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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Spelman Pipeline Holdings, LLC for)
Commission Authorization to Become a)
Pipeline Company and for Approval of)
Tariffs)

Case No. 11-4444-PL-ATA

APPLICATION

Spelman Pipeline Holdings, LLC ("Spelman" or "Applicant") by and through counsel, respectfully submits this Application pursuant to Ohio Revised Code Sections 4905.02, 4905.03(A)(7) and 4905.30 for authority to operate as an intrastate pipeline company in the State of Ohio. In support of this Application, Spelman states as follows:

1. Spelman is a Limited Liability Company organized in Ohio, Entity No. 2009003 with its principal offices in Mentor, Ohio. Spelman is a wholly-owned subsidiary of Gas Natural, Inc., a holding company and parent of natural gas public utilities in Montana, Wyoming, Maine, North Carolina, Pennsylvania and Ohio. These include Brainard Gas Corporation, Northeast Ohio Natural Gas Corporation and Orwell Natural Gas Company.
2. On April 8, 2011, Applicant acquired from Marathon Petroleum Company pipelines and related assets formerly utilized for the shipment of petroleum products in Ohio and Kentucky. In Ohio, these assets include more than 142 miles of pipeline from Marion to Youngstown, a pipeline segment from Clinton to the Cleveland metropolitan area and 15 acres of associated land and building. A map depicting the location of the acquired pipeline facilities is attached as Exhibit

A.

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3. Applicant is in the process of rehabilitating the pipeline segment from Marion to Youngstown, including the clearing of right of way, replacement of valves, pigging and pressure testing and performance of required surveys and preparation of an Integrity Management Plan. Applicant also is activating the Marion to Mansfield segment, including betterment and/or relocation of existing steel pipeline. Because these facilities have not previously been utilized for natural gas, there are no existing receipt points or delivery points. Applicant is engaged in negotiations with interstate and intrastate pipelines for the establishment of such points and will supplement its Application when those arrangements are finalized.
4. Spelman has the requisite technical, financial and managerial capability needed to operate this type of transmission system. See attached Exhibit B. Spelman seeks Commission approval to become a pipeline company which will operate, maintain and transport natural gas through such pipeline system to natural gas retail suppliers, local distribution customers and all other customers on a nondiscriminatory, open-access basis.
5. In support of this Application, Applicant is providing the Commission with the following exhibits:
 - Exhibit A: Pipeline Map
 - Exhibit B: Summary of Technical and Managerial Background
 - Exhibit C: Pro Forma Financial Statement
 - Exhibit D: Proposed Tariff

WHEREFORE, Spelman Pipeline Holdings, LLC respectfully requests that the

Commission grant its approval for this Application, its proposed tariff and any other relief that the Commission deems appropriate.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Andrew J. Sonderman", written over a horizontal line.

