

Large Filing Separator Sheet

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Section E Schedule

**Large Volume Energy Choice Transportation Service (LVECTS)
(West Ohio Division)**

Delivery Point – the billing determinant for the application of Customer charges represented by the meter location at which gas is redelivered to the Customer.

Energy Choice Pooling Service – a gas pooling service in which Suppliers can aggregate demand and supplies for redelivery to Customers under East Ohio's Energy Choice Transportation Service and Large Volume Energy Choice Transportation Service rate schedules.

OAC – Ohio Administrative Code.

PUCO – the Public Utilities Commission of Ohio.

Supplier – any entity which has in effect an Energy Choice Pooling Service agreement with East Ohio.

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GENERAL TRANSPORTATION SERVICE (GTS) WEST OHIO DIVISION

1. Applicability

- 1.1 Transportation service pursuant to this rate schedule is available to Customers throughout the West Ohio Division of East Ohio's service area who:
- a) have purchased or otherwise arranged for a supply of natural gas of acceptable quality and have provided for the delivery of such gas to East Ohio's system for redelivery at appropriate points on the East Ohio system; and
 - b) qualify for transportation service under the PUCO Gas Transportation Program Guidelines; and
 - c) have entered into a written contract (the "contract") with East Ohio for service under this rate schedule for a minimum of 12 months.
- 1.2 Transportation service pursuant to this rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service applicable to the West Ohio Division.

2. Character of Service

The gas received by East Ohio on any Day for the account of the Customer shall be delivered by East Ohio to the Customer on the same Day on a firm basis, provided, however, that East Ohio's obligation to deliver gas to the Customer on any Day is limited to the Maximum Daily Transportation Quantity specified in the contract and is subject to the provisions of Section 2 of East Ohio's General Terms and Conditions of Transportation Service.

3. Measurement of Deliveries

- 3.1 Customers that subscribe to Volume Banking Service may have the Delivery Points specified in the contract equipped with monthly gas measurement equipment instead of real-time electronic gas measurement ("EGM") capability, except as specified in Section 3.2 below. For any Delivery Point so equipped, the average daily volume of gas delivered by East Ohio to the Customer shall be calculated by dividing the total volume of gas delivered by East Ohio during the Customer's Billing Cycle by the number of days in the Billing Cycle. In addition:

(A) Customers without EGM devices are subject to East Ohio's issuance of operational flow orders.

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3.2 Any Customer that does not subscribe to Volume Banking Service or does not receive all of its natural gas requirements through East Ohio shall be required to equip all of its Delivery Points with EGM capability. Any other Customers may elect to equip some or all of its Delivery Points with EGM capability. If EGM capability approved and required by East Ohio is not available at any of the Delivery Points specified in the contract at the time the contract is executed, such equipment shall be installed, owned, operated, and maintained by East Ohio, provided, however, that all costs associated with the purchase and installation of such equipment shall be borne by the Customer and paid to East Ohio in equal monthly installments over a period specified in the contract, which period shall not exceed 24 months. In addition:

(A) The Customer shall provide, at no cost to East Ohio and in a timely manner, a 120 volt, 15 ampere, AC power supply and a telephone tie to the Customer's telephone system accessible at Customer's meter location(s), and any necessary telephone enhancements to properly transmit data.

(B) The Customer shall pay all charges for continuous electric and telephone service necessary for the operation of the EGM equipment.

(C) Customers with EGM devices are subject to East Ohio's issuance of operational matching orders.

4. **Balancing Tolerances**

4.1 The Daily Available Volume on any Day for Customers not electing to subscribe to Volume Banking Service shall equal the Delivery Volume on that Day, plus or minus 5%. Daily imbalances of such Customers in excess of the 5% tolerance shall be subject to an imbalance fee of \$0.20 per Mcf per Day.

4.2 Positive and Negative Imbalance Volumes will be reconciled pursuant to Sections 5 and 6 of East Ohio's General Terms and Conditions of Transportation Service.

5. **Volume Banking Service**

5.1 Customers purchasing transportation service pursuant to this rate schedule may elect to subscribe to Volume Banking Service. A customer electing such service shall enter into a written service agreement for Volume Banking Service. The minimum Monthly Tolerance Level for such Customers is two percent (2%) of monthly consumption volumes.

5.2 Customers that subscribe to Volume Banking Service will be billed the applicable rate per Mcf on all Delivery Volumes according to the level of Volume Banking set forth in their service agreements.

THE EAST OHIO GAS COMPANY

Second Sheet No. WO-GTS 3
Superseding Original Sheet No. WO-GTS 3

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<u>Monthly Tolerance Level</u>	<u>Rate per Mcf for all Delivery Volumes</u>
Two Percent	\$0.022
Four Percent	\$0.027
Six Percent	\$0.034
Eight Percent	\$0.040
Ten Percent	\$0.046

6. Rates and Charges

6.1 Subject to Section 6.2 below, the total month charge for each Customer shall be the sum of the following charges:

(1) A commodity charge based on volumes delivered to each Delivery Point calculated as follows:

For the first 200 Mcf each month, \$1.4163 per Mcf,
 For the next 4,800 Mcf each month, \$1.0353 per Mcf,
 For the next 20,000 Mcf each month, \$0.7183 per Mcf
 For all over 25,000 Mcf each month, \$0.6683 per Mcf

(2) An administration fee of \$100.75 per Agreement; and

(3) The applicable customer charge per Agreement; and

(4) Any applicable PUCO approved surcharge(s) or rider(s).

6.2 East Ohio may agree to a commodity charge lower than that which would be calculated pursuant to Section 6.1, above, if, in its sole discretion, it determines that lower rates are necessary to meet a competitive threat. Pursuant to Case No. 85-800-GA-COI, minimum rates shall cover the variable costs of serving a Customer under this schedule plus make a contribution to total company fixed costs.

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION**

Definitions

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Contract Storage -- natural gas storage service rendered pursuant to service agreements between East Ohio and Upstream Pipelines and/or storage facility operators.

Contract Supply Service -- supplemental gas supply service provided by East Ohio to Customer pursuant to a special arrangement.

Core Demand -- the total supply needs of East Ohio's system supply Customers.

Customer -- any individual, governmental, or corporate entity taking transportation service hereunder.

Customer's Billing Cycle -- for Delivery Points equipped with electronic gas measurement equipment, the calendar month used for billing purposes; for Delivery Points not equipped with electronic gas measurement equipment, the period that occurs between meter readings taken by East Ohio for billing purposes.

Daily Available Volume -- the quantity of gas available to be redelivered by East Ohio to the Customer on any given day. This quantity is equal to the volume of gas actually delivered to East Ohio for the Customer's account on that day, less any appropriate unaccounted-for gas percentage, plus any adjustments associated with Positive Imbalance Volumes.

Day -- a 24 hour period beginning at 8:00 a.m. Eastern Standard Time.

Delivery Point -- the billing determinant for the application of Customer charges represented by the meter location at which gas is redelivered to the Customer.

Delivery Volume -- the volume of gas actually delivered by East Ohio to the Customer.

EBB -- East Ohio's Electronic Bulletin Board.

FERC -- the Federal Energy Regulatory Commission.

Primary Firm Transportation -- firm transportation service of Upstream Pipelines rendered pursuant to service agreements between East Ohio and Upstream Pipelines with specified primary receipt and delivery points.

Human Needs Customer -- any Customer who uses natural gas for heating a residence, or a governmental agency or other entity which provides emergency or life support services. Human Needs Customers include hospitals, nursing homes, and residential correctional institutions, and exclude hotels, motels and non-residential educational facilities.

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION**

Maximum Daily Storage Capacity -- the maximum volume of gas that East Ohio will inject into or withdraw from a Customer's interruptible storage service account on any Day.

Maximum Daily Transportation Quantity -- the maximum volume of gas that East Ohio shall deliver to a transportation Customer on any Day pursuant to a transportation service contract.

Maximum Storage Capacity -- the maximum volume of gas that East Ohio will hold in a Customer's interruptible storage service account at any point in time.

Mcf -- one thousand (1,000) cubic feet of gas in its natural state having a gross heating value of not less than 1,000 British thermal units per cubic foot at 14.73 PSIA, sixty degrees (60) Fahrenheit and saturated with water vapor.

MMBtu -- one million (1,000,000) British thermal units.

Monthly Tolerance Level -- the imbalance tolerance level, expressed as a percentage of the sum of all daily volumes actually delivered to the Customer during the Customer's Billing Cycle, that establishes the degree to which the Customer's Positive Imbalance Volumes will be subject to reconciliation on a volumetric basis.

Negative Imbalance Volume -- the amount by which the sum of all daily volumes actually delivered to the Customer during the Customer's Billing Cycle exceeds the sum of the daily volumes available for redelivery by East Ohio to the Customer during the same period.

Positive Imbalance Volume -- the amount by which the sum of all daily volumes available for redelivery by East Ohio to a Customer during the Customer's Billing Cycle exceeds the sum of all daily volumes actually delivered to the Customer during the same period.

Production Receipt Point(s) -- the meter(s), specified in the transportation service contract, at which Ohio produced gas is delivered into East Ohio's system for the Customer's account.

Production Volume -- the volume of gas actually delivered by the Customer into East Ohio's system on any Day at the Production Receipt Points.

PSIA -- pounds per square inch, absolute.

PUCO -- the Public Utilities Commission of Ohio.

Summer Period -- the seven month period beginning April 1 and continuing through October 31.

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**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION**

Transportation Receipt Point(s) -- the interconnection(s), specified in the transportation service contract, at which gas is delivered into East Ohio's system from an Upstream Pipeline for the Customer's account.

Transportation Volume -- the volume of gas actually delivered for the Customer's account on any Day into East Ohio's system at the Transportation Receipt Points.

Upstream Pipeline -- any interstate pipeline, intrastate pipeline, or local distribution company other than East Ohio through which gas is delivered directly or indirectly to East Ohio for the Customer's account.

Variable Cost of Service -- the portion of the cost of service that fluctuates according to the volume of service provided, including gas costs and associated riders as applicable, lost and unaccounted-for gas, and excise taxes.

Winter Period -- the five month period beginning November 1 and continuing through March 31.

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**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION****1. Sources of Supply and Capacity Assignment**

- 1.1 Customers may receive gas supplies delivered to East Ohio from appropriate Upstream Pipelines and/or Ohio production sources.
- 1.2 Upstream Pipeline Primary Firm Transportation and Contract Storage capacity held by East Ohio shall be assigned to those Customers initiating transportation service under this rate schedule who were exclusively sales customers of East Ohio on the effective date of this tariff. Such Customer agrees to accept the assignment. The assignment shall be structured as a release of capacity at the full maximum rates paid by East Ohio. The term of the release shall be from the first month in which the Customer receives transportation service to the earlier of the termination date of the contract between East Ohio and the Upstream Pipeline or the last month in which the Customer receives transportation service. The capacity released pursuant to this section shall be recallable only upon failure of the Customer to comply with the terms and conditions set forth in these General Terms and Conditions. The character of assigned Primary Firm Transportation and Contract Storage service shall be agreed upon between East Ohio and the Upstream Pipeline prior to assignment to the Customer.
- 1.3 The Upstream Pipeline Primary Firm Transportation and Contract Storage capacity assigned pursuant to Section 1.2 shall be assigned on a *pro rata* basis in accordance with the capacity portfolio applicable to the West Ohio Division held by East Ohio at the time of assignment to service its Core Demand after adjustment for capacity retained for operational purposes. The amount of capacity to be assigned will be based on the Customer's peak design day consumption. In the event that the magnitude of the Customer's peak design day consumption does not permit a full *pro rata* assignment, Customer will be assigned capacity on a *pro rata* basis in accordance with East Ohio's major receipt point areas and the primary Upstream Pipelines as necessary.

2. Authorized Daily Volume

- 2.1 Customer's Authorized Daily Volume on any Day consists of the sum of Customer's Daily Available Volume plus any additional volumes that East Ohio authorizes Customer to use on that Day pursuant to the provision of interruptible storage service as may be available to Customers in the West Ohio Division. Delivery of Customer's Authorized Daily Volume is firm, except as provided in this Section 2.1. Such deliveries, however, shall be subject to interruption or curtailment based on the failure of an Upstream Pipeline to deliver Transportation Volumes, the failure of the Customer to deliver Production Volumes, Force Majeure conditions, or an order of the PUCO or other governmental body. The Customer and East Ohio shall use their best efforts to minimize such interruption or curtailment within the limitations of applicable law, regulations, and orders of any governmental authority. Consumption at Customer's facility in excess of the

GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE WEST OHIO DIVISION

Authorized Daily Volume is interruptible service, and upon notice to Customer, East Ohio may require Customer to reduce consumption to Customer's Authorized Daily Volume whenever East Ohio deems it necessary to do so.

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3. Electronic Bulletin Board

3.1 All Customers or their authorized agents will have access to East Ohio's Electronic Bulletin Board ("EBB"). The EBB will provide, at a minimum, for the electronic nomination and confirmation of Customer's Production Volumes and Transportation Volumes, information concerning Customer's Delivery Volumes and imbalances and East Ohio's current Calendar of Nomination Deadlines.

4. Volume Banking Service

- 4.1 Under the Volume Banking Service, East Ohio will reconcile in subsequent Customer Billing Cycles, on a volumetric basis, any Positive Imbalance Volumes previously incurred.
- 4.2 Customers must subscribe to the Volume Banking Service set forth in Rate Schedule GTS to be eligible for the provisions of the Volume Bank and Balancing section described herein. Annual election of Monthly Tolerances Levels shall be effective on April 1. Customers may elect to change tolerance levels on an annual basis by providing written notification to East Ohio no later than January 2 for service to be effective the following April 1. Customers must execute new or amended contracts reflecting the new Monthly Tolerance Level. If Customer does not elect a specific percentage for a Monthly Tolerance Level, East Ohio will assume ten percent (10%).

5. Positive Imbalance Volumes

- 5.1 Unless Customer and East Ohio otherwise agree, East Ohio will purchase Customer's Positive Imbalance Volumes, in excess of Customer's Monthly Tolerance Level, at a rate determined by adding the current month's Positive Imbalance Volume reference gas cost, the minimum of the daily midpoints of common price spreads for gas entering Tennessee Gas Pipeline Company's 800 leg during the month as published in *Gas Daily* Eastern Edition (Pasha Publications Inc.), times eighty percent (80%), plus the variable transportation charges paid to bring the gas to East Ohio's system, adjusted for shrinkage.
- 5.2 Positive Imbalance Volumes within Customer's Monthly Tolerance Level shall be available for delivery to the Customer in the Customer Billing Cycle following the determination of the Positive Imbalance Volume (the "Adjustment Month"), by increasing the Customer's Daily Available Volume on each Day in the Adjustment Month by an amount equal to the Positive Imbalance Volume divided by the number of days in the Adjustment Month.

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION****6. Negative Imbalance Volumes**

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6.1 East Ohio will sell gas to Customer to eliminate Negative Imbalance Volumes at a rate determined by adding the current month's Negative Imbalance Volume reference gas cost, the maximum of the daily midpoints of common price spreads for gas entering Tennessee Gas Pipeline Company's 800 leg during the month as published *Gas Daily* Eastern Edition (Pasha Publications Inc.), times one hundred and twenty percent (120%), plus the firm transportation charges to transport gas on Tennessee Gas Pipeline Company and CNG Transmission Corporation ("CNGT") to East Ohio's interconnections with CNGT, plus excise tax, adjusted for shrinkage. Charges for Negative Imbalance Volumes attributable to the Customer's failure to comply with operational flow orders or operational matching orders will be based on the provisions of Sections 13 or 14, as appropriate. If the Customer's Negative Imbalance Volumes exceed 25% of all daily volumes actually delivered to the Customer during the Customer's Billing Cycle over two or more consecutive months, East Ohio may, at its sole discretion in accordance with reasonable and standard industry practice, terminate the contract for transportation service upon thirty (30) days' written notice to the Customer and commence rendering sales service pursuant to the applicable rate schedule upon termination of the contract for transportation service.

7. Transportation Receipt Points

- 7.1 All Transportation Volumes will be measured at Transportation Receipt Points in accordance with the terms of East Ohio's agreement with the Upstream Pipeline and shall be conclusive for purposes of these tariffs.
- 7.2 When Transportation Volumes are received by East Ohio on an MMBtu basis, East Ohio will make a heat content adjustment in order to deliver to Customer volumes of gas on an Mcf basis. For each calendar year, East Ohio will calculate the weighted average heat content of all gas delivered by East Ohio during this period. This Heat Content Adjustment Factor, expressed as MMBtu per Mcf, will be used to adjust all Transportation Volumes received during the following twelve (12) month period commencing on April 1, unless East Ohio and Customer agree in writing to an alternative Heat Content Adjustment Factor.
- 7.3 Transportation Volumes received by East Ohio at Transportation Receipt Points shall conform to Upstream Pipeline's gas quality standards.
- 7.4 East Ohio shall use its best efforts to receive Transportation Volumes for Customer's account, unless Customer has made an election pursuant to Section 9 hereof.

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION****8. Nomination of Transportation Volumes****D**

- 8.1 All Transportation Volumes received for Customer's account at Transportation Receipt Points shall be nominated to East Ohio in advance according to the procedures outlined in this Section.
- 8.2 Nominations are to be transmitted to East Ohio either by electronic facsimile (FAX) or via East Ohio's EBB, and are to be received by East Ohio by the dates and times specified in East Ohio's Calendar of Nomination Deadlines, as amended from time to time, which is available on East Ohio's EBB.
- 8.3 Nominations must conform, in content and format, with East Ohio's specifications for Transportation Volume Nominations, which shall include, at a minimum: Customer name; Customer's East Ohio contract number; Upstream Pipeline; Customer's Upstream Pipeline contract number; requested daily Transportation Volume; and the name and telephone number of the Customer's nominations contact.
- 8.4 Subject to the limits of East Ohio's operating conditions and facilities, previously confirmed nominations and timely confirmation by Upstream Pipelines, East Ohio will either confirm, in total or in part, or reject Customer's Transportation Volume nomination. Confirmed Transportation Volumes will be posted on East Ohio's EBB.
- 8.5 Confirmed nominations will become effective on the date specified in the Customer's nomination and will remain in force until the last day of the current calendar month, subject to continued receipt by East Ohio from Upstream Pipeline of the confirmed volume, unless superseded by a subsequent Transportation Volume nomination.

9. Firm Receipt Point Option

- 9.1 The Customer may elect to designate specific Transportation Receipt Points as firm receipt points. Each such firm receipt point, and the corresponding maximum daily transportation quantity for each such firm receipt point, shall be specified in the contract. The sum of the maximum daily transportation quantities for all firm receipt points shall not exceed the total Maximum Daily Transportation Quantity specified in the contract.
- 9.2 Access to any receipt points on East Ohio's system, as to which an election pursuant to Section 9.1 above has not been made, shall be on a best efforts basis.
- 9.3 A Customer making an election pursuant to Section 9.1, above, shall be assessed a firm receipt point surcharge; the actual amount of the surcharge shall be

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION**

determined through competitive bidding with minimum bid amounts to be determined by East Ohio.

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10. Production Receipt Points

- 10.1 The unit of measurement for Production Volumes shall be one (1) cubic foot of gas, and the term "cubic foot of gas" shall mean a cubic foot of gas at a pressure of 14.73 PSIA and at a temperature of sixty degrees (60) Fahrenheit. For purposes of measurement and meter calibration, atmospheric pressure shall be assumed to be 14.4 pounds per square inch. All gas delivered to East Ohio by the Customer shall be measured by orifice or other measurement facility of standard type to be selected and furnished by East Ohio. Orifice meters of East Ohio shall be constructed and installed in accordance with the applicable provisions of the American National Standard "Orifice Metering of Natural Gas," ANSI/API 2530, First Edition, and any amendments thereto. The volumes of gas delivered to East Ohio shall be computed from meter records and converted into the unit of measurement specified above in accordance with standard industry practices. Correction shall not be made for deviation from the Ideal Gas Laws. In the absence of a recording thermometer, an assumed flowing temperature of sixty degrees (60) Fahrenheit shall be used in computing said quantities of gas; provided, however, that if the temperature of the natural gas passing through the meter is determined for any Day by the use of a recording thermometer, then the arithmetic average of the temperature recorded for such Day shall be used.
- 10.2 The Production Volume delivered to East Ohio shall be delivered in its natural state, and have a gross heating value of not less than 1,000 British thermal units per cubic foot at 14.73 PSIA, sixty degrees (60) Fahrenheit and saturated with water vapor.
- 10.3 If at any time the delivery by the Customer at the Production Receipt Point(s) of gas from any meter subject to the contract shall be less than an average of ten thousand cubic feet per Day, then East Ohio, at its sole option, may terminate the contract as to the gas behind any such meter(s), by giving the Customer thirty days prior written notice of such termination, unless East Ohio and Customer agree in writing to an alternative.
- 10.4 The Production Receipt Points for Production Volumes from physical meters listed in the contract or any supplement thereto shall be at measuring stations furnished, constructed, owned, operated, and maintained by East Ohio, to be located at such points as East Ohio and the Customer shall agree, on East Ohio's lines as now constructed or on any extensions thereof which East Ohio in its sole judgment, in accordance with good industry practice, may hereafter construct. The sites for said measuring stations shall be furnished by East Ohio, or, if furnished by the Customer, shall provide rights of ingress and egress to East Ohio. In the event the Customer wishes to change any Production Receipt Points, all

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION**

costs incurred by East Ohio in connection with such change shall be promptly reimbursed to East Ohio by the Customer. Measuring stations on East Ohio's lines existing as of the date of the contract and owned by the Customer or any other person, shall, subject to the approval of East Ohio, also be designated as Production Receipt Points, to be operated and maintained by East Ohio.

- 10.5 The Customer shall be responsible for the construction of any necessary pipeline extending from the wells to the Production Receipt Points agreed upon. As soon as practical after completion of such a line by the Customer, East Ohio, at the Customer's expense, shall construct any measuring stations or approve Customer's construction of the Production Receipt Point to East Ohio's specifications which may be necessary at Production Receipt Points receiving Production Volumes. All pipelines which connect wells listed with East Ohio's measuring stations shall be owned and constructed by the Customer or by the party from which the Customer purchases volumes delivered to East Ohio.
- 10.6 Unless otherwise agreed to by East Ohio and Customer, prior to construction of a measuring station at a Production Receipt Point, East Ohio shall provide the Customer with its best estimate of the costs of the measuring station, including station site. The Customer shall pay East Ohio an amount equal to the estimate provided by East Ohio to the Customer if Customer elects to have East Ohio construct the Production Receipt Point. Such payment, which will bear no interest, will be applied by East Ohio toward the actual construction costs of the measuring station. Following the accumulation of all actual costs by East Ohio for the measuring station, the parties shall reconcile any differences within thirty days.
- 10.7 Production Volumes received by East Ohio at Production Receipt Points listed in the contract shall be taken by East Ohio at all times at full flow against the varying pressures maintained from time to time in East Ohio's pipelines. East Ohio at any time may suspend the taking of gas hereunder while making repairs or alterations in its facilities. When practicable East Ohio shall notify the Customer in advance of its plans to suspend the taking of gas, giving its best estimate of the duration of the suspension. Such repairs and alterations shall be completed with reasonable speed, unavoidable delays excepted. During periods when East Ohio must suspend the taking of gas, East Ohio shall not be required to accept Production Volumes from meters. Subject to the foregoing, the Customer may compress and pump the gas to be delivered to East Ohio hereunder; however, the Customer shall install and maintain at its own expense the necessary equipment for the elimination or suppression of pulsations in the flowing gas that are created by compression equipment, and, in addition, the Customer will install the necessary equipment to insure a flowing temperature not to exceed 120 degrees Fahrenheit at the measuring stations described.

