each billing cycle, as set forth below:

1. The volume of gas specified in the Service Agreement under this rate schedule shall be adjusted for each billing cycle by multiplying such volume, expressed in Mcf, by a fraction. The numerator of the fraction shall be the number of days in the billing cycle applicable to the customer and the denominator shall be thirty (30).
2. If the volume determined under item 1, above, is greater than the sum of the Mcf volume of gas purchased by the customer under rate schedules other than load balancing rate schedules during the billing cycle, the Monthly Rate shall be applied to the difference between: (a) the volume determined under item 1, above, and (b) the Mcf volume of gas purchased by the customer under the rate schedules other than load balancing rate schedules during such billing cycle.
3. If the volume determined under item 1, above, is equal to or less than the Mcf volume of gas purchased by the customer under rate schedules other than load balancing rate schedules during the billing cycle, then the Monthly Volume shall be zero (0) Mcf.

(I) Indicates Increase

RATE SCHEDULE FOR MONTHLY METERED TRANSPORTATION SERVICE

DEFINITIONS

- (1) Gas Service Customer - A Gas Service Customer is an entity that is attached to the Company's lines and uses gas in its operations or in its premises;
- (2) MMT - Monthly Metered Transportation
- (3) MMT Customer - A Gas Service Customer that receives transportation service from the Company under this rate schedule and receives gas supply from a Monthly Metered Natural Gas Supplier. (C)
- (4) MMNGS Supplier - Monthly Metered Natural Gas Supplier - A customer or Natural Gas Supplier that qualifies under the Monthly Metered Natural Gas Supplier Rate Schedule and is responsible for the delivery requirements and imbalance resolution of MMT Customers. (C)

AVAILABILITY OF SERVICE

If all of the qualifications (a) through (e) set forth below are met, any entity will be considered an MMT Customer under this Rate Schedule.

- (a) The entity that will receive gas transported by the Company (1) has a volumetric requirement of at least 5,000 Mcf per year or (2) belongs to a buyer group of no more than ten customers whose combined usage is at least 5,000 Mcf per year, provided, however, that larger buyer groups shall be permitted upon the mutual agreement of the Company and the customers;
- (b) An MMT customer consent to enrollment by an MMNGS supplier shall be accepted in lieu of a transportation service agreement. (C)
- (c) The MMT Customer has obtained, or has agreed to obtain, a supply of gas from a qualified MMNGS Supplier; (C)
- (d) The MMT Customer has made, or caused to be made, arrangements by which such volumes of gas can be delivered, either directly or by displacement, on a firm basis throughout the entire route from the point of production into the Company's distribution system throughout the term of the transportation service agreement; and
- (e) If facilities are required for furnishing of MMT service, in addition to facilities that are required for furnishing of gas service to a MMT Customer, the MMT Customer shall have paid, in full, for any additional facilities required to be constructed for furnishing of MMT service, which payment shall not

(C) Indicates Change

be subject to refund under any circumstances. If additional facilities are required for furnishing of gas service, customer's payment for additional facilities required for furnishing of gas service shall be governed by Tariff Rule No. 3, "Extension of Facilities", and Tariff Rule No. 5, "Service Lines."

CHARACTER OF SERVICE

Gas, of a quality acceptable to the Company, owned by a MMT Customer and delivered, either directly or by displacement, into the Company's distribution system by a qualified MMNGS Supplier, will be transported, by the Company, to the delivery point designated by the MMT Customer. Receipt of natural gas for the customer at the Company City Gate may be limited to the customer's DDQ as established in Rate Schedule MMNGS. If the Customer meets the qualifications for service in the Availability section of this Rate Schedule, prior service under the superseded Rate Schedule for Transportation Service will be converted to service under this Rate Schedule unless the Company is notified by the Customer that it prefers service under the Rate Schedule for Daily Metered Transportation Service.

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(C) Indicates Change

MONTHLY RATES

A. Monthly Administration Rate

There shall be a monthly administration rate of \$70.00 for each Non-Residential MMT Customer. There shall be a monthly administration rate of \$12.10 for each Residential MMT customer. (C)

B. Commodity Rates

The commodity rates set forth below contain a component, presently \$0.1500 per Mcf, for recovery of purchased gas costs.

For transportation of gas to Residential customers, the monthly rate for transportation of gas both within and outside the Commonwealth of Pennsylvania shall be:

\$2.4200 per Mcf.

For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$2.6935 per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per year.

\$2.1283 per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year.

\$1.3376 per Mcf for Large Commercial/Public Authority.

For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$2.6935 per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per year.

\$2.1283 per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year.

\$1.4257 per Mcf for Large Commercial/Public Authority.

For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$2.2231 per Mcf for SVIS Customers.

For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$2.2231 per Mcf for SVIS Customers.

(C) Indicates Change

For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$1.1875 per Mcf for IVIS Customers.

For Transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$1.2724 per Mcf for IVIS Customers.

For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$0.9808 per Mcf.

For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$1.0745 per Mcf.

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$0.6478 per Mcf.

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$0.6478 per Mcf.

Provided, however, that the Company, in its sole discretion, may reduce by contract the portion of the above rates applicable to the Customer that are for recovery of gas or the portion of the rate for recovery of non-gas costs of service if it is reasonably necessary to do so to meet competition from another supplier of energy including gas from another supplier of gas that has constructed, or could construct, facilities to deliver supplies of gas to a MMT Customer of the Company without use of the Company's facilities or another transportation of gas. The Company may also reduce the compensation for line losses provided for in Special Provisions paragraph B of this rate schedule in order to meet the competitive circumstances cited above. Provided that any reduced compensation for line loss shall not be established at a level lower than the line loss experienced to serve the customer as estimated by the Company. The Company will reduce the applicable rate only if:

- (a) Either (1) the MMT Customer has facilities in place and operable to use an alternative fuel or obtain gas from an alternative supplier or (2) in the Company's judgment, such facilities would be constructed; (C)

(C) Indicates Change

- (b) Volumes of gas that would be transported by the Company would be displaced by an alternate fuel or an alternative source of gas unless the Company reduces its transportation rate;
- (c) The Company will not reduce the rate for transportation service below the level necessary to transport gas; and
- (d) In the Company's judgment the MMT Customer has taken all reasonable steps to minimize the cost of gas supplies delivered to the Company's system in order to help meet competition.

Where the above criteria are met, the Company may, in its discretion, enter into an agreement setting either: (1) a fixed transportation rate or (2) the basis for determining the transportation rate, for the period of the Service Agreement, which will specify which portion of the rate is being reduced.

If a MMT Customer is a member of a buyer group, bills for each member of a buyer group will be determined individually. Volumes of transportation service in a billing period will be allocated among members of a buyer group pursuant to the Service Agreement.

Volumes delivered as transportation service pursuant to this rate schedule shall be subject to State Tax Adjustment Surcharge.

Residential rates shall be subject to surcharges in accordance with Rider F - LIRA Discount Charge as set forth in this tariff.

For a period of 12 months starting when service hereunder is initiated to the customer the rates for transportation services under this rate schedule shall include an amount per 100 cubic feet equal to the Gas Adjustment Charge included in the currently applicable Purchased Gas rate as specified in Rider A of this tariff, and as adjusted from time to time.

#### CHARGES FOR TRANSPORTATION BY OTHERS

If furnishing service, pursuant to this Rate Schedule, requires the use of a transportation service provided other than by the Company, any cost incurred by the Company, with regard thereto, shall be billed to MMT Customer by the Company.

#### CHARGES UNDER OTHER RATE SCHEDULES

The MMT Customer receiving gas transported by the Company under this Rate Schedule shall pay all charges under all other applicable rate schedules and riders, irrespective of whether such MMT Customer, in any billing period, receives only gas transported by the Company, and such MMT Customer shall pay rates under all other applicable rate schedules for any service furnished to the MMT Customer in addition to transportation service under this Rate Schedule. (C)  
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(C) Indicates Change

Issued: February 1, 2006

Effective: August 1, 2006

MAXIMUM DAILY QUANTITY

The "Maximum Daily Quantity" shall be the maximum volume of gas, expressed in Mcf, that is equal to a Customer's Daily Delivery Quantity as determined pursuant to Rate Schedule MMNGS, Special Provision D.1 on Page No. 118C, may be delivered into the Company's distribution system, during any twenty-four hour period, for transportation by the Company to such Customer as transportation service under this rate schedule. The Company, in its sole discretion and upon request of a MMT Customer, may agree to receive and to transport, during any twenty-four hour period, a volume in excess of the Maximum Daily Quantity. During any hour of any twenty-four hour period, the Company shall not be required to receive and to transport more than 1/24 of the Maximum Daily Quantity.

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(C) Indicates Change

NATIONAL FUEL GAS  
DISTRIBUTION CORPORATION

Supplement No. 58 to  
Gas Pa. P.U.C. No. 9  
Fifth Revised Page No. 104  
Cancelling Fourth Revised Page No. 104

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(C)

RESERVED FOR FUTURE USE

(C) Indicates Change

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Issued: February 1, 2006

Effective: August 1, 2006

BILLING

Monthly charges, for transportation service pursuant to this rate schedule, are subject to the Late Payment Charges set forth in Section 16 of the Rules and Regulations of this Tariff.

SPECIAL PROVISIONS

A. The volume of gas delivered into the Company's distribution system, on any day in behalf of MMT Customers for transportation service pursuant to this Rate Schedule, shall be determined by meters and as provided in B, below..

(C)

B. To compensate for line losses, the volume of gas delivered into the Company's distribution system, shall be retained by the Company as set forth in Rate Schedule MMNGS Special Provision C, Page No. 118B; provided however, that, where the only facilities involved in transporting gas to the MMT Customer are meters, meter installations, house regulators, house regulator installations and industrial measuring station equipment, no amount shall be deducted as compensation for line losses.

C. Service under this Rate Schedule may be interrupted during periods of supply shortages but only based upon the schedule of priority of curtailment set forth in section 26B of the Rules and Regulations of this tariff.

D. Transportation service under this Rate Schedule may be interrupted or curtailed whenever, in the event of a sudden and unforeseen supply deficiency, the Company invokes emergency curtailment provisions under Tariff Rule 26B.

(C) Indicates Change

E. In the event of interruption or curtailment of transportation service, pursuant to items C and D, above, and during such period of interruption or curtailment, the MMT Customer must sell to the Company all or a portion of the MMT Customer's supply of gas at the higher of (1) the Transportation Service Customer's cost of purchased gas at the point of delivery to the Company or (2) the Company's average cost of purchased gas per Mcf, as determined based upon the Company's Section 1307(f) Rate, which is \$13.9714. (I)

F. If for any reason (including the default of an MMNGS Supplier), the MMNGS Supplier fails to provide sufficient daily deliveries of natural gas supplies to meet the MMT Customers DDQ pursuant to the terms of MMNGS supply service, and/or MMT Customer's MMNGS Supplier does not provide complete compensation to the Company for services provided under Rate Schedule MMNGS, Special Provision D.3, the Company shall charge the MMT Customer for the deficient daily deliveries under the applicable gas sales rate schedule plus applicable surcharge under rate schedule SB. The rates for sales of gas shall include the Distribution Charges, Gas Adjustment Charge, and the Natural Gas Supply Charge from the applicable rate schedule, and the applicable surcharge percentage set forth below. In months when the sum of the Natural Gas Supply Charge and the Gas Adjustment Charge is less than the market price of natural gas, the applicable sales rate shall be equal to the sum of the Distribution Charges, the market price of natural gas, and the applicable surcharge percentage applied to this rate. For purposes of this provision, the market price of natural gas shall be equal to the Mcf equivalent of the highest price during the month of excess purchases, at the "Columbia Gas Appalachia" delivery point in the Appalachian Region as published in the "Daily Price Survey" Section of the daily industry newsletter entitled "Gas Daily" plus all transportation costs to the Company's City Gate. The applicable surcharge percentage shall be equal to 25 percent of the retail rates of the applicable sales rate schedule to volumes purchased by MMT Customers (in excess of volumes contracted for under Rate Schedule SB) during the billing month ending in December, January, February, or March and a surcharge equal to 10 percent of the retail rates of the applicable sales rate schedule to volumes purchased by MMT Customers (in excess of volumes contracted for under Rate Schedule SB) during the remaining billing months when overruns by MMT Customers are authorized by Distribution. (C)

(I) Indicates Increase  
(C) Indicates Change

G. Service under this rate schedule shall be available only to the extent that there is sufficient capacity for such service in those portions of the Company's system affected by providing of transportation service including but not limited to, that portion of the Company's system where gas is delivered to the Company and that portion of the Company's system where gas is delivered to the MMT Customer. In determining the Company's ability to provide transportation service, sufficient capacity in the Company's system shall be assumed. If service shall not be supplied, based upon insufficient capacity, the burden shall be on the Company to prove such capacity limitation. (C)

H. Where gas is received by the Company for transportation service pursuant to this Rate Schedule, title to such gas shall remain vested in the MMT Customer for which such gas was received for transportation. The Company's furnishing transportation service for a MMT Customer shall be complete upon delivery of gas received for transportation service, except as provided in E and F, above. (C)

I. The Company shall not be liable, under any circumstances or in any respect, to a Gas Service Customer, MMT Customer, Natural Gas Supplier, a producer of gas or any other person or entity for damages arising either directly or indirectly from interruption, curtailment or termination of transportation service. (C)

J. Revenue for recovery of purchased gas costs under Rider "A" shall include the product of the portions of the rates under this Rate Schedule for recovery of purchased gas costs times the volumes billed under such rates; provided, however, that any adjustment to rates under this Rate Schedule pursuant to Special Provision K., below, shall be eliminated from rates used to calculate revenues for recovery of purchased gas costs under this Rate Schedule. (C)

(C) Indicates Change

K. Rates under this Rate Schedule will be recomputed in, inter alia, each of the Company's annual proceeding under Section 1307(f) of the Public Utility Code. (C)

L. Customers who elect transportation service under this Rate Schedule shall have the right thereafter to purchase gas from the Company only to the extent that they have contracted for firm service under Rate Schedule SB for Standby Service or under Rate Schedule PSB for Priority Standby Service. Purchases of gas from the Company by MMT Customers who have not contracted for service under Rate Schedule PSB shall be subject to both the charges under the applicable sales rate schedule and all provisions of the Rate Schedule SB, including the Special Provisions, for a period of 12 months to the extent such customers continue to purchase gas from the Company. (C)

(C) Indicates Change

E. In the event of interruption or curtailment of transportation service, pursuant to items C and D, above, and during such period of interruption or curtailment, the DMT Service Customer must sell to the Company all or a portion of the DMT Service Customer's supply of gas at the higher of (1) the Transportation Service Customer's cost of purchased gas at the point of delivery to the Company or (2) the Company's average cost of purchased gas per Mcf, as determined based upon the Company's Section 1307(f) Rate, which is \$13.9714. (I)

F. If a Gas Service Customer receiving gas transported by the Company uses less than the amount of gas delivered into the Company's system for transportation to such Customer ("excess deliveries"), the Gas Service Customer receiving gas transported by the Company may use such gas during the banking/balancing period defined below, following which the Company shall have the right, but not the obligation, to purchase remaining excess deliveries of gas from the DMT Service Customer at a rate equal to the lowest of (1) the cost at which it was acquired by the DMT Service Customer, including pipeline transportation charges, or (2) the Company's average commodity delivered cost of gas to National Fuel Gas Supply Corporation, or (3) the Company's average commodity cost of locally-produced gas during the month when excess deliveries were received by the Company. The cost at which the DMT Service Customer acquired the gas will be determined from such Customer's contract with the supplier or by a sworn affidavit setting forth the Customer's cost of gas, including cost of delivery of such gas to the Company's system. Upon request by the Company, the DMT Service Customer will be required to furnish to the Company the DMT Service Customer's choice of (1) a copy of this contract or (2) an affidavit. The banking/balancing period shall be the three billing months after the billing month in which the Company received excess deliveries in behalf of the Customer.

G. "Underdeliveries" are volumes of gas taken from the Company by a Gas Service Customer in excess of the sum of (1) any excess deliveries of the customer at the beginning of the day and (2) the volume of gas delivered to the Company for the customer's account, after adjustment for line losses less volumes of gas determined to be sales by the Company to the customer. Cumulative underdeliveries, as determined each day, in excess of two percent of the volume of gas delivered by the Company to the customer that day, shall be a sale of gas by the Company to the customer under the applicable rate schedule plus applicable surcharges under Rate Schedule SB and shall not be recharacterized as transportation service under any circumstances. Cumulative underdeliveries of not more than two percent of the volume of gas delivered to a customer by the Company on any day may be offset by volumes of gas delivered to the Company for the customer's account, after adjustment for line losses, in excess of the volume of gas taken by the customer from the Company on subsequent days within the same billing month. The rates for sales of gas shall include the Distribution Charges, Gas Adjustment Charge, and the Natural Gas Supply Charge from the applicable rate schedule, and the applicable surcharge percentage set forth below. In months when the sum of the Natural Gas Supply Charge and the Gas Adjustment Charge is less than the market price of natural gas, the applicable sales rate shall be equal to the sum of the Distribution Charges, the market price of natural gas, and the applicable surcharge percentage applied to this rate.

(I) Indicates Increase

RATE SCHEDULE MMNGS  
MONTHLY METERED NATURAL GAS SUPPLIER SERVICE

(C)

APPLICABLE TO USE FOR

Service hereunder is available to any licensed supplier ("MMNGS Supplier" or "Supplier") which has obtained the consent and appointment of MMT customer(s) whose volumes total at least 5,000 Mcf on an annual basis ("MMT Customer(s)" or "MMT Pool"), and agrees to assume the primary responsibility for the gas supply obligations for that group of MMT Customers.

CHARACTER OF SERVICE

Through the procedures and provisions of this Monthly Metered Natural Gas Supplier rate schedule qualified MMNGS Suppliers will contract for service with qualified MMT Customers and shall serve such MMT Customers for an established term lasting at least one month or one billing cycle.

The Company will bill the Supplier for aggregation services (including any purchases of Company gas) provided to the Supplier.

RATES AND CHARGES

A. Supplier Aggregation Charges

The MMNGS Supplier shall be billed the charges for services rendered for it as provided herein. A MMNGS Service Agreement will allow Suppliers under this service classification to aggregate supplies to serve individual qualified MMT Customers. When necessary to accommodate changes in customer supply and delivery requirements during the month, the Company will permit deliveries of interstate supplies into intrastate market pools. In order to accommodate such deliveries of interstate supplies into intrastate market pools, the MMNGS Supplier will be billed for the amount of interstate deliveries to intrastate pools at a rate of \$0.0650/Mcf.

B. Administrative Charges

The Company will charge the MMNGS Supplier an administrative fee of \$100.00 per month for each MMNGS Service Agreement executed with the Company. This charge shall be waived for individual MMT Customers that will be their own MMNGS supplier and have a single account in their MMT Pool.

C. Exchange Fee

The Company will charge the Supplier an exchange fee of \$0.05 per Mcf for each Mcf transferred from and \$0.05 per Mcf transferred to a MMT Pool.

D. Billing Service Charges

An MMNGS Supplier may elect to have the Company bill gas supply charges to the Supplier's MMT customers. The rate to be charged by the Company to the Supplier for Standard Billing Service shall be \$0.20 for each bill rendered to an MMT Customer for the Supplier.

(C) Indicates Change

RATE SCHEDULE MMNGS  
MONTHLY METERED NATURAL GAS SUPPLIER SERVICE (Cont.)

(C)

The Company shall provide the Supplier receiving Standard Billing Service with meter reading information and other reports in the Company's standard electronic format on a basis corresponding to the MMT Customer's billing cycles. The Supplier shall provide the Company with all required Supplier billing and rate information necessary for customer billing as determined by the Company. The Supplier shall provide such billing information in the Company's required format. The Supplier shall provide its billing information no later than three business days before the last day of the month.

The Company will bill the MMT Customer for gas supplies sold by the Supplier to the Customer subject to the Supplier entering into a billing service contract with the Company. Payments made by the MMT Customer under the billing service will be applied first to amounts to past service due under an amortization agreement with the Company, next to current bills due to the Company, next to gas supply charges owed to the Supplier, next to charges for other non-regulated service charges, and lastly to any "neighbor for neighbor" contribution. The terms and charges for the Supplier billing services other than Standard Billing Services may be negotiated between the Company and the Supplier. The Company shall be under no obligation to provide the Supplier billing services other than Standard Billing Services if mutually agreeable terms and charges cannot be negotiated.

SPECIAL PROVISIONS

A. Gas Quality

Gas delivered by the Supplier must satisfy the quality specifications included in the Rules for Transportation Service section of this tariff. For deliveries to the Company, such deliveries must be made at an appropriate Company facility located within the Territory, as described in this tariff, or at another point or points acceptable to the Company.

B. Allocation Priority

If any such point of delivery is also a point at which the Company buys or exchanges gas for the Company's own account through the same meter, the volume of gas delivered into the Company's distribution system, in behalf of MMT customers, shall be deemed in behalf of such MMT Customers, at such point on such day, determined after the adjustment provided in C, below, but shall not be more than the total amount actually delivered, determined after the adjustment provided in C below, through such meter into the Company's distribution system at such point on such day.

C. Allowance for Losses

As allowance for losses incurred in the process of delivery except as provided in Special Provision B under the MMT rate schedule, Leaf No. 105, the Supplier shall provide the Company with a volume of gas equal to 2.50% of the amount delivered to the Company.

(C) Indicates Change

RATE SCHEDULE MMNGS  
MONTHLY METERED NATURAL GAS SUPPLIER SERVICE (Cont.)

(C)

D. City Gate Balancing

1. Determination of Daily Delivery Quantities and Aggregate Daily Delivery Quantities

The Company, based upon each MMT Customer's historical load profile and/or estimates of consumption as applied to any forecasted weather, shall determine a MMNGS Supplier's MMT Customer's projected weather normalized consumption for a given period; either monthly, weekly, or daily. Based upon this projected consumption and based on the system requirement to manage storage capacity retained by the Company to meet MMT Customer's daily balancing requirements, the Company will determine each MMT Customer's Daily Delivery Quantity (DDQ) and the Company will also determine the Supplier's MMT Pool's Aggregate Daily Delivery Quantity (ADDQ) by summing all DDQs of the MMT Customers in the Supplier's MMT Pool. The DDQs established under this rate schedule shall be calculated so as to minimize month end burner tip imbalances. In determining the DDQ of the customer group the maximum heating degree day ("HDD") amount utilized in the DDQ calculation shall be 52 HDDs. The DDQs and ADDQ so calculated will be used to determine the Supplier's daily delivery obligations at the Company City Gate.

A MMNGS Supplier taking service under this rate schedule accepts the Company's calculation of the DDQ and/or ADDQ. The Company shall not be liable for the difference between the projected consumption and the consumption determination by the Company.

2. Delivery Requirements

Deliveries of natural gas at the City Gate under this rate schedule shall be made to meet the DDQs for all customers in a MMNGS Supplier's MMT Pool (the ADDQ) within a tolerance band described below. The Company will deliver to each individual MMT Customer its requirements.

With respect to Appalachian production sources connected directly to the Company's system, 100% of the historical average daily production for the month will be accepted as delivered to the system for meeting the DDQ delivery requirements of the MMNGS Supplier. While 100% of the historical daily average shall be made available, gas must be scheduled on a daily basis to be delivered to an MMT Pool in order for volumes to be allocated that day. In no event shall volumes that are not scheduled for delivery to MMNGS Pools be made available as a carryover for nominations to MMT pools on a subsequent day during the month.

To the extent the Supplier's City Gate deliveries differ from the ADDQ provided to the Supplier by the Company then a City Gate Imbalance shall occur ("Imbalance") and charges for such Imbalance will be incurred as described below.

The Company is not obligated to accept any quantities nominated by Supplier in excess of its MMT Pool's ADDQ.

(C) Indicates Change

RATE SCHEDULE MMNGS  
MONTHLY METERED NATURAL GAS SUPPLIER SERVICE (Cont.)