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EXHIBIT A

PIPELINE MAP

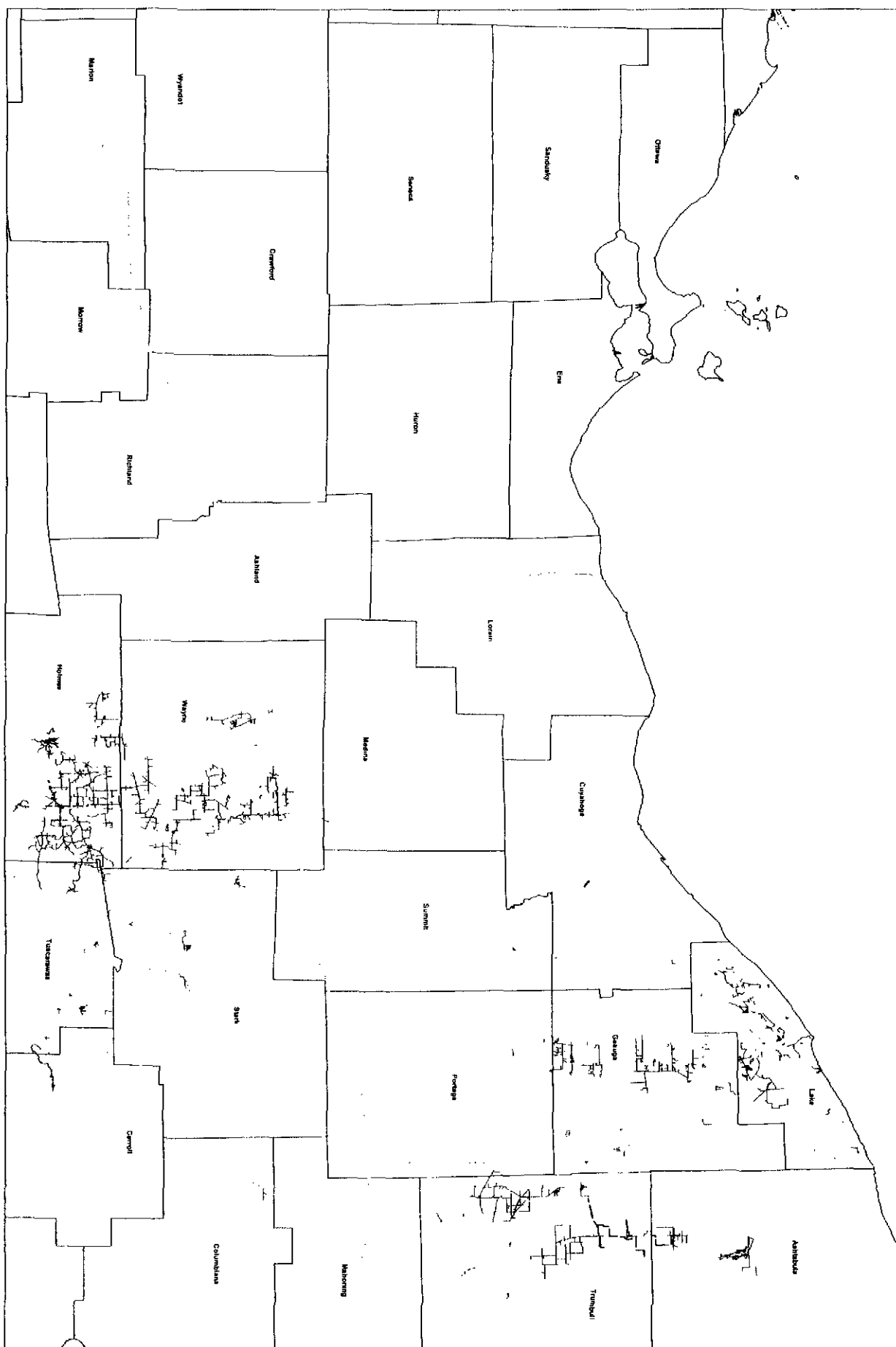


EXHIBIT B

**TECHNICAL AND MANAGERIAL EXPERIENCE OF KEY
PERSONNEL**

Martin K. Whelan, President

Currently Vice President of Operations of Northeast Ohio Natural Gas Corporation, Mr. Whelan is responsible for all aspects of the day to day operations of the company including pipeline construction, pipeline maintenance, pipeline safety, and metering. He has been directly involved with the construction, maintenance and operation of the natural gas distribution systems of Northeast Ohio and Orwell Natural Gas. He joined Orwell Natural Gas in September of 2002 as a Project Manager in charge of pipeline construction, subsequently earning the title of Operations Manager. In January 2004, he joined Northeast Ohio as its Vice President and Chief Operating Officer. He has participated in various natural gas industry seminars and classes related to the distribution of Natural Gas.

Prior to his employment with Orwell Natural Gas and Northeast Ohio, Mr. Whelan gained fifteen years of experience in Heavy Highway Construction, with an emphasis on the installation of underground utilities including sanitary sewers, storm sewers, electric, water lines and natural gas lines.

Mr. Whelan retains the role of Vice President of Operations at Northeast Ohio responsible for all aspects of the day to day operations of the company including pipeline construction, pipeline maintenance, pipeline safety, and measurement.

Spelman Pipeline will employ operations, maintenance and construction personnel with all required certifications and operator qualifications for their assigned

duties. Office personnel sited in Mentor, Ohio will provide bookkeeping services, customer service and related clerical support.

EXHIBIT C

PRO FORMA FINANCIAL STATEMENT

**Spelman Pipeline Holdings, LLC
Proforma Income Statement
For the Year Ended December 31**

**Spelman Pipeline Holdings, LLC
Proforma Financial Statements
Assumptions Summary**

**Spelman Pipeline Holdings, LLC
Proforma Balance Sheet**

EXHIBIT D
PROPOSED TARIFF

RULES AND REGULATIONS GOVERNING THE TRANSPORTATION OF NATURAL GAS IN THE STATE OF OHIO

GAS TRANSPORTATION SERVICES

<u>Section</u>	<u>Sheet No.</u>
1. Definitions	1-4
2. Applicability	4
3. Term	4
4. Types of Service and Capacity	4-5
5. Delivery and Transportation	6
6. Shrinkage	6
7. Transportation Rate	7
8. Processing and Compression	7
9. Imbalances	7-8
10. Title To Gas	8
11. Operational Flow Orders	8-9
12. Measurement and Quality	9
13. Billing and Payment	10-11
14. Service to Grandfathered Transport Customers	11
15. General Terms and Conditions	11-13
Form of Transportation Service Agreement	Appendix A
Transportation Guidelines	Appendix B