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION**

- 10.8 The capacity of East Ohio's facilities to receive Production Volumes at the Production Receipt Points shall be of such size as East Ohio in its sole judgment, in accordance with good industry practice, deems adequate. East Ohio shall have the right to restrict, limit or halt its receipt of Production Volumes whenever, in its sole judgment, in accordance with good industry practice, it is necessary to do so due to Force Majeure, an order of the PUCO or other governmental body, circumstances requiring East Ohio to act to protect its ability to meet its Core Demand. In the event East Ohio exercises its right to restrict, limit, or halt its receipt of Production Volumes, it shall give the Customer notice by telephone, letter, or otherwise to decrease or terminate deliveries of Production Volumes to East Ohio until such time as, in East Ohio's sole judgment, in accordance with good industry practice, deliveries may be increased or resumed. If the Customer fails to act promptly in accordance with such notice, East Ohio shall have the right to shut in wells or otherwise refuse to accept further Production Volumes at the Production Receipt Points.
- 10.9 The Customer shall install and maintain, at East Ohio's request at any time and at the Customer's own expense, the necessary equipment for separating and removing oil, water, salt, dust, and other foreign substances from Production Volumes before its delivery at the Production Receipt Points. The gas received by East Ohio at the Production Receipt Points shall be free from all foreign matter or fluid characteristics that might interfere with its marketability or cause injury to, or interference with, the operation of the lines, regulators, meters, or other appliances connected with East Ohio's distribution system. East Ohio may refuse at any time any gas which contains gaseous impurities or objectionable odors.
- 10.10 East Ohio shall furnish, install, and maintain in good repair all meters and regulating equipment at the Production Receipt Points receiving Production Volumes. East Ohio shall read the meters and the same shall be accessible to inspection and examination by the Customer at all reasonable times. If either party challenges the accuracy of any meter in use under the contract and desires to have the meter tested, East Ohio shall test the same in the presence of a Customer employee or representative, if the Customer wishes to exercise the right to be present or to be represented at such test; the cost of testing the meter to be borne by the party challenging its accuracy if it proves to be correct, and it shall be deemed correct if there be no greater variation than three percent (3%), either fast or slow, but if the meter on test proves to be incorrect, then the cost of testing the meter shall be borne by East Ohio. For the purpose of testing, the meter shall be tested and adjusted on the ground. During such time as the meter is disconnected from the line, the gas delivered may be estimated by East Ohio until the meter is again connected to the line, and adjustment and settlement shall be made at the regular monthly periods on the basis of the amount of gas registered at like pressures for like periods of time when the meter was registering accurately. Any adjustment for errors in the meter shall be made for a period not to exceed ninety (90) days prior to the date of challenge by either party. The statements of meter

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**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION**

measurement and estimated deliveries which under the contract are to be rendered by East Ohio to the Customer monthly shall be final, excepting as to corrections or adjustments then pending unless exceptions thereto in writing shall be made by the Customer and mailed to East Ohio within sixty (60) days after the Customer shall receive the statements.

- 10.11 The addition or removal of Production Receipt Points from the contract shall be the subject of written supplements, which shall be proposed by the Customer and accepted or rejected at the sole discretion of East Ohio, in accordance with good industry practice.

11. Nomination of Production Volumes

- 11.1 All Production Volumes received for Customer's account at Production Receipt Points shall be nominated to East Ohio in advance according to the procedures outlined in this Section.
- 11.2 Nominations are to be transmitted to East Ohio either by electronic facsimile (FAX) or via East Ohio's EBB and are to be received by East Ohio by the dates and times specified in East Ohio's Calendar of Nominations, as amended from time to time, which is available on East Ohio's EBB.
- 11.3 Nominations must conform, in content and format, with East Ohio's specifications for Production Volume Nominations, which shall include, at a minimum: Customer name; Customer's East Ohio contract number; requested daily Production Volume; and the name and telephone number of the Customer's nominations contact.
- 11.4 Subject to the limits of East Ohio's operating conditions and facilities, and the reasonableness of Customer's nomination as determined solely by East Ohio, East Ohio will either confirm, in total or in part, or reject Customer's Production Volume nomination. Confirmed Production Volumes will be posted on East Ohio's EBB.
- 11.5 Confirmed nominations will become effective on the date specified in the Customer's nomination and will remain in force until the last day of the current calendar month, unless superseded by a subsequent Production Volume nomination.

12. Reconciliation of Production Volumes

- 12.1 Confirmed Production Volume nominations will be credited to Customer's account on the date specified in the Customer's nomination. When actual Production Volumes are known, any discrepancies between actual and confirmed Production Volumes will be reconciled, in the first full billing cycle following the

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GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE WEST OHIO DIVISION

determination of actual Production Volumes, in accordance with the provisions of Sections 5 and 6 hereunder.

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13. Operational Flow Orders

13.1 Customers without electronic gas measurement devices are subject to East Ohio's issuance of operational flow orders ("OFO") which will direct Customers to adjust Daily Available Volumes to match their estimated Delivery Volumes. Failure to comply with an operational flow order will result in the billing of the following incremental charges times the OFO shortfall which is defined as the imbalance between Daily Available Volumes and estimated Delivery Volumes, as calculated by East Ohio, on those Days subject to the OFO:

(A) the payment of a gas cost equal to the highest incremental cost paid by East Ohio on the date of non-compliance; and

(B) demand charges based on the weighted average cost incurred for Core Demand pursuant to the following schedule:

Number of Days of Noncompliance During the Calendar Month	Monthly Demand Charge Multiplier Applied to Maximum OFO Shortfall
One, Two or Three	Three
Four, Five or Six	Six
Seven, Eight or Nine	Nine
Ten or More	Twelve

The maximum amount that the Customer shall pay pursuant to Section 13.1(B) over any Winter Season shall be twelve months' demand charges multiplied by the maximum OFO shortfall experienced during that Winter Season; and

(C) the payment of all other charges, inclusive of storage and overrun costs, incurred by East Ohio on the date of the OFO shortfall.

13.2 Customers in compliance with an OFO shall not be subject to any incremental charges or costs

14. Operational Matching Orders

14.1 Customers with electronic gas measurement devices are subject to East Ohio's issuance of operational matching orders ("OMO") which will direct Customers to adjust Daily Available Volumes to match their actual Delivery Volumes. Failure to comply with an OMO will result in the billing of the following incremental charges times the OMO shortfall which is defined as the imbalance between Daily

GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE WEST OHIO DIVISION

Available Volumes and actual Delivery Volumes on those Days subject to the OMO:

(A) the payment of a gas cost equal to the highest incremental cost paid by East Ohio on the date of non-compliance; and

(B) demand charges based on the weighted average cost incurred for Core Demand pursuant to the following schedule:

Number of Days of Noncompliance During the Calendar Month	Monthly Demand Charge Multiplier Applied to Maximum OFO Shortfall
One, Two or Three	Three
Four, Five or Six	Six
Seven, Eight or Nine	Nine
Ten or More	Twelve

The maximum amount that the Customer shall pay pursuant to Section 14.1(B) over any Winter Season shall be twelve months' demand charges multiplied by the maximum OFO shortfall experienced during that Winter Season; and

(C) the payment of all other charges, inclusive of storage and overrun costs, incurred by East Ohio on the date of the OMO shortfall.

14.2 Customers in compliance with an OMO shall not be subject to any incremental charges or costs.

15. Obligations

15.1 The Customer shall be deemed to be in control and possession of the gas transported for it, until it shall have been delivered to East Ohio at the Transportation Receipt Point(s) or the Production Receipt Point(s), as applicable, after which East Ohio shall be deemed to be in control, but not possession, of the gas until the gas is redelivered to the Customer by East Ohio at the Delivery Point(s).

15.2 The Customer warrants the title to the gas delivered to East Ohio at the Transportation Receipt Point(s) or the Production Receipt Point(s), as applicable, and shall indemnify East Ohio for and save East Ohio harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or attributable to the adverse claims of any and all other persons or parties to the gas delivered to East Ohio, provided, however, that if any person or party makes claim to any gas delivered to East Ohio adverse to Customer's claim of ownership of the gas, or obtains a lien or encumbrance against the gas, East Ohio may withhold payment, if any may be due, for such gas until such adverse claim or lien

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION**

is released or disposed of by the parties by final court action and may pay such withheld amount(s) to the party entitled to payment, unless the Customer posts a bond in an amount and on terms satisfactory to East Ohio to protect and indemnify East Ohio against such adverse claim or lien.

D

16. Contract Supply Service

- 16.1 The Customer may elect to purchase natural gas supplies from East Ohio to supplement its purchases of gas supplies from third parties. Specific terms and conditions, including price, applicable to such Contract Supply Service purchased by Customer from East Ohio will be the subject of a separate written agreement, which will be filed with the PUCO pursuant to Section 4905.31 or other appropriate provisions of the Ohio Revised Code.

17. Provision for Human Needs Customers

- 17.1 Human Needs Customers are required to have adequate backup supply service in the form of: a) installed operational alternate fuel equipment and fuel; b) reliable alternative natural gas commodity, capacity, and delivery from another supplier; c) Standby Service from East Ohio; or d) Contract Supply Service from East Ohio. Determination of adequate backup supply service shall be made by East Ohio on a non-discriminatory basis.

18. Optional Sale of Gas to East Ohio

- 18.1 The Customer may elect to sell its flowing supplies of natural gas to East Ohio. Should East Ohio agree, and enter into an arrangement with Customer, a special amendment to the Customer's transportation contract, specifying the terms and conditions, including price, for such a sale, will be executed by East Ohio and Customer.

19. Force Majeure

- 19.1 The term "Force Majeure," as used herein, and as applied to East Ohio or the Customer, shall mean unforeseen acts of law including governmental bodies acting pursuant to law, acts of God, strikes, lockouts or other labor disturbances, acts of a public enemy, war, blockades, insurrections, riots, epidemics, lightning, fires, floods, washouts, arrests, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, freezing of wells or pipelines, partial or failure of such wells, or any other cause, whether of the kind enumerated or otherwise, not reasonably within the control of the affected party. The settlement of strikes, lockouts or labor disturbances by acceding to the demands of an opposing party when such course is inadvisable is at the discretion or judgment of the affected party.

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION**

- 19.2 In the event East Ohio or the Customer is rendered unable, wholly or in part, by Force Majeure, to carry out its obligations other than the obligation to make payment of amounts accrued and due under the transportation service agreement and applicable rate schedules, and after notice of the Force Majeure condition is given to the other party in writing or by facsimile, the obligation of both parties, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused except the obligation to continue delivery of Production Volumes during curtailment periods, and the Force Majeure condition shall be remedied with all reasonable dispatch.
- 19.3 Whenever East Ohio is unable to meet its Core Demand due to Force Majeure conditions on, or upstream of, East Ohio's system, East Ohio shall have the right to use the Customer's flowing supplies to meet its Core Demand. Any interruption in the Customer's service entitlement resulting from such condition shall be remedied as quickly as possible, and must be preceded by the exhaustion of other reasonable alternatives to avoid the involuntary interruption of service. To the extent possible and appropriate in the circumstances, any necessary interruptions in service will be based on the size and location of the facilities involved, to minimize the absolute number of interruptions required.
- 19.4 If East Ohio and the Customer have not entered into a contractual compensation arrangement pursuant to Section 18 hereof covering the sale of Customer's gas to East Ohio, East Ohio shall compensate the Customer for gas diverted by East Ohio from the Customer pursuant to Section 19.3, above, as follows: East Ohio shall reimburse the Customer for the cost of the gas diverted plus a portion of the Customer's annual interstate pipeline demand charges, if any, in each month in which gas is taken by East Ohio. On the first Day on which gas is diverted in any month, the demand charge compensation shall equal 1/24 of the Customer's annual pipeline demand charges; if gas is diverted on two or more Days in a month, the demand charge compensation shall be 1/12 of the Customer's annual pipeline demand charges. In no event shall the monthly demand charge compensation exceed 1/12 of the Customer's annual pipeline demand charges. The total compensation determined in accordance with this Section 19.4 shall not be less than the cost of gas as computed pursuant to Section 6.1 of these General Terms and Conditions of Transportation Service.
- 19.5 Neither East Ohio nor the Customer shall be liable in damages to the other for any act, omission or circumstances occasioned by, or in consequence of, Force Majeure.
- 19.6 Such causes or contingencies affecting the performance of the transportation service agreement by East Ohio or the Customer shall not relieve the affected party of liability unless such party shall give notice and full particulars of such cause or contingency in writing or by facsimile to the other party as soon as reasonably practical after the occurrence of the cause relied upon, nor shall such

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**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION**

causes or contingencies affecting the performance of the transportation service agreement by either party relieve it of liability in the event of its concurring negligence, nor shall such causes or contingencies affecting the performance of the transportation service agreement relieve either party from its obligations to make payments of amounts then due under the Customer's transportation service agreement or applicable rate schedules in respect to gas already delivered.

D

20. Late Payment Charge

- 20.1 Charges previously billed to Customer by East Ohio, but unpaid by the payment date specified by East Ohio, will be assessed a late payment charge of one and one-half percent (1.5%) per month on the unpaid balance.

21. Ownership of Facilities

- 21.1 Except as provided herein, all pipelines, fittings and other properties furnished under these General Terms and Conditions of Transportation Service shall remain the property of the party paying for the facilities, who shall be solely responsible for the maintenance and operation of those facilities, and each party may remove its property at the termination of the contract. Existing measuring stations owned by parties other than East Ohio which qualify as Production Receipt Points shall not become the property of East Ohio, but shall be maintained and operated by East Ohio until termination of the contract. However, any measuring stations constructed or otherwise furnished by East Ohio shall be and remain the property of East Ohio.

22. Governmental Authorizations

- 22.1 East Ohio and Customer shall file, as soon as practicable after execution of the transportation service agreement, all necessary applications with the appropriate governmental authorities for the purpose of securing all requisite authorizations for the service contemplated by the agreement, and shall proceed with all due diligence to secure such governmental authorizations.
- 22.2 In the event governmental approval of the transportation service agreement is conditioned in any manner, East Ohio or Customer may, within 30 days of such event, elect to terminate the agreement by giving the other fifteen days notice, and upon such termination neither party shall have any liability or obligation to the other by reason of the transportation service agreement other than the obligation to make payments as provided for in the agreement with respect to events or transactions that have occurred prior to such termination.
- 22.3 If the transactions provided for under the transportation service agreement at any time subject either party to the jurisdiction or regulation by the FERC to an extent greater than any which exists on the date of the contract, whether by reason of

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION**

statutory, regulatory or judicial action, then either party may elect to terminate the contract in the manner provided for in Section 22.2 above, provided, however, that termination shall not relieve either party of its obligations under the transportation service agreement or applicable rate schedules with respect to transactions that have occurred prior to the date of termination.

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23. Miscellaneous

- 23.1 No modification of the terms and provisions of the transportation service agreement shall be made or become effective except by the execution of a supplementary written agreement.
- 23.2 No waiver by East Ohio or the Customer of any one or more defaults by the other in the performance of any provision of the transportation service agreement or applicable rate schedules shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.
- 23.3 The transportation service agreement shall not be assignable without the prior written consent of the other party, which consent shall not unreasonably be withheld.
- 23.4 The payments of the rates stated in the transportation service agreement or applicable rate schedules as well as the other provisions and conditions of these General Terms and Conditions of Transportation Service shall be subject to all applicable Federal and State laws and orders, rules and regulations.
- 23.5 In the event any tax is imposed on natural gas, or the production, severance, gathering, transportation, sale, delivery, or use of natural gas, or if such tax is imposed in any other manner so as to constitute directly or indirectly a charge upon the gas delivered to East Ohio for redelivery pursuant to the transportation service agreement, the amount of such tax shall be borne by the Customer so far as it affects or relates to or is apportionable to the gas delivered to East Ohio under the transportation service agreement or applicable rate schedules. In the event East Ohio is required to pay such tax, the amount of the tax shall be billed directly to the Customer.
- 23.6 The Customer shall pay, or cause to be paid, any royalty payments due or owed on the gas delivered pursuant to the transportation service agreement, and shall indemnify and hold East Ohio harmless from any responsibility, liability or obligation for payment of any such royalty. In the event East Ohio is obligated by law to make any such royalty payment directly to royalty owners, the Customer shall reimburse East Ohio for any such payment and any costs associated with such payment. If the Customer fails to reimburse East Ohio, East Ohio may deduct the amount of such payments or costs from any payments accruing to the

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE
WEST OHIO DIVISION**

Customer under the transportation service agreement or applicable rate schedules,
or take production in kind in satisfaction of the Customer's obligation.

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**Gross Receipts Tax Rider
(West Ohio Division)****Applicability**

Applicable to all gas cost charges billed by East Ohio under rate schedules P.U.C.O. No. 100 and 102, except that this rider shall not be billed to those Customers statutorily exempted from the payment of gross receipts taxes.

All bills rendered shall be adjusted to include the effect of the Ohio excise tax of gross receipts on gas cost billings at a rate of 4.8651%.

**Excise Tax Rider
(West Ohio Division)****Applicability**

Applicable to all sales and transportation service rate schedules.

Rates for all customers except Flex Customers as defined by O.R.C. 5727.80(N).

First 100 Mcf per month	\$0.1593 per Mcf
Next 1,900 Mcf per month	\$0.0877 per Mcf
Over 2,000 Mcf per month	\$0.0411 per Mcf

All bills rendered to a Flex Customer as defined by O.R.C. 5727.80(N) shall be adjusted to provide for recovery of East Ohio's excise tax liability at a rate of \$0.020 per Mcf on all volumes delivered with a corresponding reduction to the flexed base rate(s) being billed.

D

**Uncollectible Expense Rider
(West Ohio Division)****Applicability**

Applicable to all Customers throughout the West Ohio Division of East Ohio's service area who are responsible for payment of East Ohio's Interim Emergency and Temporary PIP Plan Rider.

An additional charge of \$0.2905 per Mcf shall be applied to all volumes for service rendered under the applicable rate schedules to recover the cost associated with uncollectible accounts arising from those Customers responsible for paying the Uncollectible Expense Rider. East Ohio shall file an application with the Public Utilities Commission of Ohio requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over- or under-collections.

Issued: July 6, 2006

Effective: With bills rendered on or after July 7, 2006

Filed under authority of the Public Utilities Commission of Ohio in Case No. 06-729-GA-UEX

Bruce C. Klink, Vice President

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 1 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Title Page, p. 1

Please note that the tariff sheet references in this schedule refer to those on the scored tariffs following this Narrative Rationale for Tariff Changes.

Explanation of Change:

Addition of a title page.

Rationale for Change:

The company proposes to add a title page to its tariff for gas service.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Original
Work Paper Reference Nos: None

Schedule E-3
Page 2 of 70
Witness: J. A. Murphy

Tariff Sheet Reference: Table of Contents, p. 1

Explanation of Change:

Modified table of contents.

Rationale for Change:

At the request of Staff, the company proposes to revise the order in which its rate schedules, riders and charges, rules and regulations, and accompanying terms and conditions of service are presented. DEO will include appropriate page and sheet references once final tariffs are approved.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 3 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: List of Communities, pp. 1-4

Explanation of Change:

Updated list of communities served by DEO, including its West Ohio Division.

Rationale for Change:

The company proposes to withdraw its prior community listing and replace it with the updated listing included in the application.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Original
Work Paper Reference Nos: None

Schedule E-3
Page 4 of 70
Witness: J. A. Murphy

Tariff Sheet Reference: General Sales Service, p. 1

Section 1

Explanation of Change:

Removal of the references to transportation service, standby service and contract supply service.

Rationale for Change:

References to transportation service, standby service and contract supply service, which were inserted prior to the introduction of Dominion East Ohio's ("DEO") Energy Choice program, are no longer necessary because the Commission has approved separate tariffs for Energy Choice Transportation Service ("ECTS") and Large Volume Energy Choice Transportation Service ("LVECTS").

Section 3

Explanation of Change:

Insertion of the term 'delivery point' in Sections 3.1 and 3.2 and removal of the duplicative reference to the monthly service charge in Section 3.4.

Rationale for Change:

The proposed changes will make the tariff language consistent with that of the ECTS and LVECTS rate schedules.

Explanation of Change:

Increase in the volumetric rate in Section 3.1(1).

Rationale for Change:

The rate was increased in order to bring the return on rate base for the customer class covered by this rate schedule into greater alignment with the system-wide return on rate base. After assessing the costs that PUCO Staff utilizes in evaluating monthly service charges, the company concluded that the monthly service charges in its sales, Energy Choice and transportation service rate schedules should remain at the levels previously approved in Case No. 93-2006-GA-AIR.

Explanation of Change:

Addition of the Sales Reconciliation Rider and AMR Cost Recovery Charge to the riders listed and clarification of Transportation Migration Rider applicability in Section 3.3.

Rationale for Change:

In its application, DEO is seeking Commission approval of the additional riders which, if approved, would be applicable to this rate schedule. The proposed language also clarifies which Transportation Migration Rider is applicable to this rate schedule.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 5 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: General Sales Service, p. 2

Section 4

Explanation of Change:

Elimination of Section 4, Estimated Bills.

Rationale for Change:

The information provided in this section is no longer necessary because DEO has added the following proposed language to Section 19 of its Rule and Regulations: 'If East Ohio is unable to obtain an actual meter reading, it will render a bill based on estimated usage at the premise.'

Explanation of Change:

Increase in the reconnection charge in the revised Section 4.

Rationale for Change:

The proposed charge better reflects the current cost of reconnecting customer service as described in the testimony that will accompany the application.

Section 6

Explanation of Change:

Addition of a Regulations section to incorporate DEO's Rules and Regulations into the rate schedule.

Rationale for Change:

Incorporation of the company's Rules and Regulations into the rate schedule will remove any uncertainty as to whether they apply to service rendered under this rate schedule.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 6 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Large Volume General Sales Service, p. 1

Section 1

Explanation of Change:

Insertion of language permitting the company to waive the written contract requirement for service under this rate schedule.

Rationale for Change:

The addition of such language would support the electronic or other forms of enrollment of customers to begin receiving service under this rate schedule, which would ease the administrative burden on customers and the company.

Explanation of Change:

Removal of the references to transportation service, standby service and contract supply service.

Rationale for Change:

References to transportation service, standby service and contract supply service, which were inserted prior to the introduction of Dominion East Ohio's ("DEO") Energy Choice program, are no longer necessary because the Commission has approved separate tariffs for Energy Choice Transportation Service ("ECTS") and Large Volume Energy Choice Transportation Service ("LVECTS").

Section 3

Explanation of Change:

Insertion of the term 'delivery point' in Sections 3.1 and 3.2.

Rationale for Change:

The proposed changes will make the tariff language consistent with that of the ECTS and LVECTS rate schedules.

Explanation of Change:

Increase in the volumetric rate in Section 3.1 (1).

Rationale for Change:

The rate was increased in order to bring the return on rate base for the customer class covered by this rate schedule into greater alignment with the system-wide return on rate base. The first block rate was set equal to the General Sales Service rate as done in the current rate design for the two rate schedules.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 7 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Large Volume General Sales Service, p. 2

Section 3

Explanation of Change:

Addition of the Sales Reconciliation Rider and AMR Cost Recovery Charge to the riders listed and clarification of Transportation Migration Rider applicability in Section 3.3.

Rationale for Change:

In its application, DEO is seeking Commission approval of the additional riders which, if approved, would be applicable to this rate schedule. The proposed language also clarifies which Transportation Migration Rider is applicable to this rate schedule.

Explanation of Change:

Removal of the duplicative reference to the monthly service charge in Section 3.4

Rationale for Change:

The proposed change will make the tariff language consistent with that of the ECTS and LVECTS rate schedules.

Section 4

Explanation of Change:

Elimination of Section 4, Estimated Bills.

Rationale for Change:

The information provided in this section is no longer necessary because DEO has added the following proposed language to Section 19 of its Rule and Regulations: 'If East Ohio is unable to obtain an actual meter reading, it will render a bill based on estimated usage at the premise.'

Section 7

Explanation of Change:

Addition of a Regulations section to incorporate DEO's Rules and Regulations into the rate schedule.

Rationale for Change:

Incorporation of the company's Rules and Regulations into the rate schedule will remove any uncertainty as to whether they apply to service rendered under this rate schedule.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 8 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Energy Choice Transportation Service, p. 1

Section 1

Explanation of Change:

Elimination of the reference to the PUCO Gas Transportation Program Guidelines ("Guidelines") in Section 1(b).

Rationale for Change:

Due to the terms and conditions of DEO's Energy Choice program and the eligible customer provisions of House Bill No. 9, the requirement that customers qualify for service under the Guidelines is not necessary.

Section 2

Explanation of Change:

Modifications to language concerning DEO's delivery obligation in Section 2.1.

Rationale for Change:

The second sentence in Section 2.1, which further describes DEO's obligation to deliver gas to the customer, is redundant. The proposed reference to potential curtailment in the event of an emergency will make the tariff language consistent with that of the GSS and LVGSS rate schedules.

Explanation of Change:

Addition to customer eligibility in Section 2.2

Rationale for Change:

The additional language recognizes that customers receiving service under this rate schedule may cease to be eligible to participate in the Energy Choice program and would therefore have to receive service under a sales rate schedule.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 9 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Energy Choice Transportation Service, p. 3

Section 4

Explanation of Change:

Increase in the volumetric rate in Section 4.1.

