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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application	:	
of Eastern Natural Gas Company for	:	Case No. 08-940-GA-ALT
Approval of an Alternative Rate Plan	:	
Proposing a Revenue Decoupling Mechanism	:	

**SECOND AMENDED APPLICATION OF
EASTERN NATURAL GAS COMPANY
FOR APPROVAL OF AN ALTERNATIVE RATE PLAN
PROPOSING A REVENUE DECOUPLING MECHANISM/
MOVEMENT OF TARIFF RATES
TOWARD A STRAIGHT FIXED VARIABLE RATE DESIGN AND A MAIN LINE
REPLACEMENT RIDER**

Now comes Eastern Natural Gas Company (hereinafter "Eastern" or the "Applicant") and files this Second Amended Application, pursuant to the provisions of Sections 4929.05 and 4929.051, Revised Code, Rule 4901:1-19-05 of the Ohio Administrative Code, the Commission's November 5, 2008 Entry, and after further consultation with the Staff. In support thereof, Eastern hereby represents and says that:

1. Eastern is a public utility and natural gas company as those terms are defined by Sections 4905.02 and 4905.03(A)(6), Revised Code, and therefore is subject to the jurisdiction of this Commission.
2. Eastern files this Second Amended Application pursuant to Sections 4929.05 and 4929.051, Revised Code, which permits a natural gas company to file an alternative rate plan with a revenue decoupling mechanism/movement toward a Straight Fixed Variable (SFV) rate design without having to file a rate increase application.

3. The Applicant provides natural gas service to approximately 6,700 customers in the unincorporated areas of Ashtabula and Trumbull Counties. Only General Service customers would be affected by this Second Amended Application.

4. Eastern's current base rates were established by the Commission's Opinion and Order of January 11, 2006 in Case No. 04-1779-GA-AIR. Those rates were based on a test year of calendar year 2004 and a date certain of October 31, 2004.

5. The test year sales volumes upon which the base rates in Case No. 04-1779-GA-AIR were established consisted of 869,615 thousand cubic feet ("MCF") for General Service customers. In its January 11, 2006 Opinion and Order in Case No. 04-1779-GA-AIR, the Commission authorized a rate of return of 10.5% and revenue requirements of \$10,985,292. See Second Amended Exhibit A.

6. Though the test year figures were based on actual historic throughput, Eastern has achieved one of the highest levels of conservation by its General Service customers. As noted in Second Amended Exhibit B, which is hereby incorporated as part of this Second Amended Application, consumption per degree day has dropped from .0205 MCF per customer degree day during the 2004 test year to .0194 MCF per customer degree day for the twelve months ending February 2009. That is a drop in consumption per customer degree day of 5.2%. This is despite the twelve month period ending February, 2009 being 4.4% colder than the thirty-year average.

7. In the aggregate, General Service sales volumes for Eastern have been reduced from the 2004 test year level of 869,615 MCF to 800,002 MCF. That is a reduction of some 69,613 MCF or 8.0% between the test year and the twelve months ending February 28, 2009.

8. Second Amended Exhibit C attached to the Second Amended Application is a graph which depicts the reduction in MCF sales volumes compared to the test year since the Commission's Opinion and Order in the last rate case. The reductions in General Service throughput depicted in Second Amended Exhibit C is due chiefly to conservation as the number of General Service customers has remained fairly constant ranging from 6,810 in 2004 to 6,651 today.

9. Currently, Eastern has a General Service schedule, an Industrial Service schedule, and a Transportation Service schedule. There are no customers receiving service under the Industrial Service or Transportation Service schedules. No Industrial Service customers currently exist. Transportation Service customers receive service under contract. The General Service schedule includes both Residential and Commercial customers.

10. Since the rate design utilized by Eastern in the last rate case was primarily based on volumetric charges, the decline in throughput has caused a significant decline in revenue for Eastern. The current rate design for General Service customers has only two components: a volumetric rate which is applied to each Ccf of gas the customer consumes and a fixed monthly customer charge. The monthly customer charge is designed only to capture the cost of metering and billing. Thus, the conservation trend observed in the General Service schedule has created a severe underfunding of Eastern's ability to meet maintenance costs, working capital and investment capital necessary to insure high quality, safe natural gas service.

11. Based upon the information set forth in Second Amended Exhibit D, Eastern had 6,655 total customers, 841,081 MCF of throughput and generated \$2,328,864 in base revenues for the twelve months ending February 28, 2009.

12. Eastern believes that its current General Service, Industrial Service and Transportation Service schedules are unjust and unreasonable because they do not recognize the effects of continued conservation practices by customers, and the decline in industrial natural gas usage and transportation volumes in the Eastern service area. The current General Service, Industrial Service and Transportation Service tariff pages are attached as Second Amended Exhibit E.

13. Eastern believes that by moving its monthly tariffed customer charges toward a Straight Fixed Variable ("SFV") rate design, by reducing the commodity rate for General Service customers, and by decreasing the tail block of the Industrial Service and Transportation Service rate schedules, it can both recoup its legitimate costs and still sponsor conservation.

14. The Ohio General Assembly has recognized the need to decouple local distribution company revenue from volumetric sales. Senate Bill 221, signed by the Governor on May 1, 2008, effective July 31, 2008 establishes Section 4929.051, Revised Code. Section 4929.51, Revised Code is a broad statute which contemplates not only decoupling mechanisms, but also a movement toward an SFV rate design.

15. The new Section 4929.051, Revised Code provides:

Sec. 4929.051. An alternative rate plan filed by a natural gas company under section 4929.05 of the Revised Code and proposing a revenue decoupling mechanism may be an application not for an increase in rates if the rates, joint rates, tolls, classifications, charges, or rentals are based upon the billing determinants and revenue requirement authorized by the public utilities commission in the company's most recent rate case proceeding and the plan also establishes, continues, or expands an energy efficiency or energy conservation program.

16. Eastern seeks to decouple its rates or move its rates toward an SFV rate design without filing an Application for an Increase in Rates by using the billing determinants from a recent rate 12 month period to restructure rates that do not exceed the revenue level generated in a recent year and by establishing an energy efficiency or energy conservation program.

17. Because the revenue effects of the current conservation on Eastern are acute, Eastern proposes through this Second Amended Application a revenue decoupling mechanism/movement toward SFV rate design as envisioned by the General Assembly and the Commission through an alternative rate filing, but to implement it as soon as possible. Thus, Eastern proposes to use the billing determinants and revenue level generated from the year ending February 28, 2009, but to alter the rate design for the General Service, Industrial Service and Transportation Service classes so that more of the revenue is based on the fixed monthly customer charge and less comes from the volumetric charges. The movement toward an SFV rate design would produce revenues less than the level in a recent 12 month period or the revenue requirement authorized in the last rate case, but achieved with much lower consumption of natural gas.

18. Under Section 4909.18, Revised Code Eastern could apply to increase rates in order to address both the need to meet prudently incurred operation and maintenance expenses, earn an equitable return and revise the rate design. Such a course of action however may not be the optimal option for Eastern's General Service customers. First, the customers would ultimately bear the expense of a rate case which given Eastern's small size is significant on a per capita basis. Second, a new test year would result in a dramatic shift of costs from the

Transportation customers to the General Service customers because of the dramatic decline in industrial gas consumption since the last test year.