Filed pursuant to PUCO Finding and Order dated _____, 2011 in Case No. 11-____-GA-ATA

Issued: August ____, 2011

Effective: August ____, 2011

Issued by
Spelman Pipeline Holdings, LLC
Martin K. Whelan, President

**RULES AND REGULATIONS GOVERNING THE TRANSPORTATION
OF NATURAL GAS IN THE STATE OF OHIO****GAS TRANSPORTATION SERVICE****1. Definitions.**

As used herein in conjunction with transportation service, the following terms shall have the meanings indicated below:

- A. "Btu" shall mean the British thermal unit as defined by international standards.
- B. "Business Day" shall mean any weekday, excluding federal banking holidays.
- C. "Cash-out Price" shall mean the standard by which prices are determined for cash-outs, imbalances, and any other penalties. The price shall be determined as follows:

UNDERDELIVERIES- the price for the last day of the month (for the month in which the "cash-out" occurred) for the "Mid-point Price" published in Gas Daily for "Dominion, South Point," plus Dominion's 100 percent load factor transportation rate plus Dominion's applicable shrinkage.

OVERDELIVERIES- the price for the last day of the month (for the month in which the "cash-out" occurred) for the "Mid-point Price" published in Gas Daily for "Chicago City-gates," plus the 100 percent load factor transportation rate on Crossroads Pipeline plus Crossroad's applicable shrinkage.
- D. "Central Clock Time" (CT.) shall mean Central Standard Time adjusted for Daylight Savings Time.
- E. "Company" means Spelman Pipeline Holdings, LLC its successors and assigns.
- F. "Customer" means any individual, governmental, public utility or other corporate entity taking transportation service for non-residential service hereunder.
- G. "Dekatherm" or "Dth" means the Company's billing unit measured by its thermal value. A dekatherm is 1,000,000 Btus. Dekatherm shall be the standard unit for purposes of nominations, scheduling, invoicing, and balancing.
- H. "Delivery Point(s)" shall mean the specific measurement location(s) listed on the Service Agreement at which the Company delivers Customer-owned gas to Customer and Customer receives such gas from the Company.
- I. "Delivery Volume" shall mean the volume of Gas actually nominated and confirmed at the Delivery Point(s) by or on behalf of the Customer.
- J. "Firm" shall mean that each Dth the Customer nominates and the Company confirms at the Receipt Point(s), within the Customer's MDQ, will be delivered to the Customer's Delivery Point(s) minus the Company's Shrinkage without interruption except under Force Majeure conditions or an energy emergency declared by the Commission.

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- K. "Gas" shall mean natural gas of interstate pipeline quality.
- L. "Gas Day" or "Day" shall mean a period of 24 consecutive hours, beginning at 9:00 a.m. Central Clock Time, as adjusted for Daylight Savings Time, and the date of the Day shall be that of its beginning.
- M. "Heating Value" shall mean the gross heating value on a dry basis, which is the number of British thermal units produced by the complete combustion at constant pressure of the amount of dry gas (gas containing no water vapor) that would occupy a volume of one Cubic Foot at 14.73 psia and 60° F with combustion air at the same temperature and pressure as the gas, the products of combustion being cooled to the initial temperature of the gas and air, and the water formed by combustion condensed to the liquid state.
- N. "Imbalance" shall mean the daily difference between the Dths tendered by or for the Customer's account at the Receipt Point(s) minus the Company's Shrinkage and the confirmed nomination volumes allocated to the Customer at the Delivery Point(s).
- O. "Interruptible" shall mean that each Dth the Customer nominates and the Company confirms at the Receipt Point(s), in excess of the Customer's MDQ, will be delivered to the Customer's Delivery Point(s) less the Company's Shrinkage, if the Company, using reasonable judgment, determines that capacity exists after all the Firm transport needs are accounted for to permit redelivery of tendered gas.
- P. "Maximum Daily Quantity (or "MDQ)" shall mean the maximum daily natural gas quantity measured in Dth which the Customer shall be entitled to nominate during any 24-hour period. The Customer's MDQ shall be negotiated between the Customer and the Company and incorporated into the Customer's Service Agreement with the Company.
- Q. "Month" shall mean a calendar month beginning at 9:00 a.m. Central clock time on the first day of the calendar month and ending at 9:00 a.m. Central clock time the first day of the following calendar month.
- R. "Nomination" shall mean the confirmed Quantity of Gas which the Customer shall arrange to have tendered to the Receipt Point(s) for redelivery by the Company to the Delivery Point(s). The Nomination shall include sufficient gas to account for the Company's Shrinkage.
- S. "Operational Flow Order" or "OFO" shall mean a declaration made by the Company that conditions are such that the Company can only safely transport an amount of Gas during a calendar day equal to the amount of Gas which the Customer will actually deliver at the Receipt Point(s) on that calendar day. The Company shall only declare an Operational Flow Order if an upstream pipeline declares an operational flow order or otherwise restricts the flow of Gas which normally would be delivered to the Company at the Receipt Point(s).
- T. "Overrun" shall mean any volume of Gas actually transported to the Delivery Point(s) which, as measured on a daily basis, exceeds the MDQ established by the Service Agreement,