(C)

3. City Gate Imbalance Charges

For City Gate deliveries by the MMNGS Supplier that differ from the applicable ADDQ, the Supplier will incur the following charges:

a. Charges for Daily City Gate Underdeliveries

i. For Daily City Gate underdeliveries up to or equal to five (5) percent of the applicable ADDQ, there will be no charge.

ii. For Daily City Gate underdeliveries in excess of five (5) percent of the applicable ADDQ during the Summer Period (April through October), the charge for the gas supplied by the Company to make up for the underdeliveries shall be equal to the higher of \$7.00 per Dth or 110% of the Market Price of gas for that day which shall be determined by references in The Gas Daily Index, "Daily Price Survey" for "Appalachia", "Columbia Gas Appalachia" plus all transportation costs to the Company's City Gate.

iii. For Daily City Gate underdeliveries in excess of five (5) percent of the applicable ADDQ during the Winter Period (November through March), the charge for the gas supplied by the Company to make up for the underdeliveries shall be equal to the higher of \$10.00 per Dth or 110% of the Market Price of gas for that day which shall be determined by references in The Gas Daily Index, "Daily Price Survey" for "Appalachia", "Columbia Gas Appalachia" plus all transportation costs to the Company's City Gate.

iv. During OFO periods, the charges described in Section F herein shall apply in addition to those charges specified in this Section C.3.

b. Charges for Daily City Gate Overdeliveries

There shall be no charges for Daily City Gate overdeliveries of up to five (5) percent of the applicable ADDQ, however, any such overdeliveries in excess of five (5) percent of the applicable ADDQ may be rejected by the Company in its sole discretion.

E. MMNGS Burner Tip Imbalances

1. Aggregation of MMNGS Burner Tip Imbalance

For the MMT customers included in the MMNGS Supplier's MMT Pool, the Company will net all the month end burner tip imbalances for which the Supplier is responsible pursuant to this rate schedule into a single monthly burner tip imbalance ("MMNGS Burner Tip Imbalance").

(C) Indicates Change

RATE SCHEDULE MMNGS  
MONTHLY METERED NATURAL GAS SUPPLIER (Cont.)

(C)

2. Resolution of MMNGS Burner Tip Imbalances

The Company will resolve MMNGS Burner Tip Imbalance's through either a rollover to subsequent months or a cash-out. Unless the MMNGS Supplier elects the cash-out option, the default method of MMNGS Burner Tip Imbalance resolution will be the rollover option. The decision to accept or reject cash out requests will be at the Company's sole discretion.

a. Rollover Option

At the close of the billing month, the Company will calculate the MMNGS Burner Tip Imbalance, as described above, for each MMT Pool. The Company shall adjust the applicable ADDQ for the next following month that operating conditions permit, upward to reconcile a net deficiency in the billing month, or downward to reconcile a net surplus in the billing month.

b. Cash Out Option

i. MMNGS Burner Tip Imbalances Resulting in Net  
Overdelivery

For MMNGS Burner Tip Imbalances which result in a net overdelivery of volumes of gas for a MMT Pool during the month, the Company shall have the right to purchase, without further notice, the amount of overdelivery at a rate equal to the lowest commodity price the Company offers to pay for monthly spot purchases of gas produced directly into the Company's system.

ii. MMNGS Burner Tip Imbalances Resulting in Net  
Underdelivery

For MMNGS Burner Tip Imbalances which result in a net underdelivery of volumes of gas for a MMT Pool during the month, the Company shall charge the Supplier for the gas supplied by the Company to make up for the underdeliveries a charge equal to the higher of \$7.00 per Dth or 110% of the Market Price of gas for that day which shall be determined by references in The Gas Daily Index, "Daily Price Survey" for "Appalachia", "Columbia Gas Appalachia" plus all transportation costs to the Company's City Gate.

3. Exchange of Net Burner Tip Imbalances

A Supplier may exchange a burner tip imbalance due the Company under its MMNGS Service Agreement with a burner tip imbalance due from another Supplier under another MMNGS Service Agreement for like transportation services. Exchange of imbalances shall be accomplished upon notification of the exchange by the applicable Supplier before the MMNGS burner tip Imbalance resolution due dates. Upon request of the Supplier, the Company will provide other Suppliers with information regarding the Supplier's burner tip imbalance for the month.

(C) Indicates Change

RATE SCHEDULE MMNGS  
MONTHLY METERED NATURAL GAS SUPPLIER SERVICE (Cont.)

(C)

F. System Maintenance Order ("SMO")

1. Issuance of SMOs

The Company shall issue System Maintenance Orders from time to time which assure that gas is flowing to the City Gate where and when needed. Such SMOs shall include but not be limited to orders to deliver gas at any or all of the points obtained by Suppliers to deliver gas at particular primary points into National Fuel Gas Supply Corporation. Should MMNGS Suppliers fail to comply with such SMOs then the Company shall issue OFOs as described below.

2. Communication of SMOs

SMOs will be communicated to the Supplier through the Company's website with four hours advanced notice. Such notice will be supplemented by the use of internet E-mail notification to a Supplier's Internet address.

G. Operational Flow Order ("OFO")

1. Issuance of OFOs

The Company reserves the right to issue Operational Flow Orders as necessary to preserve the operational integrity of its system. Such OFOs may include, but shall not be limited to the following: a requirement to flow gas to the citygate and a requirement to flow gas to the Supplier's primary receipt points on NFGSC.

2. Charges for Violation of OFOs

In addition to all other charges due the Company, any gas not delivered by MMNGS Supplier in violation of any OFO issued under this Section G may be assessed a charge of the higher of \$25 per Dth or the Market Price of gas for that day which shall be determined by references in The Index, "Daily Price Survey" for "Appalachia", "Columbia Gas Appalachia" plus all transportation costs to the Company's City Gate.

3. Communication of OFOs

OFOs will be communicated to the Supplier through the Company's website with four hours advanced notice. Such notice will be supplemented by the use of internet E-mail notification to a Supplier's Internet address.

(C) Indicates Change

RATE SCHEDULE MMNGS  
MONTHLY METERED NATURAL GAS SUPPLIER SERVICE (Cont.)

(C)

H. Termination of Service for Failure to Deliver Daily Quantity

1. The Company shall have the right to terminate service under this rate schedule to any Supplier that fails for any three (3) days to deliver at least ninety-five (95) percent of the applicable ADDQ for the Supplier's MMNGS Pool, measured during a single thirty-day period ("Terminated Supplier") or one day of zero delivery. The Terminated Supplier, at the Company's option, may be prohibited from receiving service under this rate schedule for 6 months if the MMT Customer does not take service from another qualified MMNGS supplier. Such Terminated Supplier's MMT Customers will be served by the Company pursuant to the terms of the Standby Rate Schedule.

2. Supplier's MMT customers may be notified by the Company as to the impending transfer to Company service, together with a statement that the transfer is the result of the Supplier's failure to perform as required. The Company shall recover the cost of such notice from the Supplier by drawing down the Supplier's security deposit or other security instrument.

I. Supplier Qualification Criteria

1. Service under this Rate Schedule is contingent upon the MMNGS Supplier meeting the Company's creditworthiness standards. Applicants for service hereunder will be required to complete a Credit Application for evaluation by the Company based on the criteria set forth in this tariff. The results of the creditworthiness checks performed by the Company will be communicated to the applicant within two weeks of the Company's receipt of the properly completed application.

2. The MMNGS Supplier's application shall include a description of the MMNGS Supplier's operational capability for meeting the requirements of its MMT Pool. The Company shall then make a determination as to whether this capability is sufficient.

(C) Indicates Change

RATE SCHEDULE MMNGS  
MONTHLY METERED NATURAL GAS SUPPLIER SERVICE (Cont.)

(C)

3. MMNGS Suppliers shall include with their application payment of a non-refundable \$500 fee. For natural gas suppliers serving MMT Customers on August 1, 2006, and all individual MMT Customers that will be their own MMNGS Supplier, the application fee shall be waived by the Company.

J. MMNGS Supplier Obligations

1. Suppliers may enroll customers for service commencing with the MMT Customer's meter reading in any month. Service to the MMT Customer shall begin at the start of the customer's billing cycle after enrollment confirmation has been provided by the Company.

2. Enrollments/drops shall occur electronically, however, each MMNGS Supplier will be obligated to keep on file either oral or written evidence of each customer's enrollment with that Supplier, which evidence shall be available for Company review at any time, upon 24 hours' notice. The Company will provide the MMT Customer with a letter confirming enrollment, if the Customer notifies the Company within 10 days of issuance of the confirmation letter that the Customer does not wish to be served by the MMNGS Supplier, the enrollment for the Customer will be rescinded.

3. To the extent a MMNGS Supplier's MMT Customer at any time is not served any longer by that MMNGS Supplier and is then the responsibility of the Company, effective upon the transfer of that customer to the Company, the Company shall charge the customer for all Company provided natural gas under the terms of the Standby rate schedule.

4. MMNGS Suppliers agree to abide by any other specific requirements in the Company's Operational Procedures Manual.

(C) Indicates Change

RATE SCHEDULE MMNGS  
MONTHLY METERED NATURAL GAS SUPPLIER SERVICE (Cont.)

(C)

K. MMNGS Service Agreement

The initial term of the MMNGS Service Agreement between the Company and the MMNGS Supplier shall be for an annual period and renewable annually for successive one-year terms unless canceled by default of any terms or conditions hereof, or by the Company or the Supplier on sixty (60) days written notice prior to the end of a term, or otherwise by mutual agreement.

L. Force Majeure

MMNGS Supplier will be excused from delivering the required daily quantity of supply on any given day for Force Majeure events which directly and substantially affect a MMNGS Supplier's natural gas deliveries to the Company and for which alternate supply arrangements cannot be obtained by MMNGS Supplier or, if the MMNGS Supplier is unsuccessful in obtaining alternate supplies, for which the Company cannot obtain supplies on behalf of the MMNGS Supplier. For supplies provided by the Company, the MMNGS Supplier shall be charged the higher of 125% of the Residential purchased gas cost (commodity and demand) identified in Rider A or the highest price reported in the "Appalachia", "Columbia Gas Appalachia" index of the Gas Daily "Daily Price Survey" plus all transportation costs to the Company's City Gate for each day such alternate supplies are delivered on behalf of MMNGS Supplier. For purposes of this rate schedule, a Force Majeure event will be any failure of the final pipeline delivering gas to the Company or an upstream pipeline feeding such pipeline, with such failure having been classified as a Force Majeure event pursuant to the terms of that pipeline's Federal Energy Regulatory Commission approved tariff. A Force Majeure event that curtails the MMNGS Supplier's assigned firm transportation service on an upstream pipeline that ultimately feeds a downstream pipeline, which directly and substantially affects a MMNGS Supplier's natural gas deliveries to the Company, and for which no alternative supplies are available from the Company or other sources will excuse a MMNGS Supplier from performing pursuant to this rate schedule to the extent of such curtailment. If at such time the MMNGS Supplier is delivering gas to other customers on the same interstate pipeline system, the volume excused from performance on the Company's system will be no more than a proportionate amount of the affected deliveries curtailed by the Force Majeure event. The MMNGS Supplier is responsible for supplying complete information and verifiable proof of all the particulars requested by the Company related to any such Force Majeure exclusion.

(C) Indicates Change

RATE SCHEDULE MMNGS  
MONTHLY METERED NATURAL GAS SUPPLIER SERVICE (Cont.)

(C)

In order to validate a claim of Force Majeure, the MMNGS Supplier must have a firm, non-interruptible service with the affected pipeline that is covered by the Force Majeure event and must be willing to present such agreements to the Company.

Volumes not delivered pursuant to this Special Provision must be made up by MMNGS Supplier as soon as possible at a delivery rate to be established by the Company. Any curtailed volumes which are not made-up within thirty (30) days will be sold to MMNGS Supplier at a rate of \$10.00 per Mcf.

M. Title to Gas

Supplier warrants that, at the time of delivery of gas to the Company's City Gate, Supplier or Customer shall have good title to deliver all volumes made available.

N. Control and Possession

After Supplier delivers gas or causes gas to be delivered to the Company, the Company shall be deemed to be in control and possession of the gas until it is redelivered to the Customer at Customer's meter.

O. 24 Hour Availability

Supplier shall include on the MMNGS Service Agreement a phone number by which Supplier can be reached on a twenty-four (24) hour basis.

(C) Indicates Change

RATE SCHEDULE SATC  
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE

APPLICABLE TO USE FOR

Service hereunder is available on or after October 30, 2001 to any qualified customer ("SATC Customer" or "Customer") that has enrolled to receive gas supply service from a qualified supplier under the Company's Small Aggregation Transportation Supplier Service ("SATS Supplier" or "Supplier").

CHARACTER OF SERVICE

Through the procedures and provisions of this Small Aggregation Transportation rate schedule SATC Customers will contract for service with a SATS Supplier and be served by such Supplier for an established term ending at the SATC Customer's meter reading in April (April billing cycle). The enrollment period and service starting dates will be as specified in Rate Schedule SATS.

The Company will maintain a list of SATS Suppliers including appropriate contact information as provided by the SATS Supplier. This list will be made available to customers upon request.

The Company will bill the SATC Customer for transportation services rendered by the Company for the SATC Customer.

Customers shall not participate in both the LIRA pilot and the Small Aggregation Transportation Customer Service program.

RATES AND CHARGES

A. Customer Transportation Service Rates

The Company will provide transportation services to deliver gas supplies to the SATC Customer(s). The Customer shall be billed the charges for the transportation services rendered for it at the appropriate charges provided herein for which service the SATC Customer qualifies.

The SATC Customer shall pay the following transportation charges for the transportation of gas. The commodity rates set forth below contain a component, presently \$0.02302 per Ccf, for the recovery of purchased gas demand costs and shall be adjusted pursuant to Rider A of the tariff. Such purchased gas costs collected through these rates shall be included as revenues for the recovery of purchased gas costs as specified in Rider A of this tariff. (D)

(D) Indicates Decrease

RATE SCHEDULE SATC  
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE (Cont.)

1. Residential Transportation Rates

SATC Customers that meet the qualifications under the Residential Service Rate Schedule classification:

Rates per Residential SATC Customer per Month:

\$12.00	Basic Service Charge	(D)
.29975	per 100 cu. ft. for the first 5,000 cu. ft.	(D)
.21758	per 100 cu. ft. for all over 5,000 cu. ft.	(D)

2. Commercial and Public Authority Transportation Rates

SATC Customers that meet the qualifications under the Commercial and Public Authority Service Rate Schedule classification:

a. Rates per Commercial/Public Authority customer per month for "Small" Commercial/Public Customers using not more than 250,000 cubic feet per year:

\$17.00	Basic Service Charge	(D)
.28343	per 100 cu. ft. for the first 5,000 cu. ft.	(D)
.25296	per 100 cu. ft. for all over 5,000 cu. ft.	(D)

b. Rates per Commercial/Public Authority customer per month for "Small" Commercial/Public Customers using greater than 250,000 cubic feet but not more than 1,000,000 cubic feet per year:

\$26.50	Basic Service Charge	(D)
.21885	per 100 cu. ft. for the first 20,000 cu. ft.	(D)
.20573	per 100 cu. ft. for all over 20,000 cu. ft.	(D)

c. Rates per Commercial/Public Authority customer per month for "Large" Commercial/Public Customers:

\$121.01	Basic Service Charge	(D)
.15055	per 100 cu. ft. for the first 300,000 cu. ft.	(D)
.14104	per 100 cu. ft. for the next 1,700,000 cu. ft.	(D)
.12361	per 100 cu. ft. for all over 2,000,000 cu. ft.	(D)

(D) Indicates Decrease

RATE SCHEDULE SATC  
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE (Cont.)

3. Small Volume Industrial Service Transportation Rates

SATC Customers that meet the qualifications under the Small Volume Industrial Service Rate Schedule classification:

Rates per Small Volume Industrial Service SATC Customer per Month:

\$65.60	Basic Service Charge	
.22062	Per 100 cu. ft.	(D)

4. Intermediate Volume Industrial Service Transportation Rates

SATC Customers that meet the qualifications under the Intermediate Volume Industrial Service Rate Schedule classification:

Rates per Intermediate Volume Industrial Service SATC Customer per Month:

\$149.00	Basic Service Charge	
.17039	per 100 cu. ft. for the first 100,000 cu. ft.	(D)
.13219	per 100 cu. ft. for the next 1,900,000 cu. ft.	(D)
.10229	per 100 cu. ft. for all over 2,000,000 cu. ft.	(D)

B. Miscellaneous Customer Surcharges

1. Gas Adjustment Charges

For a period of 12 months starting when service hereunder is rendered to the SATC Customer by the SATS Suppliers, the rates for transportation services under this service classification shall include an amount per 100 cubic feet equal to the Gas Adjustment Charge included in the currently applicable Purchased Gas rate as specified in Rider A of this tariff.

2. Transition costs associated with FERC Order No. 636. The rates for service rendered pursuant to the service classification shall be subject to a monthly transition cost surcharge as described in Rider D to this tariff.

3. Residential rates shall be subject to surcharges in accordance with Rider F - LIRA Discount Charge as set forth in this tariff.

4. The above SATC rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge.

(D Indicates Decrease

RATE SCHEDULE SATS  
SMALL AGGREGATION TRANSPORTATION SUPPLIER SERVICE (Cont.)

C. Total Upstream Capacity Requirements for SATS Suppliers

SATS Suppliers shall be required to provide sufficient firm pipeline transportation and storage capacity to meet the estimated extreme day requirements of their SATC Customer groups as further described below. The SATS Suppliers' estimated extreme day requirements of their SATC Customer Group used for Supplier capacity allocations and requirements shall be based on a fifty-eight (58) degree day extreme peak day calculation. The Company shall utilize peaking and temperature swing storage capacity retained by the Company and recovered through SATC rates to provide for any variances between actual and forecasted usage and for any peak delivery requirements for days colder than fifty-eight (58) degree days. (I)

Such sufficient pipeline transportation and storage capacity shall be provided through the following means:

1. Released ESS Storage Capacity and Associated EFT Capacity

a. Requirements To Be Met Through ESS Storage

56% of extreme peak day requirements shall be provided through the Company's ESS storage and associated EFT transportation capacity on NFGSC. Such NFGSC storage and transmission capacity shall be released to SATS Suppliers at the maximum rate under the pipeline's FERC gas tariff. (D)

b. Initial Assignment of ESS Storage Capacity

Each year, interested SATS Suppliers may request an initial assignment of storage capacity, based on the percentage set forth at C.1.a. above, to meet the Supplier's estimate of market share for the upcoming winter period. The request deadline for such assignments will be March 15 for an effective date of April 1. Fifteen days prior to the close of nominations for the month of November, the Company will reduce the quantity of storage capacity released to match the SATS Supplier's revised winter requirements based on the number of SATC Customers aggregated by the Supplier, to be effective November 1, and such capacity to be returned to the Company shall include an equal volume of storage gas. The Company shall compensate the SATS Supplier for such storage gas transferred at a price equal to the Company's lowest monthly weighted average commodity cost of gas delivered to the Company's City Gate during the previous storage injection period (April through October), plus applicable storage demand capacity charges since April 1 for such returned volumes. The SATS Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to the Company.

(I) Indicates Increase  
(D) Indicates Decrease

RATE SCHEDULE SATS  
SMALL AGGREGATION TRANSPORTATION SUPPLIER SERVICE (Cont.)

c. Additional Assignments of ESS Storage Capacity

If additional SATC Customers join a SATS Supplier's SATC Customer Group, or if a Supplier requests and the Company grants an assignment of storage capacity after the initial assignment period described at C.1.b. above, the Company will release additional capacity as required, based on the percentage set forth at C.1.a. above. In addition, the SATS Supplier will be required to pay the Company for storage gas transferred and all taxes and pipeline fees associated with moving or transferring the storage gas to the Supplier. The storage gas transfer rate shall be the sum of (1) the higher of the Company's fiscal year weighted average cost of gas (including all pipeline demand and storage costs), or the Market Price of gas for that day which shall be determined by reference to The Gas Daily Index, "Daily Price Survey" for "Appalachia," "Columbia Gas Appalachia," plus all transportation costs to the Company's City Gate, plus (2) the Demand Transfer Recovery Rate ("DTR rate"). The DTR rate shall equal the per Mcf System Average Unrecovered Demand Charge revenue beginning in the month of April through the initial month that storage capacity is released to the Supplier. The System Average Unrecovered Demand Charge Revenue shall equal the sum of the differences between the average demand charge revenues and the average fixed demand costs beginning the month of April through the initial month that storage capacity is released to the Supplier.

The DTR by month shall be as follows:

Capacity Transfer Month	DTR \$/Mcf	
April	\$0.00	
May	\$0.00	
June	\$0.00	
July	\$0.00	
August	\$0.00	
September	\$0.00	
October	\$0.00	
November	\$0.49	(I)
December	\$0.75	(I)
January	\$0.57	(I)
February	\$0.23	(I)
March	\$0.00	

(I) Indicates Increase

RATE SCHEDULE SATS  
SMALL AGGREGATION TRANSPORTATION SUPPLIER SERVICE (Cont.)

2. Released Transmission Capacity Not Included in SATC Transportation Rates

44% of extreme peak day requirements is to be provided by the release of pipeline capacity upstream of NFGSC and the release of associated EFT transportation capacity on NFGSC which is not included in transportation rates. All such capacity shall be released to SATS Suppliers, and SATS Suppliers shall take such released capacity, at the maximum rate under the pipeline's FERC gas tariff. To the extent that the actual demand cost per Dth of such upstream pipeline transmission capacity agreed to be released is greater than the Company's weighted average demand cost per Dth of upstream pipeline transmission capacity not included in transportation rates, the SATS Supplier shall receive a credit for such difference in capacity costs for the billing month. To the extent that the actual demand cost per Dth of such upstream pipeline transmission capacity agreed to be released is less than the Company's weighted average demand cost per Dth of the upstream pipeline transmission capacity not included in transportation rates, the Supplier shall be surcharged for such difference in capacity costs for the billing month. These credits and charges will be reflected in the Company's purchased gas cost rate under Rider A of this tariff. The actual pipeline capacity path upstream of NFGSC to be released to the Supplier by the Company shall be designated by the Company from its available capacity. The Company will attempt to accommodate a Supplier's request for particular capacity on a first-come first-serve basis. (I)

The weighted average demand cost of upstream capacity shall be \$11.1446/Dth. (D)

For capacity termination notices, prior to the termination notice date of any capacity contract in this Section C.2., the Company will issue a request for proposals to qualified Suppliers under this tariff to determine if the Company should terminate, renew, or replace such contract, in whole or in part.

The Company will terminate a proportionate share of the capacity contract if: (1) Suppliers demonstrate that they will provide comparable firm capacity to serve the Company's core customers, (2) the Suppliers agree to assign such comparable capacity at the contracted price to the Company upon Company request if such capacity is required to meet supply requirements of SATC Customers due to the termination of the SATS Supplier pursuant to Section H.1 or if the Supplier has reduced the level of delivery requirements from the previous periods requirements, and 3) the Commission approves such comparable capacity. Comparable capacity must have firm rights for at least the seven (7) winter months, and such capacity must have primary delivery rights into available primary receipt rights on NFGSC held by the Company. Comparable capacity must have firm capacity rights sufficient in volume and duration (with renewal rights) to serve the customers to be served by the SATS Supplier.

(D) Indicates Decrease  
(I) Indicates Increase

RIDER A  
SECTION 1307(f) PURCHASED GAS COSTS  
PROVISION FOR RECOVERY OF PURCHASED GAS COSTS

Rates for each Mcf (1,000 cubic feet) of gas supplied under Residential, Low Income Residential Assistance Service, Commercial and Public Authority, Commercial and Public Authority Load Balancing Service ("LBS"), Small Volume Industrial, Intermediate Volume Industrial, Intermediate Volume Industrial LBS, Large Industrial, Large Industrial LBS, Large Volume Industrial, Large Volume Industrial LBS and Natural Gas Vehicle Service rate schedules of this tariff, shall include \$13.6020 per Mcf for recovery of purchased gas commodity costs, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code. (I)

Rates for each Mcf (1,000 cubic feet) of gas supplied under Residential, Commercial and Public Authority, Small Volume Industrial Service, Intermediate Volume Industrial, Large Volume Industrial Service, Large Industrial Service and Standby Service rate schedules of this tariff, shall include \$1.5025 per Mcf for recovery of purchased gas demand costs, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code. (I)

Rates for each Mcf (1,000 cubic feet) of gas transported under the Small Aggregation Transportation Customer Rate Schedule shall include \$0.2302 per Mcf for the recovery of purchased gas demand costs. (D)

Such rates for gas service shall be increased or decreased, from time to time, as provided by Section 1307(f) of the Public Utility Code and the Commission's regulations, to reflect changes in the level of purchased gas costs.