19. To achieve part of the advantages of a revenue decoupling mechanism under an alternative rate plan, Eastern proposes the Commission adopt the proposed movement toward a SFV rate design that would apply to all of Eastern's General Service customers and to Eastern's Industrial Service and Transportation Service schedules, and to decrease the volumetric rate for Residential and Commercial customers and to decrease the tail block of the Industrial Service and Transportation Service rate schedules. See the determination of proposed tariff rate adjustments based on sales and customers for the twelve months ending February 28, 2009 contained in Second Amended Exhibit D.

20. The proposed movement toward a SFV rate design would reduce the linkage between the volumes sold and cost recovery for General Service customers.

For Residential customers, Eastern proposes a 166.7% increase in its monthly customer fee from \$7.50 a month to \$20.00 a month. For Commercial customers, Eastern proposes a 900% increase in its monthly customer fee of \$7.50 to \$75.00. The Industrial Service and Transportation Service tariffs schedules are being proposed to increase the monthly customer fee from \$150.00 to \$200.00 per month, an increase of 33.3%.

Volumetric base rates for both Residential and Commercial customers would be reduced. The volumetric rate for Residential customers would be reduced from \$.20462 per Ccf to \$0.04534 per Ccf, a reduction of 77.8%. For Commercial customers, the volumetric rate would be reduced from \$.20462 per Ccf to \$0.02841 per Ccf, a reduction of 86.1%. Industrial Service and Transportation Service rate schedules are proposed to have the last block of their commodity rate decreased from \$.1000 per Ccf to \$.09083 per Ccf, a decrease of 9.2%.

The above proposed rates and percentages do not reflect the \$1.00 amount to be added to the Residential and Commercial customer charges which will help fund the Demand Side Management Program nor the \$3.13 per month Main Line Replacement Rider.

21. Because Eastern is proposing a movement toward an SFV rate for its General Service customers, and because the customer charge for Residential customers will be different than the monthly customer fee for Commercial customers, Eastern is proposing to divide the General Service schedule into two subclasses: Residential and Commercial. However, for purposes of calculating revenue requirements, Eastern has used the billing determinates from these two sub-classes for twelve months ending February 28, 2009.

22. Based upon the actual number of customers and volumes for the twelve months ending February 28, 2009, the proposed movement toward SVF rate design would produce a base revenue level of \$2,328,801 which is less than Eastern's actual level of base revenues of \$2,328,864 for the twelve months ending February 28, 2009. The calculated current actual unadjusted rate of return for Eastern for the twelve-months ended February 28, 2009 is 4.21%. The rate of return generated by the proposed rates would be identical, since the proposed rates have been calculated to be revenue neutral. The 4.21% return is substantially less than the 10.50% rate of return authorized in Case No. 04-1779-GA-AIR. Compare Second Amended Exhibit A with Second Amended Exhibit F.

23. Section 4929.051, Revised Code, calls for the establishment, continuation or expansion of an energy efficiency or energy conservation program. Eastern does not currently have such a program. As part of this Second Amended Application, Eastern proposes that a demand side management ("DSM") program be established and approved. Eastern proposes that

\$1.00 be added to the monthly Residential and Commercial customer charges in order to produce approximately \$80,000 on an annual basis for conservation-related projects. Adding the \$1.00 to both the Residential and Commercial monthly customer charges would produce monthly customer charges of \$21.00 and \$76.00 per month, respectively. Applying these rates and the adjusted volumetric rate to the consumption levels for the period ending February 28, 2009 would produce adjusted base rate revenue of \$2,408,801.

24. The DSM program, which would also contain an additional \$10,000 of shareholder funding, would be initially targeted on the Company's high usage PIP customers. It would produce nearly \$14.57 per customer, which is substantially greater on a per customer basis than other natural gas DSM programs in Ohio. The specifics of the DSM program will be determined with the input of the Staff and other parties to this case. The calculation of the DSM amounts is attached as Second Amended Exhibit G to this Second Amended Application. It should be noted that the additional \$10,000 in shareholder funding has not been included in the determination of the 4.21% return. This additional, unfunded requirement would further lower the Company's actual return.

25. The typical Eastern Residential customer uses 94.18 MCF of gas a year. Under the existing rates approved in Case No. 04-1779-GA-AIR and applying the average Residential consumption curve, the total bill for natural gas (using the current GCR and a new proposed PIPP Rider, Case No 09-364-GA-PIP, being filed in conjunction with this filing), the average Residential customer would pay distribution service rates of \$1,114.00 per year. Under the proposed movement toward an SFV rate design with the DSM program and the Main Line Replacement Rider, the annual cost would be \$1,112.61, a decrease of .1%. See Second Amended Exhibit H, p. 1 of 4. For a Residential customer consuming only 47.09 MCF a year

(half of the average), the increase is \$104.05 a year, or a 17.2% increase. See Second Amended Exhibit H, p. 2 of 4.

The average use Eastern Commercial customer would consume 459.7 MCF per year and under current rates would pay distribution service rates of \$5,070.97. Under the proposed movement toward an SFV rate design with the DSM program, the annual cost would be \$4,862.29. This would be a decrease of \$208.68 or a decrease of 4.1% per year. See Second Amended Exhibit H, p. of 4.

26. There are no Transportation Service customers receiving service under tariff. But if the average Transportation customer were to take service under the tariff, it would pay \$3,380.37 for Transportation Service a month under the current tariff, but would pay \$3,947.45 under the proposal which is an increase of \$567.13 or an increase of 16.8%. See Second Amended Exhibit H, p. 4 of 4.

27. In addition to the movement toward a Straight Fixed Variable Rate Design and the establishment of a DSM program, Eastern also requests approval of a monthly Main Line Replacement (MLR Rider) to fund construction costs for a program to replace bare steel mains in its service territory. Eastern desires to begin a systematic program to replace all bare steel pipes in its distribution system. The bare steel pipe in Eastern's system is of varying vintages—some dating nearly to the beginning of the last century. Safety and system reliability considerations dictate the replacement of the bare steel pipe over a reasonable period, accelerated to the extent economically and physically possible.

28. Due to Eastern's deteriorated financial condition, it has been financially unable to establish a systematic replacement program. Eastern has been replacing bare steel pipe on an as required basis.

29. In June, 2003, Eastern filed an application in Case No. 03-1398-GA-UNC. It requested approval of a similar program but the application was withdrawn in December, 2003 after it was determined that there was no support for the proposal by the Commission Staff.

30. In Eastern's 2003 application, it identified the cost to replace all bare steel pipes at \$7.5 million with the project to be completed in a 25 to 30 year period. Eastern believes this estimate is still reliable as no new study has been commissioned due to the cost which would be involved.

31. Eastern is now proposing an MLR Rider that, if approved, will allow it to collect \$250,000 annually from its customers for the replacement of bare steel pipe. The cost per customer would be \$3.13 per month which is based upon the average number of customers for the twelve month period ending February 28, 2009. See Second Amended Exhibit I. Due to Eastern's financial condition, the replacement of bare steel pipe would be tied to the collection of funds to pay for such replacement. Eastern does not currently accrue carrying charges (AFUDC) on its construction projects and does not intend to accrue AFUDC on this Main Line Replacement of bare steel pipe project. All pipe replaced under this proposal will be considered as having been contributed and will not be included in the company's rate base in any future rate cases filed by Eastern.