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- U. "PUCO" or "Commission" means the Public Utilities Commission of Ohio, or any successor governmental authority.
- V. "Quantity of Gas" shall mean the number of units of gas expressed in Dth unless otherwise specified.
- W. "Processing" shall mean the stripping or extraction of moisture, helium, natural gasoline, butane, propane, and/or other hydrocarbons (except methane) from natural gas tendered by Customer at the Receipt Point(s).
- X. "Receipt Point(s)" shall mean those measurement locations where Customer-owned gas enters the Company's system.
- Y. "Service Agreement" shall mean an individual contract that each Customer shall sign with the Company prior to commencement of Transportation Service that identifies the Receipt Point(s) and Delivery Point(s) and stipulates the type and terms of service to be provided by the Company.
- Z. "Shrinkage" shall mean the quantity of Gas required by the Company to replace the estimated quantity of Gas, which is required for compressor fuel, processing fuel, and lost-or-unaccounted-for Gas when transporting and/or processing the tendered quantities. These percentages shall be set forth in Customer's Service Agreement(s), and each calendar year beginning after the calendar year in which the Service Agreement was executed may be adjusted effective January 1 by the Company to reflect its operating experience.
- AA. "Short Term Firm Service" shall mean available transportation service on a firm basis for a time period of 31 days or less.
- BB. "Spelman Pipeline Holdings, LLC System" or "Spelman System" shall mean all natural gas pipelines operated by the Company, or any expansion, additions to, or replacement of these pipelines
- CC. "Transportation Service" shall mean the type of service offered to Customers to move natural gas from Receipt Point(s) to Delivery Point(s) via the Spelman System. Transportation Service may be Firm Short Term Firm or Interruptible.
- DD. "Written Notice" shall mean a legible communication received by the intended recipient of the communication by United States mail, express courier, or confirmed facsimile. Written Notice may also be provided by Email, but shall not be effective until such time as (a) the Email is acknowledged by the intended recipient; (b) or a copy of such Email is received by the intended recipient by US mail, express courier, or facsimile.

2. Applicability

Transportation service pursuant to this Tariff is available to industrial, commercial, governmental, public utility or other corporate entity Customers who execute a Service Agreement with the Company in the form shown in Appendix A, demonstrate that they have the ability to tender natural gas to the Receipt Point(s), and have made suitable arrangements for such tendered volumes to be received at the Delivery Point(s) called for in the Service Agreement.

3. Term

Customers that elect to request service will be required to execute a written Service Agreement prior to the commencement of any service. Unless otherwise agreed, Service Agreements subject to rates established in Section 7 of this Tariff shall provide for a primary term of one (1) year, continuing thereafter on a month-to-month basis subject to cancellation by the Company or the Customer on 30 days' written notice or as otherwise agreed by Company.

In keeping with the Commission's current policy, service contracts filed for the Commission's approval as special arrangements under Section 4905.31, Ohio Revised Code shall go into effect upon filing. The term of Service Agreements for special arrangements, unless otherwise stated in the Service Agreement, shall commence upon filing for approval of the Commission by the Company.

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**RULES AND REGULATIONS GOVERNING THE TRANSPORTATION
OF NATURAL GAS IN THE STATE OF OHIO****4. Types of Service and Capacity**

Transportation Service. The Company shall offer Firm Transportation service if the Company using good industry practice believes it has sufficient pipeline capacity available after accounting for the projected demand of the existing Firm service load. The Company shall offer Interruptible Transportation service to all Customers who request such service, meet the tariff standards and execute a Service Agreement.