Rationale for Change:

The rate was increased in order to bring the return on rate base for the customer class covered by this rate schedule into greater alignment with the system-wide return on rate base. The rate was also set equal to the comparable rate in the companion sales rate schedule.

Explanation of Change:

Addition of the Sales Reconciliation Rider and AMR Cost Recovery Charge to the riders listed and clarification of Transportation Migration Rider applicability in Section 4.3.

Rationale for Change:

In its application, DEO is seeking Commission approval of the additional riders which, if approved, would be applicable to this rate schedule. The proposed language also clarifies which Transportation Migration Rider is applicable to this rate schedule.

Section 5

Explanation of Change:

Insertion of language describing the supplier as the customer's supplier.

Rationale for Change:

The proposed change properly modifies the reference to the supplier.

Section 6

Explanation of Change:

Increase in the reconnection charge.

Rationale for Change:

The proposed charge better reflects the current cost of reconnecting customer service as described in the testimony that will accompany the application.

Explanation of Change:

Replacement of the term 'is inactivated' with 'has been final billed.'

Rationale for Change:

The reference to a final billed account more precisely describes the event that causes a reversion of an Energy Choice account to sales service upon reconnection.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 10 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Energy Choice Transportation Service, p. 5

Section 9

Explanation of Change:

Elimination of the Daily Available Volume definition.

Rationale for Change:

The term is no longer needed due to the deletion proposed on Section 2.1.

Explanation of Change:

Deletion of the term 'Standard' in the definition of Day.

Rationale for Change:

The proposed change properly clarifies the definition.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 11 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Large Volume Energy Choice Transportation Service, p. 1

Section 1

Explanation of Change:

Elimination of the reference to the PUCO Gas Transportation Program Guidelines ("Guidelines") in Section 1(b).

Rationale for Change:

Due to the terms and conditions of DEO's Energy Choice program and the eligible customer provisions of House Bill No. 9, the requirement that customers qualify for service under the Guidelines is not necessary.

Section 2

Explanation of Change:

Modifications to language concerning DEO's delivery obligation in Section 2.1.

Rationale for Change:

The second sentence in Section 2.1, which further describes DEO's obligation to deliver gas to the customer, is redundant. The proposed reference to potential curtailment in the event of an emergency will make the tariff language consistent with that of the GSS and LVGSS rate schedules.

Explanation of Change:

Addition to customer eligibility in Section 2.2

Rationale for Change:

The additional language recognizes that customers receiving service under this rate schedule may cease to be eligible to participate in the Energy Choice program and would therefore have to receive service under a sales rate schedule.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 12 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Large Volume Energy Choice Transportation Service, p. 2

Section 4

Explanation of Change:

Increase in the volumetric rate in Section 4.1.

Rationale for Change:

The rate was increased in order to bring the return on rate base for the customer class covered by this rate schedule into greater alignment with the system-wide return on rate base. The first block rate was set equal to the Energy Choice Transportation Service rate as done in the current rate design for the two rate schedules. The blocked rates were also set equal to the comparable rates in the companion sales rate schedule.

Explanation of Change:

Addition of the Sales Reconciliation Rider and AMR Cost Recovery Charge to the riders listed and clarification of Transportation Migration Rider applicability in Section 4.3.

Rationale for Change:

In its application, DEO is seeking Commission approval of the additional riders which, if approved, would be applicable to this rate schedule. The proposed language also clarifies which Transportation Migration Rider is applicable to this rate schedule.

Section 5

Explanation of Change:

Insertion of language describing the supplier as the customer's supplier.

Rationale for Change:

The proposed change properly modifies the reference to the supplier.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 13 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Large Volume Energy Choice Transportation Service, p. 3

Section 6

Explanation of Change:

Replacement of the term 'is inactivated' with 'has been final billed.'

Rationale for Change:

The reference to a final billed account more precisely describes the event that causes a reversion of an Energy Choice account to sales service upon reconnection.

Section 9

Explanation of Change:

Elimination of the Daily Available Volume definition.

Rationale for Change:

The term is no longer needed due to the deletion proposed on Section 2.1.

Explanation of Change:

Deletion of the term 'Standard' in the definition of Day.

Rationale for Change:

The proposed change properly clarifies the definition.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 14 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: General Transportation Service, p. 1

Section 1

Explanation of Change:

Insertion of language in Section 1.1(c) permitting the company to waive the written contract requirement for service under this rate schedule.

Rationale for Change:

The addition of such language would support the electronic or other forms of enrollment of customers to begin receiving service under this rate schedule, which would ease the administrative burden on customers and the company.

Explanation of Change:

Addition of language in Section 1.2 incorporating DEO's Rules and Regulations into the rate schedule.

Rationale for Change:

Incorporation of the company's Rules and Regulations into the rate schedule will remove any uncertainty as to whether they apply to service rendered under this rate schedule.

Section 2

Explanation of Change:

Modifications to language concerning DEO's delivery obligation.

Rationale for Change:

Rather than restate the character of service provisions already included in the General Terms and Conditions of Transportation Service ("Terms and Conditions") applicable to this rate schedule, the proposed language directly refers to those Terms and Conditions. The proposed reference to potential curtailment in the event of an emergency will make the tariff language consistent with that of the sales and Energy Choice rate schedules.

Section 3

Explanation of Change:

Deletion of language concerning (1) average daily volumes for customers with electronic gas measurement ("EGM") capability and (2) references to operational flow orders for customers without EGM devices in Section 3.1.

Rationale for Change:

In the twelve years since the language concerning average daily volumes was included in the tariff, DEO has never had to utilize average daily volume information for customers with EGM. As a result, the company determined its inclusion was no longer necessary. Because DEO is proposing to eliminate the redundant term 'operational matching order,'

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 15 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: General Transportation Service, p. 1

it proposes to eliminate the rate schedule reference to operational flow orders, which are more fully explained in the Terms and Conditions that are incorporated into the rate schedule by reference.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO
Case No. 07-0829-GA-AIR
Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Original
Work Paper Reference Nos: None

Schedule E-3
Page 16 of 70
Witness: J. A. Murphy

Tariff Sheet Reference: General Transportation Service, p. 2

Section 3

Explanation of Change:

Insertion of language in Section 3.2 making the installation of EGM optional for customers that do not receive all of their gas requirements from DEO.

Rationale for Change:

In cases where a customer receives a very small volume from other sources and does not impact system operations or the nature of service provided by the company, DEO proposes that it have the option of not requiring installation of EGM equipment at the delivery point(s) to the customer.

Explanation of Change:

Elimination of the operational matching order provisions of Section 3.2(c).

Rationale for Change:

DEO proposes to eliminate the redundant term 'operational matching order,' replacing it with the single concept of an operational flow order, which is more fully explained in the Terms and Conditions that are incorporated into the rate schedule by reference.

Section 5

Explanation of Change:

Updated lower rates for Volume Banking Service ("VBS") in Section 5.2.

Rationale for Change:

As noted in the workpaper accompanying this section, DEO applied the same rate design approach to updated usage and interstate pipeline charges that form the basis of the VBS rates. The result of that analysis is the updated rates set forth in Section 5.2.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Original
Work Paper Reference Nos: None

Schedule E-3
Page 17 of 70
Witness: J. A. Murphy

Tariff Sheet Reference: General Transportation Service, p. 3

Section 6

Explanation of Change:

New volumetric rates proposed in Section 6.1

Rationale for Change:

The rates were modified in order to bring the return on rate base for the customer class covered by this rate schedule into greater alignment with the system-wide return on rate base. The rate design structure maintained the first three blocks at the same base rate excluding the \$0.0601 per Mcf credit applied to customers paying the PIP Plan ("PIPP") and Uncollectible Expense ("UEX") riders, which represent most of the class. A fourth block was added at a lower rate to reduce the revenue requirement from the class in a manner consistent with the lower unit cost of providing service to larger, higher load factor customers.

Explanation of Change:

Modified provisions in Section 6.3 applicable to customers receiving a greater portion of their natural gas requirements through another source after the effective date of the tariff.

Rationale for Change:

Similar in intent to the prior language, the proposed changes inform customers that bypassing DEO's delivery system for a greater portion of their usage in the future has consequences due to the change in the nature and level of service they will receive after the bypass occurs. The prospective level of operational balancing and peaking services that DEO will provide those customers imposes a cost on the system that is not adequately reflected in the standard volumetric base rate. Under the proposed language, such customers may be required to transfer to a daily balanced transportation service or pay for standby service in order to pay appropriate rates and charges for services provided after the bypass occurs.

Explanation of Change:

Listing of riders and other changes made in Section 6.4.

Rationale for Change:

Unlike the current tariff language, the proposed Section 6.4 identifies each of the riders applicable to the rate schedule. DEO is also seeking Commission approval of the additional riders which, if approved, would be applicable to this rate schedule. Consistent with the rate design described above, DEO proposes to eliminate the \$0.0601 credit for those customers paying the PIPP and UEX riders because the updated class cost of service study takes into consideration the non-UEX uncollectible expense allocable to the class.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 18 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Transportation Service for Schools, p. 1

Section 1

Explanation of Change:

Insertion of language in Section 1.1(c) permitting the company to waive the written contract requirement for service under this rate schedule.

Rationale for Change:

The addition of such language would support the electronic or other forms of enrollment of customers to begin receiving service under this rate schedule, which would ease the administrative burden on customers and the company.

Explanation of Change:

Addition of language in Section 1.2 incorporating DEO's Rules and Regulations into the rate schedule.

Rationale for Change:

Incorporation of the company's Rules and Regulations into the rate schedule will remove any uncertainty as to whether they apply to service rendered under this rate schedule.

Section 2

Explanation of Change:

Modifications to language concerning DEO's delivery obligation.

Rationale for Change:

Rather than restate the character of service provisions already included in the General Terms and Conditions of Transportation Service ("Terms and Conditions") applicable to this rate schedule, the proposed language directly refers to those Terms and Conditions. The proposed reference to potential curtailment in the event of an emergency will make the tariff language consistent with that of the sales and Energy Choice rate schedules.

Section 3

Explanation of Change:

Deletion of language concerning (1) average daily volumes for customers with electronic gas measurement ("EGM") capability and (2) references to operational flow orders for customers without EGM devices in Section 3.1.

Rationale for Change:

In the twelve years since the language concerning average daily volumes was included in the tariff, DEO has never had to utilize average daily volume information for customers with EGM. As a result, the company determined its inclusion was no longer necessary. Because DEO is proposing to eliminate the redundant term 'operational matching order,'

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 19 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Transportation Service for Schools, p. 1

it proposes to eliminate the rate schedule reference to operational flow orders, which are more fully explained in the Terms and Conditions that are incorporated into the rate schedule by reference.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 20 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Transportation Service for Schools, p. 2

Section 3

Explanation of Change:

Deletion of Section 3.1(a).

Rationale for Change:

Please see the immediately preceding rationale for changes to Section 3.1.

Explanation of Change:

Insertion of language in Section 3.2 making the installation of EGM optional for customers that do not receive all of their gas requirements from DEO.

Rationale for Change:

In cases where a customer receives a very small volume from other sources and does not impact system operations or the nature of service provided by the company, DEO proposes that it have the option of not requiring installation of EGM equipment at the delivery point(s) to the customer.

Explanation of Change:

Elimination of the operational matching order provisions of Section 3.2(c).

Rationale for Change:

DEO proposes to eliminate the redundant term 'operational matching order,' replacing it with the single concept of an operational flow order, which is more fully explained in the Terms and Conditions that are incorporated into the rate schedule by reference.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 21 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Transportation Service for Schools, p. 3

Section 5

Explanation of Change:

Updated lower rates for Volume Banking Service ("VBS") in Section 5.2.

Rationale for Change:

As noted in the workpaper accompanying this section, DEO applied the same rate design approach to updated usage and interstate pipeline charges that form the basis of the VBS rates. The result of that analysis is the updated rates set forth in Section 5.2.

Section 6

Explanation of Change:

New volumetric rates proposed in Section 6.1

Rationale for Change:

The rates were modified in order to bring the return on rate base for the customer class covered by this rate schedule into greater alignment with the system-wide return on rate base. DEO proposes to retain the current \$0.1440 per Mcf volumetric rate differential in each of the rate blocks contained in the Transportation Service for Schools and General Transportation Service rate schedules.

Explanation of Change:

Modified provisions in Section 6.3 applicable to customers receiving a greater portion of their natural gas requirements through another source after the effective date of the tariff.

Rationale for Change:

Similar in intent to the prior language, the proposed changes inform customers that bypassing DEO's delivery system for a greater portion of their usage in the future has consequences due to the change in the nature and level of service they will receive after the bypass occurs. The prospective level of operational balancing and peaking services that DEO will provide those customers imposes a cost on the system that is not adequately reflected in the standard volumetric base rate. Under the proposed language, such customers may be required to transfer to a daily balanced transportation service or pay for standby service in order to pay appropriate rates and charges for services provided after the bypass occurs.

Explanation of Change:

Listing of riders and other changes made in Section 6.4.

Rationale for Change:

Unlike the current tariff language, the proposed Section 6.4 identifies each of the riders applicable to the rate schedule. DEO is also seeking Commission approval of the

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 22 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Transportation Service for Schools, p. 3

additional riders which, if approved, would be applicable to this rate schedule. As with the proposed change to the General Transportation Service rate schedule, DEO proposes to eliminate the \$0.0601 credit for those customers paying the PIPP and UEX riders because the updated class cost of service study takes into consideration the non-UEX uncollectible expense allocable to the class.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 23 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Daily Transportation Service, p. 1

Section 1

Explanation of Change:

Addition of language in Section 1.2 incorporating DEO's Rules and Regulations into the rate schedule.

Rationale for Change:

Incorporation of the company's Rules and Regulations into the rate schedule will remove any uncertainty as to whether they apply to service rendered under this rate schedule.

Section 2

Explanation of Change:

Modifications to language concerning DEO's delivery obligation.

Rationale for Change:

Rather than restate the character of service provisions already included in the General Terms and Conditions of Transportation Service ("Terms and Conditions") applicable to this rate schedule, the proposed language directly refers to those Terms and Conditions. The proposed reference to potential curtailment in the event of an emergency will make the tariff language consistent with that of the sales and Energy Choice rate schedules.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 24 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Daily Transportation Service, p. 2

Section 3

Explanation of Change:

Deletion of operational matching order language and insertion of additional EGM-related provisions in Section 3.4.

Rationale for Change:

As in the other traditional transportation service (General Transportation Service and Transportation Service for Schools) rate schedules, DEO proposes to eliminate the redundant term 'operational matching order,' replacing it with the single concept of an operational flow order, which is more fully explained in the Terms and Conditions that are incorporated into the rate schedule by reference. DEO proposes to add language giving it the option of billing Daily Transportation Service customers under the General Transportation Service volumetric rates if they do not comply with the requirement to have operational EGM equipment. Absent such equipment, the company is unable to account for daily imbalances incurred by the customer and, as a result, effectively provides monthly balanced service similar to that rendered under the General Transportation Service rate schedule.

Section 5

Explanation of Change:

Updated lower rates for Volume Banking Service ("VBS") in Section 5.2.

Rationale for Change:

As noted in the workpaper accompanying this section, DEO applied the same rate design approach to updated usage and interstate pipeline charges that form the basis of the VBS rates. The result of that analysis is the updated rates set forth in Section 5.2.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 25 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Daily Transportation Service, p. 3

Section 6

Explanation of Change:

New volumetric rates proposed in Section 6.1

Rationale for Change:

Most of the volumetric rates in the individual rate blocks remain unchanged. DEO proposes to change the third rate block by reducing the monthly volume at which the rate commences to better align the blocking with the other traditional transportation service rate schedules while leaving that block's rate only slightly above the current level for consumption between 25,000 and 50,000 Mcf per month.

Explanation of Change:

Listing of riders and other changes made in Section 6.3.

Rationale for Change:

Unlike the current tariff language, the proposed Section 6.4 identifies each of the riders applicable to the rate schedule. DEO is also seeking Commission approval of the additional riders which, if approved, would be applicable to this rate schedule.

Consistent with the rate design described above, DEO proposes to eliminate the \$0.0601 credit for those customers paying the PIPP and UEX riders because the updated class cost of service study takes into consideration the non-UEX uncollectible expense allocable to the class.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 26 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Firm Storage Service, p. 1

Section 1

Explanation of Change:

Modified references to pooling service suppliers.

Rationale for Change:

The proposed language enables pool operators to acquire storage service under this rate schedule for their account rather than doing so only as agent for an end use transportation service customer.

Section 2

Explanation of Change:

Modified references to maximum storage capacity and maximum daily storage capacity.

Rationale for Change:

The proposed language simplifies the references to those terms.

Section 3

Explanation of Change:

Elimination of the requirement to submit nominations in advance.

Rationale for Change:

Deleting the reference to advance nominations is consistent with the company's proposal to cease providing the form of storage service that requires advance nominations. DEO's decision in that regard is based on the fact that no customers have purchased that particular form of storage service for most of twelve years that it has been offered and none over the past five years.

Explanation of Change:

Modified references to transportation and pooling service terms and conditions.

Rationale for Change:

The proposed language is consistent with the change in applicability described in Section 1.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 27 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Firm Storage Service, pp. 2 & 3

Section 5

Explanation of Change:

Revision to the terms of Seasonal Service offered under this rate schedule in Section 5.1.

Rationale for Change:

The Seasonal Service described in this section effectively replaces the Enhanced Seasonal Service described in the former Section 5.2 and reflects the following changes:

- In order to conduct storage operations in a manner that is more consistent with the capabilities of its storage facilities, the company proposes to modify the operating parameters to match those of the storage capacity assigned to Energy Choice and Standard Service Offer suppliers. Those parameters reflect the fact that DEO's ability to inject and withdraw gas from its on-system storage changes throughout the storage season based on the level of inventory.
- The proposed terms contemplate daily injection and withdrawal limitations in the event that the company experiences operating conditions where daily storage management is necessary.
- The proposed terms require the complete withdrawal of inventory by the March 31 end of the storage withdrawal season to avoid additional gas migration that may occur if large volumes of gas remain in storage at that time.
- The proposed terms permit DEO to waive requirements at its discretion in a non-discriminatory manner based on operating conditions.
- The proposed terms indicate that DEO may implement a Storage OFO during which it could require the storage service customer to make winter period re-injections or withdrawals in order to support system operations and maintain system integrity. Like other portions of the revised storage service provisions, those terms are based on language contained in the General Terms and Conditions of Energy Choice Pooling Service.

Explanation of Change:

Increase in the capacity reservation, injection and withdrawal fees in Section 5.1.

Rationale for Change:

As noted in the workpaper accompanying this section, those rate were increased in order to (1) bring the return on rate base for the customer class covered by this rate schedule into greater alignment with the system-wide return on rate base and (2) reflect an updated estimate of the cost associated with gas migration from storage that accompanies the provision of seasonal storage service.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 28 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Firm Storage Service, pp. 2 & 3

Section 5

Explanation of Change:

Addition of language in Section 5.1 regarding the applicability of the Gross Receipts Tax Rider to charges billed under the rate schedule.

Rationale for Change:

As indicated in the proposed changes to DEO's Gross Receipts Tax ("GRT") Rider, the company proposes to apply the GRT rider to 'all rates, fees, charges and riders billed by East Ohio pursuant to its Rules and Regulations, Rate Schedules, and Pooling Service and other agreements, as applicable, except for the cost of gas billed on behalf of an Energy Choice supplier under the Energy Choice Transportation Service or Large Volume Energy Choice Transportation Service rate schedules.' The proposed change in applicability would apply to service provided under this rate schedule.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 29 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Firm Storage Service, p. 4

Section 5

Explanation of Change:

Deletion of Section 5.2

Rationale for Change:

Deleting this section is consistent with the company's proposal to cease providing the form of storage service that requires advance nominations, formerly known as Seasonal Service. Enhanced Seasonal Service is being renamed Seasonal Service because there is no longer any need to distinguish two types of seasonal storage service.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 30 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Firm Storage Service, p. 5

Section 5

Explanation of Change:

Insertion of seasonal limitation language in the revised Section 5.2.

Rationale for Change:

Due to the significant flexibility provided by In/Out Service, it may become necessary to offer new In/Out arrangements with seasonal limitations. The proposed language enables DEO to offer the service with such limitations if the company determines that its operating conditions do not support offering additional volumes of standard In/Out Service.

Explanation of Change:

Added reference to the issuance of a Storage OFO in Section 5.2.

Rationale for Change:

The proposed terms indicate that DEO may implement a Storage OFO during which it could require the storage service customer to make winter period re-injections or withdrawals in order to support system operations and maintain system integrity. Like other portions of the revised storage service provisions, those terms are based on language contained in the General Terms and Conditions of Energy Choice Pooling Service.

Explanation of Change:

Increase in the demand reservation, capacity reservation, injection and withdrawal fees in Section 5.2.

Rationale for Change:

As noted in the workpaper accompanying this section, those rate were increased in order to bring the return on rate base for the customer class covered by this rate schedule into greater alignment with the system-wide return on rate base.

Explanation of Change:

Addition of language in Section 5.2 regarding the applicability of the Gross Receipts Tax Rider to charges billed under the rate schedule.

Rationale for Change:

As indicated in the proposed changes to DEO's Gross Receipts Tax ("GRT") Rider, the company proposes to apply the GRT rider to 'all rates, fees, charges and riders billed by East Ohio pursuant to its Rules and Regulations, Rate Schedules, and Pooling Service and other agreements, as applicable, except for the cost of gas billed on behalf of an Energy Choice supplier under the Energy Choice Transportation Service or Large

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 31 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Firm Storage Service, p. 5

Volume Energy Choice Transportation Service rate schedules.' The proposed change in applicability would apply to service provided under this rate schedule.

Section 6

Explanation of Change:

Addition of a Regulation section to incorporate DEO's general terms and conditions of transportation and pooling service ("Terms and Conditions") and its Rules and Regulations into the rate schedule.

Rationale for Change:

Incorporation of the company's Terms and Conditions and its Rules and Regulations into the rate schedule will remove any uncertainty as to whether they apply to service rendered under this rate schedule.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Original
Work Paper Reference Nos: None

Schedule E-3
Page 32 of 70
Witness: J. A. Murphy

Tariff Sheet Reference: Standby Service Rate Schedule, pp. 1 & 2

Section 2 (Page 1)

Explanation of Change:

Change in the reference to the customer billing cycle in Section 2(b).

Rationale for Change:

The change corrects a typographical error.

Section 3 (Page 2)

Explanation of Change:

Addition of language regarding the applicability of the Gross Receipts Tax Rider to charges billed under the rate schedule.

Rationale for Change:

As indicated in the proposed changes to DEO's Gross Receipts Tax ("GRT") Rider, the company proposes to apply the GRT rider to 'all rates, fees, charges and riders billed by East Ohio pursuant to its Rules and Regulations, Rate Schedules, and Pooling Service and other agreements, as applicable, except for the cost of gas billed on behalf of an Energy Choice supplier under the Energy Choice Transportation Service or Large Volume Energy Choice Transportation Service rate schedules.' The proposed change in applicability would apply to service provided under this rate schedule.

Section 4 (Page 2)

Explanation of Change:

Addition of a Regulations section to incorporate DEO's General Terms and Conditions of Transportation Service ("Terms and Conditions") and its Rules and Regulations into the rate schedule.

Rationale for Change:

Incorporation of the company's Terms and Conditions and its Rules and Regulations into the rate schedule will remove any uncertainty as to whether they apply to service rendered under this rate schedule.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 33 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Standard Service Offer Gas Cost Rate, p. 1

Explanation of Change:

Elimination of references to separate East Ohio and West Ohio Division rate schedules.

Rationale for Change:

Because DEO is proposing to adopt uniform rates across its entire service territory, the company will no longer have separate rate schedules for its West Ohio Division.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 34 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Gross Receipts Tax Rider, p. 1

Explanation of Change:

Change in applicability to cover 'all rates, fees, charges and riders billed by East Ohio pursuant to its Rules and Regulations, Rate Schedules, and Pooling Service and other agreements, as applicable, except for the cost of gas billed on behalf of an Energy Choice supplier under the Energy Choice Transportation Service or Large Volume Energy Choice Transportation Service rate schedules.'

Rationale for Change:

As described in the testimony that will accompany the application, DEO proposes to expand the applicability of its Gross Receipts Tax ("GRT") Rider to virtually all rates and charges apart from those billed on behalf of Energy Choice suppliers. The combination of the base rates proposed in the application and the revised GRT Rider applicability provide the revenue requirements needed to yield the rate of return on rate base proposed by the company. By applying the GRT Rider to all rates and charges, DEO and its customers are assured that the amount of GRT expense included in the company's rates do not over or under recover the resulting liability.