32. Although Eastern will not be filing a Notice of Intent nor a "PFN" because it does not propose to file a rate increase application, the Applicant does propose to publish notice of this Second Amended Application and provide for an opportunity for a hearing if the Commission deems one necessary. Eastern proposes that the Commission authorize it to publish the notice listed in Second Amended Exhibit J to this Second Amended Application.

33. The primary statutory mechanism by which a public utility, subject to the jurisdiction of this Commission, may seek authority to amend, modify or change any of its existing regulations or practices for the services it renders is to file a written application for an increase in rates with the Commission pursuant to Section 4909.18, Revised Code. However, through Section 4929.051, Revised Code, the General Assembly has permitted the modification of rates through an alternative rate plan that provides for a revenue decoupling mechanism/movement toward a SFV rate design if such rates are based upon the billing determinants and revenue levels in a recent 12 month period and the plan also establishes, continues, or expands an energy efficiency conservation program. The alternative of a Section 4909.18, Revised Code rate increase case would be much more expensive and time consuming to Eastern, and ultimately could result in even higher base rates for its customers.

34. Pursuant to Section 4929.05(A)(1), Revised Code, Eastern is in compliance with Section 4905.35, Revised Code and is in substantial compliance with the policy of this state specified in Section 4929.02, Revised Code. Eastern will not make or give any undue or unreasonable preference or advantage to any person, firm, corporation, or locality or subject any person, firm, corporation, or locality to any undue or unreasonable prejudice or disadvantage. Eastern offers its regulated services to all similarly situated consumers. Eastern is a public utility but does not intend to offer consumers a bundled service that includes both regulated and unregulated services or goods. Eastern does not condition or limit the availability of any regulated services or goods or condition the availability of a discounted rate or improved quality, price, term, or condition for any regulated services or goods, on the basis of the identity of the supplier of any other services or goods or on the purchase of any unregulated services or goods from Eastern.

35. Pursuant to Section 4929.05(A)(2), Revised Code, Eastern is expected to continue to be in substantial compliance with the policy of this state specified in Section 4929.02, Revised Code, after implementation of the alternative rate plan. Eastern currently promotes the availability to consumers of adequate, reliable and reasonably priced natural gas services and will continue to do so after implementation of this alternative rate plan.

36. The approval of the movement toward a SFV rate design, the DSM program, and the MLR Rider contained in Second Amended Exhibit K are just and reasonable, as they will allow Eastern to continue its promotion of conservation and to establish a systematic replacement of its bare steel pipeline system but at the same time allow it to recover the revenues necessary to earn a reasonable rate of return, and is consistent with Section 4929.051, Revised Code.

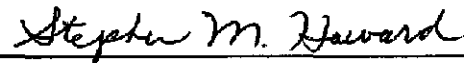
37. Eastern submits this Second Amended Application pursuant to Sections 4929.05 and 4929.051, Revised Code. Second Amended Exhibits A through K are attached to this Application and are incorporated herein. If necessary, Brian Jonard and Ken Rosselet will sponsor the Second Amended Exhibits as witnesses at hearing should the Commission deem a hearing necessary.

WHEREFORE, Eastern Natural Gas Company respectfully asks that the Commission consider the facts and proposals set forth in this Second Amended Application, approve the requested rate changes, approve the Applicant's Second Amended Application, and to:

- (a) Accept the Second Amended Application for an alternative rate plan pursuant to Section 4929.051, Revised Code;

- (b) Decide the case on the basis of the information contained in the Second Amended Application and the Second Amended Exhibits submitted by Eastern;
- (c) Authorize Eastern to publish notice of this Second Amended Application and if deemed necessary by the Commission, hold a hearing; and
- (d) Approve the proposed tariff pages (Second Amended Exhibit K) including the proposed movement toward an SFV rate design, the approval of the DSM program and the MLR Rider, and allow such tariffs to take effect as soon as possible.

Respectfully submitted,

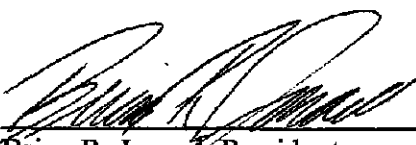


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VERIFICATION

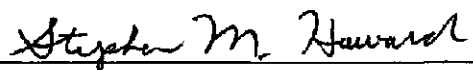
STATE OF Ohio)
) SS:
COUNTY OF Franklin)

I, Brian R. Jonard, President of Eastern Natural Gas Company, verify that the information contained in this Second Amended Application is true and correct to the best of my knowledge.



Brian R. Jonard, President

Sworn and subscribed before me in my presence this 29 day of April, 2009.



Notary Public
My Term Expires:
(SEAL)

STEPHEN M. HOWARD
NOTARY PUBLIC - STATE OF OHIO
MY COMMISSION HAS NO EXPIRATION DATE
SECTION 147.02 R. 2

VERIFICATION

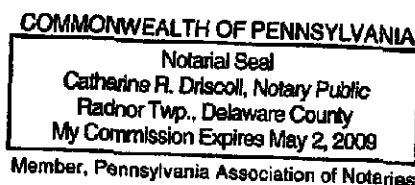
STATE OF Pennsylvania)
) SS:
COUNTY OF Delaware)

I, Dawn M. Seifried, Treasurer of Eastern Natural Gas Company, verify that the information contained in this Second Amended Application is true and correct to the best of my knowledge.

Dawn Seifried
Dawn M. Seifried, Treasurer

Sworn and subscribed before me in my presence this 28th day of April, 2009.

Catherine R. Driscoll
Notary Public
My Term Expires:
(SEAL)

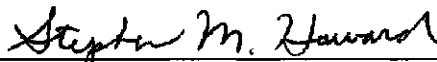


CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Second Amended Application and Second Amended Exhibits was served upon the following persons by hand delivery and by electronic mail this 1st day of May, 2009:

Joseph P. Serio
Office of Ohio Consumers' Counsel
10 W. Broad Street, Suite 1800
Columbus, Ohio 43215-3485

Stephen A. Reilly/Anne L. Hammerstein
Assistant Attorneys General
180 E. Broad Street, 9th Floor
Columbus, Ohio 43215-3796



Stephen M. Howard

SECOND AMENDED EXHIBIT A

EASTERN NATURAL GAS COMPANY
Case No. 08-0940-GA-ALT
STIPULATION SCHEDULE A-1
Case No. 04-1779-GA-AIR
Revenue Requirements

		<u>Stipulation</u>
(1)	Rate Base (a)	\$ 3,017,711
(2)	Adjusted Operating Income (b)	93,751
(3)	Rate of Return Earned (2) / (1)	3.11%
(4)	Rate of Return Recommended (c)	10.50%
(5)	Required Operating Income (1) x (4)	316,860
(6)	Income Deficiency (5) - (2)	223,109
(7)	Gross Revenue Conversion Factor (d)	1.515152
(8)	Revenue Increase Required (6) x (7)	338,044
(9)	Revenue Increase Recommended	338,024
(10)	Adjusted Operating Revenue (b)	10,647,268
(11)	Revenue Requirements (9) + (10)	\$ 10,985,292
(12)	Increase Over Current Revenue (9) / (10)	3.17%

- (a) Staff's Settlement Schedule B-1
- (b) Staff's Settlement Schedule C-2
- (c) Refer to Rate of Return Section
- (d) Staff's Settlement Schedule A-1.1