Where the Company has agreed to provide a Customer with Firm Transportation service, the Service Agreements shall specify the Company's pipeline capacity allocated to and reserved on behalf of the Customer for redelivery of the Customer's supply in terms of the MDQ that can be tendered to the Receipt Point(s) on a daily basis, and the maximum amount which can be transported to a particular Delivery Point. A Customer may have several Delivery Points, but the aggregate of the daily Firm accessible Delivery Points must equal or exceed the Receipt Point(s) MDQ, adjusted for Shrinkage.

The Company shall have no obligation to accept any Nomination in excess of the Customer's MDQ. If requested by the Customer, the Company may accept a nomination and subsequent tender of an amount in excess of the Customer's MDQ if the Company reasonably believes it can physically accommodate the request.

5. Delivery and Transportation

The Customer shall arrange with its Gas suppliers to have Gas tendered to the Receipt Point(s) for redelivery to the Delivery Point(s) in a volume designed to match the Customer's nomination at the Delivery Point(s) plus Shrinkage for each Day in an amount not to exceed the Customer's MDQ. The Company shall then redeliver, on a firm basis, such quantities, less the Company's Shrinkage, to the Customer at the Delivery Point(s) as specified in the Customer's Service Agreement. Service under the Service Agreement(s) shall be governed by: 1) this Tariff; 2) the Service Agreements and 3) the rules and orders of the Commission.

For planning purposes, the Customer shall provide Written Notice, at least three (3) business days prior to the start of each calendar Month, to the Company of the amount of Gas it forecasts to transport during the upcoming Month.

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OF NATURAL GAS IN THE STATE OF OHIO**

The Customer shall submit its Nomination to the Company by no later than 11:30 am Central Clock Time for Gas flow the following day. This Nomination should correspond to scheduled deliveries the Customer makes on the upstream interstate pipeline and downstream local gas distribution and/or interstate pipeline company operating the applicable Delivery Point(s). Should the Customer desire to modify its Nomination either on the current Day or after the Nomination deadline for Gas flow the following day, the Company shall make every attempt to accommodate the Customer's request provided the Company can confirm such quantities with the upstream pipeline at the Receipt Point(s) and downstream entity at the Delivery Point(s).

After the Customer tenders gas or causes gas to be tendered to the Company at the Receipt Point(s) specified in the Service Agreement, the Company shall be deemed to be in control and possession of the gas until thermally equivalent quantities (less Shrinkage) are redelivered to the Customer or for the account of the Customer at the Delivery Point(s). The Customer shall have no responsibility with respect to any gas deliverable by the Company or on account of anything, which may be, done, happen, or arise with respect to such gas until the Company redelivers such gas to the Customer or for the account of the Customer. The Company shall have no responsibility with respect to such gas before the Customer tenders or causes such gas to be tendered to the Company or after the Company redelivers such gas to the Customer or for the account of the Customer, or on account of anything which may be done, happen, or arise with respect to such gas before such delivery or after such redelivery.

The Company has the capability of determining in advance if short-term firm capacity will exist on its system for specified future dates, and the technical ability to make short-term arrangements. An existing shipper or a member of the general public may request short term firm transportation service. Such service will be available on a non-discriminatory basis. The Company will post its available firm capacity on a daily basis up to one month in advance on its internet website. The Company will make its short-term firm capacity available at a posted price that reflects market prices, but does not exceed three times the highest authorized special arrangement rate that has been approved by the Commission. To make full use of available short-term firm capacity, the Company may accept less than the posted price to avoid the capacity otherwise being underutilized. If the short term firm capacity is over-subscribed at the posted price, it will be awarded in the order in which bids nominations were received on a first-come, first-served basis.

Customers who have currently effective Service Agreements or who have pre-qualified must contact the Company and nominate the desired short term firm capacity for the dates requested. If short term firm capacity is available, the Company and the Customer will execute a Service Agreement or if a currently effective Service Agreement for short term capacity is in place, the Company will confirm the transaction by sending a written confirmation to the Customer.

The Company will offer interruptible service using unutilized transportation after both the Firm and Short Term Firm requirements have been met.

6. Shrinkage

Unless otherwise agreed, the Customer shall have the right to retain, pursuant to this Tariff, 100% of the gas delivered to the Receipt Point(s), less the Shrinkage.