Explanation of Change:

Decrease in the GRT Rider percentage rate.

Rationale for Change:

DEO calculated the proposed rate by dividing the adjusted test year GRT expense by adjusted test year revenues excluding those applicable to customers statutorily exempt from payment of gross receipts taxes.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 35 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Transportation Migration Rider – Part B, p. 2

Explanation of Change:

Modified description of the costs recovered by the rider.

Rationale for Change:

Due to changes associated with the Standard Service Offer commodity service introduced in Phase 1 of DEO's plan to exit the traditional GCR merchant function, the costs included in Transportation Migration Rider – Part B have been revised. The modified description more accurately states the types of costs that it now recovers.

Explanation of Change:

Elimination of references to separate East Ohio and West Ohio Division rate schedules.

Rationale for Change:

Because DEO is proposing to adopt uniform rates across its entire service territory, the company will no longer have separate rate schedules for its West Ohio Division.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 36 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Transportation Surcredit Rider, p. 1

Sections 1, 2 and 3

Explanation of Change:

Elimination of references to separate East Ohio and West Ohio Division rate schedules.

Rationale for Change:

Because DEO is proposing to adopt uniform rates across its entire service territory, the company will no longer have separate rate schedules for its West Ohio Division.

Section 2

Explanation of Change:

Updated rate for the rider.

Rationale for Change:

DEO applied the approach used to develop the initial rider rate following promulgation of the House Bill No. 9 rules. Specifically, the company calculated the portion of the adjusted test year PUCO and OCC assessments attributable to commodity costs and divided the resulting amount by the adjusted test year sales volume in order to develop the proposed rider rate.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 37 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: AMR Cost Recovery Charge, p. 1

Explanation of Change:

Introduction of a proposed AMR cost recovery charge.

Rationale for Change:

As explained in the company's application in Case No. 06-1453-GA-UNC and further described in the testimony that will accompany the application, DEO proposes to deploy automated meter reading devices throughout its service territory over a five-year period. The proposed charge is intended to recover the depreciation, incremental property taxes and post in-service carrying charges associated with the deployment that are not recovered in another manner. The amount to be recovered by the proposed charge is a function of the pace and cost of deployment, the magnitude of meter reading savings achieved as a result of the program, and amounts that may be recovered in another manner, such as through the company's proposal to use half of its over-accrued depreciation reserve amortization to fund the program. DEO proposes to implement the charge as an addition to the otherwise applicable monthly service charge for customers receiving service under the rate schedules listed on the proposed tariff.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 38 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Sales Reconciliation Rider, pp. 1 & 2

Explanation of Change:

Introduction of a proposed sales reconciliation rider.

Rationale for Change:

As described in the testimony that will accompany the application, DEO proposes to introduce a sales reconciliation rider that will provide the company the opportunity to collect the revenue requirement that will be ordered by the Commission in this rate case. The proposed mechanism will permit recovery of the difference between the company's weather-normalized actual base revenues and those approved in this case, as adjusted for customer additions. As such, it will enable DEO to promote energy efficiency by decoupling the link between gas consumption and the company's ability to meet its revenue requirements. The proposed rider will apply only to the company's sales and Energy Choice customer classes because gas consumption by the traditional transportation customer class is heavily influenced by market and economic considerations, which may outweigh broader energy conservation trends in the class. DEO's proposed rider is modeled on the mechanism approved by the Commission in Case No. 05-1444-GA-UNC.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 39 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Rules and Regulations, p. 1

Section 1

Explanation of Change:

Modified provisions regarding application for service in Rule 2 that remove a reference to DEO's customer service center and propose requirements regarding the verification of applicants.

Rationale for Change:

DEO proposes to remove the reference to the company's customer service center because it no longer operates customer service centers at which customers can apply for gas service in person. The proposed language will authorize the company to verify that an applicant is the bona fide owner or lessee of the premise in order to deter fraudulent requests for service such as, for example, a request by a new applicant who continues to be a member of the same household as a former customer that failed to pay for service. The proposed language will also authorize similar verification of non-residential applicants by requiring them to verify that they are properly registered with the appropriate state or federal agency.

Explanation of Change:

Modified provisions regarding the administration of security deposits for residential and non-residential customers in Rule 3.

Rationale for Change:

The proposed language separates the provisions regarding establishment of creditworthiness for residential and non-residential customers to coincide with the different provisions set forth in the Ohio Administrative Code for such customers. The proposed language also revises certain terms and phrases to more clearly convey the intent and/or operation of the rule and eliminates the reference to a specific interest rate on customer deposits in order to accommodate future changes in the rate that may be authorized by the Commission.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 40 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Rules and Regulations, p. 2

Section 1

Explanation of Change:

Modified terms employed in Rule 4 regarding service turn on.

Rationale for Change:

Throughout the proposed Rules and Regulations, DEO proposes to replace most instances of the term 'consumer' with 'customer' to clarify that the provisions apply to parties that have an account with the company. (In accordance with the Standard Filing Requirements applicable to this schedule, the company only discusses this proposed change once even though it is common to multiple rules.) The inclusion of the term 'agents' is consistent with its use elsewhere in the Rules and Regulations.

Explanation of Change:

Additional language inserted into provisions regarding service continuity in Rule 5.

Rationale for Change:

The proposed language recognizes that, in addition to the limitations already identified in the rule, the company cannot guarantee an uninterrupted supply of gas or gas of a particular quality at all times. The proposed language also revises certain terms and phrases to more clearly convey the intent and/or operation of the rule.

Explanation of Change:

Addition of a non-access provision in Rule 7 regarding access to premises.

Rationale for Change:

In accordance with the right of access to its equipment set forth in Rule 4901:1-13-04(C), Ohio Administrative Code, DEO's proposed language recognizes the right of the company to discontinue service where such access is denied.

Explanation of Change:

Revised time frame during which customers remain liable for charges for gas consumed at a premise in Rule 8.

Rationale for Change:

The proposed time frame over which a customer may remain liable for charges for gas consumed at a premise after requesting discontinuance of service is consistent with the five business day requirement for service requests specified in the Minimum Gas Service Standards.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 41 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Rules and Regulations, p. 3

Section 1

Explanation of Change:

Additional provisions regarding the company's right to disconnect service in Rule 9.

Rationale for Change:

The proposed replacement of the term 'meter' with 'equipment' is more consistent with the terminology used in Rule 4901:1-13-04(C), Ohio Administrative Code. The proposed language expands the facilities of concern for safety and integrity reasons to the customer's premise as well as the company's gas system and authorizes disconnection in cases of theft, vandalism and unauthorized reconnection of service, which pose safety concerns for those in or near the premise.

Explanation of Change:

Increase in the reconnection charge for residential customers to \$40 and required payment of a designated deposit where service has been disconnected for non-payment, fraudulent practice, tempering, theft and unauthorized reconnection in Rule 9. (Note: The proposed modifications extend to page 4 but are explained in their entirety below.)

Rationale for Change:

The proposed charge better reflects the current cost of reconnecting customer service as described in the testimony that will accompany the application. The proposed deposit requirement is attributable to the increased credit risk posed by customers engaging in the practices delineated in the proposed rule.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 42 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Rules and Regulations, p. 4

Section 1

Explanation of Change:

Elimination of the phrase 'to obtain an actual meter reading' in Rule 9 regarding the company's right to disconnect service.

Rationale for Change:

The proposed deletion recognizes that the company requires access to metering equipment for purposes other than obtaining a meter reading as set forth in Rule 4901:1-13-04(C), Ohio Administrative Code.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 43 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Rules and Regulations, p. 5

Section 2

Explanation of Change:

Addition of Rule 14 regarding implementation of a late payment fee.

Rationale for Change:

DEO proposes to implement a late payment charge of 1½% on past due balances for non-PIPP customers in order to improve customer payment patterns over time. Under the proposed rule, late payment fees would not be collected from customers on a payment plan or the budget-billing plan provided they make the appropriate payment required under the plan. In order to provide customers the opportunity to make payment arrangements to cure delinquent amounts owed as of the effective date of the tariff, DEO proposes to delay implementing the late payment charge for 180 days after approval. The 180-day period corresponds to the company's default 1/6 payment plan and affords customers ample opportunity to reduce or eliminate delinquent amounts. As indicated in the testimony that will accompany the application, DEO proposes to credit all late payment fees received to amounts that would otherwise be collected via the uncollectible expense rider. That will eliminate the need to determine potential revenue from the late payment fee and result in non-delinquent customers receiving a direct benefit from implementation of the charge. The Commission has previously approved a late payment fee for one or more other utilities under its jurisdiction.

Explanation of Change:

Modified provisions regarding the payment of bills in Rule 16.

Rationale for Change:

The proposed language revises certain terms to more clearly refer to providers, authorized payment locations and the location of the return address on the customer's bill.

Explanation of Change:

Addition of Rule 17 regarding implementation of a returned item fee.

Rationale for Change:

DEO proposes to implement a cost-based returned item fee in order to impose the cost on those that cause the company to incur the expense. The Commission has previously approved a returned item fee for one or more other utilities under its jurisdiction.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 44 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Rules and Regulations, p. 6

Section 2

Explanation of Change:

Addition of Rule 18 regarding implementation of a collection fee.

Rationale for Change:

DEO proposes to implement a cost-based collection fee in order to impose reasonably incurred incremental costs on those that cause the company to incur the expense. The Commission has previously approved a form of a collection fee for one or more other utilities under its jurisdiction.

Explanation of Change:

Modified provisions regarding issuance of estimated bills in Rule 19.

Rationale for Change:

The proposed language states the company's practice of issuing an estimated bill when it is unable to obtain an actual meter reading. The company also proposes to not repeatedly test consumption estimates on unmetered lighting service because the estimate of usage does not change as long as the gas light equipment does not change.

Explanation of Change:

Modified meter testing fees for larger capacity meters in Rule 20.

Rationale for Change:

The proposed language more accurately distinguishes the type and cost of testing meters of different sizes. While the proposed cost of testing smaller diaphragm meters remains unchanged, the proposed cost of testing larger meters (primarily 800/1000 class diaphragm meters, rotary meters, and turbine meters) is considerably higher because they require a fitting truck and two person crew to remove and install. In addition, larger meters cost more to ship and have tested at an outside vendor since DEO does not have the capability to test such meters in house.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 45 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Rules and Regulations, p. 7

Section 2

Explanation of Change:

Modified provisions regarding the transfer of delinquent balances in Rule 22(a).

Rationale for Change:

In some cases, a customer with multiple accounts may not be current on any of its accounts. As a result, DEO proposes to eliminate provisions in the rule that refer to transferring delinquent balances to non-delinquent accounts.

Explanation of Change:

Addition of Rule 23 regarding implementation of an investigation fee.

Rationale for Change:

DEO proposes to implement a cost-based investigation fee in order to impose the cost on those that cause the company to incur the expense. The proposed language limits the company's ability to charge the fee to those circumstances where there is reasonable proof, as defined in the proposed rule, of fraudulent or damaging activity by the customer. The Commission has previously approved an investigation fee for one or more other utilities under its jurisdiction.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 46 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Rules and Regulations, pp. 8 & 9

Section 3

Explanation of Change:

Modifications to DEO's mainline extension provisions dealing with residential customers, home builders and residential developers in Rule 31.

Rationale for Change:

The proposed language clarifies that the provisions apply to mainline extensions on behalf of residential customers. Non-residential customer mainline extensions are reviewed on a case-by-case basis using an economic analysis of allowable investments relative to anticipated revenues. Because the company may have multiple distribution mains near a customer's premise that operate under different pressures or have different capacity, the proposed language clarifies that the extension will be measured from the nearest distribution main that has adequate capacity. The proposed provisions also clarify that the same terms will apply to home builders and residential developers based on the number of anticipated customers and that, as a result, the deposit refund provisions will not be applicable in those instances. The company also proposes to delete a reference to the provision of longer free extensions when anticipated revenues are greater than cost over a 20-year period because that threshold may not be economically justified.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 47 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: Rules and Regulations, p. 10

Section 4

Explanation of Change:

Insertion of a reference to Dominion's web site for customers to obtain tariff information.

Rationale for Change:

The proposed language provides another means of customers to obtain tariff information via the internet.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 48 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 1

Definitions

Explanation of Change:

Elimination of the definition of contract supply service.

Rationale for Change:

Because no customers have purchased the service over the twelve years that it has been offered, DEO proposes to eliminate it and remove any reference to the service in the proposed General Terms and Conditions of Transportation Service ("Terms and Conditions").

Explanation of Change:

Modified definition of core demand.

Rationale for Change:

The proposed definition more accurately describes the type of commodity service that is provided by the company.

Explanation of Change:

Modified definition of customer's billing cycle.

Rationale for Change:

The proposed definition reflects the fact the meter readings used for billing purposes may be actual or estimated readings.

Explanation of Change:

Modified definition of daily available volume.

Rationale for Change:

The proposed definition is more consistent with the terms and conditions related to operational flow orders in Section 13. The term 'actually' was deleted so as to not leave the impression that DEO has the ability to measure daily deliveries at every supply meter, including those associated with local production.

Explanation of Change:

Modified definition of day.

Rationale for Change:

The proposed definition is consistent with the 'gas day' definition used by interstate pipelines.

Explanation of Change:

Modified definition of delivery volume.

Rationale for Change:

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 49 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 1

The proposed definition reflects the fact the meter readings used for billing purposes may be actual or estimated readings. The term 'actually' was deleted so as to not leave the impression that DEO obtains actual meter readings of all meters every month.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 50 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 2

Definitions

Explanation of Change:

Elimination of the definitions of maximum daily storage capacity, maximum daily transportation quantity and maximum storage capacity.

Rationale for Change:

The terms were deleted because they are not used elsewhere as defined terms in the proposed Terms and Conditions.

Explanation of Change:

Modified definition of mcf.

Rationale for Change:

The proposed change(s) corrects a minor reference, formatting or typographical error.

Explanation of Change:

Modified definition of monthly tolerance level, negative imbalance volume, positive imbalance volume and production volume.

Rationale for Change:

The term 'actually' was deleted so as to not leave the impression that DEO has the ability to measure daily deliveries at every meter.

Explanation of Change:

Modified definition of production receipt point(s).

Rationale for Change:

DEO no longer includes a reference to specific production receipt points in its transportation service contracts.

Explanation of Change:

Insertion of a definition for supplier.

Rationale for Change:

The use of supplier as a defined term supports proposed changes elsewhere in the Terms and Conditions.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 51 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 3

Definitions

Explanation of Change:

Modified definition of transportation receipt point(s).

Rationale for Change:

DEO no longer includes a reference to specific transportation receipt points in its transportation service contracts.

Explanation of Change:

Modified definition of transportation volume.

Rationale for Change:

The term 'actually' was deleted so as to not leave the impression that DEO has the ability to measure daily deliveries at every supply meter, including those associated with other LDCs.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 52 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 4

Section 1

Explanation of Change:

Revised reference to Ohio production sources in Section 1.1.

Rationale for Change:

The proposed language makes use of a defined term.

Section 2

Explanation of Change:

Revisions to the authorized daily volume provisions in Section 2.1.

Rationale for Change:

The term 'supplier' is added because some customers rely on suppliers to deliver, or arrange for the delivery of, natural gas to DEO's system on the customer's behalf. The proposed requirement for customers or suppliers to submit appropriate nominations is needed to support system operations. Absent such a provision, a customer may use natural gas without having made corresponding supply arrangements and thereby jeopardize system integrity. The reference to ESGTS (Experimental Small General Transportation Service) customers is no longer needed because DEO has not offered that service since the implementation of its Energy Choice program.

Section 3

Explanation of Change:

Modified provisions for the electronic bulletin board ("EBB") in Section 3.1.

Rationale for Change:

The proposed language more accurately states the manner in which customers and suppliers utilize DEO's current EBB system.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 53 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 5

Section 4

Explanation of Change:

Modified administration of volume banking service as described in Section 4.2.

Rationale for Change:

The reference to ESGTS (Experimental Small General Transportation Service) service is no longer needed because DEO has not offered that service since the implementation of its Energy Choice program. The proposed change to the term 'volume banking and balancing' corrects a minor reference, formatting or typographical error. Other proposed changes more clearly state the manner in which DEO administers and provides the referenced service.

Section 5

Explanation of Change:

Modified reference gas cost used in Section 5.1

Rationale for Change:

DEO no longer acquires commodity using Tennessee Gas Pipeline capacity. As a result, the company proposes to use a reference price at Dominion South Point where it purchases most of the gas that it acquires for operational balancing purposes. The proposed change is also more consistent with the terms and conditions of Energy Choice pooling service.

Explanation of Change:

Additional reference to non-OFO periods in Section 5.2.

Rationale for Change:

The proposed language is more consistent with the terms and conditions related to operational flow orders in Section 13.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 54 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 6

Section 6

Explanation of Change:

Modified reference gas cost used in Section 6.1

Rationale for Change:

DEO no longer acquires commodity using Tennessee Gas Pipeline capacity. As a result, the company proposes to use a reference price at Dominion South Point where it purchases most of the gas that it acquires for operational balancing purposes. The proposed language is also more consistent with the terms and conditions of Energy Choice pooling service.

Explanation of Change:

Modified specification for firm transportation charges and other changes in Section 6.1.

Rationale for Change:

DEO previously used its actual load factor on the reference pipelines to determine the unit demand cost in the negative imbalance cash out rate. DEO proposes to utilize a 100% load factor demand rate because it no longer directly purchases gas on a consistent basis under Phase 1 of its plan to exit the traditional GCR merchant function. Use of a 100% load factor rate will avoid distortions in the rate that may be caused by inconsistent utilization of upstream pipeline capacity. The term 'actually' was deleted so as to not leave the impression that DEO obtains actual meter readings of all meters every month. Other proposed changes correct a minor reference, formatting or typographical error.

Section 7

Explanation of Change:

Modifications to heat content adjustment factor calculations in Section 7.1.

Rationale for Change:

The proposed language more accurately states the manner in which DEO calculates the heat content adjustment factor and is also more consistent with the terms and conditions of Energy Choice pooling service.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 55 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 7

Section 7

Explanation of Change:

Addition of language in Section 7.3 addressing the quality of gas that may be delivered by upstream pipelines that do not have gas quality standards approved by FERC or the PUCO.

Rationale for Change:

Most, but not all, of DEO's upstream pipelines have FERC-approved gas quality standards. For those that do not have such standards, or do not have them approved by the PUCO, the company proposes to require that their gas quality conform to DEO's standards. The proposed language is also more consistent with the terms and conditions of Energy Choice pooling service.

Section 8

Explanation of Change:

Changes regarding nomination procedures in Sections 8.1, 8.2 and 8.3.

Rationale for Change:

The proposed language removes the ability of customers or their suppliers to fax nominations to DEO. No customers or suppliers have utilized that option for nearly ten years. The proposed language also more accurately states the manner in which customers utilize DEO's current EBB system.

Explanation of Change:

Revisions in Section 8.3 to DEO's practices regarding the confirmation of customer nominations with references to the company's obligation to confirm and receive volumes and the customer's obligation to deliver volumes at designated locations if so requested.

Rationale for Change:

The proposed language more accurately states DEO's practices and obligations with regard to the confirmation and receipt of volumes delivered by upstream pipelines. The proposed language is also more consistent with the terms and conditions of Energy Choice pooling service.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated
Type of Filing: Original
Work Paper Reference Nos: None

Schedule E-3
Page 56 of 70
Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 8

Section 8

Explanation of Change:

Addition of Section 8.5 dealing with the customer's obligation to submit nominations on an upstream pipeline.

Rationale for Change:

The proposed language clarifies that, in addition to submitting a nomination on DEO's system, customers must also submit a corresponding nomination on an indicated upstream pipeline. The proposed language is also more consistent with the terms and conditions of Energy Choice pooling service.

Section 9

Proposed Change

Removal of the limitation on daily firm receipt point quantities in Section 9.1.

Rationale for Change:

DEO proposes to remove the limitation because the company no longer includes a reference to maximum daily transportation quantities in end user transportation contracts.

Section 10

Explanation of Change:

Modified specification for production receipt points in Section 10.1

Rationale for Change:

The term 'supplier' is added because some customers rely on suppliers to deliver, or arrange for the delivery of, natural gas to DEO's system on the customer's behalf. Rotary meters, which may be able to provide more accurate local production measurement under certain conditions, are explicitly identified as an acceptable type of production measurement equipment. The proposed standards for the measurement equipment refer to industry standard practices and DEO requirements in order to accommodate potential changes in those practices and requirements over time. The proposed language also references the use of measurement operating agreements, which were introduced after the current tariff language was established. Other proposed changes correct a minor reference, formatting or typographical error. The proposed language is also more consistent with the terms and conditions of Energy Choice pooling service.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 57 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 9

Section 10

Explanation of Change:

Modified provisions addressing production volume gas quality standards in Section 10.2.

Rationale for Change:

The proposed reference to DEO's gas quality standards in effect at the time is consistent with the terms and conditions of Energy Choice pooling service. The proposed additional language enables DEO to accept non-spec gas into its system provided that it does so on a non-discriminatory basis and that the acceptance of such gas does not adversely affect the company's operations or service to its customers. Accepting such gas may result in additional gas supplies being made available to DEO's customers that would otherwise be unavailable. Other proposed changes correct a minor reference, formatting or typographical error.

Explanation of Change:

Modified provisions regarding low flow (below an average of 10 Mcf per day) production receipt points in Section 10.3.

Rationale for Change:

The term 'supplier' is added because some customers rely on suppliers to deliver, or arrange for the delivery of, natural gas to DEO's system on the customer's behalf. The proposed language also references the use of measurement operating agreements, which were introduced after the current tariff language was established. Other proposed changes correct a minor reference, formatting or typographical error. The proposed language is also more consistent with the terms and conditions of Energy Choice pooling service.

Explanation of Change:

Modified specification for production receipt points in Section 10.4.

Rationale for Change:

The term 'supplier' is added because some customers rely on suppliers to deliver, or arrange for the delivery of, natural gas to DEO's system on the customer's behalf. The proposed language regarding measurement and regulating equipment indicates that it will be operated and maintained, but not necessarily owned, by the company. The proposed language also references the use of measurement operating agreements, which were introduced after the current tariff language was established. Other proposed changes correct a minor reference, formatting or typographical error. The proposed language is also more consistent with the terms and conditions of Energy Choice pooling service.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 58 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 10

Section 10

Explanation of Change:

Addition of Section 10.5, which allows the aggregation of production volumes behind production receipts points.

Rationale for Change:

The proposed language states that customers or their suppliers have the ability to aggregate production volumes upstream of the production receipt points where the physical deliveries of gas into DEO's system occur. The proposed language, which reflects a long-standing practice of the company, is also more consistent with the terms and conditions of Energy Choice pooling service.

Explanation of Change:

Modified provisions regarding the responsibility for construction of facilities upstream of production receipt points in Section 10.6.

Rationale for Change:

The term 'supplier' is added because some customers rely on suppliers to deliver, or arrange for the delivery of, natural gas to DEO's system on the customer's behalf. Other proposed changes simplify the manner in which customer and/or supplier responsibilities are conveyed. The proposed language is also more consistent with the terms and conditions of Energy Choice pooling service.

Explanation of Change:

Modified provisions regarding the responsibility for construction of production receipt points in Section 10.7.

Rationale for Change:

The term 'supplier' is added because some customers rely on suppliers to deliver, or arrange for the delivery of, natural gas to DEO's system on the customer's behalf. Other proposed changes simplify the manner in which DEO, customer and/or supplier responsibilities are conveyed. The proposed language is also more consistent with the terms and conditions of Energy Choice pooling service.

Explanation of Change:

Modified provisions regarding DEO's obligation to receive production volumes at production receipt points in Section 10.8

Rationale for Change:

The proposed language reflects the fact that DEO no longer includes a reference to specific production receipt points in its transportation service contracts. The term 'supplier' is added because some customers rely on suppliers to deliver, or arrange for the

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 59 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 10

delivery of, natural gas to DEO's system on the customer's behalf. The proposed language is also more consistent with the terms and conditions of Energy Choice pooling service and confirms DEO's ability to suspend taking production volumes if operationally necessary.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 60 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 11

Section 10

Explanation of Change:

Modifications to provisions that address compressing and pumping productions volumes into DEO's system in Section 10.8.

Rationale for Change:

The term 'supplier' is added because some customers rely on suppliers to deliver, or arrange for the delivery of, natural gas to DEO's system on the customer's behalf. The proposed language more accurately states the manner in which DEO administers such requests and is more consistent with the terms and conditions of Energy Choice pooling service. The proposed language also obligates the customer or its supplier to install equipment needed to capture free fluids dropout caused by operating compression.