SECOND AMENDED EXHIBIT B

EASTERN NATURAL GAS COMPANY Case No. 08-0940-GA-ALT Degree Day - Usage Data

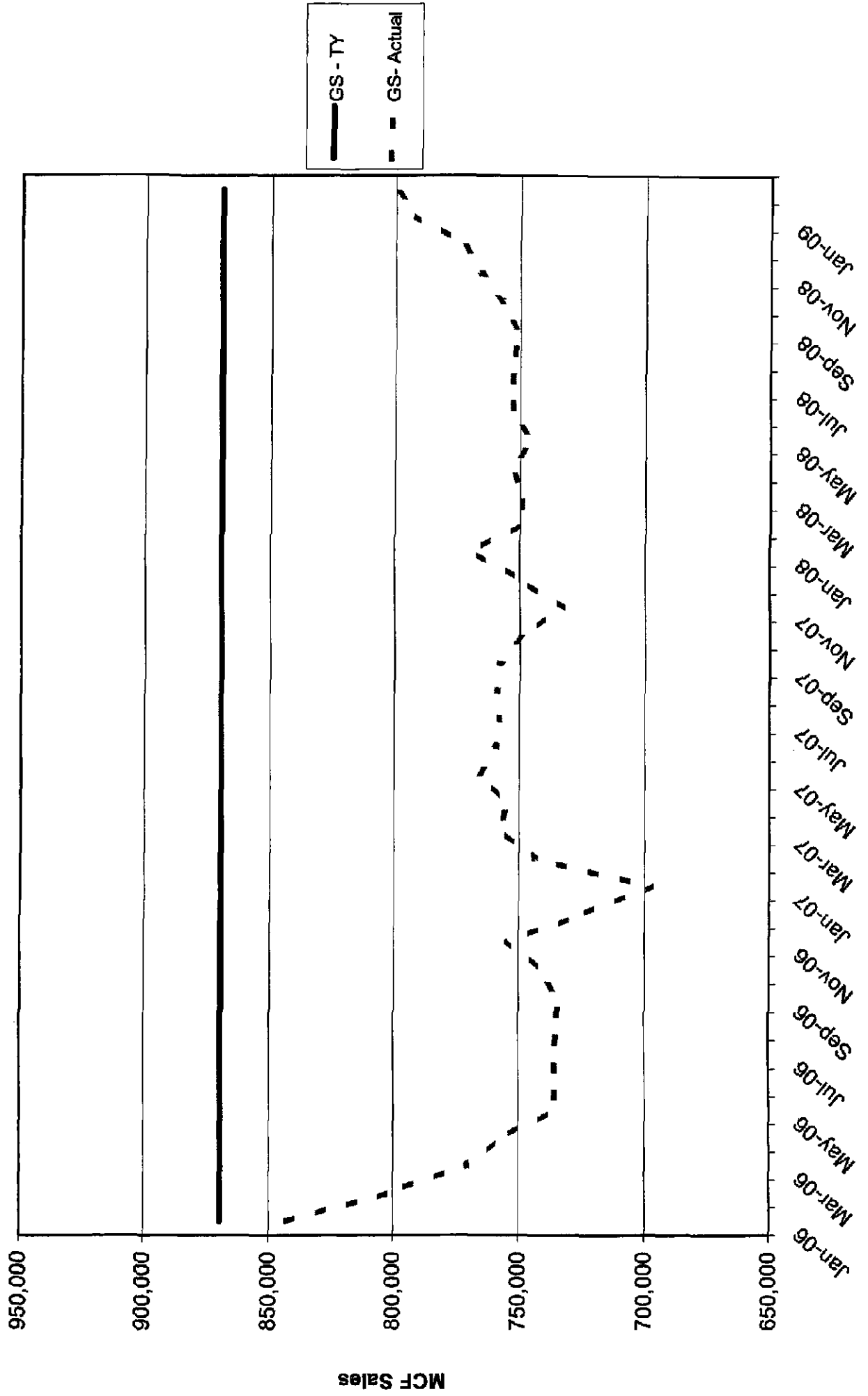
YEAR	Degree Days	GS Sales	Average Sales Per Degree Day	Average Number of Customers	Average Sales Per Customer	Sales per Customer per Degree Day
1991	5,508	989,764	180			
1992	6,346	1,084,909	171			
1993	6,361	1,084,656	171			
1994	6,506	1,102,874	170			
1995	6,439	1,056,145	164			
1996	6,808	1,097,801	161			
1997	6,546	1,039,923	159			
1998	5,222	848,288	162			
1999	5,974	922,706	154			
2000	6,194	906,723	146			
2001	5,990	900,798	150			
2002	5,860	880,400	150			
2003	6,617	931,425	141			
2004	6,228	866,682	139	6,818	127	0.0204
2005	6,312	855,361	136	6,814	126	0.0199
2006	5,609	724,739	129	6,748	107	0.0191
2007	6,118	749,799	123	6,702	112	0.0183
2008	6,360	772,383	121	6,659	116	0.0182
Twelve Months Ended 02/09	6,509	841,081	129	6,651	126	0.0194

LAST RATE CASE	6,228	869,615	140	6,810	128	0.0205
TEST YEAR 2004						

5 YR AV	6,125					
10 YR AV	6,126					0
20 YR AV	6,147					5.2%
30 YR AV	6,235	As of February 2009				
	274					
	4.4%					

SECOND AMENDED EXHIBIT C
EASTERN NATURAL GAS COMPANY
Case No. 08-940-GA-ALT

General Service Sales For The Twelve Month Sales by Month Endings



SECOND AMENDED EXHIBIT D

EASTERN NATURAL GAS COMPANY

Case No. 08-0940-GA-ALT

Determination of Proposed Tariff Rates

Based on Sales and Customers for Twelve Months Ending February 2009

	Actual as of Feb 09		Approved Tariff Rates	Current Base Revenue	Actual as of Feb 09		Adjusted Rates	Adjusted Revenue	Adjustment	
	No. Customers	MCF			No. Customers	MCF			Rate	Percent
General Service										
Residential										
Customer Charge	6,176		\$ 7.50	\$ 555,840	6,176		\$ 20.00	\$ 1,482,240	\$ 12.50	166.7%
1st 500		581,645	2.0462	1,190,162		581,645	0.4534	263,718	(1.5928)	-77.8%
Total Residential				<u>1,746,002</u>				<u>1,745,958</u>		
Commercial										
Customer Charge	475		\$ 7.50	\$ 42,750	475		\$ 75.00	\$ 427,500	\$ 67.50	900.0%
1st 500		218,357	2.0462	446,802		218,357	0.2841	62,035	(1.7621)	-86.1%
Total Commercial				<u>489,552</u>				<u>489,535</u>		
Total General Service	<u>6,651</u>	<u>800,002</u>		<u>2,235,554</u>	<u>6,651</u>	<u>800,002</u>		<u>2,235,493</u>		
Transportation										
Customer Charge	4		150.00	7,200	4		200.00	9,600	50.00	33.3%
1st 500		14,890	2.0462	30,469		14,890	2.0462	30,469	-	0.0%
Over 500		26,188	1.0000	26,188		26,188	0.9083	23,787	(0.0917)	-9.2%
Total Transportation		<u>41,079</u>		<u>63,857</u>		<u>41,079</u>		<u>63,856</u>		
Late Payment Charges										
Miscellaneous Charges				28,743 (a)				28,743 (a)	-	0.0%
				710				710		
Total	<u>6,655</u>	<u>841,081</u>		<u>\$ 2,328,864</u>	<u>6,655</u>	<u>841,081</u>		<u>\$ 2,328,801</u>		

(a) - (General Service Revenues + Transportation Revenue) x 1.25% Forfeited Discount Rate per Staff Report Case No. 04-1779-GA-AIR

SECOND AMENDED EXHIBIT E

SECTION VII - RATE SCHEDULES

1. General Service Rate - GS

Availability. Available and applicable to all residential and commercial customers who have properly completed an application for service within the service area covered by this tariff, who will be serviced from existing Company facilities, for total gas requirements, for a single location, of a single customer, regardless of use.