7. Transportation Rate**FIRM TRANSPORTATION SERVICE:**

Demand Charge (fixed charge paid regardless of volumes transported):	$\$.50 \times \text{MDQ} \times \text{number of days in the month}$
Commodity Charge (paid only on quantity transported):	$\$.10 \text{ per Dth}$
Unauthorized Daily Overrun Charge:	$\$.50 \text{ per Dth}$

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**RULES AND REGULATIONS GOVERNING THE TRANSPORTATION
OF NATURAL GAS IN THE STATE OF OHIO****INTERRUPTIBLE TRANSPORTATION SERVICE:**

Commodity Charge (paid only on
quantity transported): \$.95 per Dth

OPTIONAL ELECTRONIC MEASUREMENT SERVICE

For each Delivery Point electronically measured: \$125 per month

Customers who elect this service must provide and pay for a dedicated telephone line and the necessary power to operate such electronic measurement and telemetering equipment. The meter, electronic measurement device and associated telemetering equipment shall be and remain the property of the Company. The Company will install and maintain the electronic measurement and telemetering equipment.

Customers who elect this optional service shall agree to continue it for a minimum period of thirty six (36) months or until the Delivery Point is no longer in use for transportation service from Company, whichever first occurs.

The Company, at its sole discretion, may offer services at rates that are downwardly flexible from the maximum rates in Sections 7. The rate may be flexed between the upper bound of the basic 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 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.

The Company may also enter into and submit for Commission approval Special Arrangements with Customers pursuant to Section 4905.31, Ohio Revised Code and in compliance with its provisions.

TAXES

Unless excluded from taxable gross receipts by Ohio Revised Code Section 5727.33(B) or any subsequent amendment or modification to or substitution for that section, the Company will collect the statutory gross receipts tax on all revenues invoiced for service rendered hereunder.

8. Imbalances

The following shall apply unless otherwise agreed to by the Company and Customer in the executed Service Agreement:

Customer shall be entitled to take, at the Delivery Point(s) on a daily basis the tendered quantity at the Receipt Point(s) minus the Shrinkage. The Service Agreement shall set out the time period in which the volumes tendered minus the Shrinkage will be balanced against the volumes take at the Delivery Point(s). When the amount of natural gas tendered at the Receipt Point(s) minus the Shrinkage exceeds the amount redelivered to the Delivery Point(s) for the period of time listed in the Service Agreement for balancing, then the Company may at its option elect to carry over the surplus for subsequent redelivery at a specified time, or cash-out the imbalance by paying the Customer the Cash-out Price for each Dth minus a percentage penalty as determined from the chart below for the surplus amount. If the amount of natural gas tendered to the Receipt Point(s) minus the Shrinkage for the period of time listed in the Service Agreement for balancing is less than the amount of natural gas taken by the Customer at the Delivery Point(s), then the Company may at its option elect to carry over the deficiency or require that the Customer be cashed out by paying the Company the Cash-out Price for each Dth plus a percentage penalty as determined from the chart below for the amount the Customer has overtaken.

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**RULES AND REGULATIONS GOVERNING THE TRANSPORTATION
OF NATURAL GAS IN THE STATE OF OHIO****Percentage
Imbalance Penalty****Penalty**

0-10%:

No penalty for cash-Outs

10-20%:

Ten Percent (10%) penalty fee on all Dth cashed-out

More than 20%:

Twenty Percent (20%) penalty fee on all Dth cashed-out

9 Title to Gas.

Any Customer taking natural gas transportation service pursuant to this schedule warrants that it has title to the gas delivered to Company free and clear of all claims, liens and encumbrances, and covenants and agrees to indemnify and hold harmless Company from all suits, actions, debts, accounts, damages, costs, losses, liens, judgments, orders, attorneys fees, expenses and liabilities arising from or attributable to the adverse claims of any and all other persons or parties to such gas.

The Customer and the Company each assume full responsibility and liability for the maintenance and operation of their respective facilities, equipment and real and personal property and each party shall indemnify and save harmless the other party from all liability and expense on account of any and all damage, claims or actions, including injury to and death of persons, arising from any act or accident in connection with the installation, presence, maintenance and operation of the facilities, equipment and real and personal property of the indemnifying party; provided however, that neither party agrees to indemnify the other party for the negligence or intentional misconduct of the other party, its agents, servants or employees.

10. Operational Flow Orders

In the event any one of the following occur: 1) any Upstream Interstate Pipeline supplying the Company declares a Force Majeure event or an operational flow order; 2) the Commission or the Governor declare an energy emergency; or 3) if weather and usage conditions create a situation in which the Company reasonably believes that it cannot accommodate an imbalance from the Customer, the Company may issue an Operational Flow Order. During an Operational Flow Order the Customer may only tender and receive those volumes which the Company believes the Customer can actually both tender to the Receipt Point(s) and receive at the Delivery Point(s) on a daily basis. The Company will use its best efforts to avoid an Operational Flow Order if reasonably possible, and maintain the Operational Flow Order for as limited a period of time as is reasonably possible.