Explanation of Change:

Modifications to provisions addressing DEO's capacity and facilities and to various obligations involving the operation of production receipt points in Section 10.9.

Rationale for Change:

The term 'supplier' is added because some customers rely on suppliers to deliver, or arrange for the delivery of, natural gas to DEO's system on the customer's behalf. Other proposed changes simplify the manner in which DEO, customer and/or supplier responsibilities are conveyed.

Explanation of Change:

Modified provisions addressing production volume gas quality issues in Section 10.10.

Rationale for Change:

The term 'supplier' is added because some customers rely on suppliers to deliver, or arrange for the delivery of, natural gas to DEO's system on the customer's behalf. The proposed language adds water vapor to the list of foreign substances in production volumes that should be separated and removed at the customer's or its supplier's expense prior to delivery of the gas into DEO's system. Other proposed changes simplify the manner in which DEO, customer and/or supplier responsibilities are conveyed. The proposed language is also more consistent with the terms and conditions of Energy Choice pooling service.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 61 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 12

Section 10

Explanation of Change:

Modified provisions addressing production volume gas quality issues in Section 10.10.

Rationale for Change:

The proposed reference to DEO's gas quality standards in effect at the time is consistent with the terms and conditions of Energy Choice pooling service. The proposed language also reflects DEO's intent to bill customers or their suppliers for costs associated with removing foreign substances that they erroneously introduce into DEO's system.

Explanation of Change:

Modified provisions regarding the operation and maintenance of meter and gauges at production receipt points and the adjustment of volumes measured at those points in Section 10.11.

Rationale for Change:

The proposed language references the use of measurement operating agreements, which were introduced after the current tariff language was established. The term 'supplier' is added because some customers rely on suppliers to deliver, or arrange for the delivery of, natural gas to DEO's system on the customer's behalf. The potential retroactive adjustment period is extended from ninety days to twelve months in order to accommodate a longer time frame over which measurement errors may be corrected. The proposed language that addresses the timing of adjustments is consistent with the terms and conditions of Energy Choice pooling service. Other proposed changes simplify the manner in which DEO, customer and/or supplier responsibilities are conveyed.

Explanation of Change:

Elimination of the former Section 10.11 regarding the addition or removal of production receipt points from the transportation contract.

Rationale for Change:

DEO proposes to remove the section because the company no longer includes a reference to specific production receipt points in end user transportation contracts.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 62 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 13

Section 11

Explanation of Change:

Changes regarding nomination procedures in Sections 11.1, 11.2 and 11.3.

Rationale for Change:

The proposed changes are similar to those made in Sections 8.1, 8.2 and 8.3 dealing with transportation volume nomination procedures. In particular, the proposed language removes the ability of customers or their suppliers to fax nominations to DEO and more accurately states the manner in which customers utilize DEO's current EBB system.

Section 13

Explanation of Change:

Modified provisions regarding the imposition and administration of operational flow orders ("OFO") in Section 13.1.

Rationale for Change:

The proposed language, which clarifies circumstances under which DEO may issue an OFO, is consistent with the terms and conditions of Energy Choice pooling service. It also indicates that the company will determine delivery volumes, which accommodates the use of actual daily usage based on EGM data as well as calculated daily usage for those customers that do not have such equipment.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 63 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 14

Section 13

Explanation of Change:

Modified provisions regarding the administration of operational flow orders ("OFO") in Section 13.1.

Rationale for Change:

The proposed language is more consistent with the terms and conditions of Energy Choice pooling service, which enable the company to issue targeted OFOs to address operational issues involving specific areas or customers if necessary.

Explanation of Change:

Modified reference to the demand charges used in calculating OFO non-compliance charges in Section 13.1(B).

Rationale for Change:

DEO proposes to change the demand charge reference to Dominion Transmission's ("DTI") FTNN rate schedule because, while the company continues to hold DTI capacity for operational balancing purposes, it no longer holds a portfolio of upstream pipeline capacity to serve Core Demand under its Standard Service Offer commodity service.

Explanation of Change:

Addition of an excise tax reference to Section 13.1(C).

Rational for Change:

The proposed language is consistent with the company's proposal to expand the applicability of its Gross Receipts Tax Rider.

Explanation of Change:

Addition of Section 13.1(D), which clarifies the manner in which payments received pursuant to Section 13 will be credited to customers.

Rationale for Change:

The proposed language, which specifies that such payments will be credited to costs recovered through Transportation Migration Rider – Part B, is consistent with the terms and conditions of Energy Choice pooling service.

Section 14

Explanation of Change:

Elimination of the Section 14, Operational Matching Orders.

Rationale for Change:

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 64 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 14

DEO proposes to eliminate the redundant concept of an operational matching order, replacing it with the single concept of an operational flow order. The former provisions for both sections were identical with the exception that one applied to customers with EGM equipment (i.e., operational matching orders) and the other to those customers without it (i.e., operational flow orders). As a result of the changes proposed in the affected rate schedules and elsewhere in these Terms and Conditions, the use of both concepts is no longer necessary, and the section should be deleted.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 65 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 15

Section 14

Explanation of Change:

Elimination of the Section 14, Operational Matching Orders.

Rationale for Change:

As indicated in the prior explanation and rational for change, DEO proposes to eliminate the redundant concept of an operational matching order, replacing it with the single concept of an operational flow order. As a result of the changes proposed in the affected rate schedules and elsewhere in these Terms and Conditions, the use of both concepts is no longer necessary, and the section should be deleted.

Section 14 (formerly Section 15)

Explanation of Change:

Modified provisions regarding possession and control of gas delivered to DEO for the customer's account.

Rationale for Change:

The proposed language more clearly states that the customer is deemed to be in control and possession of its gas upstream of DEO's system.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 66 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 16

Section 16

Explanation of Change:

Elimination of the Section 16, Contract Supply Service.

Rationale for Change:

Because no customers have purchased the service over the twelve years that it has been offered, DEO proposes to eliminate it and remove any reference to the service in these Terms and Conditions.

Section 15 (formerly Section 17)

Explanation of Change:

Modified provisions regarding human needs customer requirements, the verification of alternate fuel capability, and the consequences of not demonstrating such capability.

Rationale for Change:

The proposed language clarifies the types of alternate fuel capability that human needs customers must have in order to participate in DEO's traditional (i.e., non-Energy Choice) transportation program; indicates that DEO must assess the sufficiency of that capability; and states that a customer's failure to demonstrate sufficient capability will result in DEO providing, and billing for, an appropriate level of standby service as required under the Commission's Gas Transportation Program Guidelines.

Section 18

Explanation of Change:

Elimination of Section 18, Optional Sale of Gas to East Ohio

Rationale for Change:

DEO proposes to eliminate the section because (1) no customers have elected the option over the twelve years that it has been offered and (2) DEO's exit from the traditional GCR merchant function has eliminated its need for such arrangements.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 67 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 17

Section 16 (formerly Section 19)

Explanation of Change:

Additional reference to the implementation of DEO's emergency curtailment plan on file with the PUCO in Section 16.3.

Rationale for Change:

DEO proposes to reference its emergency curtailment plan in these Terms and Conditions in order to ensure consistency between the two documents. (It should be noted that the company's emergency curtailment plan contains references these Terms and Conditions.) Other changes in Section 16 are proposed due to the renumbering or elimination of other sections.

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 68 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 18

Section 18 (formerly Section 21)

Explanation of Change:

Modification to provisions addressing the ownership of facilities.

Rationale for Change:

The insertion of the term 'or otherwise agreed upon' in the proposed language provides customers and the company greater flexibility in determining the ownership of facilities. The language also eliminates the need for specific provisions that address measuring stations which qualify as production receipt points

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Schedule E-3

Type of Filing: Original

Page 69 of 70

Work Paper Reference Nos: None

Witness: J. A. Murphy

Tariff Sheet Reference: General Terms and Conditions of Transportation Service, p. 19

Section 20

Explanation of Change:

Addition of Section 20, Limitation on Liability

Rationale for Change:

The addition of the section is consistent with the terms and conditions of Energy Choice pooling service and, in the main, limits DEO's liability for acts arising out of performing under its tariff, provided its actions are in accordance with that tariff and applicable industry standards. (Note: The new section is carried over to page 20. No separate explanation or rationale is provided because it is addressed on this page of the schedule.)

THE EAST OHIO GAS COMPANY d/b/a DOMINION EAST OHIO

Case No. 07-0829-GA-AIR

Narrative Rationale for Tariff Changes

Data: 3 Months Actual & 9 Months Estimated

Type of Filing: Original

Work Paper Reference Nos: None

Schedule E-3

Page 70 of 70

Witness: J. A. Murphy

Tariff Sheet Reference: Service Agreement, Energy Choice Pooling Service, pp. 1 & 2

Section 3 (Page 1)

Explanation of Change:

Addition of language regarding the applicability of the Gross Receipts Tax Rider to all charges billed to the supplier.

Rationale for Change:

As indicated in the proposed changes to DEO's Gross Receipts Tax ("GRT") Rider, the company proposes to apply the GRT rider to 'all rates, fees, charges and riders billed by East Ohio pursuant to its Rules and Regulations, Rate Schedules, and Pooling Service and other agreements, as applicable, except for the cost of gas billed on behalf of an Energy Choice supplier under the Energy Choice Transportation Service or Large Volume Energy Choice Transportation Service rate schedules.' The proposed change in applicability would apply to service provided under this service agreement.

Section 3 (Pages 1 and 2)

Explanation of Change:

Reduction in rates and charges for the Financial Evaluation Fee, Eligible Customer List Fees, Supplier Energy Choice Pooling Service Fee, Customer Conversion Charge, Daily Imbalance Trading Charge and Monthly Imbalance Trading Charge.

Rationale for Change:

DEO proposes to leave the effective level of the above fees unchanged. Thus, each one has been reduced to reflect the fact that the GRT Rider will be applied to the fee. The total of the reduced fee plus the newly applicable GRT Rider amount equals the current rate.

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THE EAST OHIO GAS COMPANY
d/b/a
DOMINION EAST OHIO

Tariff for Gas Service

Issued:

Filed under authority of The Public Utilities Commission of Ohio in Case No.
Bruce C. Klink, Vice President

Effective:

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
List of Communities Served	
Rate Schedules	
General Sales Service	
Large Volume General Sales Service	
Energy Choice Transportation Service	
Large Volume Energy Choice Transportation Service	
General Transportation Service	
Transportation Service for Schools	
Daily Transportation Service	
Firm Storage Service	
Standby Service	
Riders and Charges	
Standard Service Offer	
Percentage Income Payment Plan	
Uncollectible Expense Rider	
Gross Receipts Tax and Excise Tax Riders	
Transportation Migration Rider – Part A	
Transportation Migration Rider – Part B	
Transportation Surcredit Rider	
AMR Cost Recovery Charge	
Sales Reconciliation Rider	
Rules and Regulations	
Establishment of Credit for Residential Service	
Termination of Residential Service	
General Terms and Conditions of Transportation Service	
General Terms and Conditions of Energy Choice Pooling Service	

T

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Filed under authority of The Public Utilities Commission of Ohio in Case No.
Bruce C. Klink, Vice President

Effective:

List of Communities Served By County**Allen County, OH**

Beaverdam Village
Cairo Village
Delphos
Elida Village
Fort Shawnee Village
Harrod Village
Kossuth
Lafayette Village
Lima
Spencerville Village
Westminster

Ashland County, OH

Lakeville
Loudenville

Ashtabula County, OH

Ashtabula
Ashtabula Township
Austinburg Township
Conneaut
Edgewood Township
Geneva
Geneva on the Lake Village
Geneva Township
Harpersfield Township
Jefferson
Jefferson Township
Jefferson Village
Kingsville Township
Lenox Township
Monroe Township
New Lyme Township
North Kingsville Township
Pierpont Township
Plymouth Township
Saybrook Township
Sheffield Township
Unionville

Auglaize County, OH

Cridersville Village
St. Marys
Wapakoneta

Belmont County, OH

Powhatan Point
York Township

Columbiana County, OH

East Palestine
Unity Township

Cuyahoga County, OH

Beachwood
Bedford
Bedford Heights
Bentleyville Village
Bratenahl Village
Brecksville
Broadview Heights
Brook Park
Brooklyn
Brooklyn Heights
Chagrin Falls Township
Chagrin Falls Village
Cleveland
Cleveland Heights
Cuyahoga Heights
East Cleveland
Euclid
Fairview Park
Garfield Heights
Gates Mills
Glenwillow Village
Highland Heights
Highland Hills Village
Hunting Valley Village
Independence
Lakewood
Linndale Village
Lyndhurst

**Cuyahoga County, OH
(Cont.)**

Maple Heights
Mayfield Heights
Mayfield Village
Moreland Hills Village
Newburgh Heights Village
North Olmsted
North Randall Village
Oakwood Village
Orange Village
Pepper Pike
Richmond Heights
Rocky River
Seven Hills
Shaker Heights
Solon
South Euclid
University Heights
Valley View Village
Walton Hills Village
Warrensville Heights
Woodmere Village

Fulton County, OH

Delta

Geauga County, OH

Auburn Township
Bainbridge
Bainbridge Township
Burton Township
Burton Village
Chardon Township
Chardon Village
Chester Township
Chesterland
Claridon Township
Hambden Township
Huntsburg Township
Middlefield Township
Middlefield Village
Munson Township
Newbury Township

T

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Effective:

List of Communities Served By County**Geauga County, OH**
(Cont.)Parkman Township
Russell Township
South Russell Village**Guernsey County, OH**Jackson Township
Monroe Township
Valley Township
Westland Township**Holmes County, OH**Auburn Township
Clark Township
Paint Township
Salt Creek Township
Walnut Creek Township
Washington Township
Wayne Township**Lake County, OH**Concord Township
Eastlake
Fairport Harbor
Grand River
Kirtland
Kirtland Hills
Lakeline
Leroy
Leroy Township
Madison
Madison Township
Mentor
Mentor on the Lake
North Perry
Painesville
Painesville Township
Perry
Perry Township
Timberlake
Unionville**Lake County, OH**
(Cont.)Waite Hill
Wickliffe
Willoughby
Willoughby Hills
Willowick**Mahoning County, OH**Austintown
Austintown Township
Berlin Center
Boardman
Boardman Township
Campbell
Canfield Township
Coitsville Township
Craig Beach Village
Ellsworth Township
Hubbard Township
Jackson Township
Lowellville Village
Milton Township
Mineral Ridge
New Middletown Village
Poland Township
Poland Village
Springfield Township
Struthers
Weathersfield Township
Youngstown**Medina County, OH**

Hinckley Township

Mercer County, OHCelina
Coldwater
Fort Recovery
Montezuma
Rockford
St. Henry**Mogadore County, OH**

Canal Fulton

Monroe County, OHAntioch Village
Beallsville Village
Benton Township
Bethel Township
Center Township
Clarington Village
Franklin Township
Grandview Township
Graysville Village
Green Township
Jackson Township
Jerusalem Village
Lewisville Village
Liberty Township
Malaga Township
Ohio Township
Perry Township
Summit Township
Sunsbury Township
Switzerland Township
Washington Township
Wayne Township
Wilson Village
Woodsfield Village**Paulding County, OH**Haviland
Scott**Portage County, OH**Atwater Township
Aurora
Aurora Township
Bainbridge Township
Braceville Township
Diamond Township
Garrettsville Village
Hiram

T

Issued:

Filed under authority of The Public Utilities Commission of Ohio in Case No.
Bruce C. Klink, Vice President

Effective:

List of Communities Served By County**Portage County, OH**
(Cont.)

Hiram Township
Lake Township
Mantua
Newton Falls
Palmyra Township
Reminderville
Solon
Twinsburg Township
Windham Township
Windham Village

Putnam County, OH

Columbus Grove
Glandorf
Leipsic
Ottawa
Pandora
West Leipsic

Shelby County, OH

Anna
Botkins

Stark County, OH

Alliance
Atwater Township
Baugman Township
Bethlehem Township
Canal Fulton
Canton
Canton Township
Clinton Village
Franklin Township
Green Township
Jackson Township
Lake Township
Lawrence Township
Lexington Township
Louisville
Marlboro Township

Stark County, OH
(Cont.)

Massillon
Nimishillen Township
Osnaburg Township
Paint Township
Perry Township
Pike Township
Plain Township
Randolph Township
Rose Township
Sandy Township
Smith Township
Springfield Township
Suffield Township
Sugar Creek Township
Tuscarawas Township
Washington Township

Summit County, OH

Akron
Aurora Township
Barberton
Bath Township
Boston Heights Village
Boston Township
Brimfield Township
Chippewa Township
Clinton Village
Copley Township
Coventry Township
Cuyahoga Falls
Fairlawn
Franklin Township
Granger Township
Green Township
Hinckley Township
Hudson Township
Jackson Township
Kent
Lake Township
Lakemore Village
Lawrence Township
Macedonia
Mogadore Village
Munroe Falls Village

Summit County, OH
(Cont.)

Northfield Center Township
Northfield Village
Norton
Peninsula Village
Reminderville Village
Richfield Township
Richfield Village
Sagamore Hills Township
Sharon Township
Silver Lake Village
Springfield Township
Stow
Streetsboro
Suffield Township
Tallmadge
Twinsburg
Twinsburg Township
Wadsworth Township

Trumbull County, OH

Bazetta Township
Bolindale
Champion Heights
Champion Township
Churchill
Cortland
Fowler Township
Girard
Howland Center
Howland Township
Hubbard
Hubbard Township
Liberty Township
Lordstown Township
Lordstown Village
McDonald
Mecca Township
Mineral Ridge
Newton Falls
Newton Township
Niles
Turnpike Interchange
Vienna Center
Vienna Township

T

Issued:

Effective:

List of Communities Served By County**Trumbull County, OH**
(Cont.)

Warren
Warren Township
Weathersfield Township
Windham Township
Youngstown

Tuscarawas County, OH

Auburn Township
Baltic Village
Barnhill Village
Clark Township
Clay Township
Crawford Township
Dennison Village
Dover
Dover Township
Fairfield Township
Franklin Township
Gnadenhutten Village
Goshen Township
Jefferson Township
Lawrence Township
Midvale Village
Mill Township
Mineral Village
Monroe Township
New Philadelphia
Orange Township
Paint Township
Parral Village
Perry Township
Port Washington Village
Rose Township
Rush Township
Salem Township
Sandy Township
Stone Creek Village
Sugar Creek Township
Sugarcreek Village
Tuscarawas Village
Uhrichsville
Union Township
Walnut Creek Township
Warren Township

Tuscarawas County, OH
(Cont.)

Warwick Township
Washington Township
Wayne Township
York Township

Van Wert County, OH

Convoy
Middle Point
Ohio
Van Wert
Willshire

Washington County, OH

Barlow Township
Belpre
Belpre Township
Dunham Township
Fairfield Township
Fearing Township
Grandview Township
Independence Township
Jackson Township
Lawrence Township
Liberty Township
Ludlow Township
Marietta
Marietta Township
Muskingum Township
New Matamoras
Newport Township
Salem Township
Warren Township
Waterford Township

Wayne County, OH

Baughman Township
Canaan Township
Chippewa Township
Clinton Township
Clinton Village

Wayne County, OH
(Cont.)

Doylestown
East Union Township
Franklin Township
Green Township
Lake Township
Lawrence Township
Milton Township
Norton
Paint Township
Plain Township
Salt Creek Township
Sugar Creek Township
Tuscarawas Township
Wadsworth Township
Wayne Township
Wooster
Wooster Township

T

Issued:

Filed under authority of The Public Utilities Commission of Ohio in Case No.
Bruce C. Klink, Vice President

Effective:

General Sales Service (GSS)

1. Applicability

Service under this rate schedule is available to Customers throughout East Ohio's service area who purchase and receive all of their natural gas requirements directly from East Ohio pursuant to this rate schedule. ~~Customers who purchase transportation service from East Ohio may elect to receive standby service, pursuant to the Standby Service Rate Schedule, or enter into a special arrangement with East Ohio for Contract Supply Service, pursuant to Section 16 of the general Terms and Conditions of Transportation Service.~~

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2. Character of Service

All gas supplied under this rate schedule shall be supplied on a firm and continuous basis, provided, however, that in the event of an emergency, service may be curtailed pursuant to PUCO rules or a curtailment plan approved for East Ohio by the PUCO.

3. Rates and Charges

3.1 The volumetric charges for each Customer at each ~~location~~ delivery point served under this rate schedule shall be the rates set forth below plus the riders, as specified in 3.3, applicable to service rendered under this rate schedule:

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- 1) ~~\$1.2355~~ \$1.6200 per Mcf for all consumption each month; and
- 2) a charge for the cost of gas based on the standard service offer rate as set forth on tariff sheet B-SSO 1 plus a charge equal to the Transportation Surcredit Rider.

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3.2 In addition to the volumetric charge, each Customer shall be charged a service charge of \$5.70 per delivery point per month.

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3.3 Customers receiving service under this rate schedule shall be responsible for charges pursuant to East Ohio's Gross Receipts Tax Rider, Excise Tax Rider, Interim Emergency and Temporary PIP Plan ~~Rider~~, Uncollectible Expense Rider, Transportation Migration Rider-Part B, Sales Reconciliation Rider, AMR Cost Recovery Charge and Transportation Surcredit ~~Rider~~ as applicable.

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~~3.4 The minimum charge each month for each Customer at each location shall be the monthly service charge.~~

T

4. ~~Estimated Bills~~

~~When East Ohio cannot obtain access to the meter on the Customer's premises, bills will be rendered on the basis of an estimate of the gas consumed, determined from the consumption history of the premises.~~

T

54. Resumption of Service After Interruption

If service is interrupted as a result of the Customer's failure to make payment or at the Customer's request, East Ohio shall not be under any obligation to resume service to the same Customer at the same premises unless East Ohio shall have received, in addition to payment for all gas received by the Customer under this rate schedule, a reconnection payment of ~~\$20~~ \$40.

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65. Prohibition on Resale of Gas

No gas supplies under this rate schedule shall be resold for any purpose.

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6. Regulations

All gas service provided by East Ohio is rendered under and subject to the Rules and Regulations contained in its tariff.

T

Issued: September 15, 2006

Effective: ~~With bills rendered on or after October 12, 2006~~

Large Volume General Sales Service (LVGSS)

1. Applicability

Service under this rate schedule is available to Customers throughout East Ohio's service area who purchase and receive all of their natural gas requirements directly from East Ohio pursuant to this rate schedule and who have entered into a written contract with East Ohio for service under this rate schedule for a minimum of twelve months. East Ohio may waive the requirement that the customer enter into a written contract to receive service under this rate schedule. ~~Customers who purchase transportation service from East Ohio may elect to receive standby service, pursuant to the Standby Service Rate Schedule, or enter into a special arrangement with East Ohio for Contract Supply Service, pursuant to Section 16 of the General Terms and Conditions of Transportation Service.~~

T,D

2. Character of Service

All gas supplied under this rate schedule shall be supplied on a firm and continuous basis, provided, however, that in the event of an emergency, service may be curtailed pursuant to PUCO rules or a curtailment plan approved for East Ohio by the PUCO.

3. Rates and Charges

3.1 The volumetric charges for each Customer at each ~~location-delivery point~~ served under this rate schedule shall be the rates set forth below plus the riders, as specified in 3.3, applicable to service rendered under this rate schedule:

T

- (1) For the first 100 Mcf each month, ~~\$1.2527~~ \$1.6200 per Mcf,
- For the next 400 Mcf each month, \$0.9927 per Mcf,
- For all over 500 Mcf each month, \$0.8187 per Mcf; and

I

- (2) a charge for the cost of gas based on the standard service offer rate as set forth on tariff sheet B-SSO 1 plus a charge equal to the Transportation Surcredit Rider.

3.2 In addition to the volumetric charge, each Customer shall be charged a service charge of \$40.00 per delivery point per month.

T

3.3 Customers receiving service under this rate schedule shall be responsible for charges pursuant to East Ohio's Gross Receipts Tax Rider, Excise Tax Rider, Interim Emergency and Temporary PIP Plan Rider, Uncollectible Expense Rider, Transportation Migration Rider-Part B, Sales

C

Reconciliation Rider, AMR Cost Recovery Charge, and Transportation Surcredit Rider as applicable.

~~3.4 The minimum charge each month for each Customer at each location shall be the monthly service charge.~~

~~4. Estimated Bills~~

~~When East Ohio cannot obtain access to the meter on the Customer's premises, bills will be rendered on the basis of an estimate of the gas consumed, determined from the consumption history of the premises.~~

54. Termination of Contract

After receiving service under this rate schedule for at least twelve months, the Customer may terminate purchases under the contract and under this rate schedule upon thirty days written notice to East Ohio, which notice shall specify the termination date.