Monthly Charges

The monthly customer charge shall be seven dollars and fifty cents (\$7.50) for each customer location.

Plus \$0.20462 per Ccf for all Ccf of gas;

Plus, all delivered gas shall be subject to an adjustment per one hundred cubic feet (CCF) as set forth on:

Sheet No. 28, Rider PIPP, Percentage of Income Payment Plan.

Sheet No. 30, Rider GCR, Gas Cost Recovery Rate.

Sheet No. 29, Uncollectible Expense Rider

Gross Receipts Tax Rider

All bills rendered pursuant to this tariff will be adjusted to provide for the recovery of the Company's gross receipts tax liability of said bills through the application of the gross receipts tax rider specified on Sheet No. 27 of this tariff. This gross receipts tax rider shall not be applicable to customers that are statutorily exempt from the payment of the gross receipts tax.

Late Payment Charge

If applicable, an additional late payment charge of 1.5% (one and one-half percent) of the overdue unpaid balance shall be assessed as provided in Section IV, Paragraph 1(d), of the Company's Rules and Regulations Governing the Distribution and Sale of Gas.

Service Reestablishment Charge

Subject to the provisions of Section II, Paragraph 7 herein, if service under this rate schedule is discontinued at the request of the customer, the Company shall not be under any obligation to resume service to the same customer on the same premises until the customer has made payment of an amount equal to the Reconnection Charge specified in Section IV(1)(a) above.

Issued: January 11, 2006

Effective: January 11, 2006

Filed Under Authority of Case No. 04-1779-GA-AIR
Issued by the Public Utilities Commission of Ohio

Issued by Brian R. Jonard, President

2. Industrial Service Rate - IS

Availability.

Available and applicable to all industrial customers provided that:

- (a) Customer has properly completed an application for service within the service area covered by this tariff;
- (b) Will be serviced from existing Company facilities, for total gas requirements, for a single location, of a single customer, regardless of use;
- (c) Service can be rendered within the limits of the Company's operating conditions and facilities;
- (d) Customer's consumption during one of the two most recent Annual Periods (November through October billing cycles) was at least 18,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 18,000 Mcf per year during future Annual Periods. In addition, at least 50% of Customer's annual consumption must be consumed in the seven billing months of April through October, or Customer has previously executed an Industrial Gas Service Agreement with Company, which was in effect immediately prior to the initiation of service hereunder;
- (e) Company may, at its option, waive the requirement that 50% of the annual consumption occur during the seven months of April through October where such waiver is necessary in order to serve a load which would not otherwise be served by Company, provided that at least 40% of Customer's annual consumption occurs during the months of April through October.

Monthly Charges

The monthly customer charge shall be one hundred fifty dollars (\$150.00) for each customer location.

Plus \$0.20462 per Ccf for the first 5000 Ccf per account per month;

Plus \$0.1000 per Ccf for all gas over 5000 Ccf per account per month.

Plus, all delivered gas shall be subject to an adjustment per one hundred cubic feet (CCF) as set forth on:

Sheet No. 28, Rider PIPP, Percentage of Income Payment Plan.

Sheet No. 30, Rider GCR, Gas Cost Recovery Rate.

3. Transportation Service Rate - TS

Availability.

Available and applicable to all industrial customers provided that:

- (a) Customer has properly completed an application for service within the service area covered by this tariff;
- (b) Customer has obtained delivery of natural gas from a source other than the Company's distribution system or in addition to Company;
- (c) Service can be rendered within the limits of the Company's operating conditions and facilities;
- (d) Customer's consumption during one of the two most recent Annual Periods (November through October billing cycles) was at least 18,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 18,000 Mcf per year during future Annual Periods. In addition, at least 50% of Customer's annual consumption must be consumed in the seven billing months of April through October, or Customer has previously executed an Industrial Gas Service Agreement with Company, which was in effect immediately prior to the initiation of service hereunder.
- (e) Company may, at its option, waive the requirement that 50% of the annual consumption occur during the seven months of April through October where such waiver is necessary in order to serve a load which would not otherwise be served by Company, provided that at least 40% of Customer's annual consumption occurs during the months of April through October.

Monthly Charges

The monthly customer charge shall be one hundred fifty dollars (\$150.00) for each customer location.

Plus \$0.20462 per Ccf for the first 5,000 Ccf per account per month;

Plus \$0.1000 per Ccf for all gas over 5,000 Ccf per account per month.

The Company, at its sole discretion, may offer transportation services at rates that are downwardly flexible from the maximum rates above. The rate may be flexed between the upper bound of the basic transportation rate and a lower bound that recovers all variable costs of service and provides a contribution to the Company's fixed costs of providing service. Such reduced rates may be determined based on competitive

Issued: November 22, 2006

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Filed Under Authority of Case No. 06-1249-GA-ATA
Issued by the Public Utilities Commission of Ohio

Issued by Brian R. Jonard, President

services available to the customer, the quality (firm or interruptible) of service and the Company's need to achieve load preservation or the economic recovery of costs of the Company.

Plus, all delivered gas shall be subject to an adjustment per one hundred cubic feet (CCF) as set forth on:

Gross Receipts Tax Rider

All bills rendered pursuant to this tariff will be adjusted to provide for the recovery of the Company's gross receipts tax liability of said bills through the application of the gross receipts tax rider specified on Sheet No. 27 of this tariff. This gross receipts tax rider shall not be applicable to customers that are statutorily exempt from the payment of the gross receipts tax.

Late Payment Charge

If applicable, an additional late payment charge of 1.5% (one and one-half percent) of the overdue unpaid balance) shall be assessed as provided in Section IV, Paragraph 1(d), of the Company's Rules and Regulations Governing the Distribution and Sale of Gas.

Service Reestablishment Charge

Subject to the provisions of Section II, Paragraph 7 herein, if service under this rate schedule is discontinued at the request of the customer, the Company shall not be under any obligation to resume service to the same customer on the same premises until the customer has made payment of an amount equal to the monthly customer charge for each month of the intervening period, but not to exceed twelve (12) months.

The above rates do not reflect any sale of gas service from Company to customer, but are agreed to transportation charges. As a result of actions by the Federal Energy Regulatory Commission, Company may be authorized to recover so-called pipeline supplier take-or-pay or transition costs from some or all of its system supply or full requirements customers. In the event that the Commission does not permit the full recovery of transition or take-or-pay costs from system supply or full requirements customers, Company may add an additional charge per Ccf or Dth to customer's monthly invoice to permit Company to recover the non-system supply portion of such costs from transportation customers such as Customer. The additional charge per Ccf or Dth so added shall be determined on the same basis as the similar charge which is applicable to system supply customers unless the parties otherwise agree. In addition to all other rates and charges specified herein, customer shall reimburse Company for all costs incurred by company as a result of variations between the amount of gas consumed by customer and the amount of customer's gas delivered to Company at the Delivery Point.