11. Measurement and Quality

Billings for all receipts and deliveries hereunder shall be made on a thermal basis in Dth. In converting thermal units to Mcf, Company shall have the right to rely upon the heat content calculation employed by the interstate pipeline or intrastate pipeline, if any, tendering volumes on Customer's behalf at the Receipt Point(s), or in the event Customer is injecting natural gas directly into Company's system at a Receipt Point interconnecting with a local production well or a gathering system, then the heat content calculation shall be based on testing of samples of gas taken at the receipt point not less frequently than annually. Customer shall be responsible to pay the cost of such testing.

The gas made available to Company by Customer for redelivery shall be of quality equal to or better than the quality specifications of the upstream pipeline interconnect with the Receipt Point(s). The Gas delivered by the Company to the Customer at the Delivery Point(s) shall be odorized with mercaptan, shall be of interstate pipeline quality and shall, at a minimum, be commercially free from oil, water, air, salt, dust, gum, gum-forming constituents, harmful or noxious vapors, or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment at the Delivery Points or downstream of the Delivery Points.

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The Gas shall not contain in excess of:

- a. Seven (7) pounds of water per million cubic feet of gas;
- b. Four percent (4%) by volume of a combined total to carbon dioxide and nitrogen components; provided, however, that the total carbon dioxide content shall not exceed one and twenty-five one hundredths percent (1.25%) by volume;
- c. Twenty five hundredths (0.25) grains of hydrogen sulfide per one hundred (100) feet of gas; and
- d. Ten (10) grains of total sulfur per one hundred (100) cubic feet of gas.

The gas delivered shall have a total heating value of not less than 1,000 BTU per standard cubic foot, and shall have a utilization factor of one thousand, three hundred (1,300) plus or minus six percent (6%). The utilization factor shall be calculated by dividing the BTU of the gas adjusted for moisture, divided by the square root of the specific gravity.

12. Billing and Payment.

On or before the tenth (10th) day of each calendar month, the Company shall render to the Customer a statement setting forth the total quantity of Gas nominated by the Customer and confirmed by the Company pursuant to this Tariff during the immediately preceding Month, the billing rate and the amount due. Billing statements shall be deemed as rendered when such statements are deposited by the Company with the U.S. Mail for first-class delivery, as evidenced by the postmark date; or deposited by the Company with an overnight courier service for delivery to the Customer; or sent via facsimile machine to the Customer; or hand-delivered to the Customer's street address.

Both the Customer and the Company have the right to examine, at reasonable times agreed to by both parties, any books, charts, records or other pertinent information of the other to the extent necessary to verify the accuracy of any charge, computation, and statement made pursuant to any of the provisions within this Tariff.

If it shall be found that at any time or times the Customer has been overcharged or undercharged in any form whatsoever under this Section and the Customer has actually paid the bills containing such overcharge or undercharge, the Company shall refund the amount of any such overcharge or the Customer shall pay the amount of any such undercharge within thirty (30) days after final determination of such amounts. In the event an error is discovered in the amount billed in any statement rendered by the Company, such error shall be adjusted within thirty (30) days from the date of discovery of such error but in any event within six (6) months from the date of such statement with a three (3) month rebuttal period.

The Customer shall make payment to the Company for services purchased during the preceding month and billed pursuant to the provisions of this Tariff on or before the twenty-fifth (25th) day of the month, unless otherwise agreed to by the parties. Payment shall be made by wire transfer of Federal Funds at such bank account designated by the Company, except when such day of the month is a Saturday, Sunday or federal bank holiday, in which case payment is due on the following Business Day. All such payments shall be considered to have been made on the date when the Company has use of such funds.

If the rendering of the bill is delayed after the tenth (10th) day of the month following the month of actual delivery, then the time of payment shall be extended by the same number of days as the delay. If the Customer is responsible for the delay, the provisions of the previous paragraph remain as applicable.

If the Customer, in good faith, disputes the amount of any such invoice or any part thereof, the Customer will pay such amount as it concedes to be correct; provided, however, if the Customer disputes the amount due, it must provide supporting documentation acceptable in Industry practice to support the amount paid or disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

If the Customer fails to remit the full amount when due, the amount not paid by the due date shall be increased by 1.5 percent (1.5%) of the amount not timely paid each month.