65. Resumption of Service after Interruption

If service is interrupted as a result of the Customer's failure to make payment or at the Customer's request, and the Customer subsequently requests and receives service under East Ohio's General Sales Service, East Ohio shall not be under any obligation to resume service to the same Customer at the same premises under this rate schedule during the twelve consecutive months subsequent to the interruption or termination. East Ohio shall not be required to resume service under any rate schedule to the same Customer at the same premises unless East Ohio shall have received, in addition to payment for all gas received by the Customer under this or any other rate schedule, a reconnection payment of \$60.

76. Prohibition on Resale of Gas

No gas supplied under this rate schedule shall be resold for any purpose.

7. Regulations

All gas service provided by East Ohio is rendered under and subject to the Rules and Regulations contained in its tariff.

Energy Choice Transportation Service (ECTS)

1. Applicability

Transportation service pursuant to this rate schedule is available to Customers throughout East Ohio's service area who:

- a) have purchased or otherwise arranged to receive all of their natural gas requirements from a qualified Supplier that is receiving service under the terms of East Ohio's Energy Choice Pooling Service;
- b) ~~qualify for transportation service under the PUCO Gas Transportation Program Guidelines; and~~
- e**b**) have no arrears of 30 days or more or are current on a payment plan to discharge such arrears for service rendered under this or any other of East Ohio's PUCO-approved rate schedules. Other Customers may begin receiving service pursuant to this rate schedule provided they have not broken a prior payment plan more than once during the preceding 12-month period. Such Customers shall be placed on a new payment plan upon enrollment and must remain current on that plan in order to continue receiving service pursuant to this rate schedule.

2. Character of Service

- 2.1 The gas received by East Ohio on any Day for the account of the Customer shall be delivered by East Ohio on a firm basis. ~~East Ohio's obligation to deliver gas to the Customer on any Day is limited to the Daily Available Volume provided by the Customer's Supplier on behalf of the Customer. In the event of an emergency, service may be curtailed pursuant to PUCO rules or a curtailment plan approved for East Ohio by the PUCO.~~
- 2.2 In the event the Customer no longer desires, or is no longer eligible, to receive transportation service, the Customer must purchase and receive all of its natural gas requirements from East Ohio pursuant to East Ohio's General Sales Service or Large Volume General Sales Service rate schedules.

3. Measurement of Deliveries

Delivery Points shall be equipped with monthly gas measurement equipment or real-time electronic gas measurement capability.

4. Rates and Charges

- 4.1 The volumetric charge for each Customer at each Delivery Point served under this rate schedule shall be the rate set forth below plus the riders, as specified in 4.3, applicable to service rendered under this rate schedule:

Issued: ~~September 15, 2006~~

Effective: ~~With bills rendered on or after October 12, 2006~~

Filed under authority of the Public Utilities Commission of Ohio in Case No. ~~05-474-GA-ATA~~

Bruce C. Klink, Vice President

Energy Choice Transportation Service (ECTS)

~~\$1.2355~~ \$1.6200 per Mcf for all consumption each month.

4.2 In addition to the volumetric charge, each Customer shall be charged a service charge of \$5.70 per Delivery Point per month.

4.3 Customers receiving transportation service under this rate schedule shall be responsible for charges pursuant to East Ohio's Gross Receipts Tax Rider, Excise Tax Rider, Interim Emergency and Temporary PIP Plan Rider, Uncollectible Expense Rider, Transportation Migration Riders-Part B, Sales Reconciliation Rider, AMR Cost Recovery Charge, and Transportation Surcredit Rider as applicable.

5. Billing

East Ohio shall bill for all services provided by East Ohio. Pursuant to a separate Billing Agreement, the Customer's Supplier shall have the option of East Ohio rendering a combined bill for both distribution and commodity service, or the Supplier may bill for commodity service independently. All ~~e~~Customer bills and payments will be handled in accordance with OAC rule 4901:1-29-12 except for 4901:1-29-12(F), (J), and (K), for which a waiver was granted.

6. Resumption of Service after Interruption

If service is interrupted as a result of the Customer's failure to make payment or at the Customer's request, East Ohio shall not be under any obligation to resume service to the same Customer at the same premises unless East Ohio shall have received, in addition to payment for all gas received by the Customer under this rate schedule, a reconnection payment of ~~\$20~~ \$40.

If service is disconnected while receiving service under this rate schedule and the Customer's account ~~is inactivated~~ has been final billed, the Customer will revert to ~~the Company~~ East Ohio's Sales Service upon reconnection and the agreement between the Customer and the Supplier will be terminated.

7. Disconnection For Non-payment

Where East Ohio is rendering a combined bill for both distribution and commodity service, non-payment of the bill, including the Supplier gas commodity portion, shall subject Customer to disconnection of service in accordance with rule 8 of Section K – Rules and Regulations of the Company's tariffs.

8. Regulations

All gas service provided by East Ohio is rendered under and subject to the Rules and Regulations contained in its tariff.

Energy Choice Transportation Service (ECTS)

9. Definitions

Customer – any individual, governmental, or corporate entity taking transportation service hereunder.

Daily Available Volume – ~~the quantity of gas available to be redelivered by East Ohio to the Customer on any given Day.~~

Day – a 24-hour period beginning at 10:00 a.m. Eastern ~~Standard~~ Time or other such time as specified by East Ohio.

Delivery Point – the billing determinant for the application of Customer charges represented by the meter location at which gas is redelivered to the Customer.

Energy Choice Pooling Service – a gas pooling service in which Suppliers can aggregate demand and supplies for redelivery to Customers under East Ohio's Energy Choice Transportation Service and Large Volume Energy Choice Transportation Service rate schedules.

OAC – Ohio Administrative Code.

PUCO – the Public Utilities Commission of Ohio.

Supplier – any entity which has in effect an Energy Choice Pooling Service agreement with East Ohio.

Large Volume Energy Choice Transportation Service (LVECTS)**1. Applicability**

Transportation service pursuant to this rate schedule is available to Customers throughout East Ohio's service area who:

- a) have purchased or otherwise arranged to receive all of their natural gas requirements from a qualified Supplier that is receiving service under the terms of East Ohio's Energy Choice Pooling Service;
- b) ~~qualify for transportation service under the PUCO Gas Transportation Program Guidelines;~~
- eb) have entered into a written contract for service under this rate schedule for a minimum of twelve months if so required by East Ohio; and
- ec) have no arrears of 30 days or more or are current on a payment plan to discharge such arrears for service rendered under this or any other of East Ohio's PUCO-approved rate schedules. Other Customers may begin receiving service pursuant to this rate schedule provided they have not broken a prior payment plan more than once during the preceding 12-month period. Such Customers shall be placed on a new payment plan upon enrollment and must remain current on that plan in order to continue receiving service pursuant to this rate schedule.

2. Character of Service

- 2.1 The gas received by East Ohio on any Day for the account of the Customer shall be delivered by East Ohio on a firm basis. ~~East Ohio's obligation to deliver gas to the Customer on any Day is limited to the Daily Available Volume provided by the Customer's Supplier on behalf of the Customer. In the event of an emergency, service may be curtailed pursuant to PUCO rules or a curtailment plan approved for East Ohio by the PUCO.~~
- 2.2 In the event the Customer no longer desires, or is no longer eligible, to receive transportation service, the Customer must purchase and receive all of its natural gas requirements from East Ohio pursuant to East Ohio's General Sales Service or Large Volume General Sales Service rate schedules.

3. Measurement of Deliveries

Delivery Points shall be equipped with monthly gas measurement equipment or real-time electronic gas measurement capability.

Large Volume Energy Choice Transportation Service (LVECTS)**4. Rates and Charges**

- 4.1 The volumetric charge for each Customer at each Delivery Point served under this rate schedule shall be the rate set forth below plus the riders, as specified in 4.3, applicable to service rendered under this rate schedule:

For the first 100 Mcf each month,	\$1.2527 \$1.6200 per Mcf,
For the next 400 Mcf each month,	\$0.9927 per Mcf,
For all over 500 Mcf each month,	\$0.8187 per Mcf.

- 4.2 In addition to the volumetric charge, each Customer shall be charged a service charge of \$40.00 per Delivery Point per month.
- 4.3 Customers receiving transportation service under this rate schedule shall be responsible for charges pursuant to East Ohio's Gross Receipts Tax Rider, Excise Tax Rider, Interim Emergency and Temporary PIP Plan Rider, Uncollectible Expense Rider, Transportation Migration Riders-Part B, Sales Reconciliation Rider, AMR Cost Recovery Charge, and Transportation Surcredit Rider as applicable.

5. Billing

East Ohio shall bill for all services provided by East Ohio. Pursuant to a separate Billing Agreement, the Customer's Supplier shall have the option of East Ohio rendering a combined bill for both distribution and commodity service, or the Supplier may bill for commodity service independently. All eCustomer bills and payments will be handled in accordance with OAC rule 4901:1-29-12, except for 4901:1-29-12(F), (J), and (K) for which a waiver was granted.

6. Resumption of Service after Interruption

If service is interrupted as a result of the Customer's failure to make payment or at the Customer's request, and the Customer subsequently requests and receives service under East Ohio's General Sales Service or Energy Choice Transportation Service, East Ohio shall not be under any obligation to resume service to the same Customer at the same premises under East Ohio's Large Volume General Sales Service or this rate schedule during the twelve consecutive months subsequent to the interruption or termination. East Ohio shall not be required to resume service under any rate schedule to the same Customer at the same premises unless East Ohio shall have received, in addition to payment for all gas received by the Customer under this or any other rate schedule, a reconnection payment of \$60.

Large Volume Energy Choice Transportation Service (LVECTS)

If service is disconnected while receiving service under this rate schedule and the Customer's account is ~~inactivated~~ has been final billed, the Customer will revert to ~~the Company's Sales Service~~ East Ohio's sales service upon reconnection and the agreement between the Customer and the Supplier will be terminated.

7. Disconnection For Nonpayment

Where East Ohio is rendering a combined bill for both distribution and commodity service, nonpayment of the bill, including the Supplier gas commodity portion, shall subject Customer to disconnection of service in accordance with rule 8 of Section K – Rules and Regulations of the Company's tariffs.

8. Regulations

All gas service provided by East Ohio is rendered under and subject to the Rules and Regulations contained in its tariff.

9. Definitions

Customer – any individual, governmental, or corporate entity taking transportation service hereunder.

~~**Daily Available Volume** – the quantity of gas available to be redelivered by East Ohio to the Customer on any given Day.~~

Day – a 24-hour period beginning at 10:00 a.m. Eastern ~~Standard~~ Time or other such time as specified by East Ohio.

Delivery Point – the billing determinant for the application of Customer charges represented by the meter location at which gas is redelivered to the Customer.

Energy Choice Pooling Service – a gas pooling service in which Suppliers can aggregate demand and supplies for redelivery to Customers under East Ohio's Energy Choice Transportation Service and Large Volume Energy Choice Transportation Service rate schedules.

OAC – Ohio Administrative Code.

PUCO – the Public Utilities Commission of Ohio.

Supplier – any entity which has in effect an Energy Choice Pooling Service agreement with East Ohio.

General Transportation Service (GTS)

1. Applicability

- 1.1 Transportation service pursuant to this rate schedule is available to Customers throughout East Ohio's service area who:
- a) have purchased or otherwise arranged for a supply of natural gas of acceptable quality and have provided for the delivery of such gas to East Ohio's system for redelivery at a point on the East Ohio system; and
 - b) qualify for transportation service under the PUCO Gas Transportation Program Guidelines; and
 - c) have entered into a written contract (the "contract") with East Ohio for service under this rate schedule for a minimum of 12 months. East Ohio may waive the requirement that the Customer enter into a written contract to receive service under this rate schedule.
- 1.2 Transportation service pursuant to this rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service and to the Rules and Regulations contained in its tariff.

2. Character of Service

The gas received by East Ohio on any Day for the account of the Customer shall be delivered by East Ohio to the Customer on the same Day on a firm basis, ~~provided, however, that East Ohio's obligation to deliver gas to the Customer on any Day is limited to the Maximum Daily Transportation Quantity specified in the contract and is subject to the provisions of Section 2 of East Ohio's General Terms and Conditions of Transportation Service.~~ In the event of an emergency, service may be curtailed pursuant to PUCO rules or a curtailment plan approved for East Ohio by the PUCO.

3. Measurement of Deliveries

3.1 Delivery Points specified in the contract may be equipped with monthly gas measurement equipment instead of real-time electronic gas measurement ("EGM") capability, except as specified in Section 3. 2 below. ~~For any Delivery Point so equipped, the average daily volume of gas delivered by East Ohio to the Customer shall be calculated by dividing the total volume of gas delivered by East Ohio during the Customer's Billing Cycle by the number of days in the Billing Cycle. In addition:~~

- ~~a) Customers without EGM devices are subject to East Ohio's issuance of operational flow orders.~~

3.2 Any Customer that does not receive all of its natural gas requirements through East Ohio ~~shall may, at East Ohio's discretion in order to monitor system operations and maintain system integrity,~~ be required to equip all of its Delivery Points with EGM capability. Any other Customers may elect to equip some or all of its Delivery Points with EGM capability. If EGM capability approved and required by East Ohio is not available at any of the Delivery Points specified in the contract at the time the contract is executed, such equipment shall be installed, owned, operated, and maintained by East Ohio, provided, however, that all costs associated with the purchase and installation of such equipment shall be borne by the Customer and paid to East Ohio in equal monthly installments over a period specified in the contract, which period shall not exceed 24 months. In addition:

- a) The Customer shall provide, at no cost to East Ohio and in a timely manner, a 120 volt, 15 ampere, AC power supply and a telephone tie to the Customer's telephone system accessible at Customer's meter location(s), and any necessary telephone enhancements to properly transmit data.
- b) The Customer shall pay all charges for continuous electric and telephone service necessary for the operation of the EGM equipment.
- ~~c) Customers with EGM devices are subject to East Ohio's issuance of operational matching orders.~~

4. Tolerances

Positive and Negative Imbalance Volumes will be reconciled pursuant to Sections 5 and 6 of East Ohio's General Terms and Conditions of Transportation Service.

5. Volume Banking Service

- 5.1 Customers purchasing transportation service pursuant to this rate schedule are required to subscribe to Volume Banking Service. The minimum Monthly Tolerance Level for such Customers is two percent (2%) of monthly consumption volumes.
- 5.2 Customers will be billed the applicable rate per Mcf on all Delivery Volumes according to the level of Volume Banking set forth in their service agreements.

<u>Monthly Tolerance Level</u>	<u>Rate per Mcf for all Delivery Volumes</u>
Two Percent	\$0.022 <u>\$0.0166</u>
Four Percent	\$0.027 <u>\$0.0214</u>
Six Percent	\$0.034 <u>\$0.0263</u>
Eight Percent	\$0.040 <u>\$0.0311</u>
Ten Percent	\$0.046 <u>\$0.0358</u>

6. Rates and Charges

- 6.1 The volumetric charge for each Customer at each Delivery Point served under this rate schedule shall not exceed the rates set forth below plus ~~any the riders as~~ specified in 6.4, applicable to service rendered under this rate schedule:

For the first	100 Mcf each month,	\$1.3128 <u>\$1.2527</u> per Mcf,
For the next	400 Mcf each month,	\$1.0528 <u>\$0.9927</u> per Mcf,
For the next	500 <u>1,500</u> Mcf each month,	\$0.8788 <u>\$0.8187</u> per Mcf,
For all over	<u>2,000</u> Mcf each month,	<u>\$0.5000</u> per Mcf.

In no event shall the volumetric charge for volumes delivered under this rate schedule be less than the Variable Cost of Service.

- 6.2 In addition to the volumetric charge, each Customer shall be charged a Customer charge of \$102.50 per Delivery Point per month.
- 6.3 Any Customer that, after having received transportation service under this rate schedule as of its effective date, does not receive all receives a greater portion of its natural gas requirements through a source other than East Ohio may be required to receive service under the Daily Transportation Service rate schedule or pay a charge based on the Standby Service rate schedule in recognition of the additional balancing services provided by East Ohio. ~~will be subject to a surcharge equal to \$3.00 per Mef times the Customer's Maximum Daily Transportation Quantity, payable monthly.~~
- 6.4 Customers receiving transportation service under this rate schedule shall be responsible for charges pursuant to East Ohio's Gross Receipts Tax Rider, Excise Tax Rider, Transportation Migration Rider-Part A and AMR Cost Recovery Charge. Any Customer initiating transportation service under this rate schedule who was exclusively a sales customer of East Ohio as of November 8, 1994 shall continue to be responsible for charges pursuant to East Ohio's Interim Emergency and Temporary PIP Plan Rider. ~~Such Customer shall also be responsible for East Ohio's and Uncollectible Expense Rider and receive a credit for \$0.0601 per Mef in recognition thereof.~~

Transportation Service for Schools (TSS)

1. Applicability

1.1 Transportation service pursuant to this rate schedule is for service to the non-residential premises of primary and secondary schools throughout East Ohio's service area that:

- a) have purchased or otherwise arranged for a supply of natural gas of acceptable quality and have provided for the delivery of such gas to East Ohio's system for redelivery at a point on the East Ohio system; and
- b) qualify for transportation service under the PUCO Gas Transportation Program Guidelines; and
- c) have entered into a written contract (the "contract") with East Ohio for service under this rate schedule for a minimum of 12 months. East Ohio may waive the requirement that the Customer enter into a written contract to receive service under this rate schedule.

1.2 Transportation service pursuant to this rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service and to the Rules and Regulations contained in its tariff.

2. Character of Service

The gas received by East Ohio on any Day for the account of the Customer shall be delivered by East Ohio to the Customer on the same Day on a firm basis, ~~provided, however, that East Ohio's obligation to deliver gas to the Customer on any Day is limited to the Maximum Daily Transportation Quantity specified in the contract and is subject to the provisions of Section 2 of East Ohio's General Terms and Conditions of Transportation Service.~~ In the event of an emergency, service may be curtailed pursuant to PUCO rules or a curtailment plan approved for East Ohio by the PUCO.

3. Measurement of Deliveries

3.1 Delivery Points specified in the contract may be equipped with monthly gas measurement equipment instead of real-time electronic gas measurement ("EGM") capability, except as specified in Section 3.2 below. ~~For any Delivery Point so equipped, the average daily volume of gas delivered by East Ohio to the Customer shall be calculated by dividing the total volume of gas delivered by East Ohio during the Customer's Billing Cycle by the number of days in the Billing Cycle. In addition:~~

~~a) Customers without EGM devices are subject to East Ohio's issuance of operational flow orders.~~

T

3.2 Any Customer that does not receive all of its natural gas requirements through East Ohio ~~shall may, at East Ohio's discretion,~~ be required to equip all of its Delivery Points with EGM capability. Any other Customers may elect to equip some or all of its Delivery Points with EGM capability. If EGM capability approved and required by East Ohio is not available at any of the Delivery Points specified in the contract at the time the contract is executed, such equipment shall be installed, owned, operated, and maintained by East Ohio, provided, however, that all costs associated with the purchase and installation of such equipment shall be borne by the Customer and paid to East Ohio in equal monthly installments over a period specified in the contract, which period shall not exceed 24 months. In addition:

T

a) The Customer shall provide, at no cost to East Ohio and in a timely manner, a 120-volt, 15-ampere, AC power supply and a telephone tie to the Customer's telephone system accessible at Customer's meter location(s), and any necessary telephone enhancements to properly transmit data.

b) The Customer shall pay all charges for continuous electric and telephone service necessary for the operation of the EGM equipment.

~~c) Customers with EGM devices are subject to East Ohio's issuance of operational matching orders.~~

D

4. Balancing Tolerances

Positive and Negative Imbalance Volumes will be reconciled pursuant to Sections 5 and 6 of East Ohio's General Terms and Conditions of Transportation Service.

5. Volume Banking Service

5.1 Customers purchasing transportation service pursuant to this rate schedule are required to subscribe to Volume Banking Service. The minimum Monthly Tolerance Level for such Customers is two percent (2%) of monthly consumption volumes.

5.2 Customers will be billed the applicable rate per Mcf on all Delivery Volumes according to the level of Volume Banking set forth in their service agreements.

<u>Monthly Tolerance Level</u>	<u>Rate per Mcf for all Delivery Volumes</u>
Two Percent	\$0.022 <u>\$0.0166</u>
Four Percent	\$0.027 <u>\$0.0214</u>
Six Percent	\$0.034 <u>\$0.0263</u>
Eight Percent	\$0.040 <u>\$0.0311</u>
Ten Percent	\$0.046 <u>\$0.0358</u>

6. Rates and Charges

- 6.1 The volumetric charge for each Customer at each Delivery Point served under this rate schedule shall not exceed the rates set forth below plus ~~any~~ the riders as specified in 6.4, applicable to service rendered under this rate schedule:

For the first 100 Mcf each month, ~~\$1.4568~~ \$1.3967 per Mcf,
 For the next 400 Mcf each month, ~~\$1.1968~~ \$1.1367 per Mcf,
~~For the next 1,500~~ Mcf each month, \$0.9627 per Mcf.
 For all over 2,000 Mcf each month, ~~\$1.0228~~ \$0.6440 per Mcf.

In no event shall the volumetric charge for volumes delivered under this rate schedule be less than the Variable Cost of Service.

- 6.2 In addition to the volumetric charge, each Customer shall be charged a Customer charge of \$50.00 per Delivery Point per month.
- 6.3 Any Customer that, after having received transportation service under this rate schedule as of its effective date, does not receive all receives a greater portion of its natural gas requirements through a source other than East Ohio may be required to receive service under the Daily Transportation Service rate schedule or pay a charge based on the Standby Service rate schedule in recognition of the additional balancing services provided by East Ohio, will be subject to a surcharge equal to \$3.00 per Mcf times the Customer's Maximum Daily Transportation Quantity, payable monthly.
- 6.4 Customers receiving transportation service under this rate schedule shall be responsible for charges pursuant to East Ohio's Gross Receipts Tax Rider, Excise Tax Rider, Transportation Migration Rider-Part A and AMR Cost Recovery Charge. Any Customer initiating transportation service under this rate schedule who was exclusively a sales customer of East Ohio as of November 8, 1994 shall continue to be responsible for charges pursuant to East Ohio's Interim Emergency and Temporary PIP Plan Rider. ~~Such Customer shall also be responsible for East Ohio's and Uncollectible Expense Rider and receive a credit for \$0.0601 per Mcf in recognition thereof.~~

Daily Transportation Service (DTS)

1. Applicability

- 1.1 Transportation service pursuant to this rate schedule is available to Customers throughout East Ohio's service area who:
- a) have purchased or otherwise arranged for a supply of natural gas of acceptable quality and have provided for the delivery of such gas to East Ohio's system for redelivery at a point on the East Ohio system; and
 - b) qualify for transportation service under the PUCO Gas Transportation Program Guidelines; and
 - c) have entered into a written contract (the "contract") with East Ohio for service under this rate schedule for a minimum of 12 months.
- 1.2 Transportation service pursuant to this rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service and to the Rules and Regulations contained in its tariff.

2. Character of Service

The gas received by East Ohio on any Day for the account of the Customer shall be delivered by East Ohio to the Customer on the same Day on a firm basis, ~~provided, however, that East Ohio's obligation to deliver gas to the Customer on any Day is limited to the Maximum Daily Transportation Quantity specified in the contract~~ and is subject to the provisions of Section 2 of East Ohio's General Terms and Conditions of Transportation Service. In the event of an emergency, service may be curtailed pursuant to PUCO rules or a curtailment plan approved for East Ohio by the PUCO.

3. Measurement of Deliveries

- 3.1 All Delivery Points specified in the contract shall be equipped with real-time electronic gas measurement ("EGM") capability. If EGM capability approved and required by East Ohio is not available at any of the Delivery Points specified in the contract at the time the contract is executed, such equipment shall be installed, owned, operated, and maintained by East Ohio, provided, however, that all costs associated with the purchase and installation of such equipment shall be borne by the Customer and paid to East Ohio in equal monthly installments over a period specified in the contract, which period shall not exceed 24 months.