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Issued by Brian R. Jonard, President

SECOND AMENDED EXHIBIT F

EASTERN NATURAL GAS COMPANY INCOME STATEMENT FOR THE PERIOD ENDING FEBRUARY 2009

	Fiscal YTD As of 02/2009 (a)	Twelve Months Ended 02/09 (b)
Revenue		
Variable Delivery Revenue	\$ 1,365,268	\$ 1,681,784
Period Delivery Revenue	556,365	607,508
Cost of Gas	7,142,277	8,607,718
Interco Transportation	6,140	6,937
Other Tariff Charges	28,721	34,078
Total Operating Revenues	9,098,771	10,938,025
Operation and Maintenance Expenses		
Salaries and Wages	484,103	526,840
Fringe Benefits	145,817	156,973
Total Compensation	629,920	683,813
Cost of Gas	7,142,277	8,607,718
Operating Material & Supplies	53,297	57,057
Maintenance Material & Supplies	100,129	108,429
Vehicle and Equipment Expense	102,608	110,622
Outside Services	106,518	111,778
Customer Service	223,707	243,879
Bad Debts	1,907	2,014
Other Operations and Maintenance	6,047	8,319
Rent	87,308	94,904
Other Non Operating Expense	18,233	18,233
Office Supplies and Expenses	32,225	35,259
Insurance and Damages	33,695	37,149
Administrative and General Expenses		
Personnel Costs	155,502	171,887
Professional Services	88,471	98,245
Other A & G Expenses	55,909	61,470
Total Operation and Maintenance Costs	8,837,753	10,450,776
Depreciation Expense	164,549	179,508
Taxes Other Than Income		
Taxes and Licenses	78,228	88,853
Gross Receipts Tax	2,075	(9,090)
Payroll Taxes	36,796	39,691
Total Taxes	117,099	119,454
Federal Income Taxes	(4,401)	68,118
Total Operating Expenses	9,115,000	10,817,856
Net Operating Income	(16,229)	120,169
Non Operating Income		
Miscellaneous Income	26,440	26,933
Interest	18,385	20,597
Net Non-Operating Income	8,055	6,336
Net Income	\$ (8,174)	126,505
Rate Base (Net Plant + Work Cap)	\$ 2,856,264	\$ 2,856,264
Rate of Return (Net Oper Inc / Rate Base)	-0.57%	4.21%

(a) - Fiscal Year To Date (Fiscal Year Ending 03/09) Per Financial Statements
(b) - Fiscal Year To Date + March 2008 Per Financial Statements

SECOND AMAENDED EXHIBIT G

**EASTERN NATURAL GAS COMPANY
Case No. 08-0940-GA-ALT
Determination of Proposed Tariff Rates
Conservation Cost Recovery**

This will Only Apply to GS Sales Service

Annual Conservation Expenditure \$ 80,000.00

Average Number of GS Customers - Twelve Months Ended 02/28/09 6,651

Conservation Component Added to Customer Charge \$ 1.00

Company Supplied Funds \$ 10,000.00

Total Funds \$ 90,000.00

Average Number Residential Customers 6,176

Expenditure Per Residential Customer \$ 14.57

Adjusted Customer Charges:

Residential

Calculated Rate (Exh F) \$ 20.00

Conservation Recovery Added 1.00

Residential Customer Charge \$ 21.00

Commercial

Calculated Rate (Exh F) \$ 75.00

Conservation Recovery Added 1.00

Commercial Customer Charge \$ 76.00

**EASTERN NATURAL GAS COMPANY
Case No. 08-0940-GA-ALT
Average Use Customer
Residential
Annual Bill Comparison**

Month	Average Annual Usage	Monthly Bill	
		Current	Proposed
Mar-08	155.3	\$ 175.95	\$ 158.64
Apr-08	90.6	\$ 105.99	\$ 103.15
May-08	42.6	\$ 53.94	\$ 61.87
Jun-08	29.9	\$ 40.29	\$ 51.04
Jul-08	17.3	\$ 26.64	\$ 40.22
Aug-08	15.8	\$ 24.94	\$ 38.86
Sep-08	16.6	\$ 25.79	\$ 39.54
Oct-08	29.2	\$ 39.44	\$ 50.37
Nov-08	74.9	\$ 88.92	\$ 89.62
Dec-08	130.8	\$ 149.50	\$ 137.66
Jan-09	164.7	\$ 186.18	\$ 166.76
Feb-09	174.2	\$ 196.42	\$ 174.88
Total	941.8	\$ 1,114.00	\$ 1,112.61

Increase	\$ (1.39)
% Increase	-0.1%

	Current Rates	Proposed Rates
Rates:		
Customer Charge	\$ 7.50	\$ 21.00
Commodity	\$ 0.20462	\$ 0.04534
PIPP Rider	\$ 0.06043	\$ 0.00641
Uncollectible Rider	\$ 0.00808	\$ 0.00808
Gross Receipts Tax Rider	4.9637%	4.9637%
GCR - April 2009	\$ 0.75823	0.75823
Main Line Replacement Rider	\$ -	\$ 3.13

**Average Pike Residential Consumption:
Twelve Months Ended 02/28/09**

Ccf Sales	5,816,452
Number of Customer Bills	6,176
Average Annual Usage (Ccf)	941.8

**EASTERN NATURAL GAS COMPANY
Case No. 08-0940-GA-ALT
Average Use Customer
Residential-Low Use
Annual Bill Comparison**

Month	Average Annual Usage	Monthly Bill	
		Current	Proposed
Mar-08	77.6	\$ 91.91	\$ 91.99
Apr-08	45.3	\$ 56.93	\$ 64.24
May-08	21.3	\$ 30.91	\$ 43.60
Jun-08	15.0	\$ 24.08	\$ 38.19
Jul-08	8.7	\$ 17.26	\$ 32.77
Aug-08	7.9	\$ 16.40	\$ 32.10
Sep-08	8.3	\$ 16.83	\$ 32.43
Oct-08	14.6	\$ 23.66	\$ 37.85
Nov-08	37.4	\$ 48.40	\$ 57.47
Dec-08	65.4	\$ 78.69	\$ 81.50
Jan-09	82.4	\$ 97.03	\$ 96.05
Feb-09	87.1	\$ 102.15	\$ 100.11
Total	470.9	\$ 604.25	\$ 708.30

Increase	\$ 104.05
% Increase	17.2%

	Current Rates	Proposed Rates
Rates:		
Customer Charge	\$ 7.50	\$ 21.00
Commodity	\$ 0.20462	\$ 0.04534
PIPP Rider	\$ 0.06043	\$ 0.00641
Uncollectible Rider	\$ 0.00808	\$ 0.00808
Gross Receipts Tax Rider	4.9637%	4.9637%
GCR - April 2009	\$ 0.75823	\$ 0.75823
Main Line Replacement Rider	\$ -	\$ 3.13

**Average Eastern Residential - Low Use Consumption:
Twelve Months Ended 02/28/09**

Ccf Sales	5,816,452
Number of Customer Bills	6,176
Average Annual Usage (Ccf)	941.8
Low Use (50%)	470.9