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Spelman Pipeline Holdings, LLC
Martin K. Whelan, President

**RULES AND REGULATIONS GOVERNING THE TRANSPORTATION
OF NATURAL GAS IN THE STATE OF OHIO**

The Company reserves the right to review the Customer's credit worthiness at any time. Upon request, but not more than twice in any 12-month period, the Customer must provide current financial credit information. If the Customer's current financial or credit status will not support the level of service contracted for, the Company may request that the Customer post the appropriate amount of collateral. Collateral may be in the form of a prepayment, cash deposit, letter of credit, creditworthy parent guarantee or other security acceptable to the Company.

13. General Terms and Conditions.

- A. Services provided under this schedule are subject to all Federal, State of Ohio and local laws and to the orders, rules and regulations of any federal, State or local agencies having jurisdiction thereof.
- B. The Company, at its sole election, may terminate service under this schedule in the event Customer failed to cause its gas supply made available to Company at the Receipt Point(s) to match the gas supply consumed at the Delivery Point(s). The imbalance charges specified herein shall not be construed as Company's exclusive remedy in the event that Customer fails to fulfill its balancing obligations. In addition, nothing herein shall preclude Company from waiving an imbalance rate or charge provided Customer has undertaken reasonable efforts to eliminate the imbalance condition, the frequency and magnitude of the imbalance condition does not, in the Company's judgment, indicate Customer is utilizing the imbalance to obtain an economic advantage related to the cost of natural gas or transportation and related services or the imbalance condition does not disadvantage other customers or Company

If the Company believes that the Customer may be creating imbalances on the Company's system in order to obtain an economic advantage. It will notify the Customer and any involved marketer in writing of such belief and the Customer will have the opportunity to respond. If, within the sixty (60) day period following such notice, the Company concludes that the Customer has engaged in such imbalance activity, the Company may terminate Gas Transportation Service by giving the Customer and any involved marketer ten (10) days' notice prior to the end of the calendar month.

- C. With reasonable prior notice, Customer shall have the right to review the records of the Receipt Point(s) meter(s) and/or Delivery Point(s) meter(s), during normal business hours. Either Customer or Company may, at its election, have any or all of the Receipt Point(s) meter(s) and/or Delivery Point(s) meter(s) tested for accuracy and adjusted in accordance with good industry practice. If the meters test within 2% or better of accurate measurement, then the cost of the test shall be paid by Party requesting the test. If the meters are found to be inaccurate by more than 2%, the Party owning the meter shall pay for the test. No adjustment based upon meter inaccuracies shall be made for delivery charges or natural gas imbalances unless a meter tests inaccurate by more than 5%. Any such billing correction shall only be to the 2% error level for a period of time no longer than to the last meter testing or six months, whichever is less.
- D. No waiver by the Company or the Customer of one or more defaults by the other of the provisions of service under this schedule shall be construed as a waiver of any other or further default or defaults, whether of a like or a different character.
- E. The Company is also subject to the Commission's current Gas Transportation Guidelines which are incorporated by reference in this tariff.
- F. Except with regards to a Customer's obligation to make payment, neither Customer nor Company shall be liable to the other for failure to perform a Firm obligation to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension of the obligation.

Filed pursuant to PUCO Finding and Order dated _____, 2011 in Case No. 11-____-GA-ATA

Issued: August ____, 2011

Effective: August ____, 2011

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Force Majeure shall include, but shall not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, or explosions; (ii) breakage or accident or necessity of repairs or routine maintenance to machinery or equipment or lines of pipe; (iii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iv) interruption of firm transportation and/or storage by upstream interstate pipeline(s); (v) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (vi) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction. Customer and Company shall make reasonable efforts to avoid the adverse impacts of a Force Majeure event and to promptly resolve any such event once it has occurred in order to resume performance.

Neither Customer nor Company shall be entitled to the benefit of the provision of Force Majeure to the extent performance is affected by any or all of the following circumstances: (1) the curtailment of interruptible or secondary firm transportation unless primary, in-path, firm transportation is also curtailed; (ii) the party claiming Force Majeure failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship. The Customer or Company claiming Force Majeure shall not relieve either party from meeting all payment obligations.

Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be entirely within the sole discretion of the party experiencing such disturbances.

A party claiming Force Majeure must provide prompt notice to the other party. Initial notice may be given orally; however, written notification with reasonably full particulars of the event or occurrence claimed to constitute Force Majeure is required as soon as reasonably possible. Upon providing written notification of Force Majeure to the other party, the affected party will be relieved of its obligation to make or accept delivery of Gas, as applicable, to the extent and for the duration of the Force Majeure event, and neither party shall be deemed to have failed in such obligation to the other during such occurrences or event.

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