The amounts per Mcf for recovery of purchased gas costs (commodity and demand) included in rates under each rate schedule of the tariff are as follows:

	Distribution		Gas Adjustment Charge	Natural Gas Supply Charge	
	Total	Charges			
Residential	\$15.3347	\$0.2302	\$1.3564	\$13.7481	(I)
Low Income Residential Assistance Service	\$15.3347	\$0.2302	\$1.3564	\$13.7481	(I)
Commercial/Public Authority	\$15.3347	\$0.2302	\$1.3564	\$13.7481	(I)
Small Volume Industrial	\$15.3347	\$0.2302	\$1.3564	\$13.7481	(I)
Intermediate Volume Industrial	\$15.3347	\$0.2302	\$1.3564	\$13.7481	(I)
Large Volume Industrial	\$15.3347	\$0.2302	\$1.3564	\$13.7481	(I)
Large Industrial	\$15.3347	\$0.2302	\$1.3564	\$13.7481	(I)
Standby	\$0.2732				
Priority Standby	\$0.5831				
Small Aggregation Transportation Customer Rate Schedule	\$0.2302	\$0.2302			(D)

(D) Indicates Decrease  
(I) Indicates Increase

RIDER F  
LIRA DISCOUNT CHARGE

Effective April 1, 2002, a charge will be included in the rates subject to this Rider to provide for recovery of costs of the projected LIRA rate discounts for the upcoming 12 months.

Such charge shall be updated quarterly and effective each February 1, May 1, August 1, and November 1 of the year. The charge will also be updated whenever there is a change to the Residential Sales Service Rate Customer Charge, Distribution Charge, Natural Gas Supply Charge, or Gas Adjustment Charge.

APPLICABILITY

In addition to the charges provided in this tariff, a charge calculated in the manner explained below shall be added to the otherwise applicable charge for each Mcf of sales and transportation volumes delivered by the Company to customers receiving service under the Residential Sales Service Rate Schedule and the Residential rates of the SATC, MMT, and DMT transportation rate schedules.

CALCULATION OF RATE

The charge will be recalculated as specified above.

The charge shall be equal to the total annual projected discounts for LIRA customers for the upcoming 12 month period divided by the annual normalized throughput volumes of the qualified rate classes. The total annual projected discounts for the LIRA customers for the upcoming 12 month period shall equal the sum of the individual monthly total projected discounts for LIRA customers for the upcoming 12 months. The total monthly projected discounts for LIRA customers shall equal the residential bill for the average LIRA customer consumption for the month multiplied by the average discount percentage for LIRA service multiplied by the projected number of LIRA customers for the month.

The currently effective charge to be included in rates is \$0.5051/Mcf. (I)

(I) Indicates Increase

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
BUFFALO, NEW YORK

RATES, RULES AND REGULATIONS

GOVERNING THE FURNISHING  
OF  
NATURAL GAS SERVICE  
IN  
TERRITORY DESCRIBED HEREIN

Issued: May 31, 2006

Effective: July 30, 2006

R. J. TANSKI, PRESIDENT  
BUFFALO, NEW YORK

This Supplement Changes, Increases and Decreases Existing Rates  
See Page 2

LIST OF CHANGES MADE BY THIS TARIFF

CHANGE:

1. Efficiency reference for furnace changed to 92%, Gas space heating formulas changed, "condominium" added, "mobile" home changed to "manufactured" and "Other Gas Appliance" category added for determination of the LJI credit.  
Pages 10 and 11.
2. The words "decreasing or otherwise . . . . decreased or otherwise changed" were added to Rule 4., Section D. Upgrade.  
Page 16B.
3. Language was added to Rule 4., Section F. Refunds of Customer Investment to provide an alternative refund calculation.  
Page 17.
4. Added the word "gathering" to Rule 11. Refusal or Termination of Service.  
Page 20.
5. Under each rate schedule language was added to provide different rates for winter (December - March) and non-winter (April - November) consumption.  
Pages 36, 36A, 41, 41A, 42, 53, 55, 65, 66, 76, 83, 84, 93, 95, 119, 120, 121, 121A, 147, 147A, 147B, 149, 150, 151, and 152.
6. Language added to Residential, Commercial and Public Authority, and Small Volume Industrial Service rate schedules making them subject to proposed Rider I- Enhanced Energy Efficiency Program Cost Recovery.  
Pages 36A, 42, 51, 53, and 121A.
7. MMT and DMT Transportation Service Monthly Administration rate removed.  
Pages 100 and 111.
8. Clarification of the Company's long standing practice and interpretation of its tariff.  
Pages 110 and 116.
9. SATS - the Company is proposing to purchase supplier receivables.  
Pages 125 and 125A.
10. Merchant Function Charge is being proposed.  
Pages 147A and 147B.

LIST OF CHANGES MADE BY THIS TARIFF

CHANGE: (con't.)

11. Date changed in Rider B to "July 30, 2006 to reflect current case at R-00061493.  
Page 157.
12. STA Addendum is being proposed.  
Page 157.
13. Rider I - Enhanced Energy Efficiency Program Cost Recovery is being proposed.  
Pages 165 and 166.

INCREASE:

14. Annual consumption for Residential gas ranges increases.  
Page 11.
15. Basic Service Charge for Residential, Small Commercial and Public Authority, Small Volume Industrial. Intermediate Volume Industrial. Large Volume Industrial, and Large Industrial Service Classes for winter and non-winter consumption increases.  
Pages 36, 36A, 41, 41A, 53, 55, 65, 66, and 76.
16. Distribution Charges for Residential, Small Commercial and Public Authority, Large Commercial and Public Authority, Small Volume Industrial (winter), Intermediate Volume Industrial (winter), Large Volume Industrial (winter) and Large Industrial (winter) Service Classed increases.  
Pages 36, 36A, 41, 41A, 42, 53, 55, 66, and 76.
17. Gas Adjustment Charge for Residential, Small Commercial and Public Authority, Small Volume Industrial. Intermediate Volume Industrial. Large Volume Industrial, and Large Industrial Service Classes for non-winter consumption increases.  
Pages 36, 41, 41A, 42, 53, 55, 65, and 76.
18. Natural Gas Supply Charge for Residential, Small Commercial and Public Authority, Small Volume Industrial. Intermediate Volume Industrial. Large Volume Industrial, and Large Industrial Service Classes for winter consumption increases.  
Pages 36A, 41, 41A, 42, 53, 55, 66, and 76A.
19. Margin Demand Charge for Load Balancing Service increases.  
Page 49.
20. Commodity Charges for Load Balancing Service increases.  
Pages 50, 62, 73, and 80.

LIST OF CHANGES MADE BY THIS TARIFF

INCREASE: (con't.)

21. NGV 100% load factor base cost of gas increases.  
Page 82.
22. NGV1 and NGV2 rates for winter period increases.  
Page 84.
23. Bypass rate for Commercial and Public Authority increases.  
Page 86.
24. Priority Standby Service and Standby Service rate for winter period increases.  
Pages 93 and 95.
25. MMT Transportation Service Rates for Residential, Commercial and Public Authority, Intermediate Volume Industrial (intra), and Large Volume Industrial Service Classes increases.  
Pages 100 and 101.
26. DMT Transportation Service Rates for Residential, Commercial and Public Authority, Intermediate Volume Industrial (intra), and Large Volume Industrial (intra) Service Classes increases.  
Pages 111 and 112.
27. Rate for recovery of Purchased Gas Demand cost for winter period increases.  
Pages 119 and 147.
28. SATC Basic Service Charge for Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial Service Classes increases.  
Pages 120, 121, and 121A.
29. SATC Distribution Charges for Residential, Commercial and Public Authority, Small Volume Industrial (winter), Intermediate Volume Industrial (winter) Service Classes increases.  
Pages 120, 121, and 121A.
30. Rider A for winter period increases.  
Page 147A.
31. Rider F increases.  
Page 164.

LIST OF CHANGES MADE BY THIS TARIFF

DECREASE:

32. Annual consumption for Residential gas water heaters and dryers decreases.  
Page 11.
33. Justified Company Investment decreases.  
Page 12.
34. Distribution Charges for Residential, Small Commercial and Public Authority, Large Commercial and Public Authority, Small Volume Industrial (non-winter), Intermediate Volume Industrial (non-winter), Large Volume Industrial (non-winter) and Large Industrial (non-winter) Service Classed decreases.  
Pages 36, 36A, 41, 41A, 42, 53, 55, 65, and 76.
35. Natural Gas Supply Charge for Residential, Small Commercial and Public Authority, Small Volume Industrial. Intermediate Volume Industrial. Large Volume Industrial, and Large Industrial Service Classes for non-winter consumption decreases.  
Pages 36 41, 41A, 42, 53, 55, 65, and 76.
36. Gas Adjustment Charge for Residential, Small Commercial and Public Authority, Small Volume Industrial. Intermediate Volume Industrial. Large Volume Industrial, and Large Industrial Service Classes for winter consumption decreases.  
Pages 36A, 41, 41A, 42, 53, 55, 66, and 76A.
37. Purchased Gas Demand Charge for Load Balancing Service decreases.  
Pages 48, 61, 72, and 79.
38. NGV Demand component of 100% load factor base cost of gas decreases.  
Page 82.
39. NGV1 and NGV2 rates for non-winter period decreases.  
Page 83.
40. Priority Standby Service and Standby Service rate for non-winter period decreases.  
Pages 93 and 95.
41. MMT Transportation Service Rates for Small Volume Industrial, and Intermediate Volume Industrial (inter) Service decreases.  
Pages 100 and 101.
42. DMT Transportation Service Rates for Small Volume Industrial, Intermediate Volume Industrial (inter), and Large Volume Industrial (inter) Service decreases.  
Pages 111 and 112.

LIST OF CHANGES MADE BY THIS TARIFF

DECREASE: (con't.)

43. Rate for recovery of Purchased Gas Demand cost for non-winter period decreases.  
Pages 119 and 147.
44. SATC Distribution Charges for Residential, Small Commercial and Public Authority, Small Volume Industrial (non-winter), Intermediate Volume Industrial (non-winter) Service Classes decreases.  
Pages 120, 121, and 121A.
45. Rate for recovery of Purchased Gas Commodity cost decreases.  
Page 147.
46. Rider A for non-winter period decreases.  
Page 147.

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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED

1. RULES AND REGULATIONS

The customer's application for service, the Pennsylvania Public Utility Code and the rules and regulations promulgated by the Pennsylvania Public Utility Commission, as amended from time to time, and the rules and regulations contained herein are a part of the contract with each Customer, and each Customer agrees to be bound thereby.

2. APPLICATIONS FOR SERVICE

The Company may require any applicant for service to sign an application. Regardless of the manner in which an application is made, the acceptance of such application by the Company shall result in a contract service governed by Rule 1.

3. DETERMINATION OF COMPANY INVESTMENT FOR UPGRADE/EXTENSION OF FACILITIES

A. Maximum Company Investment Level

The Company investment for upgrade/extension of facilities for a firm gas customer shall be limited to an amount determined as follows:

$$\text{Maximum Company Investment} = \frac{\text{Additional Annual Revenues} \times \text{Justified Company Investment per Dollar of Additional Annual Revenue}}$$

B. Determination of Additional Annual Revenues

The Additional Annual Revenues are calculated as follows:

(1) The Company will estimate the customer's projected firm annual volumes as follows:

(a) Residential

For guideline purposes, the Company shall use annual gas consumption figures for gas space heating and for various gas appliances as shown below (These figures are based on current insulation standards as well as 92% efficient furnaces):

(C)

(C) Indicates Change

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

3. DETERMINATION OF COMPANY INVESTMENT FOR UPGRADE/EXTENSION OF FACILITIES  
(Cont'd)

Gas Space Heating:

Single Family Home - [(square footage x .029) - 5.4] Mcf  
Apartment/Condominium - [(square footage x .024) + 3.14] Mcf  
Manufactured Home - [(square footage x .0267) + 6.98] Mcf

|  
(C)  
|

Gas Appliances:

Gas Water Heater - 20.4 Mcf

(D)

Gas Dryer - 3.6 Mcf

(D)

Gas Range - 7.6 Mcf

(I)

Other Gas Appliances - Determined by the Company on a case-by-

(C)

case basis.

(b) Commercial or Public Authority: Industrial

The Company shall estimate projected firm annual volumes on a case-by-case basis.

(2) This annual volume is then distributed into 12 monthly amounts based on an average distribution in the appropriate revenue classification.

(Alternatively, the customer's annual usage estimate may be distributed according to his own historic or projected monthly load profile pursuant to the Company's review and approval.)

(3) The appropriate rate schedule is applied to each monthly volume, and the results are added to produce annual gross revenues.

(4) For each monthly volume, the summation of the following costs shall be determined: (a) the portion of monthly gross revenues for recovery of purchased gas costs pursuant to applicable provisions of Rider A to this tariff and the applicable rate schedule; (b) Transition costs pursuant to applicable provision of Rider D to this tariff and the applicable rate schedule.

The portion of monthly gross revenues for recovery of Purchased Gas Costs and Transition Costs for each month shall be added together to produce annual revenues for recovery of Purchased Gas Costs and Transition Costs.

(5) The amount calculated under item (4) above, shall be subtracted from the amount calculated under item (3) above.

(6) Additional annual revenues resulting from the upgrade/extension shall be determined by reducing the annual revenues for recovery of non-gas costs as calculated in (5) above, by the customer's currently generated annual revenues for recovery of non-gas costs, if any, as determined by the Company.

- (C) Indicates Change
- (D) Indicates Decrease
- (I) Indicates Increase

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

3. DETERMINATION OF COMPANY INVESTMENT FOR UPGRADE/EXTENSION OF FACILITIES  
(Cont'd)

C. Determination of Justified Company Investment Per Dollar of  
Additional Annual Revenue

(1) Residential

The Justified Company Investment Per Dollar of Additional Annual Revenue for residential customers is \$4.58. (D)

(2) Commercial and Public Authority; Industrial

The Justified Company Investment Per Dollar of Additional Annual Revenue for commercial, public authority or industrial customers shall be selected from the table below based upon the projected term of use by the customer of the new or upgraded facilities.

<u>Projected Term of Use of New/Upgraded Facilities (Years)</u>	<u>Justified Company Investment Per Dollar of Additional Annual Revenue</u>
1	\$ .47
2	.91
3	1.30
4	1.66
5	1.99
6	2.29
7	2.57
8	2.82
9	3.05
10	3.26
Greater than 10	4.58

(D)

Because the term of use has a substantial effect on the determination of the Justified Company Investment Per Dollar of Additional Annual Revenue, the Company may require a letter of intent from commercial, public authority and industrial customers projecting the term of use of the new or upgraded extension of facilities being requested.

The Company reserves the right to require a guaranteed revenue contract if the customer projects a term of use of the new or upgraded facilities in excess of 10 years or if the customer does not demonstrate that the customer's term of use is reasonable.

(D) Indicates Decrease

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

4. UPGRADE/EXTENSION OF FACILITIES (Cont'd)

The Developer/Builder shall contribute to the cost of extending facilities, an amount equal to the difference between the total cost of construction of facilities less the Maximum Company Investment (as calculated above).

Income taxes, if any, paid with respect to the Contribution will be recorded in a deferred account and such taxes, less the income tax effect of depreciation received with respect to the property constructed with the Contribution, will be included in the Company's rate base in subsequent rate case proceedings.

In the event that the Developer/Builder does not achieve the projected annual completion rate, the Maximum Company Investment and the amount to be contributed will be recalculated, in the same manner stated above, based upon actual additional annual revenues from volumes transported by or purchased from the Company and consumed by the attaching customers during the 60-month period following completion of the extension and the projected additional annual revenues from volumes to be transported by or purchased from the Company and consumed by the customers attached as of the last day of such 60-month period. If the recalculated amount to be contributed is greater than the previously calculated amount to be contributed, the Developer/Builder will be required to pay such difference to the Company; provided, however, that no amount will be required to be paid if the recalculated amount to be contributed exceeds the Company's actual cost of construction less the recalculated Maximum Company Investment.

D. Upgrade

The Company's investment for the upgrade of facilities shall be subject to the formula described in Rule No. 3. An upgrade is required when the customer needs dictate increasing, decreasing or otherwise changing the current service line, main line or meter size for the increased, decreased or otherwise changed volume or pressure requirements. (C)

E. Advance Payment and Construction

Construction of any extension will not be undertaken until the amount of the applicant's contribution has been paid to the Company by the applicant. The actual construction of the extension shall be scheduled at the Company's discretion.

(C) Indicates Change

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

4. UPGRADE/EXTENSION OF FACILITIES (Cont'd)

F. Refunds of Customer Investment

Any customer attaching to a facility extended/upgraded within five (5) years of completion thereof will be required to contribute to the cost of the extension/upgrade in accordance with Rules 3 and 4. In the event a new customer attaches to an extension/upgrade of the Company's facilities paid for by a customer or a developer/builder, within five (5) years of the date of completion thereof, a pro rata refund will be made to customers or developer/builder who were charged for such extension. In the alternative, the customer or builder/developer and Distribution may mutually agree in writing that the refund, if any, shall equal the Company's Maximum Company Investment for the attaching customer less the Company's actual attachment cost of construction. An annual review of such extensions is made on the anniversary date of completion thereof, during said five (5) years, and any refunds due are made at that time except for extensions for a developer/builder of commercial or industrial property which shall be reviewed at the end of year five (5) and any refunds due will be made at that time. No refunds will be paid for attachments occurring more than five (5) years after the completion date and in no case will the aggregate amount of refunds to a customer or developer/builder exceed the amount which the customer or developer/builder paid for the mainline extension/upgrade.

┌  
(C)  
└

5. MAINTENANCE OF FACILITIES

After initial installation of facilities has been made, pursuant to Rule Nos. 3 and 4, above, all facilities including mains, customer service lines (i.e., the portion of the service line from the outlet of the Company's service stop cock to the inlet of the meter) and Company service lines (i.e., the portion of the service line from the gas main to and including the curb box and service stop cock), shall be maintained, replaced or renewed, as required, at the expense of the Company.

5A. SPECIAL UTILITY SERVICES

The provisions of Rules 3 and 4 do not apply to applications for special utility service. "Special utility service" shall include (a) a request for utility service when the applicant has an installed alternative fuel capability, including service from a natural gas well; (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 an applicant who was the owner or ratepayer of record for the premises at the time the Company last provided service to the premises; (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. Applications for special utility service shall be resolved on a case-by-case basis through negotiations between the applicant and the company.

(C) Indicates Change

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

10. LEAKS

The responsibility for detecting leaks or defects in piping between the Company's service connection and the point of consumption shall be upon the customer. The customer shall give immediate notice to the Company of inadequate, irregular or failing gas supply, leakage, abnormally high or low pressures, or any dangerous conditions.

Should any leak or defect be discovered in the mains, service connections, customer's service line, piping, or appliances, the Company shall have the right to shut off the supply of gas until satisfactory repairs have been made.

11. REFUSAL OR TERMINATION OF SERVICE

The Company may decline to serve an applicant (1) until he has complied with state and municipal regulations governing gas service and the approved Rules and Regulations of the Company contained in this Tariff and any supplement thereto, (2) if the Company does not have adequate facilities to render the service desired or if rendering such service would affect unfavorably service to other customers, (3) if in the Company's judgment, the applicant's installation of piping or gas equipment is regarded as hazardous or of such character that satisfactory service cannot be given, (4) if an extension of street main is required beyond length warranted by anticipated revenues, and the customer refuses to pay the charges required by Rule 3 of this Tariff, (5) until all amounts due for regulated service at a previous location have been paid or covered by a payment agreement (unless the amount owed is more than four years after the date of the final bill, in which case service cannot be refused), (6) or where the service proposed is from a gathering, production or transmission pipeline (see Rule 25). (C)

The Company may terminate service for nonpayment of a billing or billings for regulated services, and such termination of service shall be in accordance with general regulations of the Pennsylvania Public Utility Commission applicable thereto and in accordance with the Pennsylvania Public Utility Code.

The Company may not threaten termination of service for nonpayment of unregulated Natural Gas Supplier charges incurred by the customer from qualified Suppliers under Rate Schedule SATS even if the Company purchases receivables from the Supplier.

The Company may terminate service for such reasons and on such notice as specified by the regulations of the Pennsylvania Public Utility Commission, the Pennsylvania Public Utility Code, or for other violation of these Rules and Regulations.

The Company may refuse to serve any applicant, or may terminate service to any customer who fails to pay a security deposit for regulated services or who fails to provide the Company with security in lieu of a deposit as provided for in this Tariff.

(C) Indicates Change

RESIDENTIAL SERVICE RATE SCHEDULE

RESIDENTIAL CLASSIFICATION

This classification shall include gas supplied for residential purposes such as a private dwelling, apartment house with a single meter supplying four or less dwelling units, separately metered apartments of a multiple dwelling, accessory buildings to dwellings or apartment houses such as garages, except at residences receiving service under Rate Schedule LIRAS for Low Income Residential Assistance Service and other places of residence where gas is used for residential purposes.

Churches and missions (places of worship) shall be entitled to Service under the Residential service rate schedule.

AVAILABILITY OF SERVICE

Gas service shall be available at one location, except as otherwise provided, for residential customers.

APPLICABILITY

Applicable in all areas served under this tariff.

MONTHLY RATE

Service will be provided at different rates for winter and non-winter consumption. For the months of April through November the rate shall be as follows: (C)

Basic Service Charge				
\$20.64	per Month			(I)
Distribution Charges				
40.948¢	per 100 cubic feet for the first	5,000 cubic feet		(I)
2.496¢	per 100 cubic feet for all over	5,000 cubic feet		(D)
Gas Adjustment Charge				
0.357¢	per 100 cubic feet			(I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge				
116.392¢	per 100 cubic feet			(D)

(I) Indicates Increase  
(D) Indicates Decrease

For the months December through March the rate shall be as follows: (C)

Basic Service Charge  
\$20.64 per Month (I)

Distribution Charges  
45.580¢ per 100 cubic feet for the first 5,000 cubic feet (I)  
7.128¢ per 100 cubic feet for all over 5,000 cubic feet (D)

Gas Adjustment Charge  
(0.271¢) per 100 cubic feet (D)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
138.854¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge, Rider F - LIRA Discount Charge and Rider I - Enhanced Energy Efficiency Program Cost Recovery. (C)

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(I) Indicates Increase  
(D) Indicates Decrease

APPLICABILITY

Applicable in all areas served under this tariff.

MONTHLY RATE

Service will be provided at different rates for winter and non-winter consumption. (C)

For the months of April through November the rate for "Small" Commercial/Public Authority Customers using not more than 250,000 cubic feet per year shall be: (C)

Basic Service Charge  
\$27.50 per Month (I)

Distribution Charges  
42.290¢ per 100 cubic feet for the first 5,000 cubic feet (I)  
12.321¢ per 100 cubic feet for all over 5,000 cubic feet (D)

Gas Adjustment Charge  
0.349¢ per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
113.835¢ per 100 cubic feet (D)

For the months of December through March the rate for "Small" Commercial/Public Authority Customers using not more than 250,000 cubic feet per year shall be: (C)

Basic Service Charge  
\$27.50 per Month (I)

Distribution Charges  
46.922¢ per 100 cubic feet for the first 5,000 cubic feet (I)  
16.953¢ per 100 cubic feet for all over 5,000 cubic feet (D)

Gas Adjustment Charge  
(0.265) per 100 cubic feet (D)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
135.803¢ per 100 cubic feet (I)

(C) Indicates Change  
(I) Indicates Increase  
(D) Indicates Decrease

For the months April through November the rate for "Small" Commercial/Public Authority Customers using greater than 250,000 cubic feet but not more than 1,000,000 cubic feet per year shall be: (C)

Basic Service Charge (I)  
\$35.50 per Month

Distribution Charges (I)  
40.873¢ per 100 cubic feet for the first 20,000 cubic feet (I)  
11.158¢ per 100 cubic feet for all over 20,000 cubic feet (D)

Gas Adjustment Charge (I)  
0.349¢ per 100 cubic feet

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge (D)  
113.835¢ per 100 cubic feet

For the months December through March the rate for "Small" Commercial/Public Authority Customers using greater than 250,000 cubic feet but not more than 1,000,000 cubic feet per year shall be: (C)

Basic Service Charge (I)  
\$35.50 per Month

Distribution Charges (I)  
45.505¢ per 100 cubic feet for the first 20,000 cubic feet (I)  
15.790¢ per 100 cubic feet for all over 20,000 cubic feet (D)

Gas Adjustment Charge (D)  
(0.265¢) per 100 cubic feet

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge (I)  
135.803¢ per 100 cubic feet

(I) Indicates Increase  
(D) Indicates Decrease

For the months of April through November the rate for "Large" Commercial/Public Authority Customers shall be: (C)

Basic Service Charge  
\$121.01 per Month

Distribution Charges  
20.976¢ per 100 cubic feet for the first 300,000 cubic feet (I)  
19.391¢ per 100 cubic feet for the next 1,700,000 cubic feet (D)  
16.487¢ per 100 cubic feet for all over 2,000,000 cubic feet (D)

Gas Adjustment Charge  
0.349¢ per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
113.835¢ per 100 cubic feet (D)

For the months of December through March the rate for "Large" Commercial/Public Authority Customers shall be: (C)

Basic Service Charge  
\$121.01 per Month

Distribution Charges  
25.608¢ per 100 cubic feet for the first 300,000 cubic feet (I)  
24.023¢ per 100 cubic feet for the next 1,700,000 cubic feet (D)  
21.119¢ per 100 cubic feet for all over 2,000,000 cubic feet (D)

Gas Adjustment Charge  
(0.265¢) per 100 cubic feet (D)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
135.803¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and Rider I - Enhanced Energy Efficiency Program Cost Recovery. (C)

(I) Indicates Increase  
(D) Indicates Decrease

APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

1. The purchased gas demand costs applicable to the Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial classes, the "DC", shall be obtained from Rider "A" - Section 1307(f) Purchased Gas Costs.
2. The number 12 shall be multiplied by the sum of (a) the volume of gas (expressed in Mcf) purchased from the Company by all Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial customers, during the Company Peak Sales Month and (b) the volume of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month.