- 3.2 The Customer shall provide, at no cost to East Ohio and in a timely manner, a 120-volt, 15 ampere, AC power supply and a telephone tie to the Customer's telephone system accessible at Customer's meter location(s), and any necessary telephone enhancements to properly transmit data.
- 3.3 The Customer shall pay all charges for continuous electric and telephone service necessary for the operation of the EGM equipment.
- 3.4 ~~The Customer is subject to the issuance of Operational Matching Orders. Failure by the Customer to arrange for the installation of EGM equipment or the electric and telephone service required may result in East Ohio billing usage charges based on the General Transportation Service rate schedule.~~

C

4. Balancing Tolerances

- 4.1 The Customer's Daily Available Volume on any Day shall equal the Delivery Volume on that Day, plus or minus 5%. Daily imbalances in excess of the 5% tolerance shall be subject to an imbalance fee of \$0.20 per Mcf per Day.
- 4.2 Positive and Negative Imbalance Volumes will be reconciled pursuant to Sections 5 and 6 of East Ohio's General Terms and Conditions of Transportation Service.

5. Optional Volume Banking Service

- 5.1 Customers purchasing transportation service pursuant to this rate schedule may elect to subscribe to Volume Banking Service. A Customer electing such service shall enter into a written service agreement for Volume Banking Service. The minimum Monthly Tolerance Level for such Customer is two percent (2%) of monthly consumption volumes.
- 5.2 Customers that subscribe to Volume Banking Service will be billed the applicable rate per Mcf on all Delivery Volumes according to the level of Volume Banking set forth in their service agreements.

<u>Monthly Tolerance Level</u>	<u>Rate per Mcf for all Delivery Volumes</u>
Two Percent	\$0.022 <u>\$0.0166</u>
Four Percent	\$0.027 <u>\$0.0214</u>
Six Percent	\$0.034 <u>\$0.0263</u>
Eight Percent	\$0.040 <u>\$0.0311</u>
Ten Percent	\$0.046 <u>\$0.0358</u>

R

6. Rates and Charges

- 6.1 The volumetric charge for each Customer at each Delivery Point served under this rate schedule shall not exceed the rates set forth below plus any the riders as specified in 6.4, applicable to service rendered under this rate schedule:

For the first	500 Mcf each month,	\$1.0803 per Mcf,
For the next	24,500 4,500 Mcf each month,	\$0.9113 per Mcf,
For the next	25,000 45,000 Mcf each month,	\$0.5603 \$0.6000 per Mcf,
For all over	50,000 Mcf each month,	\$0.1663 per Mcf.

In no event shall the volumetric charge for volumes delivered under this rate schedule be less than the Variable Cost of Service.

- 6.2 In addition to the volumetric charge, each Customer shall be charged a Customer charge of \$377.00 per Delivery Point per month.

- 6.3 Customers receiving transportation service under this rate schedule shall be responsible for charges pursuant to East Ohio's Gross Receipts Tax Rider, Excise Tax Rider and Transportation Migration Rider-Part A. Any Customer initiating transportation service under this rate schedule who was exclusively a sales customer of East Ohio as of November 8, 1994 shall continue to be responsible for charges pursuant to East Ohio's Interim Emergency and Temporary PIP Plan Rider. ~~Such Customer shall also be responsible for East Ohio's and~~ Uncollectible Expense Rider, ~~and receive a credit for \$0.0601 per Mcf in recognition thereof.~~

ISSUED

Firm Storage Service (FSS)

1. Applicability

Firm Storage Service under this rate schedule is available, subject to the availability of storage capacity, in conjunction with transportation service under Rate Schedules TSS, GTS, and DTS, and in conjunction with East Ohio's Energy Choice, Full Requirements, General and Daily Pooling Services subject to the eligibility requirements for the specific storage services as set forth in Section 5, below. A Customer or ~~its authorized agent who has a pooling service agreement with East Ohio in effect~~ pool operator must enter into a written contract with East Ohio for service under this rate schedule for a minimum of 12 months.

C

2. Character of Service

Gas received by East Ohio for the account of the Customer shall be injected into East Ohio's storage facilities and thereafter shall be available for withdrawal by the Customer in accordance with the provisions set forth in Section 5. East Ohio may decline requests to provide service under this rate schedule whenever, in its judgment, rendering such service would be detrimental to the operation of East Ohio's system or its ability to meet its Core Demand. East Ohio's obligation to inject or withdraw gas on the Customer's behalf on any Day is limited to the Maximum Storage Capacity and Maximum Daily Storage Capacity specified in the contract, and to the Maximum Capacity, if applicable, Storage Capacity specified in the contract.

T

3. Nominations

All receipts and deliveries must be nominated ~~in advance~~ in accordance with the procedures applicable to ~~service under Rate Schedules TSS, GTS and DTS and East Ohio's General Terms and Conditions of Transportation Service,~~ the transportation or pooling service being provided in conjunction with the Firm Storage Service rendered under this rate schedule.

C

4. Curtailment

East Ohio shall have the right to restrict, limit, or halt its receipt or delivery of Firm Storage Service whenever, in East Ohio's sole discretion, it is necessary to do so due to Force Majeure or under circumstances requiring East Ohio to act to protect its ability to meet its Core Demand.

ISSFSS 2

5. Types of Firm Storage Services

The Customer may chose from the following storage services:

5.1 Seasonal Service

~~This service is available to Customers at a load factor of fifty percent (50%) or more (that is, Customers agree to take storage service such that the amount allocated against consumption in any month does not exceed the lesser of (1) the total storage volumes received by East Ohio times forty percent (40%), or (2) the total unallocated storage volumes). The~~ The Customer may inject gas into East Ohio's storage facilities during the Summer Period and withdraw gas during the Winter Period within the following parameters:

Summer Period Operation

The Customer shall nominate injection volumes so as to attain the following storage inventory levels, expressed as a percentage of the Maximum Storage Capacity:

<u>Cumulative Injections as</u> <u>a Percentage of Capacity</u>	<u>Date by Which that Percentage Must</u> <u>be Attained ("Target Injection Date")</u>
4% to 13%	May 1
20% to 30%	June 1
34% to 44%	July 1
51% to 57%	August 1
65% to 71%	September 1
79% to 85%	October 1
95% to 100%	November 1

Injections nominated above the preceding maximum levels at any Target Injection Date shall be treated as Positive Imbalance Volumes and reconciled pursuant to the applicable general terms and conditions of transportation or pooling service. Injections nominated below the preceding minimum levels at any Target Injection Date shall (1) be treated as Negative Imbalance Volumes and reconciled pursuant to the applicable general terms and conditions of transportation or pooling service, (2) result in an equivalent reduction of the Maximum Storage Capacity, or (3) some combination thereof. The Customer shall make the election among the preceding options so as to eliminate the entire imbalance. If East Ohio encounters operating conditions that dictate daily storage management, daily injections as estimated by East Ohio may be limited to 1/214th of the Maximum Storage Capacity. East Ohio may, at its discretion and on a non-discriminatory basis consistent with operational capabilities, waive the preceding requirements at the Customer's request.

ISSFSS 3

Winter Period Operation

Period. Daily. The Customer shall nominate withdrawal volumes so as to attain the following storage inventory levels, expressed as a percentage of the Maximum Storage Capacity:

<u>Date</u>	<u>Required Storage Inventory Level</u>
<u>December 1</u>	<u>92% to 95%</u>
<u>January 1</u>	<u>55% to 65%</u>
<u>February 1</u>	<u>30% to 35%</u>
<u>March 1</u>	<u>12% to 17%</u>

Withdrawals nominated above the preceding maximum levels at any date above shall be treated as Negative Imbalance Volumes and reconciled pursuant to the applicable general terms and conditions of transportation or pooling service. Withdrawals nominated below the preceding minimum levels at any date above shall be treated as Positive Imbalance Volumes and reconciled pursuant to the applicable general terms and conditions of transportation or pooling service. If East Ohio encounters operating conditions that dictate daily storage management, daily withdrawals as estimated by East Ohio may be limited to 1/151st of the Maximum Storage Capacity. East Ohio may, at its discretion and on a non-discriminatory basis consistent with operational capabilities, waive the preceding requirements at the Customer's request.

The Customer shall nominate volumes for withdrawal so as to completely withdraw its Cumulative Storage Injection Volume by March 31. Any volumes remaining in inventory as of that date may be purchased by East Ohio at its discretion and on a non-discriminatory basis as Positive Imbalance Volumes pursuant to the applicable general terms and conditions of transportation or pooling service and will be subject to all reservation, injection and withdrawal fees in addition to those already payable for the service.

In order to support system operations and maintain system integrity, East Ohio may require Winter Period storage re-injections or withdrawals under an On-System Storage OFO ("Storage OFO") in which it will indicate the required Storage Volume to be injected or withdrawn for the period during which the Storage OFO is in effect.

shall be specified by the Customer in advance of the Winter Period. The The rates charged to each Customer electing to purchase this service shall not exceed (1) a reservation fee of ~~\$0.403-~~ \$0.4283 per Mcf times the maximum Storage Capacity specified in the contract, Maximum Storage Capacity, payable before November 1 each year, and (2) a usage fee of ~~\$0.058-~~ \$0.0882 per Mcf injected and ~~\$0.057~~ \$0.0872 per Mcf withdrawn. Customers receiving this service shall also be responsible for charges pursuant to East Ohio's Gross Receipts Tax Rider. In no

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event shall the charges under this Section 5.1 be less than the Variable Cost of Service.

~~5.2 Enhanced Seasonal Service~~

~~— This service is available to Customers at a load factor of fifty percent (50%) or more. The customer may inject gas into East Ohio's storage facilities during the Summer Period and withdraw gas during the Winter Period. Daily withdrawal volumes shall be nominated by the Customer in advance of each month of the Winter Period; limited nomination changes, which shall apply prospectively, shall be permitted during the month. The rates charged to each Customer electing to purchase this service shall not exceed (1) a reservation fee, payable before November 1 each year, of \$0.403 per Mcf times the Maximum Storage Capacity specified in the contract, and (2) a usage fee of \$0.083 per Mcf injected and \$0.082 per Mcf withdrawn. In no event shall the charges under this Section 5.2 be less than the Variable Cost of Service.~~

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5.35.2 In/Out Service

Customers purchasing this service, which is only available to Customers contracting for transportation service pursuant to Rate Schedule DTS, may inject gas into East Ohio's storage facilities on any Day and withdraw gas on any subsequent Day. Day, Day, potentially with seasonal limitations on injections and withdrawals if operating conditions so require. East Ohio shall manage the Customer's injection and withdrawal volumes, subject to the daily and annual limitations specified in the contract, in a manner that will minimize any otherwise applicable imbalance charges.

In order to support system operations and maintain system integrity, East Ohio may require Winter Period storage re-injections or withdrawals under an On-System Storage OFO ("Storage OFO") in which it will indicate the required Storage Volume to be injected or withdrawn for the period during which the Storage OFO is in effect.

The rates charged to each Customer electing to purchase this service shall not exceed (1) a reservation fee, payable monthly, of the sum of (a) ~~\$1.870~~ \$1.9876 per Mcf times the Maximum Daily Storage Capacity specified in the contract and (b) ~~\$0.041~~ \$0.0436 per Mcf times the Maximum Storage Capacity specified in the contract, and (2) a usage fee of ~~\$0.022~~ \$0.0234 per Mcf injected or withdrawn. Customers receiving this service shall also be responsible for charges pursuant to East Ohio's Gross Receipts Tax Rider. In no event shall the charges under this Section 5.35.2 be less than the Variable Cost of Service.

6. Regulation

All service provided under this rate schedule is subject to the provisions of the general terms and conditions of transportation or pooling service, as applicable, and to the Rules and Regulations contained in East Ohio's tariff.

Standby Service Rate Schedule

1. Applicability

Standby Service under this rate schedule is available, subject to the availability of storage capacity, in conjunction with transportation service under Rate Schedules TSS, GTS and DTS. A transportation Customer must enter into a written contract with East Ohio for service under this rate schedule for a minimum of 12 months.

2. Character of Service

The gas supplied by East Ohio under this rate schedule shall be on a firm and continuous basis, provided, however, that in the event of an emergency, service may be curtailed pursuant to PUCO rules or a curtailment plan approved for East Ohio by the PUCO. East Ohio's obligation to deliver gas hereunder to the Customer on any Day is limited to the Maximum Daily Standby Quantity specified in the contract. The Maximum Daily Standby Quantity is defined as the maximum volume of gas that East Ohio shall sell to a Customer pursuant to this rate schedule on any Day, as specified in the Customer's standby service contract.

a. DTS Customers

The gas supplied by East Ohio under this rate schedule on any Day to a Customer receiving transportation service under Rate Schedule DTS is limited to the lesser of the maximum Daily Standby Quantity and the Daily Negative Imbalance. The Daily Negative Imbalance is defined as the amount by which the Customer's Delivery Volume exceeds the Customer's Daily Available Volume. On any Day on which the Customer's Daily Available Volume exceeds the Delivery Volume, gas will not be supplied under this rate schedule.

b. GTS and TSS Customers

The gas supplied by East Ohio under this rate schedule during the Customer's Billing Cycle to Customers receiving transportation service under Rate Schedules TSS or GTS is limited to the Maximum Daily Standby Quantity times thirty (30).

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3. Rates and Charges

The demand component of the rate charged for service hereunder shall not exceed \$2.526 per Mcf times the maximum Daily Standby Quantity, payable monthly. In no event shall the charges under this rate schedule be less than the Variable Cost of Service, plus a contribution to total company fixed costs. The demand component shall be billed and payable whether or not standby gas is actually delivered to the Customer.

The commodity rate charged for gas supplied hereunder shall be the current cost of gas based on the standard service offer rate as set forth on tariff sheet B-SSO 1.

Positive Imbalance Volumes and those Negative Imbalance Volumes in excess of gas supplied under this rate schedule, as defined in the General Terms and Conditions of Transportation Service, will be reconciled pursuant to Sections 5 and 6, respectively, of those terms and conditions, as set forth on Sheet F-GT&C 6.

Customers receiving service under this rate schedule shall be responsible for charges pursuant to East Ohio's Gross Receipts Tax Rider.

4. Regulations

All service pursuant to this rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service and to the Rules and Regulations contained in its tariff.

STANDARD SERVICE OFFER GAS COST RATE

A standard service offer gas cost rate of ~~\$9.031~~ per Mcf shall be applied effective with bills rendered for billing cycles commencing on or after ~~June 15, 2007~~ to all volumes purchased and received under the following East Ohio rate schedules:

General Sales Service Rate Schedule (GSS)

Large Volume General Sales Service Rate Schedule (LVGSS)

~~P.U.C.O. 100 General Service Rate (West Ohio Division)~~

~~P.U.C.O. 102 Large Volume General Service Rate (West Ohio Division)~~

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Gross Receipts Tax Rider

Applicability

~~Applicable to all gas cost charges billed by East Ohio under rate schedules GSS and LVGSS, except that this rider shall not be billed to those Customers statutorily exempted from the payment of gross receipts taxes.~~

Applicable to all rates, fees, charges and riders billed by East Ohio pursuant to its Rules and Regulations, Rate Schedules, and Pooling Service and other agreements, as applicable, except for the cost of gas billed on behalf of an Energy Choice supplier under the Energy Choice Transportation Service or Large Volume Energy Choice Transportation Service rate schedules. Further, this Rider shall not be billed to those Customers statutorily exempted from the payment of gross receipts taxes.

All bills rendered shall be adjusted to include the effect of the Ohio excise tax of gross receipts ~~on gas cost billings~~ at a rate of ~~4.8957%~~ 4.6044%.

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Excise Tax Rider

Applicability

Applicable to all sales and transportation service rate schedules.

Rates for all customers except Flex Customers as defined by O.R.C. 5727.80(N).

First 100 Mcf per month	\$0.1593 per Mcf
Next 1,900 Mcf per month	\$0.0877 per Mcf
Over 2,000 Mcf per month	\$0.0411 per Mcf

All bills rendered to a Flex Customer as defined by O.R.C. 5727.80(N) shall be adjusted to provide for recovery of East Ohio's excise tax liability at a rate of \$0.020 per Mcf on all volumes delivered with a corresponding reduction to the flexed base rate(s) being billed.

Transportation Migration Rider - Part B

An additional charge of ~~\$0.3441~~ per Mcf based on the cost of operational balancing and other reconciliation adjustments shall be applied to all volumes delivered under the following rate schedules:

- Energy Choice Transportation Service (~~East Ohio and West Ohio Division~~)
- Large Volume Energy Choice Transportation Service (~~East Ohio and West Ohio Division~~)
- General Sales Service (~~East Ohio~~)
- Large Volume General Sales Service (~~East Ohio~~)
- ~~□ P.U.C.O. 100 General Service Rate (West Ohio Division)~~
- ~~□ P.U.C.O. 102 Large Volume General Service Rate (West Ohio Division)~~

~~This charge is comprised of the following plus associated excise tax:~~

~~(1) A credit of \$0.000 per Mcf for unrecovered gas costs; and~~

~~(2) A charge of \$0.328 per Mcf based on the cost of operational balancing and other reconciliation adjustments.~~

Transportation Surcredit Rider

1. Applicability

This rider shall be applied to all volumes delivered under the following Energy Choice rate schedules:

- Energy Choice Transportation Service (~~East Ohio and West Ohio Division~~)
- Large Volume Energy Choice Transportation Service (~~East Ohio and West Ohio Division~~)

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2. Rates

A credit in the amount specified below of \$0.0173 per Mcf shall be applied to all volumes covered by the applicable rate schedules.

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East Ohio ————— \$0.005342 per Mcf
~~West Ohio Division ————— \$0.004805 per Mcf~~

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3. Applicability to Standard Service Offer Rate Schedules

In order to improve the comparability of rates, this rider shall also be applied to all volumes delivered under the following rate schedules, but shall be offset by a charge in the same amount added to the standard service offer gas cost rate:

- General Sales Service (~~East Ohio~~)
- Large Volume General Sales Service (~~East Ohio~~)
- P.U.C.O. 100 General Service Rate (~~West Ohio Division~~)
- P.U.C.O. 102 Large Volume General Service Rate (~~West Ohio Division~~)

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AMR Cost Recovery Charge

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A monthly charge of \$XXXXX shall be added to the otherwise applicable monthly service charge for all customers receiving service under the following rate schedules to recover the depreciation, incremental property taxes and post in-service carrying charges associated with the installation of automated meter reading (AMR) equipment throughout East Ohio's system:

- a) General Sales Service
- b) Large Volume General Sales Service
- c) Energy Choice Transportation Service
- d) Large Volume Energy Choice Transportation Service
- e) General Transportation Service
- f) Transportation Service for Schools

Issued:

Filed under authority of The Public Utilities Commission of Ohio in Case No.
Bruce C. Klink, Vice President

Effective:

Sales Reconciliation Rider (SRR)

Applicability

The Sales Reconciliation Rider shall be applicable to all Customers served under the following Rate Schedules:

General Sales Service (GSS) and Energy Choice Transportation Service (ECTS)
Large Volume General Sales Service (LVGSS) and Large Volume Energy Choice Transportation Service (LVECTS)

Description

The Sales Reconciliation Rider (SRR) shall recover the differences between Actual Base Revenues and Adjusted Order-Granted Base Revenues for the applicable Rate Schedules.

Actual Base Revenues are defined as weather-normalized monthly base revenues for such Rate Schedules, prior to the SRR adjustment.

Adjusted Order-Granted Base Revenues are defined as the monthly base revenues for the applicable Rate Schedules as approved by the Commission's Order in East Ohio's last base rate case, as adjusted to reflect the change in number of customers from the levels approved by the Commission. To reflect the change in number of customers, Order-Granted Base Revenue per customer is multiplied by the net change in number of customers since the like month during the test year, with the product being added to the Order-Granted Base Revenues for such month.

East Ohio shall defer the calculated differences between Actual Base Revenues and Adjusted Order-Granted Base Revenues for the applicable Rate Schedules for subsequent return or recovery via the SRR. East Ohio shall reflect in a revised SRR effective November 1 of each year the accumulated monthly differences between Actual Base Revenues and Adjusted Order-Granted Base Revenues.

The accumulated monthly differences for each Rate Schedule shall be divided by projected volumes to determine the applicable SRR. Projected and actual recoveries by Rate Schedule under the SRR are reconciled, with any under of over recovery being recovered or returned via the SRR over the next 12 months.

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Bruce C. Klink, Vice President

Sales Reconciliation Rider Rate

The applicable Sales Reconciliation Rider Rate below shall be applied to each Mcf of metered gas usage each month.

<u>Rate Schedules</u>	<u>Sales Reconciliation Rider</u>
GSS/ECTS	\$0.0000
LVGSS/LVECTS	\$0.0000

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Issued:

Effective:

Filed under authority of The Public Utilities Commission of Ohio in Case No.
Bruce C. Klink, Vice President

Rules and Regulations

SECTION I - SERVICE

1. **Minimum Service Standards.** East Ohio shall comply with the minimum gas service standards for natural gas companies as set forth in Chapter 4901:1-13 of the Ohio Administrative Code, a copy of which may be viewed on the Public Utilities Commission of Ohio's Web site at www.puco.ohio.gov, or obtained from the Public Utilities Commission of Ohio upon request. Where the Public Utilities Commission of Ohio has granted a waiver to East Ohio for any provision of the minimum gas service standards, East Ohio shall comply with the terms of any Order granting such waiver.
2. **Application for Service.** All applications for gas service shall be made through East Ohio's Customer Service Center to East Ohio. East Ohio may, prior to initiating gas service and at other reasonable times, require the applicant to establish that the applicant is the owner or bona fide lessee of the premise. A proper application for gas service by a non-residential customer shall further include verification that the business, corporation or nonprofit is properly registered with the Ohio Secretary of State as an entity licensed to do business in the State of Ohio and that the name in which the customer's account is to be opened is in the same name as that registered with the Ohio Secretary of State; or, if the non-residential customer is a federally-chartered institution, that it is properly registered with the federal agency having regulatory or supervisory authority over it and that the name in which the customer's account is to be opened is the same name as that registered with the appropriate federal agency.
3. **Security Deposit.** If a proposed residential consumer is not a financially responsible freeholder-applicant for service cannot establish creditworthiness or cannot give a reasonably safe guaranty in an amount sufficient to secure the payment of bills for sixty days' supply of gas total usage, the consumer-proposed customer may be required to deposit with East Ohio an amount sufficient to cover an estimate of the monthly average of the annual consumption by such consumer-customer plus 30%, upon which deposit interest at the minimum rate of not less than 3% per annum authorized by the Public Utilities Commission of Ohio will be allowed and paid to the consumer-customer, provided it remains on deposit for six consecutive months.

Non-residential customers who have not established creditworthiness according to East Ohio's requirements may be required to deposit with East Ohio an amount that shall not exceed the customer's estimated liability for two month's usage, upon which deposit interest at the minimum rate authorized by the Public Utilities Commission of Ohio will be allowed and paid to the customer, provided it remains on deposit for six consecutive months.

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Residential Security deposits shall be governed by the "Establishment of Credit for Residential Service" adopted by The Public Utilities Commission of Ohio and contained in Chapter 4901:1-17 of the Ohio Administrative Code, a copy of which is included as Section M of the East Ohio Gas Company Tariff. For small commercial customers, security deposits shall be governed by Rule 4901:1-13-08, "Standards specific to the provision of small commercial gas service" of the Ohio Administrative Code.

4. **Service Turn On.** ~~The consumer~~ customer, after making proper application for gas service, shall notify East Ohio when he desires gas turned on. In no case shall he or his agent or employee turn on the gas. East Ohio may discontinue the supply of gas to premises where persons other than East Ohio's authorized agents or employees have turned on the gas.
5. **Service Continuity.** East Ohio will use its best efforts to furnish necessary and adequate service and facilities in compliance with Section 4905.22 of the Ohio Revised Code. East Ohio cannot and does not guarantee a sufficient supply of gas, ~~or an adequate or uniform gas pressure, an uninterruptible supply of gas, or the quality of the gas supplied.~~ East Ohio shall not be liable for any damage or loss directly or indirectly due or attributable to the insufficiency of the gas supply, any variation in the gas pressure, any partial or total interruption of gas service, or the quality of the gas supply. Nor shall East Ohio be liable for any damage or loss directly or indirectly resulting from the use of gas appliances on the ~~consumer's~~ customer's premises, or the presence thereon of any Company property. East Ohio will provide to customers, to the extent possible under the circumstances, prior notice of planned outages or interruptions in service.
6. **Service Disturbance.** No customer shall attach or use any appliance which may result in the injection of air, water, or other foreign matter into the Company's lines and, without prior approval from the Company, no customer shall attach or use any appliance which will increase or decrease the pressure in the Company's lines intermittently to such extent as to interfere with continuous service to other customers.
7. **Access to Premises.** The authorized agents and employees of East Ohio shall at all reasonable times have access to any premises supplied with gas by East Ohio. East Ohio may discontinue gas service to any premise where access is denied.
8. **Customer's Request for Discontinuance of Service.** ~~The consumer~~ customer shall notify East Ohio before vacating the premises where gas is used or before discontinuing the use of gas. ~~The consumer~~ customer shall be liable for all charges for gas consumed on such premises until the earlier of East Ohio's completion of the service order or up to five business days ~~until 48 hours~~ after such notice has been received, provided that access to the premises shall have been given East Ohio within that such 48-hour period; and if access has not been given within such period then for all charges until such access has been given.