**EASTERN NATURAL GAS COMPANY
Case No. 08-0940-GA-ALT
Average Use Customer
Commercial
Annual Bill Comparison**

Month	Average Annual Usage	Monthly Bill	
		Current	Proposed
Mar-08	757.8	\$ 828.27	\$ 720.32
Apr-08	442.4	\$ 486.78	\$ 455.06
May-08	207.7	\$ 232.75	\$ 257.74
Jun-08	146.2	\$ 166.12	\$ 205.98
Jul-08	84.6	\$ 99.49	\$ 154.22
Aug-08	76.9	\$ 91.16	\$ 147.75
Sep-08	80.8	\$ 95.33	\$ 150.99
Oct-08	142.3	\$ 161.96	\$ 202.75
Nov-08	365.5	\$ 403.49	\$ 390.36
Dec-08	638.6	\$ 699.17	\$ 620.04
Jan-09	804.0	\$ 878.24	\$ 759.13
Feb-09	850.2	\$ 928.21	\$ 797.95
Total	4,597.0	\$ 5,070.97	\$ 4,862.29

Increase

\$ (208.68)

% Increase

-4.1%

	Current Rates	Proposed Rates
Rates:		
Customer Charge	\$ 7.50	\$ 76.00
Commodity	\$ 0.20462	\$ 0.02841
PIPP Rider	\$ 0.06043	\$ 0.00641
Uncollectible Rider	\$ 0.00808	\$ 0.00808
Gross Receipts Tax Rider	4.9637%	4.9637%
GCR - April 2009	\$ 0.75823	\$ 0.75823
Main Line Replacement Rider	\$ -	\$ 3.13

Average Pike Commercial Consumption :

Twelve Months Ended 12/31/08

Ccf Sales	2,183,571
Number of Customer Bills	475
Average Annual Usage (Ccf)	4,597.0

**EASTERN NATURAL GAS COMPANY
AVERAGE USE CUSTOMER
TRANSPORTATION
ANNUAL BILL COMPARISON**

Month	Average Annual Usage			Monthly Bill	
	1st Block	2nd Block	Total	Current	Proposed
Mar-08	500.0	1,064.3	1,564.3	\$ 376.55	\$ 418.78
Apr-08	438.1	-	438.1	\$ 251.53	\$ 304.02
May-08	138.2	-	138.2	\$ 187.12	\$ 239.60
Jun-08	72.5	-	72.5	\$ 173.01	\$ 225.49
Jul-08	163.6	-	163.6	\$ 192.57	\$ 245.05
Aug-08	90.1	-	90.1	\$ 176.79	\$ 229.27
Sep-08	76.5	-	76.5	\$ 173.88	\$ 226.36
Oct-08	281.8	-	281.8	\$ 217.96	\$ 270.44
Nov-08	500.0	49.5	549.5	\$ 270.03	\$ 322.04
Dec-08	500.0	1,069.4	1,569.4	\$ 377.08	\$ 419.27
Jan-09	500.0	2,599.6	3,099.6	\$ 537.69	\$ 565.15
Feb-09	500.0	1,726.3	2,226.3	\$ 446.03	\$ 481.90
Total	3,760.6	6,509.1	10,269.7	\$ 3,380.24	\$ 3,947.37

Increase
% Increase

\$	567.13
	16.8%

	Current Rates	Proposed Rates
Rates:		
Customer Charge	\$ 150.00	\$ 200.00
Commodity		
1st 500	\$ 0.20462	\$ 0.20462
Over 500	\$ 0.10000	\$ 0.09083
Gross Receipts	4.9637%	4.9637%

SECOND AMENDED EXHIBIT I

EASTERN NATURAL GAS COMPANY Case No. 08-0940-GA-ALT Main Line Replacement Rider

Annual Conservation Expenditure	\$ 250,000.00
Average Number of GS Customers - Twelve Months Ended 02/28/09	6,651
Conservation Component Added to Customer Charge	<u>\$ 3.13</u>

SECOND AMENDED EXHIBIT J

Proposed Newspaper Notice

LEGAL NOTICE

Notice is given that Eastern Natural Gas Company (Eastern) has filed a second amended application with the Public Utilities Commission of Ohio (Case No. 08-940-GA-ALT) proposing that it be allowed to charge to all General Service Residential and Commercial Service customers a monthly customer charge that would move toward a Straight Fixed Variable Methodology. Although there are no Industrial Service or Transportation Service customers receiving service under tariff, the proposed rate schedules for these classes would also be affected. This proposal would first subdivide the General Service rate schedule into a residential class and a commercial class. The proposal would increase the Residential Customer Charge from \$7.50 per month to \$24.13 per month and the Commercial Customer Charge from \$7.50 per month to \$79.13 per month. The monthly Industrial Service and Transportation Service tariffed Customer Charge is proposed to be increased from \$150 per month to \$203.13 per month.

Volumetric rates for both Residential and Commercial customers and for Industrial Service and Transportation Service schedules would be reduced. Under this proposal, the average Residential customer using 94.18 mcf per year would see a decrease in his monthly gas bill of 0.1%; the average low use Residential customer using 47.09 mcf per year would see an increase in his monthly bill of 17.2%; and the average Commercial customer using 459.70 mcf per year would see a decrease in the monthly gas bill of 4.1%.

This proposal will change Eastern's rate design from a structure where the Company's opportunity to earn its allowed return is dependent upon sales volumes to a structure which is less dependent on sales volumes.

A Demand Side Management program is proposed that will enable Eastern to produce approximately \$90,000 in order to promote energy conservation for high usage Percentage of Income Payment Plan (PIPP) customers.

Part of Eastern's proposed increase in the monthly customer charge would be to establish a Main Line Replacement (MLR) Rider which would generate approximately \$250,000 annually that would fund the systematic replacement of the bare steel pipe in the Eastern distribution system.

Any interested person, firm, corporation or entity desiring an oral hearing in this matter should file a request with the Commission stating that the reasons for the request, along with a Motion to Intervene in the aforementioned case, on or before

_____, 2009. Unless the Commission receives such a request for an oral hearing and an accompanying Motion to Intervene, the case will be decided on the basis of the information contained in the pleadings and the attached Exhibits. Further information about this proposal (Case No. 08-940-GA-ALT) may be obtained by contacting the Public Utilities Commission of Ohio, 180 East Broad Street, Columbus, Ohio 43215-3793, by viewing the Commission's web page at <http://www.puc.state.oh.us>, or by contacting the Commission's hotline at 1-800-686-7826. The hearing impaired can reach the Commission via TTY-TDD at 1-800-686-1570 or in Columbus at 466-8180.

SECOND AMENDED EXHIBIT K

SECTION VII – RATE SCHEDULES

1. General Service Residential Rate – GSR

Availability. Available and applicable to all residential customers who consume gas for household purposes and have properly completed an application for service within the service area covered by this tariff, who will be serviced from existing Company facilities, for total gas requirements, for a single location, of a single customer, regardless of use.

Monthly Charges

The monthly customer charge shall be \$21.00 for each customer location.

Plus \$0.04534 per Ccf for all Ccf of gas;

Plus, all delivered gas shall be subject to an adjustment per one hundred cubic feet (CCF) as set forth on:

Sheet No. 28, Rider PIPP, Percentage of Income Payment Plan.

Sheet No. 29, Uncollectible Expense Rider

Sheet No. 30, Rider GCR, Gas Cost Recovery Rate.