(a) "Company Peak Sales Month" is defined as the calendar month within which the Company experienced the System-Wide Peak Sales Day, such month being December, January or February preceding the Section 1307(f) Application Period for which the determination of the rate per Gas BDU is being made.

(b) "System-Wide Peak Sales Day" is defined as the day of maximum gas purchased by the Company, including all volumes of gas purchased from the Company throughout its entire system in the states of Pennsylvania and New York.

3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost:		
December - March	\$ .8019/BDU	(D)
April - November	\$ .0000/BDU	(D)

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2, and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

(D) Indicates Decrease

b. Determination of Customer's Gas BDUs

The Customer's Gas BDUs shall be determined as follows: The actual volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities during such Customer's Peak Billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Gas BDUs applicable to Customer shall be zero (0).

2. Margin Demand Charge

a. The rate per Margin BDU shall be \$.5669 per Margin BDU. (I)

b. Determination of Customer's Margin BDUs

The Customer's Margin BDU shall be determined as follows: The actual deliveries of gas to the Customer by Company, including not only volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities but also volumes of Customer-owned gas transported to the Customer's load balancing facilities through the Company's facilities, during such Customer's Peak Billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the Customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Margin BDUs applicable to Customer shall be zero (0).

(I) Indicates Increase.

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$11.9807 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$11.4184/Mcf	(I)
Non-Gas Costs	\$ .5623/Mcf	(I)

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" Factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus
2. The amount of \$.5623 per Mcf for recovery of non-gas costs. (I)

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made of the commodity component of purchased gas costs (Item 1, above) and the rate per Mcf shall be changed accordingly. The component included in the rate for recovery of non-gas costs shall remain constant until changed in accordance with a procedure, other than a proceeding pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. Section 1307(f).

2. Commodity Charge for Transportation Service

The monthly commodity charge for Transportation Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas transported by the Company to the Customer's load balancing facilities.

The rate per Mcf for transportation of gas under this rate schedule shall be \$.7123 per Mcf, which includes \$.5623 for recovery of non-gas costs and (I) \$.1500 for recovery of purchased gas.

(I) Indicates Increase

V. SURCHARGE

The Demand Charges and the Commodity Charge for Sales Service and the Commodity Charge for Transportation Service shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and Rider I - Enhanced Energy Efficiency Program Cost Recovery. (C)

VI. AMOUNTS TO BE INCLUDED IN OVER/UNDERCOLLECTION OF GAS COSTS

Purchased gas cost revenues billed under this rate schedule shall be included as revenues for recovery of gas costs for purposes of computing Factor "E" of Company's 1307(f) rate in accordance with procedures set forth in Rider "A" - Section 1307(f) Purchased Gas Costs.

VII. SPECIAL PROVISIONS

Monthly metered Special Provisions A through J contained in the Company's Rate Schedule for Transportation Service shall apply to transportation service under this rate schedule.

VIII. RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(C) Indicates Change

MONTHLY RATE

Service will be provided at different rates for winter and non-winter consumption. For the months of April through November the rate shall be as follows: (C)

Basic Service Charge  
\$65.97 per Month (I)

Distribution Charges  
18.761¢ per 100 cubic feet (D)

Gas Adjustment Charge  
0.349¢ per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this Tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
113.835¢ per 100 cubic feet (D)

For the months of December through March the rate shall be as follows: (C)

Basic Service Charge  
\$65.97 per Month (I)

Distribution Charges  
23.393¢ per 100 cubic feet (I)

Gas Adjustment Charge  
(0.265¢) per 100 cubic feet (D)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this Tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
135.803¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and Rider I - Enhanced Energy Efficiency Program Cost Recovery as set forth in this tariff. (C)

(D) Indicates Decrease  
(I) Indicates Increase

NATIONAL FUEL GAS  
DISTRIBUTION CORPORATION

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APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

MONTHLY RATE

Service will be provided at different rates for winter and non-winter consumption. For the months of April through November the rate shall be as follows: (C)

Basic Service Charge  
\$201.91 per Month (I)

Distribution Charges  
14.664¢ per 100 cubic feet for the first 100,000 cubic feet (D)  
10.844¢ per 100 cubic feet for the next 1,900,000 cubic feet (D)  
7.854¢ per 100 cubic feet for all over 2,000,000 cubic feet (D)

Gas Adjustment Charge  
0.349¢ per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
113.835¢ per 100 cubic feet (D)

For the months of December through March the rate shall be as follows: (C)

Basic Service Charge  
\$201.91 per Month (I)

Distribution Charges  
19.296¢ per 100 cubic feet for the first 100,000 cubic feet (I)  
15.476¢ per 100 cubic feet for the next 1,900,000 cubic feet (I)  
12.486¢ per 100 cubic feet for all over 2,000,000 cubic feet (I)

Gas Adjustment Charge  
(0.265¢) per 100 cubic feet (D)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
135.803¢ per 100 cubic feet (I)

- (D) Indicates Decrease
- (I) Indicates Increase
- (C) Indicates Change

NATIONAL FUEL GAS  
DISTRIBUTION CORPORATION

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The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

Industrial and Large Industrial customers, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS and (b) the volumes of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS.

3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost:			
December - March		\$.8019/BDU	(D)
April - November		\$.0000/BDU	(D)

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2, and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

b. Determination of Customer's Gas BDUs

The Customer's Gas BDUs shall be determined as follows: The actual volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities during such Customer's Peak Billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluding billing cycles ended in December, January, February or March, then the level of Gas BDUs applicable to Customer shall be zero (0).

(D) Indicates Decrease

2. Margin Demand Charge

a. The rate per Margin BDU shall be \$.4795 per Margin BDU.

b. Determination of Customer's Margin BDUs

The Customer's Margin BDU shall be determined as follows:  
The actual deliveries of gas to the Customer by Company, including not only volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities but also volumes of Customer-owned gas transported to the Customer's load balancing facilities through the Company's facilities, during such Customer's Peak Billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the Customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Margin BDUs applicable to Customer shall be zero (0).

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$11.7749 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity Costs, set forth in Rider "A"	\$11.4184/Mcf	(I)
Non-Gas Costs	\$ .3565/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" Factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus

(I) Indicates Increase

- C. An Industrial Customer, for which the Company estimates that the total volumes of gas purchased from the Company or transported by the Company during the next succeeding twelve months will be not less than 50,000 Mcf, if the Industrial Customer has used total volumes of gas in at least one billing month of not less than 4,167 Mcf, even if the Customer disagrees with the Company's estimate.
- D. An Industrial Customer for which the Company estimates that total volumes of gas to be used by the customer during the next succeeding twelve months will not be less than 50,000 Mcf of gas per year whether the gas is purchased by the Industrial Customer from the Company, delivered by the Company to the Industrial Customer, or obtained by the customer from another source.

An Industrial Customer that meets the above criteria under this rate schedule at the beginning of an Application Period is required to continue to be subject to this rate schedule during all months of such Application Period. An Industrial Customer that meets the above criteria under this rate schedule during an Application Period is required to continue to be subject to this rate schedule during all or remaining months of such Application Period.

MONTHLY RATE

Service will be provided at different rates for winter and non-winter consumption. For the months of April through November the rate shall be as follows: (C)

Basic Service Charge  
\$ 474.50 per Month (I)

Distribution Charges

10.001¢	per 100 cubic feet for the first	100,000 cubic feet	(D)
8.205¢	per 100 cubic feet for the next	1,900,000 cubic feet	(D)
6.141¢	per 100 cubic feet for the next	18,000,000 cubic feet	(D)
4.786¢	per 100 cubic feet for all over	20,000,000 cubic feet	(D)

Gas Adjustment Charge  
0.349¢ per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
113.835¢ per 100 cubic feet (D)

- (C) Indicates Change  
(I) Indicates Increase  
(D) Indicates Decrease

For the months of December through March the rate shall be as follows: (C)

Basic Service Charge  
\$ 474.50 per Month (I)

Distribution Charges  
14.633¢ per 100 cubic feet for the first 100,000 cubic feet (I)  
12.837¢ per 100 cubic feet for the next 1,900,000 cubic feet (I)  
10.773¢ per 100 cubic feet for the next 18,000,000 cubic feet (I)  
9.418¢ per 100 cubic feet for all over 20,000,000 cubic feet (I)

Gas Adjustment Charge  
(0.265¢) per 100 cubic feet (D)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
135.803¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge.

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

APPLICABLE PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

- (C) Indicates Change
- (D) Indicates Decrease
- (I) Indicates Increase

Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial customers, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS and (b) the volume of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS.

3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost:

December - March	\$ .8019/BDU	(D)
April - November	\$ .0000/BDU	(D)

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2 and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

b. Determination of Customer's Gas BDUs

The Customer's Gas BDUs shall be determined as follows: The actual volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered qualifying load balancing facilities during such Customer's Peak Billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered qualifying load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently completed billing cycle and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Gas BDUs applicable to Customer shall be zero (0).

(DI) Indicates Decrease

2. Margin Demand Charge

a. The rate per Margin BDU shall be \$.3144 per Margin BDU.

b. Determination of Customer's Margin BDUs

The Customer's Margin BDU shall be determined as follows:  
The actual deliveries of gas to the Customer by Company, including not only volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities but also volumes of Customer-owned gas transported to the Customer's load balancing facilities through the Company's facilities, during such Customer's Peak Billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently completed billing cycle ended in December and ending with the current billing cycle.

If the Customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Margin BDUs applicable to Customer shall be zero (0).

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$11.6628 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$11.4184/Mcf	(I)
Non-Gas Costs	\$ .2444/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" Factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus

(I) Indicates Increase



Gas Adjustment Charge  
(0.265¢) per 100 cubic feet

(D)

For a period of twelve months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this twelve month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge  
135.803¢ per 100 cubic feet

(I)

The above rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge.

#### GAS SHORTAGE CURTAILMENT

Service under this schedule to an LIS Industrial Customer is subject to curtailment and excess consumption penalty as set forth in Rule 26 of this tariff.

#### RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this Rate Schedule.

(D) Indicates Decrease  
(I) Indicates Increase

LBS and (b) volume of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS.

3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost:

December - March	\$ .8019/BDU	(D)
April - November	\$ .0000/BDU	(D)

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2 and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

b. Determination of Customer's Gas BDUs

The Customer's Gas BDUs shall be determined as follows: The actual volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities during such Customer's Peak Billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluding billing cycles ended in December, January, February or March, then the level of Gas BDUs applicable to Customer shall be zero (0).

(D) Indicates Increase

2. Margin Demand Charge

- a. The rate per Margin BDU shall be \$.2510 per Margin BDU.
- b. Determination of Customer's Margin BDUs

The Customer's Margin BDU shall be determined as follows: The actual deliveries of gas to the Customer by Company, including not only volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities but also volumes of Customer-owned gas transported to the Customer's load balancing facilities through the Company's facilities, during such Customer's Peak Billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the Customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Margin BDUs applicable to Customer shall be zero (0).

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$11.6103 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$11.4184/Mcf	(I)
Non-Gas Costs	\$ .1919/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

(I) Indicates Increase

Rate Schedule - NGV

NATURAL GAS VEHICLE SERVICE

I. APPLICABILITY

Throughout the territory served under this tariff.

II. AVAILABILITY

Sales Service under this rate schedule is available for use of natural gas by a customer directly in a natural gas motor vehicle ("NGV").

III. NATURE OF SERVICE

Service provided in this rate schedule shall be firm service subject to the curtailment priorities of Rule 26. For curtailment purposes, service under this rate schedule shall be defined as curtailment priority number (6), firm large noncritical commercial and industrial requirements other than requirement for boiler fuel use.

IV. RATE

Rates per 100 cu. ft. shall be established by the Company on the first day of each calendar month for each of the categories set forth below to compete with alternative vehicle fuels. The rates shall not be less than the 100% load factor base cost of gas, plus the take-or-pay surcharge, plus the surcharge for Transition Cost, plus the incremental operating cost incurred by the Company for operating Company owned NGV compression equipment on a per Ccf basis, if any, plus \$0.01 per 100 cu. ft., plus the state tax adjustment surcharge, and not more than the tailblock rate of the Commercial and Public Authority Service Rate Schedule, including all applicable surcharges, plus the incremental operating cost incurred by the Company for operating Company owned NGV compression equipment on a per Ccf basis, if any.

The 100% load factor base cost of gas shall be \$1.22203 per 100 cu. ft. (I)  
(as calculated by adding the purchase gas components of the Load Balancing Service Rates).

Purchased Gas 100% Load Factor Demand Cost	\$0.08019/Ccf	(D)
plus		
Purchased Gas Commodity Cost	<u>\$1.14184/Ccf</u>	(I)
equals		
100% Load Factor Base Cost of Gas	\$1.22203/Ccf	(I)

The incremental operating cost for compression shall be \$0.13436/Ccf.

(I) Indicates Increase  
(D) Indicates Decrease

Natural gas vehicle customers are classified into the following categories for the months April through November: (C)

NGV(1) All natural gas vehicle customers utilizing Company owned filling facilities. A uniform rate shall be established each month within the parameters set forth above, for customers utilizing Company-owned filling facilities.

The minimum NGV(1) rate shall be \$1.28620/Ccf (D)

The current components of the minimum NGV(1) rate are as follows:

100% load factor base cost of gas:	\$1.14184/Ccf	(D)
Incremental operating cost of Company owned NGV compression equipment:	\$0.13436/Ccf	
Transition Cost Surcharge	\$0.00000/Ccf	
State Tax Adjustment Surcharge:	\$0.00000/Ccf	
Minimum allowable Non-Gas cost:	\$0.01000/Ccf	

The maximum NGV(1) rate shall be \$1.44107/Ccf (D)

The current components of the maximum NGV(1) rate are as follows:

Tailblock rate of the Commercial and Public Authority Service Rate Schedule:	\$1.30671/Ccf	(D)
Incremental operating cost of Company owned NGV Compression equipment:	\$0.13436/Ccf	
State Tax Adjustment Surcharge:	\$0.00000/Ccf	

NGV(2) Natural gas vehicle customers utilizing customer owned filling facilities. A uniform rate will be established each month, within the parameters set forth above, to customers utilizing customer owned filling facilities.

The minimum NGV(2) rate shall be \$1.15184/Ccf (D)

The current components of the minimum NGV(2) rate are as follows:

100% load factor base cost of gas:	\$1.14184/Ccf	(D)
Transition Cost Surcharge	\$0.00000/Ccf	
State Tax Adjustment Surcharge:	\$0.00000/Ccf	
Minimum allowable Non-Gas cost:	\$0.01000/Ccf	

The maximum NGV(2) rate shall be \$1.30671/Ccf (D)

The current components of the maximum NGV(2) rate are as follows:

Tailblock rate of the Commercial and Public Authority Service Rate Schedule:	\$1.30671/Ccf	(D)
State Tax Adjustment Surcharge:	\$0.00000/Ccf	

(C) Indicates Change  
(D) Indicates Decrease

Natural gas vehicle customers are classified into the following categories for the months December through March: (C)

NGV(1) All natural gas vehicle customers utilizing Company owned filling facilities. A uniform rate shall be established each month within the parameters set forth above, for customers utilizing Company-owned filling facilities.

The minimum NGV(1) rate shall be \$1.36639/Ccf (I)

The current components of the minimum NGV(1) rate are as follows:

100% load factor base cost of gas:	\$1.22203/Ccf	(I)
Incremental operating cost of Company owned NGV compression equipment:	\$0.13436/Ccf	
Transition Cost Surcharge	\$0.00000/Ccf	
State Tax Adjustment Surcharge:	\$0.00000/Ccf	
Minimum allowable Non-Gas cost:	\$0.01000/Ccf	

The maximum NGV(1) rate shall be \$1.70093/Ccf (I)

The current components of the maximum NGV(1) rate are as follows:

Tailblock rate of the Commercial and Public Authority Service Rate Schedule:	\$1.56657/Ccf	(I)
Incremental operating cost of Company owned NGV Compression equipment:	\$0.13436/Ccf	
State Tax Adjustment Surcharge:	\$0.00000/Ccf	

NGV(2) Natural gas vehicle customers utilizing customer owned filling facilities. A uniform rate will be established each month, within the parameters set forth above, to customers utilizing customer owned filling facilities.

The minimum NGV(2) rate shall be \$1.23203/Ccf (I)

The current components of the minimum NGV(2) rate are as follows:

100% load factor base cost of gas:	\$1.22203/Ccf	(I)
Transition Cost Surcharge	\$0.00000/Ccf	
State Tax Adjustment Surcharge:	\$0.00000/Ccf	
Minimum allowable Non-Gas cost:	\$0.01000/Ccf	

The maximum NGV(2) rate shall be \$1.56657/Ccf (I)

The current components of the maximum NGV(2) rate are as follows:

Tailblock rate of the Commercial and Public Authority Service Rate Schedule:	\$1.56657/Ccf	(I)
State Tax Adjustment Surcharge:	\$0.00000/Ccf	

(C) Indicates Change  
(I) Indicates Increase

V. SURCHARGE

All charges under this rate schedule will be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

VI. AMOUNTS TO BE INCLUDED IN OVER/UNDERCOLLECTION OF GAS COSTS

Purchased gas cost revenues billed under this rate schedule shall be included as revenues for recovery of gas costs for purposes of computing Factor "E" of Company's 1307(f) rate in accordance with procedures set forth in Rider "A" - Section 1307(f) Purchased Gas Costs. Purchased gas cost revenues recovered under this rate schedule shall be the 100% load factor base cost of gas as defined above.

VII. RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

## METERING AND FLOW CONTROL EQUIPMENT

The Company may install at the premises of any customer under this rate schedule an automated meter reading device (AMD) and communications device, at customers expense, which will enable the Company to monitor and record each Bypass Customer's daily usage. In addition, if changes in levels of usage of gas from the Company by any Customer under this rate schedule would have the potential to adversely affect service to others customers, the Company may install flow control devices, at customers expense, to restrict the daily flow of gas to the Customer to approximately one-thirtieth (1/30) of the monthly Bypass nomination.

## NATURE OF SERVICE

A nomination under this rate schedule shall permit the customer to use the Company's facilities on a firm basis subject to curtailment priorities of Rule 26 of this Tariff. The gas may be either customer-owned gas or Company-owned gas. If the gas is customer-owned, the customer must have contracted with the Company for transportation service under the rate schedule for Transportation Service. If the gas is Company-owned, the customer must have contracted with the Company for standby service under Rate Schedule SB. If the customer is categorized as a residential or firm critical commercial essential human needs customer, then the customer must contract with the Company under rate schedule PSB.

## MONTHLY BILLS

The procedures set forth below require bypass customers to pay over a twelve-month period revenues for recovery of non-gas costs of service approximately equal to amounts paid by average non-bypass customers with similar peak month winter usage. The procedures below require a bypass customer to pay over a twelve-month period based on its peak winter monthly usage multiplied by an average monthly load factor for non-bypass customers. The applicable rate is applied to the resulting volume. The procedures also reduce volumes subject to this rate schedule to credit a bypass customer for actual throughput to which the Company's sales or transportation service rates are applied.

## RATE

Customers under this rate schedule shall be subject to the applicable rate listed below to be applied to the Billing Volume, as defined below.

<u>For customers receiving service under</u>	<u>Bypass rate</u>	
Commercial/Public Authority Rate Schedule	\$1.2987 per Mcf	(I)
Rate Schedule SVIS	\$0.9540 per Mcf	
Rate Schedule IVIS	\$0.9803 per Mcf	
Rate Schedule LVIS	\$0.7470 per Mcf	
Rate Schedule LIS	\$0.2657 per Mcf	

(I) Indicates Increase

RATE SCHEDULE PSB

PRIORITY STANDBY SERVICE

APPLICABILITY

Throughout the territory served under this tariff.

AVAILABILITY OF SERVICE

Service under this rate schedule is available to all customers under the Residential, Commercial and Public Authority, and SVIS Rate Schedules which enter into a contract for service under this Rate Schedule. A customer will be permitted to enter into a contract, prepared by the Company, for service under this rate schedule, however, only if the Company projects that sufficient volumes of gas will be available to the Company during the period of the customer's contract for Priority Standby Service.

Service under this rate schedule is mandatory for all customers categorized as Priority 1 under the curtailment priorities of Rule 26 who enter into contracts with the Company to receive Transportation Service and who do not have dual or alternate fuel equipment on site which is installed and operable with sufficient amounts of alternate fuel available on site during each winter period of each year commencing on December 1 and ending on March 31 of the following year. Service under this rate schedule is voluntary for all other customers.

NATURE OF SERVICE

Priority standby service shall permit the customer to purchase gas on a firm basis subject to curtailment priorities of Rule 26. The Company will take all reasonable steps to obtain or to maintain gas supplies sufficient to enable the Company to provide reasonably continuous service to each Customer receiving Priority Standby Service.

MONTHLY RATE

The monthly rate shall be \$0.7984 per Mcf, which shall be applied to the (I)  
total monthly volumes transported by the customer during the months of December (C)  
through March. The monthly rate for the months April through November shall be (C)  
\$0.0000 per Mcf. (D)

The rate shall equal the PGDC portion of the commodity rate applicable to the corresponding sales rate classification.

- (I) Indicates Increase
- (C) Indicates Change
- (D) Indicates Decrease

MONTHLY RATE

The monthly rate shall be \$0.2460 per Mcf, which shall be applied to the (I)  
Monthly Volume during the months of December through March. The monthly rate (C)  
for the months of April through November shall be \$0.0000 per Mcf. The monthly (D)  
volumes are defined below.

MONTHLY VOLUME

The Mcf volume of gas to which the Monthly Rate set forth above shall be applied, shall be determined for each billing cycle, as set forth below:

1. The volume of gas specified in the Service Agreement under this rate schedule shall be adjusted for each billing cycle by multiplying such volume, expressed in Mcf, by a fraction. The numerator of the fraction shall be the number of days in the billing cycle applicable to the customer and the denominator shall be thirty (30).
2. If the volume determined under item 1, above, is greater than the sum of the Mcf volume of gas purchased by the customer under rate schedules other than load balancing rate schedules during the billing cycle, the Monthly Rate shall be applied to the difference between: (a) the volume determined under item 1, above, and (b) the Mcf volume of gas purchased by the customer under the rate schedules other than load balancing rate schedules during such billing cycle.
3. If the volume determined under item 1, above, is equal to or less than the Mcf volume of gas purchased by the customer under rate schedules other than load balancing rate schedules during the billing cycle, then the Monthly Volume shall be zero (0) Mcf.