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If a customer, who is a property owner or the agent of a property owner, requests disconnection of service and the Company through reasonable efforts has determined that there are remaining residential tenants at the premises, the Company is required to notify the tenants of the disconnection of service. This notification will be mailed to such tenants or posted in a conspicuous place at the premises at least 10 working days prior to the scheduled date for disconnection of service. The property owner, or the agent of the property owner, shall continue to be liable for all gas consumed during the 10-day notice period. This notice provision shall not preclude the Company from taking appropriate actions where safety or tampering issues are raised as ~~sited-stated~~ in Rule 9, subparagraphs (g) and (h), and Rule 10 of these Rules and Regulations.

9. **Company's Right to Disconnect Service.** East Ohio shall have the right to disconnect service and/or remove from the premises of any ~~consumer~~ customer the meter and any other property belonging to East Ohio for any of the following reasons or purposes:

- (a) Refusing access to ~~the meter~~ its equipment for reading, testing, repairs or other purposes.
- (b) Violation of or refusal to comply with any applicable law or ordinance, contract, or any of these Rules and Regulations.
- (c) Non-payment of bills for gas within the net payment period for such bills, including nonpayment of security deposits applied to delinquent bills as a condition for continued service.
- (d) When customer has moved from the customer location.
- (e) Use of gas in a manner detrimental to the service to other customers.
- (f) Fraudulent representation or practice.
- (g) Whenever deemed necessary by East Ohio for the safety or integrity of the gas system or the customer's premise, including, but not limited to, situations in which a customer's houseline leak cannot be isolated to an individual appliance location drop (including but not limited to instances of theft or vandalism).
- (h) Whenever there has been theft or vandalism, including, but not limited to, damage to the gas service meter, metering equipment, or the associated property was damaged, interfered with, displaced, bypassed or otherwise tampered with by a customer, consumer, or other person.
- (i) A person not authorized by East Ohio has reconnected service.

Disconnection of service to residential consumers or customers pursuant to Rule 9, subparagraph (a) of these Rules and Regulations shall include, but not be limited to, circumstances where despite its reasonable efforts to do so, East Ohio has been unable to obtain an actual meter reading at least once within any twelve-month period. "Actual meter reading" shall be as defined in Rule 16 of these Rules and Regulations. The reconnection of service after disconnection pursuant to Rule 9, subparagraph (a) of the Rules and Regulations shall be subject to prior payment of a fee of ~~\$20.00~~ \$40.00 for the disconnection and reconnection costs. Payment of the designated deposit shall also be required prior to reconnection when service has been

disconnected for the nonpayment of bills, where there has been a fraudulent misrepresentation or practice, whenever there is evidence of tampering or theft, or when a person not authorized by East Ohio has reconnected service.

In order to have service restored after being disconnected for (1) failing to provide East Ohio access to its metering equipment ~~to obtain an actual meter reading pursuant to Rule 4901:1-13-04(G) of the Ohio Administrative Code or~~ (2) tampering or theft of service as set forth in Rule 4901:1-13-09 of the Ohio Administrative Code, a customer shall pay, in addition to all other charges owed to East Ohio, \$78.00 for the installation of automated meter reading equipment for each meter to be so equipped.

Disconnection of service to residential consumers or customers shall be governed by the "Termination of Residential Service" adopted by The Public Utilities Commission of Ohio and contained in Chapter 4901:1-18 of the Ohio Administrative Code, except for areas where the Public Utilities Commission of Ohio has granted a waiver to East Ohio for any provision of these rules. A copy of Chapter 4901:1-18 is included as Section L of the East Ohio Gas Company Tariff. For small commercial customers, disconnection of service shall be governed by Rule 4901:1-13-08, "Standards specific to the provision of small commercial gas service" of the Ohio Administrative Code.

SECTION II - METERING & BILLING

10. **Pressure Regulators, Gas Meters and Tampering.** The gas meter and any pressure regulator to be installed on a service line and connected with East Ohio's distribution system will be furnished by East Ohio and will remain its property, and the Company shall have the right to replace them as the Company may deem necessary. When a customer is served from the Company's field or gathering lines, ~~then the customer shall install and maintain, at his expense, a suitable regulator or regulators for reducing the pressure. The regulator or regulators shall be installed in the manner required by the Company. If any meter or regulator, or the pipes, fittings or connections used in supplying gas to such meter or regulator, is tampered with by a consumer customer, his agent or employee, East Ohio may remove such meter or regulator and may discontinue the supply of gas to such consumer customer until payment has been made for all unregistered gas, in an amount estimated by East Ohio, and for all damage to East Ohio's property, or, at East Ohio's option, it may discontinue gas service permanently to such consumer customer.~~
11. **Meter Location.** The Company shall determine the location of the meter. When changes in a building or arrangements therein render the meter inaccessible or exposed to hazards, the Company may require the customer, at the customer's expense, to relocate the meter setting together with any portion of the customer's service line necessary to accomplish such relocation.
12. **Meter Connections.** The owner or customer shall not permit anyone who is not an authorized agent of the Company to connect or disconnect the Company's meters,

regulators or gauges or in any way alter or interfere with the Company's meters, regulators or gauges.

13. Bill Due Date. The due date for each bill for gas shall be no earlier than fourteen (14) days after the date of its mailing or electronic delivery to the customer.

14. Charge on Delinquent Bills. Each monthly bill shall be due and payable within fourteen (14) days from the date of its mailing or electronic delivery. If not paid in full within such fourteen (14) day period, a late payment charge of 1 1/2% will be imposed at the next bill date on all past due balances on the customer's account.

Late payment charges will not be assessed to customers participating in the Percentage Income Payment Plan ("PIPP") or the PIPP arrearage crediting program. Late payment charges will not be assessed to customers participating in a short-term payment plan or the budget billing plan provided they make the minimum payment required under the plan by the bill due date.

The preceding late payment charge provisions will not take effect until 180 days after the effective date of these Rules and Regulations. Until that time, previously approved late payment charge provisions will remain in place.

+4.15. Billing Periods. Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at the Company's option. Non-receipt of bills by customer does not release or diminish the obligation of customer with respect to payment thereof. Unless otherwise ordered by the Commission, rate changes shall become effective for bills rendered as of the start of a billing cycle within the monthly billing period as determined by the Company.

+5.16. Payment of Bills. Bills may be paid by the customer in any of the following ways:

- (a) online at www.dom.com or through a participating other provider's providers' Web sites,
- (b) by bank draft automated withdrawal from customer's bank account,
- (c) by credit/debit card or electronic check through a participating agency,
- (d) at any one of the Company's authorized payment agencies during the regular hours of such agencies locations,
- (e) by U.S. mail at the address specified on the back of the bill,
- (f) by Electronic Data Interchange (EDI),
- (g) by Automated Clearing House (ACH) transfer.

17. Returned Payment Fee. The customer will be charged a handling fee of \$12 for each returned item tendered or authorized as payment on the customer's account and returned for any reason, including insufficient or uncollected funds, closed account, revoked authorization or stop payment.

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18. Collection Fees. In the event the Company incurs fees or expenses from outside collection agencies, including attorney's fees, in collecting or attempting to collect any charges owed the Company, the customer may be liable to the Company for the payment of all such fees and expenses reasonably incurred.

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16-19. Meter Reading. East Ohio will make reasonable attempts to obtain an actual meter reading by Company personnel or agents every other month. If East Ohio is unable to obtain an actual meter reading, it will render a bill based on estimated usage at the premise. East Ohio is required to obtain an actual meter reading at least once within each twelve-month period. "Actual meter reading" shall mean reading of an indoor or outdoor meter by an authorized agent or employee of Dominion East Ohio or through electronic or other means acceptable to the Commission. East Ohio will obtain an actual meter reading at the initiation and/or the termination of service if the meter has not been read within the immediately preceding seventy days and access to the meter is provided.

If the consumer-customer has refused East Ohio access to its meter or other property, or if East Ohio has been unable to obtain an actual meter reading at least once within any twelve-month period, East Ohio may terminate service in accordance with Rule 9 of these Rules and Regulations. East Ohio may obtain a court order to gain access to its meter or other property.

If consumption is billed pursuant to an applicant requesting East Ohio to provide lighting services on an unmetered basis, such service shall be billed on an estimated basis. the estimates used to define consumption for billing purposes will be tested and adjusted at least once within each full calendar year of service.

17-20. Meter Testing. In accordance with Section 4933.09 of the Ohio Revised Code, gas meters in use shall be tested on the request of the ~~consumer~~ customer, in his presence if desired by him, with a tested and sealed meter-prover, by an authorized employee or agent of East Ohio. If the meter is found to be correct, and it is deemed correct if the variation is not greater than three percent, the party requesting the inspection shall pay a fee for the removal of the meter for the purpose of the test. The fee for a residential ~~consumer~~ or small commercial customer using a 250 or 400 class diaphragm meter is \$40; for all other ~~consumers~~ customers, the fee is \$100-~~\$xx.xx~~ \$270. If the meter is proved incorrect, no fees or expense shall be paid by the ~~consumer~~ customer, and East Ohio shall furnish a new meter without charge to the ~~consumer~~ customer.

18-21. Back Billing. East Ohio's policy on backbilling shall comply shall back bill in accordance with the guidelines established by the Public Utilities Commission of Ohio and the Ohio legislature (Section 4933.28 of the Ohio Revised Code and Rule 4901:1-13-04 of the Ohio Administrative Code).

19-22. Delinquent Balance Transfer.

- (a) Except as otherwise provided in subparagraph b., East Ohio shall have the right to transfer a delinquent commercial or industrial account balance, regardless of the service address, to another ~~non-delinquent~~ commercial or industrial account in the name of or owned by the same customer or owner of that business or establishment. ~~If the same customer or owner has more than one non-delinquent account, East Ohio shall transfer the delinquent balance to the non-delinquent account having the lowest balance due.~~

For purposes of this Rule ~~22-19~~, "customer" means the party in whose name the account is carried.

- (b) East Ohio may not transfer a delinquent commercial/industrial account to any ~~account where any end-user is a residential consumer account.~~

23. Investigation Fee. Whenever the gas service meter, metering equipment, or associated property was damaged, interfered with, displaced, bypassed or otherwise tampered with by a customer, consumer or other person, or when a person not authorized by East Ohio has reconnected service, and an East Ohio Service Investigator has been dispatched to investigate the matter prior to disconnection, the customer shall pay an Investigation Fee of \$117 prior to reconnection in addition to other required reconnection charges. The Investigation Fee will only be levied in those circumstances where East Ohio has reasonable proof of the customer's fraudulent or damaging practice. Reasonable proof is defined as an admission by the customer, documentation evidencing the fraudulent or damaging practice, or personal observation by East Ohio personnel or authorized agents of East Ohio.

Section III - Service Lines & Mainline Extensions

20:24. Service Line Installation. In the installation of a service line East Ohio will make all necessary connections with its distribution system and extend its service line from the distribution main to the service valve and will install the service valve and curb box enclosing the same without cost to the property owner or ~~consumer~~ customer. Where no service valve is installed in the service line East Ohio will install a valve Tee at the main and will extend its service line from the main to a tie-in coupling, to be located between approximately 4 to 6 feet from and to the coupling closest to the owner's property line in the direction toward the main. The property owner shall install and replace as necessary, at his expense, and shall be the owner of the service line extending from the service valve, or, where there is no service valve then from and including the tie-in coupling, to the meter on the owner's property. Before turning on gas East Ohio shall have the right to inspect the owner's service line and to refuse to turn on gas if in the opinion of East Ohio the service line is not properly constructed, fitted and laid. At the request of the property owner, and at his expense, East Ohio may, upon mutual agreement with the customer, install the service line from the service valve, or from tie-in coupling where there is no service valve, to the meter on the owner's property. The property owner shall promptly pay

for all material furnished and labor used in the installation of such service line, of which he shall be the sole owner. Requests for the installation by East Ohio of a service line shall be made to the local office of East Ohio on a form to be furnished by East Ohio.

24-25. Service Line Responsibilities. The service line from the service valve to the meter, or where there is no service valve then from and including the tie-in coupling mentioned in Rule 240 to the meter, all gas lines on the outlet side of the meter, and all fittings and connections, shall be the property of the owner of the premises, shall be under his exclusive control and shall be replaced as necessary and kept by him in good repair and safe condition, and East Ohio shall not be liable for any imperfections therein or for any damage, injury or loss resulting, directly or indirectly, from the escape of gas therefrom. East Ohio shall be responsible for these facilities in accordance with the applicable provisions of the Pipeline Safety Act, 49 U.S.C. 60101 et seq., 49 C.F.R. part 192 and all applicable federal regulations, and Chapter 4901:1-16 of the Ohio Administrative Code. Such responsibilities shall include, but not be limited to, East Ohio's responsibilities for cathodic protection and leak detection of the service line up to and including the meter.

22-26. Installation and Inspection. Before applying to East Ohio to turn on gas it shall be the duty of the applicant to see that the service line and gas lines and fittings and connections mentioned in Rule 254 and all gas appliances and equipment connected thereto have been installed and tested and are maintained in accordance with governmental codes and regulations and with the reasonable requirements of East Ohio and are free of leaks.

23-27. Service Line Extensions Prohibited. No service line supplying gas to any building shall be extended by the owner or ~~consumer~~ customer so as to furnish gas to any other building.

24-28. House Piping. The customer shall install and maintain, at the customer's expense, the house piping from the outlet of the meter to gas burning appliances.

25-29. Appliances. The customer shall install and maintain all appliances, at the customer's expense.

26-30. Inspections of Altered Piping. It shall be the duty of the customer to notify the Company promptly of any additions, changes, alterations, remodeling or reconstruction affecting gas piping on the customer's premises.

27-31. Extension of Distribution Mains. East Ohio will extend its distribution mains for the furnishing of natural gas on any dedicated street or highway without cost to the ~~consumer~~ residential customer whenever at least one ~~consumer~~ such customer on an average of each 100 additional feet of pipe in the street or highway in which the extension is to be run shall first agree to take a supply of gas at the applicable rate, measurement to be taken from the end of the nearest distribution main that has the

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capacity to serve the customer(s). Upon application for a service extension of main in excess of an average of 100 feet for each applicant for such service, East Ohio may enter into an extension agreement with the applicant or applicants providing for a deposit with East Ohio of a sum deemed adequate by East Ohio to cover the cost to be incurred by it for the excess of the extension over the average of 100 feet for each applicant to be served, such deposit to be refunded within a period of 10 years from the date of the agreement at a rate per each additional ~~consumer~~ residential customer thereafter connected with said extension, equivalent to the rate per 100 feet deposited, the total amount refunded not to exceed the amount deposited. No refund shall be made after 10 years from the date of the extension agreement and such deposit shall, after such period, become the property of East Ohio. Extension deposits shall bear no interest. East Ohio shall apply the preceding terms to home builders and residential developers on the basis of anticipated residential customers, and, as a result, the deposit refund provisions are not applicable in such instances. Extensions of street and highway mains shall at all times be the property of East Ohio. Mainline extensions that are not installed in road right of way, or adjacent thereto, will be made only if the following guidelines are met:

- (a) A minimum 20 foot legally described easement or blanket right of way is made and granted, provided, however, that all gas mainlines with a maximum allowable operating pressure at or above 100 psi must have a minimum 30 foot easement.
- (b) Free and clear access to the gas mainline is maintained with no structures permitted on the easement.

East Ohio shall not be required to lay any service lines across paved streets or highways. East Ohio shall not be required to make any extensions of its mains or to lay any service lines during the months of December, January, February and March of any year.

Nothing contained herein shall be construed to prohibit East Ohio from making longer free extensions than herein prescribed, ~~should the anticipated revenues exceed the anticipated costs over a period of twenty years, provided like free extensions are made to other applicants under similar conditions.~~

28.32. Right of Removal. No person or entity shall erect any structure within a Company easement or change the existing grade over a Company gas line without the express permission of East Ohio. East Ohio shall have the right to remove any such structure or grade change at the expense of the customer or responsible party.

29.33. Discontinuance of Supply on Notice of Defect in Customer's Property. If, at any time, in the opinion of East Ohio the property owner's service line, other gas lines, fittings, connections, gas appliances or equipment on a ~~consumer's~~ customer's premises are defective or in such condition as to constitute a hazard, East Ohio, upon notice to it of such defect or condition, may discontinue the supply of gas to such appliances or equipment or to such service line or such other gas lines until such

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defect or condition has been rectified by the property owner or ~~consumer~~ customer in a manner satisfactory to East Ohio.

SECTION IV - MISCELLANEOUS

30.34. Tariff Disclosure. A full and complete copy of East Ohio's current tariff covering rates and charges for service and terms and conditions of service will be ~~provided to a consumer available on www.dom.com~~ or will be provided upon request within five business days. East Ohio shall comply with the tariff disclosure requirements established by The Public Utilities Commission of Ohio and set forth in Section 4901:1-1-03 of the Ohio Administrative Code, as amended from time to time.

31.35. PUCO Orders. These Rules and Regulations are subject to and include as part thereof all orders, rules and regulations applicable to East Ohio from time to time issued or established by ~~the~~ Public Utilities Commission of Ohio under its emergency powers.

32.36. Right to Modify. East Ohio reserves the right to modify, alter or amend the foregoing Rules and Regulations and to make such further and other rules and regulations as experience may suggest and as East Ohio may deem necessary or convenient in the conduct of its business.

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General Terms and Conditions of Transportation Service**Definitions**

~~Contract Supply Service~~ -- supplemental gas supply service provided by East Ohio to Customer pursuant to a special arrangement.

~~Core Demand~~ -- the total supply needs of East Ohio's system supply ~~Percentage Income Payment Plan and Standard Service Offer~~ Customers.

Customer -- any individual, governmental, or corporate entity taking transportation service hereunder.

Customer's Billing Cycle -- for Delivery Points equipped with electronic gas measurement equipment, the calendar month used for billing purposes; for Delivery Points not equipped with electronic gas measurement equipment, the period that occurs between actual or estimated meter readings ~~taken used~~ by East Ohio for billing purposes.

Daily Available Volume -- the quantity of gas available to be redelivered by East Ohio to the Customer on any given day. This quantity is equal to the volume of gas ~~actually delivered~~ to East Ohio for the Customer's account on that day, less any appropriate unaccounted-for gas percentage, plus any adjustments associated with Positive Imbalance Volumes, which will be available during non-OFO periods.

Day -- a 24-hour period beginning at ~~8:00~~ 10:00 a.m. Eastern ~~Standard Time~~ or other such time as specified by East Ohio.

Delivery Point -- the billing determinant for the application of Customer charges represented by the meter location at which gas is redelivered to the Customer.

Delivery Volume -- the volume of gas ~~actually delivered~~ by East Ohio to the Customer based on actual or estimated usage.

EBB -- East Ohio's Electronic Bulletin Board.

FERC -- the Federal Energy Regulatory Commission.

Human Needs Customer -- any Customer who uses natural gas for heating a residence, or a governmental agency or other entity which provides emergency or life support services. Human Needs Customers include hospitals, nursing homes, and residential correctional institutions, and exclude hotels, motels and non-residential educational facilities.

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Bruce C. Klink, Vice President
Vice President -- Rates and Administration

General Terms and Conditions of Transportation Service

~~Maximum Daily Storage Capacity~~ -- the maximum volume of gas that East Ohio will inject into or withdraw from a Customer's interruptible storage service account on any Day.

~~Maximum Daily Transportation Quantity~~ -- the maximum volume of gas that East Ohio shall deliver to a transportation Customer on any Day pursuant to a transportation service contract.

~~Maximum Storage Capacity~~ -- the maximum volume of gas that East Ohio will hold in a Customer's interruptible storage service account at any point in time.

Mcf -- one thousand (1,000) cubic feet of gas in its natural state having a gross heating value of not less than 1,000 British thermal units per cubic foot at 14.73 PSIA, ~~sixty 60~~ degrees (60) Fahrenheit and saturated with water vapor.

MMBtu -- one million (1,000,000) British thermal units.

Monthly Tolerance Level -- the imbalance tolerance level, expressed as a percentage of the sum of all daily volumes actually delivered to the Customer during the Customer's Billing Cycle, that establishes the degree to which the Customer's Positive Imbalance Volumes will be subject to reconciliation on a volumetric basis.

Negative Imbalance Volume -- the amount by which the sum of all daily volumes actually delivered to the Customer during the Customer's Billing Cycle exceeds the sum of the daily volumes available for redelivery by East Ohio to the Customer during the same period.

Positive Imbalance Volume -- the amount by which the sum of all daily volumes available for redelivery by East Ohio to a Customer during the Customer's Billing Cycle exceeds the sum of all daily volumes actually delivered to the Customer during the same period.

Production Receipt Point(s) -- the meter(s), ~~specified in the transportation service contract~~, at which Ohio produced gas is delivered into East Ohio's system for the Customer's account.

Production Volume -- the volume of gas actually delivered by the Customer into East Ohio's system on any Day at the Production Receipt Points.

PSIA -- pounds per square inch, absolute.

PUCO -- The Public Utilities Commission of Ohio.

Summer Period -- the seven month period beginning April 1 and continuing through October 31.

Supplier -- any entity that has in effect a pooling service agreement with East Ohio or arranges for the production and/or delivery of Production Volumes to East Ohio.

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General Terms and Conditions of Transportation Service

Transportation Receipt Point(s) -- the interconnection(s), specified in the transportation service contract, at which gas is delivered into East Ohio's system from an Upstream Pipeline for the Customer's account.

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Transportation Volume -- the volume of gas actually delivered for the Customer's account on any Day into East Ohio's system at the Transportation Receipt Point(s).

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Upstream Pipeline -- any interstate pipeline, intrastate pipeline, or local distribution company other than East Ohio through which gas is delivered directly to East Ohio for the Customer's account.

Variable Cost of Service -- the portion of the cost of service that fluctuates according to the volume of service provided, including gas costs and associated riders as applicable, lost and unaccounted-for gas, and excise taxes.

Winter Period -- the five month period beginning November 1 and continuing through March 31.

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General Terms and Conditions of Transportation Service

1. Sources of Supply

- 1.1 Customers may receive gas supplies delivered to East Ohio from Upstream Pipelines and/or ~~Ohio production sources~~ Production Receipts Points.

2. Authorized Daily Volume

- 2.1 Customer's Authorized Daily Volume on any Day consists of the sum of Customer's Daily Available Volume plus any additional volumes that East Ohio authorizes Customer to use on that Day. Delivery of Customer's Authorized Daily Volume is firm, except as provided in this Section 2.1. Such deliveries, however, shall be subject to interruption or curtailment based on the failure of an Upstream Pipeline to deliver Transportation Volumes, the failure of the Customer or its Supplier to deliver Production Volumes, Force Majeure conditions, or an order of the PUCO or other governmental body. The Customer and East Ohio shall use their best efforts to minimize such interruption or curtailment within the limitations of applicable law, regulations, and orders of any governmental authority. Customer, or a Supplier on Customer's behalf, must submit a valid nomination of supply that reasonably reflects Customer's anticipated usage. Consumption at Customer's facility in excess of the Authorized Daily Volume is interruptible service, and upon notice to Customer, East Ohio may interrupt service or require Customer to reduce consumption to Customer's Authorized Daily Volume whenever East Ohio deems it necessary to do so. East Ohio may, at its option, require such reductions in consumption by DTS Customers prior to imposing similar reductions on TSS, ESGTS, or GTS Customers.
- 2.2 In the event Delivery Volumes are in excess of the Authorized Daily Volume on any day on which East Ohio requires Customer to limit gas consumption to that Authorized Daily Volume, Customer shall be liable for all gas costs, transportation costs, penalties, and fines incurred by East Ohio as a result of Customer's deliveries in excess of its Authorized Daily Volume.

3. Electronic Bulletin Board

- 3.1 All Customers and/or their authorized agents will have access to East Ohio's Electronic Bulletin Board ("EBB"). The EBB will provide, at a minimum, for the electronic nomination and confirmation of Customer's Production Volumes and Transportation Volumes, information concerning Customer's Delivery Volumes and imbalances and ~~East Ohio's current Calendar of Nomination Deadlines~~ other information and critical postings.

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