Plus, the fixed charge per account per month as set forth on:

Sheet No. 31, Rider MLR, Main Line Replacement Rider.

Gross Receipts Tax Rider

All bills rendered pursuant to this tariff will be adjusted to provide for the recovery of the Company's gross receipts tax liability of said bills through the application of the gross receipts tax rider specified on Sheet No. 27 of this tariff. This gross receipts tax rider shall not be applicable to customers that are statutorily exempt from the payment of the gross receipts tax.

Late Payment Charge

If applicable, an additional late payment charge of 1.5% (one and one-half percent) of the overdue unpaid balance shall be assessed as provided in Section IV, Paragraph 1(d), of the Company's Rules and Regulations Governing the Distribution and Sale of Gas.

Service Reestablishment Charge

Subject to the provisions of Section II, Paragraph 7 herein, if service under this rate schedule is discontinued at the request of the customer, the Company shall not be under any obligation to resume service to the same customer on the same premises until the customer has made payment of an amount equal to the Reconnection Charge specified in Section IV(1)(a) above.

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Filed Under Authority of Case No. 08-940-GA-ALT
Issued by the Public Utilities Commission of Ohio

Issued by Brian R. Jonard, President

1A. General Service Commercial Rate – GSC

Availability. Available and applicable to all non-residential and commercial customers who consume gas for non-household purposes, who do not qualify for the Industrial Service Rate (IS), who have properly completed an application for service within the service area covered by this tariff, who will be serviced from existing Company facilities, for total gas requirements, for a single location, of a single customer, regardless of use.

Monthly Charges

The monthly customer charge shall be \$76.00 for each customer location.

Plus \$0.02841 per Ccf for all Ccf of gas;

Plus, all delivered gas shall be subject to an adjustment per one hundred cubic feet (CCF) as set forth on:

Sheet No. 28, Rider PIPP, Percentage of Income Payment Plan.

Sheet No. 29, Uncollectible Expense Rider

Sheet No. 30, Rider GCR, Gas Cost Recovery Rate.

Plus, the fixed charge per account per month as set forth on:

Sheet No. 31, Rider MLR, Main Line Replacement Rider.

Gross Receipts Tax Rider

All bills rendered pursuant to this tariff will be adjusted to provide for the recovery of the Company's gross receipts tax liability of said bills through the application of the gross receipts tax rider specified on Sheet No. 27 of this tariff. This gross receipts tax rider shall not be applicable to customers that are statutorily exempt from the payment of the gross receipts tax.

Late Payment Charge

If applicable, an additional late payment charge of 1.5% (one and one-half percent) of the overdue unpaid balance shall be assessed as provided in Section IV, Paragraph 1(d), of the Company's Rules and Regulations Governing the Distribution and Sale of Gas.

Service Reestablishment Charge

Subject to the provisions of Section II, Paragraph 7 herein, if service under this rate schedule is discontinued at the request of the customer, the Company shall not be under any obligation to resume service to the same customer on the same premises until the customer has made payment of an amount equal to the Reconnection Charge specified in Section IV(1)(a) above.

Issued: May 1, 2009

Effective: _____, 2009

Filed Under Authority of Case No. 08-940-GA-ALT
Issued by the Public Utilities Commission of Ohio

Issued by Brian R. Jonard, President

2. Industrial Service Rate - IS

Availability.

Available and applicable to all industrial customers provided that:

- (a) Customer has properly completed an application for service within the service area covered by this tariff;
- (b) Will be serviced from existing Company facilities, for total gas requirements, for a single location, of a single customer, regardless of use;
- (c) Service can be rendered within the limits of the Company's operating conditions and facilities;
- (d) Customer's consumption during one of the two most recent Annual Periods (November through October billing cycles) was at least 18,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 18,000 Mcf per year during future Annual Periods. In addition, at least 50% of Customer's annual consumption must be consumed in the seven billing months of April through October, or Customer has previously executed an Industrial Gas Service Agreement with Company, which was in effect immediately prior to the initiation of service hereunder;
- (e) Company may, at its option, waive the requirement that 50% of the annual consumption occur during the seven months of April through October where such waiver is necessary in order to serve a load which would not otherwise be served by Company, provided that at least 40% of Customer's annual consumption occurs during the months of April through October.

Monthly Charges

The monthly customer charge shall be two hundred dollars (\$200.00) for each customer location.

Plus \$0.20462 per Ccf for the first 5,000 Ccf per account per month;
Plus \$0.09083 per Ccf for all gas over 5,000 Ccf per account per month.

Plus, all delivered gas shall be subject to an adjustment per one hundred cubic feet (CCF) as set forth on:

Sheet No. 28, Rider PIPP, Percentage of Income Payment Plan.

Sheet No. 30, Rider GCR, Gas Cost Recovery Rate.

Plus, the fixed charge per account per month as set forth on:

Sheet No. 31, Rider MLR, Main Line Replacement Rider.

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Issued by the Public Utilities Commission of Ohio

Issued by Brian R. Jonard, President

3. Transportation Service Rate - TS

Availability.

Available and applicable to all industrial customers provided that:

- (a) Customer has properly completed an application for service within the service area covered by this tariff;
- (b) Customer has obtained delivery of natural gas from a source other than the Company's distribution system or in addition to Company;
- (c) Service can be rendered within the limits of the Company's operating conditions and facilities;
- (d) Customer's consumption during one of the two most recent Annual Periods (November through October billing cycles) was at least 18,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 18,000 Mcf per year during future Annual Periods. In addition, at least 50% of Customer's annual consumption must be consumed in the seven billing months of April through October, or Customer has previously executed an Industrial Gas Service Agreement with Company, which was in effect immediately prior to the initiation of service hereunder.
- (e) Company may, at its option, waive the requirement that 50% of the annual consumption occur during the seven months of April through October where such waiver is necessary in order to serve a load which would not otherwise be served by Company, provided that at least 40% of Customer's annual consumption occurs during the months of April through October.

Monthly Charges

The monthly customer charge shall be two hundred dollars (\$200.00) for each customer location.

Plus \$0.20462 per Ccf for the first 5,000 Ccf per account per month;

Plus \$0.09083 per Ccf for all gas over 5,000 Ccf per account per month.

The Company, at its sole discretion, may offer transportation services at rates that are downwardly flexible from the maximum rates above. The rate may be flexed between the upper bound of the basic transportation rate and a lower bound that recovers all variable costs of service and provides a contribution to the Company's fixed costs of providing service. Such reduced rates may be determined based on competitive.

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Main Line Replacement (MLR) Rider

All bills rendered pursuant to this tariff will be adjusted for the fixed charge per account per month as set forth on Sheet No. 31 providing for the recovery of a monthly Main Line Replacement (MLR) Rider to fund the costs associated with the implementation of a systematic replacement of bare steel pipe in the Company's distribution pipeline system.

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9. **Main Line Replacement (Rider MLR)**

APPLICABILITY

To all residential, commercial, industrial, and transportation customers under the Company's General Service Residential Rate (Rate - GSR), General Service Commercial Rate (Rate - GSC), Industrial Service (Rate - IS, and Transportation Service (Rate - TS).

DESCRIPTION

An additional charge to fund the costs associated with the implementation of a systematic replacement of bare steel pipe in the Company's distribution pipeline system.

RATE

A fixed charge of \$3.13 per account per month.

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