(I) Indicates Increase  
(C) Indicates Change  
(D) Indicates Decrease

MONTHLY RATES

(C)

Commodity Rates

The commodity rates set forth below contain a component, presently \$0.1500 per Mcf, for recovery of purchased gas costs.

For transportation of gas to Residential customers, the monthly rate for transportation of gas both within and outside the Commonwealth of Pennsylvania shall be:

\$2.7588 per Mcf.

(I)

For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$3.3907 per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per year.

(I)

\$2.8418 per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year.

(I)

\$1.8377 per Mcf for Large Commercial/Public Authority.

(I)

For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$3.3907 per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per year.

(I)

\$2.8418 per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year.

(I)

\$1.8377 per Mcf for Large Commercial/Public Authority.

(I)

For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$2.1207 per Mcf for SVIS Customers.

(D)

For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$2.1207 per Mcf for SVIS Customers.

(D)

(C) Indicates Change  
(I) Indicates Increase  
(D) Indicates Decrease

For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$1.1956 per Mcf for IVIS Customers. (I)

For Transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$1.1956 per Mcf for IVIS Customers. (D)

For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$0.9910 per Mcf for LVIS Customers. (I)

For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$0.9910 per Mcf for LVIS Customers. (I)

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$0.6478 per Mcf for LIS Customers.

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$0.6478 per Mcf for LIS Customers.

Provided, however, that the Company, in its sole discretion, may reduce by contract the portion of the above rates applicable to the Customer that are for recovery of gas or the portion of the rate for recovery of non-gas costs of service if it is reasonably necessary to do so to meet competition from another supplier of energy including gas from another supplier of gas that has constructed, or could construct, facilities to deliver supplies of gas to a MMT Customer of the Company without use of the Company's facilities or another transportation of gas. The Company may also reduce the compensation for line losses provided for in Special Provisions paragraph B of this rate schedule in order to meet the competitive circumstances cited above. Provided that any reduced compensation for line loss shall not be established at a level lower than the line loss experienced to serve the customer as estimated by the Company. The Company will reduce the applicable rate only if:

(a) Either (1) the Customer has facilities in place and operable to use an alternative fuel or obtain gas from an alternative supplier or (2) in the Company's judgment, such facilities would be constructed;

(I) Indicates Increase

(D) Indicates Decrease

be subject to refund under any circumstances. As deemed necessary by the Company in its sole discretion, the DMT customer shall be required also to pay, in full, for costs of installing daily metering and communications equipment selected by the Company which will enable the Company to obtain each day meter readings of the volume of gas delivered to the Company or to another point or points acceptable to the Company for the Customer's account and the volume of gas from the Company used by the Customer each day. In addition, with regard to daily metering and communications equipment, the Customer shall pay an amount of money to provide for recovery of the present value of the carrying cost of income taxes on the payment for daily metering and communications equipment. Such carrying cost arises from the delay between federal and Pennsylvania income taxation and income tax deductions over the tax life of the equipment and a further amount equal to 72.67% of the carrying cost (based on present income tax rates). If additional facilities are required for furnishing of gas service, customer's payment for additional facilities required for furnishing of gas service shall be governed by Tariff Rule No. 3, "Extension of Facilities", and Tariff Rule No. 5, "Service Lines."

(C)

#### CHARACTER OF SERVICE

Gas, of a quality acceptable to the Company, owned by a DMT Service Customer and delivered, either directly or by displacement, into the Company's distribution system, will be transported, by the Company, to the delivery point designated by the DMT Service Customer.

#### TERM OF SERVICE AGREEMENT

If the requirements of this Rate Schedule are met, the Company shall offer to enter into a Service Agreement with an initial term of at least one year and successive one-year terms thereafter. The initial term of a Service Agreement may be for less than one year only with the mutual consent of both the DMT Service Customer and the Company. If the initial term of a Service Agreement is for less than one year, successive terms thereafter shall be equal in length to the initial term. Either the DMT Service Customer or the Company may terminate the Service Agreement at the end of a term upon written notice thereof to the other more than thirty (30) days prior to the end of a term; further provided, however, that the Company may terminate a Service Agreement at an earlier date as provided by law by provisions of this Tariff.

(C) Indicates Change

MONTHLY RATES

Commodity Rates

For transportation of gas to Residential customers, the monthly rate for transportation of gas both within and outside the Commonwealth of Pennsylvania shall be:

\$2.6088 per Mcf.

For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$3.2407 per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per year.

\$2.6918 per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year.

\$1.6877 per Mcf for Large Commercial/Public Authority.

For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$3.2407 per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per Year.

\$2.6918 per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year.

\$1.6877 per Mcf for Large Commercial/Public Authority.

For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$1.9707 per Mcf for SVIS Customers.

For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$1.9707 per Mcf for SVIS Customers.

For Transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$1.0456 per Mcf for IVIS Customers.

(C) Indicates Change  
(I) Indicates Increase  
(D) Indicates Decrease

For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$1.0456 per Mcf for IVIS Customers. (D)

For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$0.8410 per Mcf for LVIS Customers. (I)

For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$0.8410 per Mcf for LVIS Customers. (D)

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$0.4978 per Mcf for LIS Customers.

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$0.4978 per Mcf for LIS Customers.

Provided, however, that the Company, in its sole discretion, may reduce by contract the portion of the above rates applicable to the Customer that is for recovery of gas costs or the portion of the rate for recovery of non-gas costs of service if it is reasonably necessary to do so to meet competition from another supplier of energy including gas from another supplier of gas that has constructed, or could construct, facilities to deliver supplies of gas to a Gas Service Customer of the Company without use of the Company's facilities or another transporter of gas. The Company may also reduce the compensation for line losses provided for in Special Provisions paragraph B of this rate schedule in order to meet the competitive circumstances cited above. Provided that any reduced compensation for line loss shall not be established at a level lower than the line loss experienced to serve the customer as estimated by the Company. The Company will reduce the applicable rate only if:

(a) Either (1) the Customer has facilities in place and operable to use an alternative fuel or obtain gas from an alternative supplier or (2) in the Company's judgment, such facilities would be constructed;

(D) Indicates Decrease

(I) Indicates Increase

BILLING

Monthly charges, for transportation service pursuant to this rate schedule, are subject to the Late Payment Charges set forth in Section 16 of the Rules and Regulations of this Tariff.

SPECIAL PROVISIONS

A. The volume of gas delivered in to the Company's distribution system, on any day in behalf of Transportation Service Customers for transportation service pursuant to this Rate Schedule, shall be determined by meters and as provided in B, below, at the delivery points specified in the Service Agreement or to another point or points acceptable to the Company. (C)

If any such point of delivery is also a point at which the Company buys or exchanges gas for the Company's own account through the same meter, the volume of gas delivered into the Company's distribution system, in behalf of Transportation Service Customers for transportation service, shall be deemed to be the volume scheduled by the Company and such Customers to be delivered in behalf of such Customers, at such point on such day, determined after the adjustment provided in B, below, but shall not be more than the total amount actually delivered, determined after the adjustment provided in B below, through such meter into the Company's distribution system at such point on such day.

B. To compensate for line losses, the volume of gas delivered into the Company's distribution system, shall be determined for purposes of this Rate Schedule, to be equal to 97.5% of the amount indicated by a meter at the point of delivery into the Company's distribution system; provided however, that, where the only Company facilities involved in transporting gas to the Gas Service Customer are meters, meter installations, house regulators, house regulator installations and industrial measuring and regulating station equipment, no amount shall be deducted as compensation for line losses.

C. Service under this Rate Schedule may be interrupted during periods of supply shortages but only based upon the schedule of priority of curtailment set forth in section 26B of the Rules and Regulations of this tariff.

D. Transportation service under this Rate Schedule may be interrupted or curtailed whenever, in the event of a sudden and unforeseen supply deficiency, the Company invokes emergency curtailment provisions under Tariff Rule 26B.

(C) Indicates Change

RATE SCHEDULE SATC  
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE

APPLICABLE TO USE FOR

Service hereunder is available on or after October 30, 2001 to any qualified customer ("SATC Customer" or "Customer") that has enrolled to receive gas supply service from a qualified supplier under the Company's Small Aggregation Transportation Supplier Service ("SATS Supplier" or "Supplier").

CHARACTER OF SERVICE

Through the procedures and provisions of this Small Aggregation Transportation rate schedule SATC Customers will contract for service with a SATS Supplier and be served by such Supplier for an established term ending at the SATC Customer's meter reading in April (April billing cycle). The enrollment period and service starting dates will be as specified in Rate Schedule SATS.

The Company will maintain a list of SATS Suppliers including appropriate contact information as provided by the SATS Supplier. This list will be made available to customers upon request.

The Company will bill the SATC Customer for transportation services rendered by the Company for the SATC Customer.

Customers shall not participate in both the LIRA pilot and the Small Aggregation Transportation Customer Service program.

RATES AND CHARGES

A. Customer Transportation Service Rates

The Company will provide transportation services to deliver gas supplies to the SATC Customer(s). The Customer shall be billed the charges for the transportation services rendered for it at the appropriate charges provided herein for which service the SATC Customer qualifies.

The SATC Customer shall pay the following transportation charges for the transportation of gas. The commodity rates set forth below contain a component, presently \$0.0000 per Ccf for the months April through November and \$0.4632 per Ccf for the months December through March, for the recovery of purchased gas demand costs and shall be adjusted pursuant to Rider A of the tariff. Such purchased gas costs collected through these rates shall be included as revenues for the recovery of purchased gas costs as specified in Rider A of this tariff. (D) (C) (I)

(D) Indicates Decrease  
(C) Indicates Change  
(I) Indicates Increase

RATE SCHEDULE SATC  
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE (Cont.)

1. Residential Transportation Rates

SATC Customers that meet the qualifications under the Residential Service Rate Schedule classification:

Service will be provided at different rates for winter and non-winter consumption. Rates per Residential SATC Customer per Month for the period April through December shall be: (C)

\$20.64	Basic Service Charge	(I)
.40948	per 100 cu. ft. for the first 5,000 cu. ft.	(I)
.02496	per 100 cu. ft. for all over 5,000 cu. ft.	(D)

Rates for the period December through March shall be: (C)

\$20.64	Basic Service Charge	(I)
.45580	per 100 cu. ft. for the first 5,000 cu. ft.	(I)
.07128	per 100 cu. ft. for all over 5,000 cu. ft.	(D)

2. Commercial and Public Authority Transportation Rates

SATC Customers that meet the qualifications under the Commercial and Public Authority Service Rate Schedule classification:

Service will be provided at different rates for winter and non-winter consumption. Rates for the months April through November will be as follows: (C)

a. Rates per Commercial/Public Authority customer per month for "Small" Commercial/Public Customers using not more than 250,000 cubic feet per year:

\$27.50	Basic Service Charge	(I)
.42290	per 100 cu. ft. for the first 5,000 cu. ft.	(I)
.12321	per 100 cu. ft. for all over 5,000 cu. ft.	(D)

b. Rates per Commercial/Public Authority customer per month for "Small" Commercial/Public Customers using greater than 250,000 cubic feet but not more than 1,000,000 cubic feet per year:

\$35.50	Basic Service Charge	(I)
.40873	per 100 cu. ft. for the first 20,000 cu. ft.	(I)
.11158	per 100 cu. ft. for all over 20,000 cu. ft.	(D)

(C) Indicates Change  
(I) Indicates Increase  
(D) Indicates Decrease

RATE SCHEDULE SATC  
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE (Cont.)

c. Rates per Commercial/Public Authority customer per month for "Large" Commercial/Public Customers:

\$121.01	Basic Service Charge	
.20976	per 100 cu. ft. for the first 300,000 cu. ft.	(I)
.19391	per 100 cu. ft. for the next 1,700,000 cu. ft.	(I)
.16487	per 100 cu. ft. for all over 2,000,000 cu. ft.	(I)

Rates for the months December through March will be as follows: (C)

a. Rates per Commercial/Public Authority customer per month for "Small" Commercial/Public Customers using not more than 250,000 cubic feet per year:

\$27.50	Basic Service Charge	(I)
.46922	per 100 cu. ft. for the first 5,000 cu. ft.	(I)
.16953	per 100 cu. ft. for all over 5,000 cu. ft.	(D)

b. Rates per Commercial/Public Authority customer per month for "Small" Commercial/Public Customers using greater than 250,000 cubic feet but not more than 1,000,000 cubic feet per year:

\$35.50	Basic Service Charge	(I)
.45505	per 100 cu. ft. for the first 20,000 cu. ft.	(I)
.15790	per 100 cu. ft. for all over 20,000 cu. ft.	(D)

c. Rates per Commercial/Public Authority customer per month for "Large" Commercial/Public Customers:

\$121.01	Basic Service Charge	
.25608	per 100 cu. ft. for the first 300,000 cu. ft.	(I)
.24023	per 100 cu. ft. for the next 1,700,000 cu. ft.	(I)
.21119	per 100 cu. ft. for all over 2,000,000 cu. ft.	(I)

3. Small Volume Industrial Service Transportation Rates

SATC Customers that meet the qualifications under the Small Volume Industrial Service Rate Schedule classification:

Service will be provided at different rates for winter and non-winter consumption. Rates for the months April through November will be as follows: (C)

\$65.97	Basic Service Charge	(I)
.18761	Per 100 cu. ft.	(D)

(I) Indicates Increase  
(D) Indicates Decrease  
(D) Indicates Decrease

RATE SCHEDULE SATC  
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE (Cont.)

3. Small Volume Industrial Service Transportation Rates

Rates for the months December through March will be as follows: (C)

\$65.97	Basic Service Charge	(I)
.23393	Per 100 cu. ft.	(I)

4. Intermediate Volume Industrial Service Transportation Rates

SATC Customers that meet the qualifications under the Intermediate Volume Industrial Service Rate Schedule classification:

Service will be provided at different rates for winter and non-winter consumption. Rates for the months April through November will be as follows:

\$201.91	Basic Service Charge	(I)
.14664	per 100 cu. ft. for the first 100,000 cu. ft.	(D)
.10844	per 100 cu. ft. for the next 1,900,000 cu. ft.	(D)
.07854	per 100 cu. ft. for all over 2,000,000 cu. ft.	(D)

Rates for the months December through March will be as follows: (C)

\$201.91	Basic Service Charge	(I)
.19296	per 100 cu. ft. for the first 100,000 cu. ft.	(I)
.15476	per 100 cu. ft. for the next 1,900,000 cu. ft.	(I)
.12486	per 100 cu. ft. for all over 2,000,000 cu. ft.	(I)

B. Miscellaneous Customer Surcharges

1. Gas Adjustment Charges

For a period of 12 months starting when service hereunder is rendered to the SATC Customer by the SATS Suppliers, the rates for transportation services under this service classification shall include an amount per 100 cubic feet equal to the Gas Adjustment Charge included in the currently applicable Purchased Gas rate as specified in Rider A of this tariff.

2. Transition costs associated with FERC Order No. 636. The rates for service rendered pursuant to the service classification shall be subject to a monthly transition cost surcharge as described in Rider D to this tariff.

3. Residential rates shall be subject to surcharges in accordance with Rider F - LIRA Discount Charge as set forth in this tariff.

4. The above SATC rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and Rider I - Enhanced Energy Efficiency Program Cost Recovery. (C)

(C) Indicates Change  
(I) Indicates Increase  
(D) Indicates Decrease

RATE SCHEDULE SATS  
SMALL AGGREGATION TRANSPORTATION SUPPLIER SERVICE (Cont.)

1. Billing Service Charges

The rate to be charged by the Company to the Supplier for Standard Billing Service shall be \$0.20 for each bill rendered to an SATC Customer for the Supplier.

The Company shall provide the Supplier receiving Standard Billing Service with meter reading information and other reports in the Company's standard electronic format on a basis corresponding to the SATC Customer's billing cycles. The Supplier shall provide the Company with all required Supplier billing and rate information necessary for customer billing as determined by the Company. The Supplier shall provide such billing information in the Company's required format. The Supplier shall provide Supplier billing information no later than three business days before the last day of the month.

The Company will bill the SATC Customer for gas supplies sold by the Supplier to the Customer subject to the Supplier entering into a billing service contract with the Company. The terms and charges for the Supplier billing services other than Standard Billing Services may be negotiated between the Company and the Supplier. The Company shall be under no obligation to provide the Supplier billing services other than Standard Billing Services if mutually agreeable terms and charges cannot be negotiated.

(C)

The Company shall purchase the receivables of Suppliers utilizing the Company's Standard Billing Service for a pilot period. The pilot purchase of Supplier receivables program to be included in the Standard Billing Services Agreement shall include the following features:

- i. For a pilot period of two years, terminable by the Company at the end of the second year following 12 months prior notice to participating Suppliers, the Company will purchase Standard Billing Service as described herein and further detailed in the Standard Billing Service Agreement. The pilot period shall begin May 1, 2007.
- ii. Supplier accounts receivable shall be purchased at a discount. The discount rate for the purchase of residential accounts receivable shall be 3.07% and for non-residential accounts receivable shall be 0.81%. The purchase of Suppliers receivables shall be made without recourse.
- iii. The Company shall be permitted to disconnect service to customers for failure to pay the total receivable amount including the Supplier's receivable purchased by the Company. The Company will be required to follow all termination requirements applicable to termination of its sales service customers.

(C)

RATE SCHEDULE SATS  
SMALL AGGREGATION TRANSPORTATION SUPPLIER SERVICE (Cont.)

(C)

- iv. The Company will be permitted to assess late payment charges to the purchased Supplier receivable at the rate it charges its sales service customers.
- v. The Company may obtain deposits from customers for the Supplier portion of the bill for any account which the Company purchases the Supplier's receivables. Such deposits shall be obtained in a similar manner as the Company obtains from its sales services customers.
- vi. In order to qualify for Standard Billing Services, the Supplier shall grant any and all authority to the Company necessary to enable the Company to manage billing, payment, and remittance processing of the customer's account.
- vii. The Standard Billing Agreement shall set forth additional terms and conditions of service consistent with all applicable provisions of this tariff and existing customer service provisions.

SPECIAL PROVISIONS

A. Gas Quality

Gas delivered by the Supplier must satisfy the quality specifications of the pipelines used to transport Supplier's gas. For deliveries to the Company, such deliveries must be made at an appropriate Company facility located within the Territory, as described in this tariff, or at another point or points acceptable to the Company.

B. Allowance for Losses

As allowance for losses incurred in the process of delivery, the Supplier shall provide the Company with a volume of gas equal to 2.50% of the amount delivered to the Company. In addition, for deliveries into Company capacity retained pursuant to Sections C.3. and C.5., Suppliers shall provide incremental quantities of gas equal to the amount of retainage required to transport gas from the receipt point into such Company retained capacity to the entry point to the Company's system ("City Gate").

RIDER A  
SECTION 1307(f) PURCHASED GAS COSTS  
PROVISION FOR RECOVERY OF PURCHASED GAS COSTS

Rates for each Mcf (1,000 cubic feet) of gas supplied under Residential, Low Income Residential Assistance Service, Commercial and Public Authority, Commercial and Public Authority Load Balancing Service ("LBS"), Small Volume Industrial, Intermediate Volume Industrial, Intermediate Volume Industrial LBS, Large Industrial, Large Industrial LBS, Large Volume Industrial, Large Volume Industrial LBS and Natural Gas Vehicle Service rate schedules of this tariff, shall include \$11.6749 per Mcf for Residential Service and \$11.4184 for Non-Residential Service for recovery of purchased gas commodity costs, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code. (D)

Rates for each Mcf (1,000 cubic feet) of gas supplied under Residential, Commercial and Public Authority, Small Volume Industrial Service, Intermediate Volume Industrial, Large Volume Industrial Service, Large Industrial Service and Standby Service rate schedules of this tariff, shall include \$0.0000 per Mcf during the months April through November and \$2.1834 per Mcf for Residential Service and \$2.1355 for Non-Residential Service during the months December through March for recovery of purchased gas demand costs, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code. (D) (I) (I)

Rates for each Mcf (1,000 cubic feet) of gas transported under the Small Aggregation Transportation Customer Rate Schedule shall include \$0.0000 during the months April through November and \$0.4632 during the months December through March per Mcf for the recovery of purchased gas demand costs. (D) (I)

Such rates for gas service shall be increased or decreased, from time to time, as provided by Section 1307(f) of the Public Utility Code and the Commission's regulations, to reflect changes in the level of purchased gas costs.

The amounts per Mcf for recovery of purchased gas costs (commodity and demand) included in rates under each rate schedule of the tariff for the months April through November are as follows: (C)

	Distribution		Gas Adjustment	Natural Gas	
	<u>Total</u>	<u>Charges</u>	<u>Charge</u>	<u>Supply Charge</u>	
Residential	\$11.3271	\$0.0000	\$0.0346	\$11.2925	(D)
Low Income Residential Assistance Service	\$11.3271	\$0.0000	\$0.0346	\$11.2925	(D)
Commercial/Public Authority	\$11.3271	\$0.0000	\$0.0346	\$11.2925	(D)
Small Volume Industrial	\$11.3271	\$0.0000	\$0.0346	\$11.2925	(D)
Intermediate Volume Industrial	\$11.3271	\$0.0000	\$0.0346	\$11.2925	(D)
Large Volume Industrial	\$11.3271	\$0.0000	\$0.0346	\$11.2925	(D)
Large Industrial	\$11.3271	\$0.0000	\$0.0346	\$11.2925	(D)
Standby	\$0.0000				(D)
Priority Standby	\$0.0000				(D)
Small Aggregation Transportation Customer Rate Schedule	\$0.0000	\$0.0000			(D)

(D) Indicates Decrease  
(I) Indicates Increase  
(C) Indicates Change

RIDER A  
SECTION 1307(f) PURCHASED GAS COSTS  
PROVISION FOR RECOVERY OF PURCHASED GAS COSTS

The amounts per Mcf for recovery of purchased gas costs (commodity and demand) included in rates under each rate schedule of the tariff for the months December through March are as follows: (C)

	Distribution		Gas Adjustment Charge	Natural Gas Supply Charge	
	Total	Charges			
Residential	\$13.9087	\$0.4632	(\$0.0263)	\$13.4718	(I)
Low Income Residential					
Assistance Service	\$13.9087	\$0.4632	(\$0.0263)	\$13.4718	(I)
Commercial/Public Authority	\$13.9087	\$0.4632	(\$0.0263)	\$13.4718	(I)
Small Volume Industrial	\$13.9087	\$0.4632	(\$0.0263)	\$13.4718	(I)
Intermediate Volume					
Industrial	\$13.9087	\$0.4632	(\$0.0263)	\$13.4718	(I)
Large Volume Industrial	\$13.9087	\$0.4632	(\$0.0263)	\$13.4718	(I)
Large Industrial	\$13.9087	\$0.4632	(\$0.0263)	\$13.4718	(I)
Standby	\$0.2460				(I)
Priority Standby	\$0.7984				(I)
Small Aggregation Transportation					
Customer Rate Schedule	\$0.4632	\$0.4632			(I)

MERCHANT FUNCTION CHARGE (C)

1. Applicable Rate Schedules

Merchant Function Charges shall be included in the Natural Gas Supply Charge and the Gas Adjustment Charge for Residential, Low Income Residential Assistance Service, Commercial and Public Authority, Commercial and Public Authority Load Balancing Service ("LBS"), Small Volume Industrial, Intermediate Volume Industrial, Intermediate Volume Industrial LBS, Large Industrial, Large Industrial LBS, Large Volume Industrial, Large Volume Industrial LBS and Natural Gas Vehicle Service rate schedules.

2. Calculation of Merchant Function Charge

For Residential service customers the Merchant Function Charge shall equal 3.069951% of the Natural Gas Supply Charge and Gas Adjustment Charge as included in Rider A.

For Non-Residential service customers the Merchant Function Charge shall equal .805409% of the Natural Gas Supply Charge and Gas Adjustment Charge as included in Rider A.

(C) Indicates Change  
(I) Indicates Increase

RIDER A  
SECTION 1307(f) PURCHASED GAS COSTS  
PROVISION FOR RECOVERY OF PURCHASED GAS COSTS

(C)

MERCHANT FUNCTION CHARGE (con't.)

3. Total rates included in Rate Schedules (PGC + MFC)

The amounts per Mcf for recovery of purchased gas costs (commodity and demand) included in rates under each rate schedule of the tariff for the months April through November are as follows:

	Distribution		Gas Adjustment	Natural Gas
	<u>Total</u>	<u>Charges</u>	<u>Charge</u>	<u>Supply Charge</u>
Residential	\$11.6749	\$0.0000	\$0.0357	\$11.6392
Low Income Residential				
Assistance Service	\$11.6749	\$0.0000	\$0.0357	\$11.6392
Commercial/Public Authority	\$11.4184	\$0.0000	\$0.0349	\$11.3835
Small Volume Industrial	\$11.4184	\$0.0000	\$0.0349	\$11.3835
Intermediate Volume				
Industrial	\$11.4184	\$0.0000	\$0.0349	\$11.3835
Large Volume Industrial	\$11.4184	\$0.0000	\$0.0349	\$11.3835
Large Industrial	\$11.4184	\$0.0000	\$0.0349	\$11.3835

The amounts per Mcf for recovery of purchased gas costs (commodity and demand) included in rates under each rate schedule of the tariff for the months December through March are as follows:

	Distribution		Gas Adjustment	Natural Gas
	<u>Total</u>	<u>Charges</u>	<u>Charge</u>	<u>Supply Charge</u>
Residential	\$14.3215	\$0.4632	(\$0.0271)	\$13.8854
Low Income Residential				
Assistance Service	\$14.3215	\$0.4632	(\$0.0271)	\$13.8854
Commercial/Public Authority	\$14.0170	\$0.4632	(\$0.0265)	\$13.5803
Small Volume Industrial	\$14.0170	\$0.4632	(\$0.0265)	\$13.5803
Intermediate Volume				
Industrial	\$14.0170	\$0.4632	(\$0.0265)	\$13.5803
Large Volume Industrial	\$14.0170	\$0.4632	(\$0.0265)	\$13.5803
Large Industrial	\$14.0170	\$0.4632	(\$0.0265)	\$13.5803

(C) Indicates Change

"S" - projected Mcf of gas to be billed to customers under the commodity charges of the Residential, Commercial and Public Authority, Commercial and Public Authority Load Balancing Service ("LBS"), Small Volume Industrial, Intermediate Volume Industrial, Intermediate Volume Industrial LBS, Large Industrial, Large Industrial LBS, Large Volume Industrial and Large Volume Industrial LBS Service rate schedules of this tariff during the period when rates will be in effect.

COMPUTATION OF PURCHASED GAS DEMAND COSTS PER MCF OF GAS INCLUDED IN NATURAL GAS SUPPLY CHARGES UNDER THE RESIDENTIAL, COMMERCIAL AND PUBLIC AUTHORITY, SMALL VOLUME INDUSTRIAL, INTERMEDIATE VOLUME INDUSTRIAL, LARGE VOLUME INDUSTRIAL, LARGE INDUSTRIAL AND STANDBY SERVICE RATE SCHEDULES

Purchased gas demand costs, per Mcf, to be included in Natural Gas Supply Charge rates under Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial, Large Industrial and Standby rate schedules shall be computed to the nearest one-hundredth cent (0.01c), in accordance with the formula set forth below:

$$PGDC = \left( \frac{(DC)}{(S - (SBS))} \right)$$

Purchased gas demand costs, so computed, shall be included in the rates charged to customers for gas service, pursuant to the Residential, Commercial and Public Authority, Small Volume Industrial Service, Intermediate Volume Industrial Service, Large Volume Industrial Service, Large Industrial Service and Standby Service rate schedules, for an initial period determined by the Commission and for consecutive four-month periods beginning December 1 of each year thereafter unless such period is revised by the Commission. The amount of purchased gas demand costs, per Mcf, will vary, if appropriate, based upon annual filings, by the Company, pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the Commission's regulations adopted pursuant thereto. (C)

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

"PGDC" - purchased gas demand costs determined to the nearest one-hundredth cent (0.01c) to be included in rates for each Mcf of gas supplied under Residential, Commercial and Public Authority, Small Volume Industrial Service, Intermediate Volume Industrial Service, Large Volume Industrial Service, Large Industrial Service and Standby Service rate schedules of this tariff.

"DC" - the estimated current demand cost of gas, determined by projecting, for all types of purchased gas, the total demand and winter-requirement charges from any interstate pipeline company or any other source of gas supply purchased by the Company for the projected period when rates will be in effect less projected current purchased gas demand cost revenue recovered through Distribution charges.

(C) Indicates Change

"S" - projected Mcf to be billed to customers during the projected period under the Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Industrial and Large Volume Industrial Service rate schedules.

"SBS" - projected Mcf volume to be billed to customers during the projected period under the Standby Service rate schedule.

COMPUTATION OF PURCHASED GAS DEMAND COSTS PER MCF OF GAS INCLUDED IN THE DISTRIBUTION CHARGES UNDER THE SALES RATE SCHEDULES AND THE RATE SCHEDULE SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE

Purchased gas demand costs transportation, per Mcf, to be included in Distribution Charges under the Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Industrial and Large Volume Industrial Service rate schedules and the Rate Schedule Small Aggregation Transportation Customer Service shall be computed to the nearest one-hundredth cent (0.01c), in accordance with the formula set forth below:

$$\text{PGDCT} = \frac{(\text{DCT} + \text{DEDC})}{(\text{S} + \text{SATCV}) - (\text{SBS})}$$

"PGDCT" - Purchased gas demand costs transportation, per Mcf, to be included in Distribution Charges under the Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Industrial and Large Volume Industrial Service rate schedules and the Rate Schedule Small Aggregation Transportation Customer Service.

"DCT" - the estimated current demand cost of gas, determined by projecting, for all types of demand purchased gas capacity costs included in the Distribution Charges for Sales Service Rate Schedules and the Small Aggregation Transportation Customer Service Rates, the total usage, demand and winter-requirement charges from any interstate pipeline company or any other source of gas supply purchased by the Company for the projected period when rates will be in effect.

"DEDC" - experienced net overcollection or undercollection of purchased gas demand costs included in the Distribution Charges. Such experienced net overcollection or undercollection shall be determined for the most recent period permitted under law which shall begin December 1 through March 31. (C)

The annual filing date shall be the date specified by the Company's Section 1307(f) tariff filing and not the date established by the Commission for pre-filing of certain information pursuant to 52 Pa. Code Sections 53:64(b)(1) and 53.65.

Supplier demand refunds received will be included in the calculation of "DE" with interest added at the annual rate of six percent (6%) calculated from the month received to the effective month such refund is refunded.

(C) Indicates Change

"S" - projected Mcf to be billed to customers during the projected period under the Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Industrial and Large Volume Industrial Service rate schedules.

"SATCV" - projected Mcf to be transported to customers during the projected period under the Small Aggregation and Transportation Rate Schedule.

"SBS" - projected Mcf volume to be billed to customers during the projected period under the Standby Service rate schedule.

COMPUTATION OF OVER AND UNDER COLLECTED PURCHASED GAS COSTS PER MCF OF GAS TO BE INCLUDED IN THE GAS ADJUSTMENT CHARGE UNDER THE RESIDENTIAL, COMMERCIAL AND PUBLIC AUTHORITY, SMALL VOLUME INDUSTRIAL, INTERMEDIATE VOLUME INDUSTRIAL, LARGE VOLUME INDUSTRIAL, LARGE INDUSTRIAL, AND STANDBY SERVICE RATE SCHEDULES

Over and under collected gas costs, per Mcf, to be included in the Gas Adjustment Charge included in rates under Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial, Large Industrial, Small Aggregation Transportation Customer, and Standby rate schedules shall be computed to the nearest one-hundredth cent (0.01c), in accordance with the formula set forth below:

$$GAC = \frac{(CE)}{(S1 + SATCV1)} + \frac{(DE)}{(S1 + SATCV1)} \quad (C)$$

In computing the gas adjustment charge, per Mcf, pursuant to the formula above, the following definitions will apply:

"GAC" - gas adjustment charge determined to the nearest one-hundredth cent (0.01¢) to be included in rates for each Mcf of gas supplied under Residential, Low Income Residential Assistance Service, Commercial and Public Authority, Commercial and Public Authority Load Balancing Service ("LBS"), Small Volume Industrial, Intermediate Volume Industrial, Intermediate Volume Industrial LBS, Large Industrial, Large Industrial LBS, Large Volume Industrial, Large Volume Industrial LBS, Natural Gas Vehicle Service, Small Aggregation Transportation Customer rate schedules of this tariff.

"CE" - experienced net overcollection or undercollection of purchased gas commodity costs. For the initial filing, pursuant to 1307(f) of the Public Utility Code, in order to achieve an orderly transition from Gas Cost Rate procedures to Section 1307(f) procedures, such experienced net overcollection or undercollection, to be reflected in rates effective September 1, 1985, shall be the net overcollection or undercollection arising under the Gas Cost Rate procedure. The amount of such net overcollection or undercollection shall include the historic net amount as of March 31, 1985 together with the projected net overcollection or undercollection for the five-month period ending August 31, 1985.

After the transition from the Gas Cost Rate procedures, established pursuant to the Commission's order of October 1, 1978 at M-78050055, (52 Pa P.U.C. 217) as amended, to procedures established pursuant to Section 1307(f) of the Public Utility Code, such experienced net overcollection or undercollection shall be determined for the most recent period permitted under law which shall begin with the month following the last month which was included in the previous over-under collection calculation reflected in rates.

(C) Indicates Change

The annual filing date shall be the date specified by the Company's Section 1307(f) tariff filing and not the date established by the Commission for pre-filing of certain information pursuant to 52 Pa. Code Sections 53.64(b)(1) and 53.65.

Supplier commodity refunds received will be included in the calculation of "CE" with interest added at the annual rate of six percent (6%) calculated from the month received to the effective month such refund is refunded.

"DE" - experienced net overcollection or undercollection of purchased gas demand costs. For the initial filing, pursuant to 1307(f) of the Public Utility Code, in order to achieve an orderly transition from Gas Cost Rate procedures to Section 1307(f) procedures, such experienced net overcollection or undercollection, to be reflected in rates effective September 1, 1985, shall be the net overcollection or undercollection arising under the Gas Cost Rate procedure. The amount of such net overcollection or undercollection shall include the historic net amount as of March 31, 1985 together with the projected net overcollection or undercollection for the five-month period ending August 31, 1985.

After the transition from the Gas Cost Rate procedures, established pursuant to the Commission's order of October 1, 1978 at M-78050055, (52 Pa P.U.C. 217) as amended, to procedures established pursuant to Section 1307(f) of the Public Utility Code, such experienced net overcollection or undercollection shall be determined for the period December through March. (C)

The annual filing date shall be the date specified by the Company's Section 1307(f) tariff filing and not the date established by the Commission for pre-filing of certain information pursuant to 52 Pa. Code Sections 53.64(b)(1) and 53.65.

Supplier demand refunds received will be included in the calculation of "DE" with interest added at the annual rate of six percent (6%) calculated from the month received to the effective month such refund is refunded.

"S1" - projected Mcf of gas to be billed to customers under the natural gas supply charges of the Residential, Commercial and Public Authority, Commercial and Public Authority Load Balancing Service ("LBS"), Small Volume Industrial, Intermediate Volume Industrial, Intermediate Volume Industrial LBS, Large Industrial, Large Industrial LBS, Large Volume Industrial and Large Volume Industrial LBS Service rate schedules of this tariff during the period when rates will be in effect. Commodity volumes will be for the period August 1 through July 31 of each year. Demand related volumes will be for the period December 1 through March 31 of each year. For a period of twelve months sales volumes associated with former SATC customers returning to sales service shall be excluded from the projected Mcf used in this calculation. (C)

"SATCV1" - Projected customer volume to be transported for the first twelve months of transportation service to former sales customers during the projected period under the Small Aggregation Transportation Rate Schedule. Commodity volumes will be for the period August 1 through July 31 of each year. Demand related volumes will be for the period December 1 through March 31 of each year. (C)

(C) Indicates Change

RIDER B

STATE TAX ADJUSTMENT SURCHARGE

In addition to the charges provided in this tariff, a surcharge of 0.00% will apply to all charges for service rendered on or after July 30, 2006. (C)

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

- a. Whenever any of the tax rates used in calculation of the surcharge are changed;
- b. Whenever the utility makes effective any increased or decreased rates, and
- c. On March 31, 1971, and each year thereafter.

The above recalculation will be submitted to the Commission within ten (10) days after the occurrence of the event or date which occasions such recomputation; and, if the recomputed surcharge is less than the one in effect, the Company will, and 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 ten (10) days after filing.

STA ADDENDUM (C)

In addition to the charges provided in this rider as stated above, a surcharge addendum of 0.00% will apply to all charges for service rendered on or after July 30, 2006.

The addendum to the surcharge will be recomputed as follows:

- 1.) The base rate case allowance for the Pennsylvania Public Utility Commission Assessment is \$1,166,262 as allowed for in R-00061493 effective July 30, 2006.
- 2) Whenever a Pennsylvania Public Utility Commission assessment, either initial or supplemental, is received by the company and paid by the company, the difference between the paid amount and the amount allowed in the most recent litigated base rate filing, as stated above, will be compared.
  - a.) If the amount paid is greater than the assessment amount allowed for in base rates, a surcharge will be effective with the next filing of Rider B.
  - b.) If the amount paid is less than the assessment amount allowed for in base rates, a refund will be effective with the next filing of Rider B.

(I) Indicates Increase

RIDER F  
LIRA DISCOUNT CHARGE

Effective April 1, 2002, a charge will be included in the rates subject to this Rider to provide for recovery of costs of the projected LIRA rate discounts for the upcoming 12 months.

Such charge shall be updated quarterly and effective each February 1, May 1, August 1, and November 1 of the year. The charge will also be updated whenever there is a change to the Residential Sales Service Rate Customer Charge, Distribution Charge, Natural Gas Supply Charge, or Gas Adjustment Charge.

APPLICABILITY

In addition to the charges provided in this tariff, a charge calculated in the manner explained below shall be added to the otherwise applicable charge for each Mcf of sales and transportation volumes delivered by the Company to customers receiving service under the Residential Sales Service Rate Schedule and the Residential rates of the SATC, MMT, and DMT transportation rate schedules.

CALCULATION OF RATE

The charge will be recalculated as specified above.

The charge shall be equal to the total annual projected discounts for LIRA customers for the upcoming 12 month period divided by the annual normalized throughput volumes of the qualified rate classes. The total annual projected discounts for the LIRA customers for the upcoming 12 month period shall equal the sum of the individual monthly total projected discounts for LIRA customers for the upcoming 12 months. The total monthly projected discounts for LIRA customers shall equal the residential bill for the average LIRA customer consumption for the month multiplied by the average discount percentage for LIRA service multiplied by the projected number of LIRA customers for the month.

The currently effective charge to be included in rates is \$0.5806/Mcf. (I)

(I) Indicates Increase

RIDER I  
ENHANCED ENERGY EFFICIENCY PROGRAM COST RECOVERY

PROGRAM DESCRIPTION

The Enhanced Energy Efficiency ("EEE") Program Cost Recovery shall be a surcharge to the rate schedules listed below. On or before March 31 of each year the Company shall file a summary of weather normalized volume declines from imputed volumes in Case R-00061493 and associated lost revenues. Such filing shall also include proposed revise Rider I tariff pages to implement the changes to Rider I surcharges with an effective date of August 1.

EEE Surcharge Rate

The EEE Surcharge Rate currently in effect to be added to the delivery rates of the Residential, Commercial and Public Authority, and Small Volume Industrial Service Classification is as follows:

EEE Surcharge Rate \$0.0000/Mcf.

DETERMINATION OF EEE SURCHARGE RATE

The EEE Surcharge Rate shall equal the lost margin associated with reduced normalized consumption for the Residential, Commercial and Public Authority, and Small Volume Industrial Service Classification. Lost margin per account shall be determined by calculating the decline in Residential, Commercial and Public Authority, and Small Volume Industrial Service normalized consumption for the most recent 12 months ended January preceding the March 31 filing date compared to volumes imputed for such rate categories in Case R-00061493.

The decline in normalized usage per account shall be multiplied by the sum of the appropriate rate classification tailblock delivery charge margin and LIRA Rider surcharge effective January determine lost margin per account. The lost margin per account shall be multiplied by the average monthly number of accounts for the appropriate rate classifications for the most recent 12 months ended January preceding the March 31 filing date. The total lost margin so calculated shall be divided by the most recent 12 months ended January volumes for the Residential, Commercial and Public Authority, and Small Volume Industrial rate classifications.

(C) Indicates Change

(CONTINUED)

Imputed normalized usage per account shall be as follows:

Rate Classification	Benchmark Annual Imputed Usage per Account	Tailblock Margin \$/Mcf
Residential	99.649	0.2496
Small Commercial LT 250	104.554	1.2321
Small Public Authority LT 250	109.232	1.2321
Small Commercial GT 250	435.592	1.1158
Small Public Authority GT 250	454.735	1.1158
Large Commercial	2274.003	1.6487
Large Public Authority	4135.344	1.6487
Small Volume Industrial	411.081	1.8761

The benchmark annual usage per account shall be updated in base rate proceedings.

(C) Indicates Change

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

PENNSYLVANIA DIVISION

53.53 I. VALUATION

A. ALL UTILITIES

1. Provide a corporate history (include the dates of original incorporation, subsequent mergers and/or acquisitions). Indicate all counties and cities and other governmental subdivisions to which service is provided (including service areas outside the state), and the total population in the area served.

.....

National Fuel Gas Distribution Corporation ("Distribution") is a corporation organized and existing under the laws of the State of New York. Distribution's *certificate of incorporation* was filed April 11, 1973. Distribution was qualified to do business in Pennsylvania on December 26, 1973.

Distribution is a wholly owned subsidiary of National Fuel Gas Company (National). National is a public utility holding company registered under the Public Utility Holding Company Act of 1935. It was organized under the laws of the State of New Jersey on December 8, 1902. Its principal office is located at 6363 Main Street, Williamsville, New York 14221. In addition to its ownership of 100% of the capital stock of Distribution, National owns 100% of the capital stock of the following companies:

Incorporation

National Fuel Gas Supply Corporation <sup>1</sup>	1951 Pennsylvania
Seneca Resources Corporation <sup>2</sup>	1913 Pennsylvania
Leidy Hub, Inc.	1981 New York
Highland Forest Resources, Inc. <sup>3</sup>	2003 New York
Data-Track Account Services, Inc.	1988 New York
National Fuel Resources, Inc	1991 New York
Horizon Energy Development, Inc.	1995 New York
Horizon Power, Inc.	1995 New York
Horizon LFG, Inc.	1997 New York
Empire Pipeline, Inc.	2005 New York

<sup>1</sup> Effective July 1, 1994 Penn-York Energy Corporation merged into National Fuel Gas Supply Corporation

<sup>2</sup> Effective July 1, 1994, Empire Exploration, Inc. merged into Seneca Resources Corporation

<sup>3</sup> Effective February 3, 2003, the Pennsylvania corporation known as Highland Forest Resources, Inc. (which had been incorporated in 1982 as Highland Land & Minerals, Inc.) was merged into this corporation.

The present responsibilities of Distribution resulted from a corporate reorganization of National, effective July 1, 1974. Prior to July 1, 1974, three wholly owned subsidiaries of National were engaged in retail distribution of gas service. The subsidiaries were Pennsylvania Gas Company, United Natural Gas Company and Iroquois Gas Corporation.

As of July 1, 1974, the assets of Pennsylvania Gas Company, United Natural Gas Company and Iroquois Gas Corporation associated with gas distribution and the intrastate transmission of gas were transferred to Distribution. The assets of those companies associated with the storage, production and interstate transmission of gas were transferred to National Fuel Gas Supply Corporation at the same time. The required regulatory approvals were secured for the corporate reorganization, including a certificate of public convenience, docketed at A.97939, and dated August 17, 1973, issued by the Pennsylvania Public Utility Commission.

Since July 1, 1974, Distribution has furnished retail gas service to the public within the Commonwealth of Pennsylvania and the states of New York and Ohio. In 1986, Distribution sold its Ohio utility properties. A list of counties, cities and other governmental subdivisions in which such service is provided (including areas outside of Pennsylvania), and total population served, follows this narrative.

Since July 1, 1974, Distribution has acquired the properties of three companies furnishing retail gas service. On May 22, 1975, the Pennsylvania Public Utility Commission at A.99200 issued a certificate of public convenience authorizing, inter alia, the transfer, by sale, by Gasco, Inc. to Distribution of the transmission and distribution property used by Gasco, Inc. in furnishing retail gas service to the public in the Borough of Karns City and in the Townships of Concord, Fairview, Parker, Washington and Venango, Butler County. On February 25, 1977, the Pennsylvania Public Service Commission, at A.99910 issued a certificate of public convenience authorizing, inter alia, the transfer, by sale, by Edward S. Dewey and Laurie T. Dewey Trust t/a Dewey Gas Company to Distribution, of the transmission and distribution property used by Dewey Gas Company in a portion of the Township of Brady's Bend, Armstrong County. On October 31, 1989 Distribution acquired certain assets of Mercer Gas Company in a transaction approved by both the Pennsylvania Public Utility Commission (PUC) and the United States Bankruptcy Court for the Western District of Pennsylvania (Bankruptcy Court). The PUC approved the transfer by order of September 14, 1989, at Docket Nos. T-880494, A-121650 F200, A-121850, A-97939 and P-890378. The Bankruptcy Court issued its order on October 17, 1989, confirming the sale at Case No. 88-00465E. These actions assured continuation of service to approximately 1,420 customers in Mercer Borough and the Townships of East Lackawannock, Findley and Cool Spring.

On January 31, 1989, Distribution sold to T.W. Phillips Gas & Oil Co. a portion of its assets associated with gas utility service in Mars and Callery Boroughs, and Adams, Butler, Forward, Oakland, Penn and Summit Townships Butler County, Pennsylvania. A certificate of public convenience, docketed at A-122350, and dated January 12, 1989, was issued by the Pennsylvania Public Utility Commission approving the transfer which affected approximately 1,250 residential and commercial customers.

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION**

**SUMMARY OF LAND AREA AND POPULATION DATA  
 FOR NATIONAL FUEL GAS SERVICE AREAS**

**NEW YORK DIVISION**

<i>COUNTY</i>	<i>LAND AREA (SQ. MILES)</i>	<i>POPULATION</i>		
		<i>1980</i>	<i>1990</i>	<i>2000</i>
Allegany	687.5	44,228	43,085	60,797
Cattaraugus	783.4	66,091	52,047	76,171
Chautauqua	877.3	140,810	137,513	171,034
Erie	1,011.1	1,013,832	967,839	1,063,819
Genesee	380.4	46,116	46,133	52,746
Livingston	31.8	3,859	4,187	7,000
Monroe	25.6	5,434	5,404	10,965
Niagara	216.6	160,082	150,247	153,768
Ontario	95.2	7,410	7,865	8,331
Steuben	275.1	21,706	21,215	24,766
Wyoming	483.9	28,710	30,616	37,791
<b>TOTAL</b>	<b>4,867.9</b>	<b>1,538,278</b>	<b>1,466,151</b>	<b>1,667,188</b>

**PENNSYLVANIA DIVISION**

<i>COUNTY</i>	<i>LAND AREA SQ. MILES</i>	<i>POPULATION</i>		
		<i>1980</i>	<i>1990</i>	<i>2000</i>
Armstrong	133.8	9,618	10,084	9,764
Butler	306.2	36,595	36,911	42,566
Cameron	157.8	5,600	5,008	5,021
Clarion	442.9	30,245	29,998	30,065
Clearfield	157.9	20,328	20,946	24,844
Crawford	636.7	74,577	73,166	74,363
Elk	721.0	38,028	34,635	34,885
Erie	804.6	275,212	275,208	275,853
Forest	381.8	3,797	3,586	3,721
Jefferson	427.8	27,944	26,940	26,955
McKean	746.3	36,908	34,383	33,662
Mercer	514.4	110,238	102,511	100,230
Venango	601.6	61,245	56,076	54,277
Warren	589.3	44,359	44,177	42,078
<b>TOTAL</b>	<b>6,622.1</b>	<b>774,694</b>	<b>753,629</b>	<b>758,284</b>

<b>GRAND TOTAL</b>	<b>11,490.0</b>	<b>2,312,972</b>	<b>2,219,780</b>	<b>2,425,472</b>
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**PENNSYLVANIA DIVISION**

COUNTY	SERVICE AREA	LAND AREA (SQ. MILES)	POPULATION		
			1980	1990	2000
<b>ARMSTRONG</b>	Brady's Bend Township	12.7	1,124	963	939
	East Franklin Township	30.8	3,716	4,311	3,900
	Kittaning Heights (U)	0.0	0	0	0
	Perry Township	15.0	396	322	404
	Sugarcreek Township	27.0	1,511	1,496	1,557
	Washington Township	22.0	1,008	984	1,029
	West Franklin Township	26.3	1,863	2,008	1,935
	<b>TOTAL</b>	<b>133.8</b>	<b>9,618</b>	<b>10,084</b>	<b>9,764</b>
<b>BUTLER</b>	Adams Township	22.6	3,816	3,911	6,774
	Allegheny Township	24.2	565	504	555
	Center Township	24.2	6,224	6,239	8,182
	*Chicora Township	0.5	1,192	1,058	1,021
	Concord Township	24.8	1,367	1,336	1,493
	Donegal Township	23.0	1,540	1,563	1,722
	Fairview Township	24.1	1,934	2,233	2,061
	Forward Township	23.3	2,146	2,339	2,687
	Karns City Borough	0.3	354	226	244
	Mars Borough	0.4	1,803	1,713	1,746
	Oakland Township	22.9	2,767	2,820	3,074
	Parker Township	23.5	614	601	700
	Penn Township	24.1	5,219	5,080	5,210
	Petrolia Township	0.4	472	292	218
	Summit Township	22.2	4,628	5,009	4,728
	Venango Township	20.7	667	707	732
	Washington Township	25.0	1,287	1,280	1,419
<b>TOTAL</b>	<b>306.2</b>	<b>36,595</b>	<b>36,911</b>	<b>42,566</b>	
<b>CAMERON</b>	Emporium Borough	0.7	2,837	2,513	2,526
	Shippen Township	157.1	2,763	2,495	2,495
	<b>TOTAL</b>	<b>157.8</b>	<b>5,600</b>	<b>5,008</b>	<b>5,021</b>
<b>CLARION</b>	Ashland Township	22.5	1,048	1,019	1,081
	Beaver Township	33.7	1,900	1,840	1,753
	Brady Township	1.6	94	78	62
	Clarion Borough	1.5	6,664	6,457	6,185
	Clarion Township	31.4	2,847	3,306	3,273
	East Brady Borough	0.8	1,153	1,047	1,038
	Elk Township	31.3	1,615	1,526	1,519
	Farmington Township	61.9	1,914	1,927	1,986
	Highland Township	19.1	551	573	633
	Knox Township	17.4	1,244	1,281	1,045
	Limestone Township	37.6	1,558	1,686	1,773
	Madison Township	27.1	1,524	1,423	1,442
	Millcreek Township	28.9	371	407	415
	Monroe Township	29.5	1,247	1,314	1,587
	Paint Township	20.5	1,681	1,730	1,778
	Perry Township	29.0	1,295	1,076	1,064
	Salem Township	16.1	906	893	852
	Strattanville Borough	0.5	555	490	542
	Washington Township	32.5	2,078	1,925	2,037
<b>TOTAL</b>	<b>442.9</b>	<b>30,245</b>	<b>29,998</b>	<b>30,065</b>	

\* In January 1989 Chicora Township Territory was sold.

**PENNSYLVANIA DIVISION**

COUNTY	SERVICE AREA	LAND AREA (SQ. MILES)	POPULATION		
			1980	1990	2000
<b><u>CLEARFIELD</u></b>	Brady Township	38.1	1,998	2,249	2,010
	DUBOIS CITY	3.3	9,290	8,286	8,123
	Falls Creek Borough (part)	0.0	50	54	0
	Huston Township	63.6	1,390	1,352	1,468
	Sandy Township	51.5	7,600	7,210	11,556
	Sandy (U)	1.4	0	1,795	1,687
	<b>TOTAL</b>		<b>157.9</b>	<b>20,328</b>	<b>20,946</b>
<b><u>CRAWFORD</u></b>	Blooming Valley Borough	1.9	374	391	378
	Cambridge Springs Borough	0.8	2,102	1,837	2,363
	Cambridge Township	21.5	1,389	1,496	1,486
	Cochranton Borough	1.2	1,240	1,174	1,148
	Conneaut Lake Borough	0.3	767	699	708
	Conneaut Township	40.8	1,388	1,399	1,550
	Conneautville Borough	1.1	971	822	848
	E. Fairfield Township	12.8	932	890	848
	E. Mead Township	22.8	1,553	1,441	1,485
	Fairfield Township	19.4	1,099	997	1,104
	Greenwood Township	36.2	1,499	1,361	1,487
	Hayfield Township	38.9	2,969	2,937	3,092
	Hydetown Borough	2.2	760	681	605
	Linesville Borough	0.7	1,198	1,166	1,155
	MEADVILLE CITY	4.3	15,544	14,318	13,685
	Oil Creek Township	32.2	2,035	2,069	1,880
	Pine Township	6.6	435	455	531
	Randolph Township	43.2	1,589	1,661	1,838
	Richmond Township	36.4	1,228	1,370	1,379
	Sadsbury Township	23.9	2,702	3,274	2,941
	Saegertown Borough	1.4	942	1,066	1,071
	South Shenango Township	26.5	1,479	1,560	2,047
	Springboro Borough	0.8	557	471	491
	Spring Township	45.6	1,500	1,561	1,571
	Steuben Township	24.6	819	820	908
	Summerhill Township	25.4	1,196	1,264	1,350
	Summit Township	25.6	1,992	1,890	2,172
	TITUSVILLE CITY	2.9	6,884	6,434	6,146
	Townville Borough	0.5	364	358	306
	Venango Borough	0.2	298	289	288
	Venango Township	16.9	693	729	956
	Vernon Township	29.3	6,348	5,605	5,499
	Fredericksburg (U)	3.9	0	1,269	1,140
	Wayne Township	34.9	1,335	1,401	1,558
West Mead Township	18.1	5,590	5,401	5,227	
Woodcock Borough	0.5	126	148	146	
Woodcock Township	32.4	2,680	2,412	2,976	
<b>TOTAL</b>		<b>636.7</b>	<b>74,577</b>	<b>73,116</b>	<b>74,363</b>
<b><u>ELK</u></b>	Benzinger Township	97.4	8,808	8,509	8,846
	Fox Township	67.2	3,723	3,392	3,734
	Highland Township	86.9	672	551	509
	Horton Township	56.9	1,577	1,655	1,574
	Jay township	67.8	2,166	2,087	2,094
	Johnsonburg Township	3.0	3,938	3,350	3,003
	Jones Township	145.3	1,959	1,870	1,721
Millstone Township	41.5	121	85	95	

**PENNSYLVANIA DIVISION**

COUNTY	SERVICE AREA	LAND AREA (SQ. MILES)	POPULATION		
			1980	1990	2000
<u>ELK (Cont.)</u>	Ridgway Borough	2.6	5,604	4,793	4,591
	Ridgway Township	87.1	2,777	2,617	2,802
	St. Mary's Borough	1.7	6,417	5,511	5,656
	Spring Creek Township	63.6	266	215	260
	<b>TOTAL</b>	<b>721.0</b>	<b>38,028</b>	<b>34,635</b>	<b>34,885</b>
<u>ERIE</u>	Albion Borough	1.0	1,818	1,575	1,607
	Amity Township	28.3	1,098	1,034	1,140
	Concord Township	33.1	1,434	1,384	1,361
	Conneaut Township	44.4	1,893	1,938	3,908
	CORRY CITY	6.1	7,149	7,216	6,834
	Cranesville Borough	0.9	703	598	600
	East Springfield Borough	2.0	0	0	0
	Edinoboro Borough	2.3	6,324	7,736	6,950
	Elgin Borough	1.5	235	229	236
	Elk Creek Township	35.4	1,775	2,336	1,800
	ERIE CITY	22.0	119,123	108,718	103,717
	Fairview Borough	1.4	1,855	1,988	0
	Fairview Township	28.9	7,518	7,839	10,140
	Franklin Township	28.7	1,301	1,429	1,609
	Girard Borough	2.3	2,615	2,879	3,164
	Girard Township	31.5	4,306	4,722	5,133
	Greene Township	37.3	5,238	4,959	4,768
	Greenfield Township	33.8	1,677	1,770	1,909
	Harborcreek Township	34.3	14,644	18,763	15,178
	Lake City Borough	1.8	2,384	2,519	2,811
	Lawence Park Township	1.8	4,584	4,310	4,048
	LeBoeuf Township	34.5	1,500	1,521	1,680
	McKean Township	37.1	4,047	4,503	4,619
	Middleboro Borough	0.5	465	418	0
	Millcreek Township	28.6	44,303	46,820	52,129
	Mill Village Borough	0.9	427	429	412
	North East Township	42.2	5,750	6,283	7,702
	Platea Borough	3.3	492	467	474
	Springfield Township	35.6	3,395	3,218	3,378
	Summit Township	23.7	5,381	5,284	5,529
	Union City Borough	1.9	3,623	3,537	3,463
	Union Township	36.4	1,779	1,735	1,663
	Venango township	43.6	2,089	2,235	2,277
Washington Township	47.3	3,567	4,102	4,526	
Waterford Borough	1.2	1,568	1,492	1,449	
Waterford Township	50.0	2,874	3,402	3,878	
Wattsburg Borough	0.3	513	486	378	
Wayne Township	38.2	1,767	1,679	1,766	
Wesleyville Borough	0.5	3,998	3,655	3,617	
<b>TOTAL</b>	<b>804.6</b>	<b>275,212</b>	<b>275,208</b>	<b>275,853</b>	
<u>FOREST</u>	Barnett Township	34.3	333	400	349
	Green Township	42.2	400	335	397
	Harmony Township	34.1	575	499	511
	Hickory Township	37.5	560	513	525
	Howe Township	87.8	302	300	417
	Jenks Township	84.5	1,375	1,321	1,261
	Kingsley Township	61.4	252	218	261
<b>TOTAL</b>	<b>381.8</b>	<b>3,797</b>	<b>3,586</b>	<b>3,721</b>	

**PENNSYLVANIA DIVISION**

COUNTY	SERVICE AREA	LAND AREA (SQ. MILES)	POPULATION		
			1980	1990	2000
<b>JEFFERSON</b>	Barnett Township	14.5	262	269	272
	Brockway Borough	1.1	2,376	2,207	2,182
	Brookville Borough	3.2	4,568	4,184	4,230
	Clover Township	16.2	500	523	474
	Corsica Borough	0.5	381	337	354
	Eldred Township	46.6	1,111	1,197	1,277
	Falls Creek Borough (part)	0.9	1,158	1,033	983
	Heath Township	28.6	138	109	160
	Knox Township	31.2	1,072	1,014	1,056
	Pinecreek Township	28.5	1,407	1,413	1,369
	Polk Township	30.7	216	305	294
	Reynoldsville Borough	1.4	3,016	2,818	2,710
	Rose Township	19.1	1,157	1,198	1,232
	Snyder Township	41.7	2,626	2,535	2,432
	Sykesville Borough	1.6	1,537	1,387	1,246
	Union Township	17.8	721	733	816
	Warsaw Township	51.3	1,169	1,213	1,346
	Washington Township	47.5	1,943	1,939	1,931
	Winslow Township	45.4	2,586	2,526	2,591
		<b>TOTAL</b>	<b>427.8</b>	<b>27,944</b>	<b>26,940</b>
<b>McKEAN</b>	BRADFORD CITY	3.4	11,211	9,625	9,175
	Bradford Township	55.4	5,294	5,065	4,816
	Eldred Township	39.3	2,146	1,768	1,696
	Foster Township	46.3	5,106	4,691	4,566
	Hamilton Township	71.9	707	612	637
	Hamlin Township	66.5	892	822	819
	Keating Township	97.8	3,366	3,070	3,087
	Lafayette Township	71.1	1,056	2,106	2,337
	Lewis Run Borough	1.9	677	578	577
	Norwich Township	95.6	599	593	633
	Otto Township	34.8	1,962	1,820	1,738
	Sergeant Township	80.2	171	154	176
	Smethport Borough	1.7	1,797	1,734	1,684
	Wetmore Township	80.4	1,924	1,745	1,721
		<b>TOTAL</b>	<b>746.3</b>	<b>36,908</b>	<b>34,383</b>
<b>MERCER</b>	Clarksville Borough	0.1	667	211	234
	Coolspring Township	19.1	1,984	2,140	2,287
	Delaware Township	32.5	2,205	2,064	2,159
	E. Lackawannock Township	21.1	1,709	1,606	1,701
	Fairview Township	18.6	965	910	1,104
	FARRELL CITY	2.3	8,645	6,841	6,050
	Findley Township	21.1	1,651	2,284	2,305
	Fredonia Borough	0.4	712	683	652
	French Creek township	20.7	765	789	764
	Greene Township	21.9	1,292	1,247	1,153
	Greenville Borough	1.9	7,730	6,723	6,380
	Hempfield Township	14.0	4,078	3,840	4,004
	Hermitage Township	29.4	16,365	15,282	16,157
	Jackson Center Borough	1.1	265	244	221
	Jackson Township	17.1	1,045	1,089	1,206
	Jamestown Borough	0.8	854	761	636
	Jefferson Township	24.5	2,007	1,998	2,416
	Lackawannock Township	20.6	2,814	2,677	2,561

**PENNSYLVANIA DIVISION**

COUNTY	SERVICE AREA	LAND AREA (SQ. MILES)	POPULATION			
			1980	1990	2000	
<b>MERCER (Cont.)</b>	Lake Township	15.8	598	651	706	
	Mercer Borough	1.3	2,532	2,444	2,391	
	Perry Township	18.0	1,597	1,468	1,471	
	Pine Township	25.4	3,762	4,193	4,493	
	Pymatuning Township	16.4	3,880	3,736	2,216	
	Sandy Creek Township	15.9	847	806	848	
	Sandy Lake Township	24.3	1,163	1,161	1,248	
	SHARON CITY	3.7	19,057	17,493	16,328	
	Sharpsville Borough	1.4	5,375	4,729	4,500	
	Sheakleyville Borough	0.2	155	145	164	
	Shenango Township	29.9	4,399	4,339	4,037	
	S. Pymatuning Township	19.3	3,016	2,775	2,857	
	Sugar Grove Township	12.3	1,153	987	909	
	West Middlesex Borough	0.9	1,064	982	929	
	West Salem Township	36.9	3,862	3,547	3,565	
	Wheatland Borough	0.8	1,132	760	748	
	Worth Township	24.7	893	906	830	
	<b>TOTAL</b>		<b>514.4</b>	<b>110,238</b>	<b>102,511</b>	<b>100,230</b>
	<b>VENANGO</b>	Canal Township	24.5	1,055	1,067	1,008
Cherrytree Township		36.8	1,635	1,601	1,543	
Clinton Township		28.5	686	733	758	
Cooperstown Borough		0.5	644	506	460	
Cornplanter Township		38.1	3,038	2,968	2,687	
Cranberry Township		70.1	7,873	7,256	7,014	
FRANKLIN CITY		4.6	8,146	7,329	7,212	
Frenchcreek Township		29.3	2,076	1,676	1,605	
Irwin Township		33.7	1,234	1,456	1,309	
Jackson Township		24.7	1,097	1,089	1,168	
Mineral Township		22.5	519	514	533	
Oakland Township		29.0	1,559	1,527	1,565	
OIL CITY		4.5	13,881	11,949	11,504	
Oilcreek Township		22.9	873	915	840	
Pinegrove Township		37.0	1,437	1,395	1,338	
Pleasantville Borough		0.9	1,099	991	850	
Polk Borough		1.9	1,884	1,267	1,031	
President Township		37.4	534	501	543	
Richland Township		22.2	1,055	775	744	
Rockland Township		49.7	1,310	1,320	1,346	
Rouseville Borough		0.9	734	583	472	
Sandycreek Township		17.6	1,948	2,211	2,406	
Scrubgrass Township		25.7	719	673	799	
Sugarcreek Borough		37.3	5,954	5,532	5,331	
Utica Borough		1.3	255	242	211	
<b>TOTAL</b>			<b>601.6</b>	<b>61,245</b>	<b>56,076</b>	<b>54,277</b>
<b>WARREN</b>		Brokenstraw Township	39.9	1,978	1,962	2,068
	Clarendon Borough	0.4	776	650	564	
	Columbus township	40.5	1,879	1,776	1,741	
	Conewango Township	29.9	5,284	4,475	3,915	
	Deerfield Township	42.9	382	274	333	
	Farmington Township	34.1	1,246	1,287	1,353	
	Freehold Township	35.6	1,253	1,318	1,402	
	Glade Township	35.4	2,512	2,372	2,319	
	Limestone Township	31.1	315	359	418	

**PENNSYLVANIA DIVISION**

COUNTY	SERVICE AREA	LAND AREA (SQ. MILES)	POPULATION		
			1980	1990	2000
<b>WARREN (Cont.)</b>					
	Mead Township	40.5	1,777	2,229	1,555
	Pine Grove Township	39.6	2,576	2,756	2,712
	Pittsfield Township	55.6	1,623	1,543	1,519
	Pleasant Township	34.2	2,574	2,663	2,528
	Sheffield Township	56.9	2,655	1,088	2,346
	Sheffield (U)	1.7	0	1,294	0
	Sugar Grove Borough	1.1	630	604	613
	Sugar Grove Township	35.5	1,594	1,745	1,870
	Tidioute Borough	1.1	844	791	792
	Triumph Township	28.4	309	314	286
	Warren Township	3.6	12,146	12,902	11,910
	Youngsville Township	1.3	2,006	1,775	1,834
	<b>TOTAL</b>	<b>589.3</b>	<b>44,359</b>	<b>44,177</b>	<b>42,078</b>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

PENNSYLVANIA DIVISION

53.53 I. VALUATION

C. GAS UTILITIES

- 2. Provide an overall system map, including and labeling all measuring and regulating stations, storage facilities, production facilities, transmission and distribution mains, by size, and all interconnections with other utilities and pipelines.

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See Page 2.

53.53 IV. RATE STRUCTURE

B. GAS UTILITIES

- 8. Supply a map showing the Gas System Facilities and Gas Service Areas. The map should include transmission lines, distribution lines, other companies' lines interconnecting with the interconnecting points clearly designated, major compressor stations, gas storage areas and gas storage lines. The normal direction of gas flow within the transmission system should be indicated by arrows. Separate service areas within the system should be clearly designated.

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See Page 2.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
53.53 II. RATE OF RETURN  
A. ALL UTILITIES

24. Attach chart explaining Company's relationship to its affiliates (System Structure).

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See Page 2.



NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
53.53 III. BALANCE SHEET AND OPERATING STATEMENT  
E. GAS UTILITIES

7. Provide details of respondent's attempts to recover uncollectible and delinquent accounts

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ACTIVE DELINQUENT RESIDENTIAL COLLECTIONS

Residential collection activity in Pennsylvania is governed by Title 52 Pennsylvania Code Chapter 56, Chapter 14, and other guidelines and/or directives issued by the Bureau of Consumer Services.

1. The net amount billed becomes due for all residential accounts no less than twenty (20) days after the mailing of the monthly bill. Industrial, commercial and public authority accounts are due no less than fifteen (15) days after the mailing of the monthly bill. A twenty (20) day net payable period is granted to all Commonwealth of Pennsylvania accounts.
2. Approximately thirty-one (31) days following the mailing of the monthly bill, residential accounts considered "sufficiently delinquent" are mailed a final termination notice.

A formula is used to determine those accounts which are "sufficiently delinquent." The formula takes into account the following:

- (a) the amount of the arrears;
- (b) the age of the arrears;
- (c) the prior history of the account allowing for deterioration or improvement;
- (d) any security deposit; and
- (e) any credit in the balanced billing plan associated with the prior balance.

3. The final termination notice states that service will be terminated in not less than (10) days from the date of mailing unless one of the following occurs:
  - (a) a payment is received;
  - (b) a satisfactory payment arrangement is made;
  - (c) a billing dispute is filed with National Fuel Gas Distribution Corporation Pennsylvania Division, ("Company") or the Pennsylvania Public Utility Commission; or
  - (d) a medical emergency exists.
4. The Company must review with the customer certain items prior to discussing payment agreements.

When a customer contacts the Company before termination, we must first explain:

- 56.97(a)(1) The reasons for the proposed termination.
- 56.97(a)(2) All available methods for avoiding a termination, including:
  - (a) Tendering payment in full or otherwise eliminating the grounds for termination.
  - (b) Entering a payment arrangement.
- 56.97(a)(6) The medical emergency procedures.

After explaining the above, the Company may negotiate a payment arrangement. If the Company and the customer are successful in negotiating an agreement, then 56.97(a)(3)(4) and (5) would be provided when appropriate.

- 56.97(a)(3) The right of the ratepayer to file a dispute with the utility and, thereafter, an informal complaint with the Commission.
- 56.97(a)(4) The procedures for resolving disputes and informal complaints, including the address and telephone number of the Commission.
- 56.97(a)(5) The duty of the ratepayer to pay a portion of a bill which he does not honestly dispute.

If we are unable to negotiate a payment agreement, it is necessary to comply with the provisions of 56.152, the utility company report (dispute report).

5. For those customers who have not taken steps to avoid termination, the Company “shall attempt to contact the customer or occupant, either in person or by telephone, to provide notice of the proposed termination at least three days prior to the scheduled termination. Phone contact shall be deemed complete upon attempted calls on two separate days to the residence between the hours of 7a.m. and 9 p.m. if the calls were made at various times each day.” [1406 (B) (1) (II)]
6. On the proposed termination date the serviceman will: (1) accept payment of arrears or a specified amount, leaving service on; or (2) determine a medical emergency exists, leaving service on; or (3) see a receipt, leaving service on; or (4) terminate service. “During the months of December through March, unless personal contact has been made with the customer or responsible adult by personally visiting the customer’s residence, the public utility shall, within 48 hours of the scheduled date of termination, post a notice of the proposed termination at the service location.” [1406 (B) (1) (III)]
7. For Winter Termination, 1406 (E) (1) severely restricts service terminations for customers with household incomes at or below 250% of the Federal Poverty Level.
8. On September 27, 2005, the Bureau of Consumer Services sent a letter to a Company Executive which requested a survey of those premises where heat related service gas has not been restored among other suggestions. Copies of the letter are part of the exhibit at pages 5 to 8.

### FINAL BILL COLLECTION

Below is a description of the final bill placement process:

1. Approximately twenty-two (22) days after mailing of the final statement the net bill becomes due.
2. Approximately thirty-two (32) days after mailing or ten (10) days past due, the final bill is out sourced to a primary collection agency. The primary collection agency attempts telephone contact, mails additional past due notices and performs skiptracing where applicable. Past due accounts are credit reported at forty-five (45) days past due. In addition asset searches are conducted by the primary collection agency if it appears legal action may be necessary to recover the past due debt.
3. Approximately two-hundred-eleven (211) days after mailing of the final statement or one-hundred-eighty (180) days past due, the final bill is returned to National Fuel Gas Distribution Corporation from the primary collection agency.

4. Approximately two-hundred-fourteen (214) days after mailing of the final statement or one-hundred-ninety-two (192) days past due, the final bill is referred to a secondary collection agency. Additional telephone contact is attempted by the agency, notices are mailed and skiptracing occurs. The debtors are also credit reported.
5. Approximately five-hundred-seventy-nine (579) days after mailing of the final statement or five-hundred-fifty-seven (557) days past due, the secondary placement is returned to National Fuel Gas Distribution Corporation from the secondary collection agency.
6. Approximately five hundred-eighty-two (582) days after mailing of the final statement or five-hundred-sixty (560) days past due, the final bill is referred to a tertiary collection agency. Additional telephone contact is attempted, notices are mailed and skiptracing occurs. Once again, the debtors are credit reported.
7. Approximately two-thousand-five-hundred-fifty-five (2,555) days after mailing or two-thousand-five-hundred-thirty-three (2,533) days past due, the account is returned to National Fuel Gas Distribution Corporation and purged.
8. In addition to intense collection agency activity, National Fuel Gas Distribution Corporation utilizes an automated system match which is performed weekly at approximately 10 days past due until the bad debt is written off. The system automatically transfers complete matches. Partial matches are listed on exception reports which are reviewed by National Fuel Gas Distribution Corporation's Credit, Collections and Receivables Management department on a weekly basis.

### UNCOLLECTIBLE ACCOUNTS

Unpaid finals are determined to be uncollectible and are written off to Bad Debt approximately three-hundred-sixty-five (365) days after the mailing of the final statement or three-hundred-forty-three (343) days past due. As indicated above final bill collection activity may continue up to six (6) years after write-off.

COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265IN REPLY PLEASE REFER TO  
OUR FILE

September 27, 2005

Dear Utility Company Executive:

In accordance with 52 PA Code Section 56.100(4) and Section 56.100(5), all utilities subject to this Chapter are required to survey those premises where heat-related service, including any landlord-ratepayer accounts, has been terminated during the year. The regulations require utilities to, within 90 days *prior* to December 1, survey and attempt to make post-termination personal contact with the occupant or a responsible adult at the premises and in good faith attempt to reach an agreement regarding payment of any arrearages and restoration of service. In order to ensure that personal contact is made prior to December 1, I strongly recommend that your company begin to survey your off accounts no later than October 15.

Of particular concern to the Bureau are those residential service accounts where service has not been restored. Accordingly, I am requesting that you report to the Bureau the status of utility service at residential properties where company records indicate that service was terminated on or after January 1, 2005 and has not been reconnected.

Please be advised of the two clarifications below:

- **The Bureau considers all electric accounts to be heat-related since heating equipment needs electricity to function. Therefore, these accounts should be included in the survey.**
- **If a premise is off, your utility should include that premise in the survey regardless of the length of time the premise has been off. In other terms, the designation of applicant or ratepayer does not determine whether your company must survey the premise.**

When you report the results of your surveys, please use the attached Form A to report the status of accounts terminated in 2005. The report should reflect the status of relevant accounts as of December 1, 2005 and be returned to BCS no later than the close of business on December 15.

The primary goal of the survey is to afford customers who were terminated and who are still residing at the affected properties the opportunity to have service

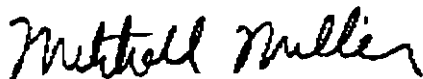
reconnected. To accomplish this goal, I suggest you make four attempts to contact the ratepayer or a responsible adult occupant at properties where service was terminated in 2005.

The four contact attempts should be a combination of telephone calls and letters to the customer and personal visits to the property. Employees should make attempts to establish contact on different days of the week and at different times of the day (including evening hours). If you have been unsuccessful in contacting consumers in the first three attempts, we are requesting that you make the fourth contact a personal visit to the property. We are also concerned about the categorization of accounts as vacant. Please carefully document the specific reasons you determine properties as vacant. Natural gas utilities should check for usage on electric meters to help determine if a property is vacant.

I strongly encourage referring consumers to available energy services and leaving special information packets at properties whose service is off. The packets should contain information about contacting the utility company, applications for energy assistance, and information about any other special assistance programs – especially customer assistance programs.

Thank you for your continued cooperation with this important health and safety matter. I have assigned responsibility for the 2005 Cold Weather Survey to Janice Hummel. Please contact her at (717) 783-9088 or email her at [jahummel@state.pa.us](mailto:jahummel@state.pa.us) if you have any questions regarding this year's survey.

Very truly yours,



Mitchell Miller, Director  
Bureau of Consumer Services

attachment

FORM A

**2005 Cold Weather Survey**  
**The Pennsylvania Public Utility Commission**  
**Bureau of Consumer Services**

1. \_\_\_\_\_ Number of heat-related residential properties terminated between 1/1/05 and 11/30/05.
2. \_\_\_\_\_ Number of heat-related residential properties to be surveyed.  
(Those that your records show as not reconnected).

**Survey Results**

Place each of the properties from Item #2 above into one of the following categories:

- A. \_\_\_\_\_ Number of vacant premises (reasonably sure).
- B. \_\_\_\_\_ Number of accounts where contact was made and service was reconnected with a payment/settlement agreement, or where service was connected in a new name.
- C. \_\_\_\_\_ Number of accounts where unauthorized use was discovered. No payment agreement established, service will remain on (with or without contact).
- D. \_\_\_\_\_ Number of accounts where no contact was made and premises appear to be occupied.
- \_\_\_\_\_ (i) Number of accounts identified as non low income customers or income is unknown.
- \_\_\_\_\_ (ii) Number of these accounts identified as low income customers.
- \_\_\_\_\_ (iii) Number of these accounts identified as CAP customers who defaulted on their agreement.
- E. \_\_\_\_\_ Number of heat-related premises that are occupied and the regulated utility service has not been reconnected.
- \_\_\_\_\_ (i) Number of accounts identified as non low income customers or income is unknown.

\_\_\_\_\_ (ii) Number of these accounts identified as low income customers.

customers who \_\_\_\_\_ (iii) Number of these accounts identified as CAP defaulted on their agreement.

*FORM A,  
Page 2*

E. (continued) \_\_\_\_\_ (iv) Number of these accounts who are using an alternative heating source. Identify the heating source below.

*Heating with:*

- 1. \_\_\_\_\_ kerosene heater
- 2. \_\_\_\_\_ electric space heater
- 3. \_\_\_\_\_ wood/coal stove or furnace
- 4. \_\_\_\_\_ fireplace
- 5. \_\_\_\_\_ kitchen stove/oven
- 6. \_\_\_\_\_ oil-filled space heater
- 7. \_\_\_\_\_ other (specify) \_\_\_\_\_

---

\_\_\_\_\_  
Company Name  
Number

---

\_\_\_\_\_  
Company Contact Person and Telephone

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION**

**PENNSYLVANIA RATE JURISDICTION**

**53.53 I. VALUATION**

**C. GAS UTILITIES**

1. Provide, with respect to the scope of operations of the utility, a description of all property, including an explanation of the system's operation, and all plans for any significant future expansion, modification or other alteration of facilities.

This description should include, but not be limited to the following:

- a. If respondent has various gas services areas, indicate if they are integrated, such that the gas supply is available to all customers.

.....

The National Fuel Gas Distribution Corporation ("Distribution") – Pennsylvania Rate Jurisdiction is a public utility providing, in a 14 county area of northwestern Pennsylvania, gas service to 197,792 residential, 15,541 commercial and public authority customers and 609 industrial customers. All of the many local distribution systems are interconnected although, in many instances, they are interconnected by means of pipelines of National Fuel Gas Supply Corporation ("Supply"). Major municipalities located within the area serviced by Distribution include Erie, Meadville, Sharon, Franklin, Oil City, Clarion, Corry, Warren, DuBois and Bradford. The majority of gas supplies for the Pennsylvania Division gas requirement are brought to Distribution through Supply and two other interstate pipelines. These pipelines are Tennessee Gas Pipeline Company and Columbia Gas Transmission Corporation ("Columbia"). In addition, Distribution holds contracts for ten-day peaking storage service with Nexen Marketing U.S.A. ("Nexen"), availability terminating March 31, 2006, and with Central New York Oil and Gas Company, L.L.C. ("CNYOG"). Distribution purchases gas supplies directly from southwest producers/aggregators, and independent producers within its service territory in Pennsylvania and from T. W. Phillips.

- b. Provide all pertinent data regarding company policy related to the addition of new consumers in the company's service area.

.....

Distribution is permitted to attach new customers under the terms and conditions contained in the Company's tariff, the Commission's regulations codified at 52 Pa. Code Ch. 59 and orders of the Commission adopted pursuant thereto.

c. Explain how respondent obtains its gas supply, as follows:

- (i) Explain how respondent stores or manufactures gas; if applicable.
- (ii) State whether the company has peak shaving facilities.
- (iii) Provide details of coal-gasification programs, if any.
- (iv) Describe the potential for emergency purchases of gas.
- (v) Provide the amount of gas in MCF supplied by various suppliers in the test year (include a copy of all contracts).
- (vi) Provide the amount of gas in MCF supplied from company-owned wells during the test year.

.....

- (i) Distribution has no facilities to store or manufacture gas, but has entered into gas storage service agreements with Supply, CNYOG and Columbia, as well as, peaking service agreements with Nexen, availability terminating March 31, 2006. Of these storage agreements Distribution relies most heavily on the Supply services. An example of an EFT Agreement with Supply is attached at Schedule No. 1., and an example of an ESS Agreement with Supply is attached at Schedule No. 2.
- (ii) *Distribution does not have peak shaving facilities.*
- (iii) Distribution's only involvement in coal gasification would be through the Gas Technology Institute providing financial support for the Institute's participation in coal gasification research projects.
- (iv) No emergency purchases have been made by Distribution since the 1976 – 1977 heating season. Distribution does not expect to make any such purchases.
- (v) Please refer to Exhibit No. 10 Schedule 7 for the gas supplied by upstream suppliers. This is the volume figure noted in the row called "Upstream Purchases" at pages 2 and 3. Gas purchased from independent producers is shown in total in the next row. Pursuant to the governing procedures for confidential treatment of submitted materials, a copy of Distribution's confidential standard long-term contract for supplies is provided at Schedule No. 4 and will be available subject to a protective order.

(vi) Distribution does not own gas wells.

d. Provide plans for future gas supply, as follows:

- (i) Supply details of anticipated gas supply from respondent's near-term development of gas wells, if any.
- (ii) Provide gas supply agreements and well development ventures and identify the parties thereto.

.....

- (i) Distribution does not own gas wells nor does it plan to drill or otherwise acquire gas wells in the future.
- (ii) Attached are samples of typical gas purchase agreements for short-term purchases from local producers and short-term purchases from southwest producers and marketers. Also see the contracts provided in response to Question c.v. above. These form contracts are used by Distribution in its many gas supply arrangements with its suppliers. As noted above in response to Question c.v., pursuant to the governing procedures for confidential treatment of submitted materials, a copy of Distribution's standard long-term contract for supplies is provided at Schedule No. 3 and is available subject to a protective order. The sample copies of the short-term contracts are provided as follows:

Typical Short-Term Contracts with Independent Local Producers	Schedule No. 4
---------------------------------------------------------------	----------------

Typical Short-Term Contracts with suppliers	Schedule No. 5
---------------------------------------------	----------------

e. Indicate any anticipated curtailments and explain the reasons for the curtailments.

.....

Distribution does not anticipate any curtailments.

- f. Provide current data on any Federal Power Commission action or programs that may affect, or tend to affect, the natural gas supply to the gas utility.

Distribution is not under direct regulation by the FERC; however, it is affected by Federal regulations and actions covering the sources and prices of gas to suppliers providing gas to Distribution.

Distribution has adopted a FERC action program whereby Distribution participates and actively represents its position as a local distribution company in those proceedings before the Commission that may have a direct impact on Distribution. Distribution's activity at the FERC during the past year was provided in Distribution's 1307(f) proceeding at PGC Exhibit No. 6 which is incorporated in Exhibit No. 12, Schedule No. 8.

See discussion of FERC Order No. 2004 (FERC's new affiliate rule) and its potential impact in Statement No. 12.

.....

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION**  
**PENNSYLVANIA DIVISION**

**53.53 III. BALANCE SHEET AND OPERATING STATEMENT**

**E. GAS UTILITIES**

- 28. Provide a statement explaining the details of firm gas purchase (long-term) contracts with affiliated and nonaffiliated utilities, including determination of costs, terms of contract, and other pertinent information.

.....

Refer to Distribution's 1307(f) PGC Exhibit No. 4 and PGC Exhibit No. 8 as incorporated in Exhibit No. 12, Schedule 8. A confidential copy of Distribution's Pro Forma Master Gas Purchase Contract is attached at Schedule No. 3, and is available subject to protective order.

**SERVICE AGREEMENT  
(EFT Service)**

**AGREEMENT made this 1st day of August, 1993, by and between NATIONAL FUEL GAS SUPPLY CORPORATION, a Pennsylvania corporation, hereinafter called "Transporter" and NATIONAL FUEL GAS DISTRIBUTION CORPORATION, hereinafter called "Shipper."**

**WHEREAS, Shipper has requested that Transporter transport natural gas; and**

**WHEREAS, Transporter has agreed to provide such transportation for Shipper subject to the terms and conditions hereof.**

**WITNESSETH: That, in consideration of the mutual covenants herein contained, the parties hereto agree that Transporter will transport for Shipper, on a firm basis, and Shipper will furnish, or cause to be furnished, to Transporter natural gas for such transportation during the term hereof, at the prices and on the terms and conditions hereinafter provided.**

**ARTICLE I**

**Quantities**

**Beginning on the date on which deliveries of gas are commenced hereunder and thereafter for the remaining term of this Agreement, and subject to the provisions of Transporter's EFT Rate Schedule, Transporter agrees to transport for Shipper's account up to the following quantities of natural gas:**

**Contract Maximum Daily Transportation Quantity (MDTQ) of 1,148,648 Dekatherms (Dth)**

**ARTICLE II**

**Rate**

**Unless otherwise mutually agreed in a written amendment to this Agreement, for each dekatherm of gas transported for Shipper by Transporter hereunder, Shipper shall pay Transporter the maximum rate provided under Rate Schedule EFT set forth in Transporter's effective FERC Gas Tariff. In**

the event that the Transporter places on file with the Federal Energy Regulatory Commission ("Commission") another rate schedule which may be applicable to transportation service rendered hereunder, then Transporter, at its option, may from and after the effective date of such rate schedule, utilize such rate schedule in performance of this Agreement. Such a rate schedule(s) or superseding rate schedule(s) and any revisions thereof which shall be filed and become effective shall apply to and be a part of this Agreement. Transporter shall have the right to propose, file and make effective with the Commission, or other body having jurisdiction, changes and revisions of any effective rate schedule(s), or to propose, file, and make effective superseding rate schedules, for the purpose of changing the rate, charges, and other provisions thereof effective as to Shipper.

Shipper agrees to reimburse Transporter for the filing fees associated with this service and paid to the Commission.

### ARTICLE III

#### Term of Agreement

This Agreement shall be effective as of the effective date of the tariff sheets implementing the restructuring of Transporter's services in Docket No. RS92-21, and shall continue in effect until March 31, 2003, and shall continue in effect from year to year thereafter until terminated by either Shipper or Transporter upon twelve (12) months written notice to the other.

### ARTICLE IV

#### Points of Receipt and Delivery

The Point(s) of Receipt for all gas that may be received for Shipper's account for transportation by Transporter, and the receipt entitlements applicable to each point of receipt, or combinations of receipt points, are set forth in Appendix A.

The Point(s) of Delivery for all gas to be delivered by Transporter for Shipper's account are set forth in Appendix B.

### ARTICLE V

#### Incorporation By Reference of Tariff Provisions

To the extent not inconsistent with the terms and conditions of this agreement, the provisions of Rate Schedule

EFT, or any effective superseding rate schedule or otherwise applicable rate schedule, including any provisions of the General Terms and Conditions incorporated therein, and any revisions thereof that may be made effective hereafter are hereby made applicable to and a part hereof by reference.

#### ARTICLE VI

##### Cancellation of Prior Contracts

If this Agreement becomes effective as an executed service agreement, it shall supersede and cancel all prior firm sales agreements between the parties, including but not limited to the Service Agreement dated November 1, 1974 between National Fuel Gas Distribution Corporation as Buyer and National Fuel Gas Supply Corporation as Seller, and the agreement dated October 3, 1952, between United Natural Gas Company and Mercer Gas Light and Fuel Company.

#### ARTICLE VII

##### Miscellaneous

1. No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.

2. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

3. Any company which shall succeed by purchase, merger or consolidation of the gas related properties, substantially as an entirety, of Transporter or of Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise, no assignment of this Agreement or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party. Consent shall not be unreasonably withheld.

4. Except as herein otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement, or any notice which either party may desire to give

the other, shall be in writing and shall be considered as duly delivered when mailed by registered or certified mail to the Post Office address of the parties hereto, as the case may be, as follows:

**Transporter:** National Fuel Gas Supply Corporation  
Gas Supply - Transportation  
Room 1200  
10 Lafayette Square  
Buffalo, New York 14203

**Shipper:** National Fuel Gas Distribution Corporation  
10 Lafayette Square  
Buffalo, New York 14203

or at such other address as either party shall designate by formal written notice. Routine communications, including monthly statements, shall be considered as duly delivered when mailed by either registered, certified, or ordinary mail, electronic communication, or telecommunication.

5. Transporter and Shipper shall proceed with due diligence to obtain such governmental and other regulatory authorizations as may be required for the rendition of the services contemplated herein, provided that Transporter reserves the right to file and prosecute applications for such authorizations, any supplements or amendments thereto and, if necessary, any court review, in such manner as it deems to be in its best interest, including the right to withdraw the application or to file pleadings and motions (including motions for dismissal).

6. This Agreement and the respective obligations of the parties hereunder are subject to all present and future valid laws, orders, rules and regulations of constituted authorities having jurisdiction over the parties, their functions or gas supply, this Agreement or any provision hereof. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities.

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

8. No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

9. The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Pennsylvania, without recourse to the law regarding the conflict of laws.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized personnel and attested by their respective Secretaries or Assistant Secretaries, the day any year first above written.

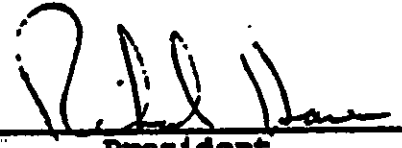
**NATIONAL FUEL GAS SUPPLY  
CORPORATION**

**Transporter**

Attest:

  
Secretary  
(Corporate Seal)

By

  
President *DWR*

**NATIONAL FUEL GAS DISTRIBUTION  
CORPORATION**

**Shipper**

Attest:

  
Secretary  
(Corporate Seal)

By

  
Executive Vice President

**Appendix A to**  
**EFT Service Agreement**  
**Between**  
**NATIONAL FUEL GAS SUPPLY CORPORATION**  
**and**  
**NATIONAL FUEL GAS DISTRIBUTION CORPORATION**  
**RECEIPT POINTS AND RECEIPT ENTITLEMENTS**

**Receipt Entitlements**  
**National Fuel Gas Distribution Corporation**  
**( all Quantities in Dth )**

<b>Upstream Receipts</b>	
TransCanada Pipelines, Ltd.	12,500
CNG Transmission Corp.	180,107
Columbia Gas Transmission Corp.	28,165
Texas Eastern Transmission Corp.	72,852
TGP East Aurora, NY	18,800
Zone 4 Points	158,812
Zone 6 Points	82,119
Rate Schedule T-1 Points	30,750
Transcontinental Gas Pipe Line Corp.	<u>28,832</u>
<b>Total Upstream Receipts</b>	<b>676,787</b>
<b>Appalachian Production</b>	
<b>New York Production</b>	
Central	2,012
Lakeshore	636
Northern	636
PYS	1,878
Southeast	630
<b>Pennsylvania Production</b>	
Lines L & D	25,116
Line Q Erie--Meadville	2,120
Clarion	630
Dubois	4,239
Line Q Forest	1,271
Hebron	630
Elk County	8,805
Eldred	4,985
Lines M & N	22,533
Lewis Run	4,447
Sharon-Mercer	742
<b>Total Appalachian Production</b>	<b>74,550</b>
<b>Deliveries from Storage</b>	<b>511,633</b>
<b>Total Receipt Entitlements</b>	<b><u>1,161,970</u></b>

**SERVICE AGREEMENT  
(ESS Service)**

AGREEMENT made this 1st day of August, 1993, by and between National Fuel Gas Supply Corporation, a Pennsylvania corporation, hereinafter called "Transporter," and NATIONAL FUEL GAS DISTRIBUTION CORPORATION, hereinafter called "Shipper."

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree that Transporter will store natural gas for Shipper during the term, at the rates and on the terms and conditions hereinafter provided.

**ARTICLE I**

**Quantities**

Beginning on the date on which storage service is commenced hereunder and thereafter for the remaining term of this Agreement, and subject to the provisions of Transporter's ESS Rate Schedule Transporter agrees to cause to be injected into storage for Shipper's account, store, and withdraw from storage, quantities of natural gas as follows:

Maximum Storage Quantity (MSQ) of 23,882,071 Dekatherms (Dth)  
Maximum Daily Injection Quantity (MDIQ) of 140,483 Dth  
Maximum Daily Withdrawal Quantity (MDWQ) of 511,633 Dth

**ARTICLE II**

**Rate**

Unless otherwise mutually agreed in a written amendment to this Agreement, for each dekatherm of gas transported for Shipper by Transporter hereunder, Shipper shall pay Transporter the maximum rate provided under Rate Schedule ESS set forth in Transporter's effective FERC Gas Tariff. In the event that the Transporter places on file with the Federal Energy Regulatory Commission ("Commission") another rate schedule which may be applicable to transportation service rendered hereunder, then Transporter, at its option, may from and after the effective date of such rate schedule, utilize such rate schedule in performance of this Agreement. Such a rate schedule(s) or superseding rate schedule(s) and any revisions thereof which shall be filed and become effective

shall apply to and be a part of this Agreement. Transporter shall have the right to propose, file and make effective with the Commission, or other body having jurisdiction, changes and revisions of any effective rate schedule(s), or to propose, file, and make effective superseding rate schedules, for the purpose of changing the rate, charges, and other provisions thereof effective as to Shipper.

Shipper agrees to reimburse Transporter for the filing fees associated with this service and paid to the Commission.

### ARTICLE III

#### Term of Agreement

This Agreement shall be effective as of the effective date of the tariff sheets implementing the restructuring of Transporter's services in Docket No. RS92-21, and shall continue in effect until March 31, 2003, and shall continue in effect from year to year thereafter until terminated by either Shipper or Transporter effective as of April 1st of any year, upon twelve (12) months written notice to the other.

### ARTICLE IV

#### Regulatory Approval

Performance under this Agreement by Transporter and Shipper shall be contingent upon Transporter and Shipper receiving all necessary regulatory or other governmental approvals upon terms satisfactory to each. Should Transporter and Shipper be denied such approvals to provide the service contemplated herein or construct and operate any necessary facilities therefor upon the terms and conditions requested in the application therefor, then Transporter's and Shipper's obligations hereunder shall terminate.

### ARTICLE V

#### Incorporation By Reference of Tariff Provisions

To the extent not inconsistent with the terms and conditions of this agreement, the provisions of Rate Schedule FT, or any effective superseding rate schedule or otherwise applicable rate schedule, including any provisions of the General Terms and Conditions incorporated

therein, and any revisions thereof that may be made effective hereafter are hereby made applicable to and a part hereof by reference.

## ARTICLE VI

### Miscellaneous

1. No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.

2. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

3. Any company which shall succeed by purchase, merger or consolidation of the gas related properties, substantially as an entirety, of Transporter or of Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise, no assignment of this Agreement or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party. Consent shall not be unreasonably withheld.

4. Except as herein otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement, or any notice which either party may desire to give the other, shall be in writing and shall be considered as duly delivered when mailed by registered or certified mail to the Post Office address of the parties hereto, as the case may be, as follows:

Transporter: National Fuel Gas Supply  
Corporation  
Gas Supply - Transportation  
Room 1200  
10 Lafayette Square  
Buffalo, New York 14203

**Shipper: National Fuel Gas Distribution  
Corporation  
10 Lafayette Square  
Buffalo, New York 14203**

or at such other address as either party shall designate by formal written notice. Routine communications, including monthly statements, shall be considered as duly delivered when mailed by either registered, certified, or ordinary mail, electronic communication, or telecommunication.

5. Transporter and Shipper shall proceed with due diligence to obtain such governmental and other regulatory authorizations as may be required for the rendition of the services contemplated herein, provided that Transporter reserves the right to file and prosecute applications for such authorizations, any supplements or amendments thereto and, if necessary, any court review, in such manner as it deems to be in its best interest, including the right to withdraw the application or to file pleadings and motions (including motions for dismissal).

6. This Agreement and the respective obligations of the parties hereunder are subject to all present and future valid laws, orders, rules and regulations of constituted authorities having jurisdiction over the parties, their functions or gas supply, this Agreement or any provision hereof. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities.

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

8. No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

9. The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Pennsylvania, without recourse to the law regarding the conflict of laws.


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Presidents or Vice Presidents thereunto duly authorized and their

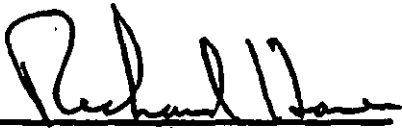
respective corporate seals to be hereto affixed and attested by their respective Secretaries and Assistant Secretaries, the day and year first above written.

NATIONAL FUEL GAS SUPPLY CORPORATION

Transporter

Attest:

  
Secretary  
(Corporate Seal)

By   
President *DR*

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

Shipper

Attest:

  
Secretary  
(Corporate Seal)

By   
Executive Vice President *aac*