

NORTHEAST OHIO NATURAL GAS CORPORATION

A HEARTHSTONE UTILITIES, INC. COMPANY

Rules, Regulations and Rates Governing the Distribution and Transportation of Gas

Filed With The
Public Utilities Commission of Ohio

Communication Concerning
This Tariff Should Be Sent To:
Kevin Degenstein, President

Northeast Ohio Natural Gas Corp.
5640 Lancaster-Newark Road
Pleasantville, Ohio 43148

NORTHEAST OHIO NATURAL GAS CORP. THIRD REVISED SHEET NO. 1

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

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Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

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NORTHEAST OHIO NATURAL GAS CORP.

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**RULES, REGULATIONS AND RATES GOVERNING
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**RULES, REGULATIONS AND RATES GOVERNING
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SECTION I - SERVICE

1. AVAILABILITY. Available to the extent of Company's gas supply and Company's gas distribution facilities in all territories where the Company's distribution facilities are located, to Customers who contract for gas service under the terms and conditions stated herein, and subject to the Rules, Regulations and Rates filed by the Company from time-to-time with the Public Utilities Commission of Ohio, and any subsequent revision thereof, and to the lawful orders of regulatory authorities having jurisdiction.

2. APPLICATION FOR SERVICE. All applications for service shall be made through the local office of the Company or its authorized agents.

3. TURNING ON GAS. The Customer, after making proper application for service, shall notify the Company when the Customer is prepared to establish service. In no case shall the Customer or the Customer's agent or employee, unless authorized by the Company, turn on the gas at the curb or meter cock.

4. SERVICE NOT TRANSFERABLE. No person may commence the use of gas until after making application therefore. In the event of violation of this provision, in addition to other rights of the Company, such person shall be liable for all gas consumed in the premises from the date such person occupied the premise. Any successor in interest to a Customer, including without limitation, heirs, executors, administrators, assignees, trustees, guardians, receivers, and conservators, shall be deemed to be a person who must make application for service, provided that successors in interest whose rights arise from death or incompetence of the Customer shall have thirty (30) days in which to make application.

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Lawrence P. Haren, President

**RULES, REGULATIONS AND RATES GOVERNING
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5. CONTINUITY OF SERVICE. The Company will furnish necessary and adequate service and facilities in compliance with Section 4905.22 of the Ohio Revised Code. The Company shall make reasonable provision to supply gas in sufficient quantity and at adequate uniform pressure, but does not guarantee constant supply or adequate or uniform pressure. The Company shall not be liable in damages for failure to supply gas or for interruptions in service, and shall be relieved of its obligations to serve and may discontinue or modify service, if such failure or interruption is due to acts of God or the public enemy, military actions, wars, insurrections, riots, civil disturbances, vandalism, strikes, fires, floods, washouts, explosions, acts or orders of any civil, judicial or military authorities, failure of gas supply or gas facilities, and without limitation by the foregoing, accidents, contingencies or other causes beyond the control of the Company.

Without incurring any liability therefor, the Company may also suspend service after reasonable notice, for such period as may be reasonably necessary to make repairs to or changes in its plant, transmission or distribution systems or other property.

6. CHARACTER OF SERVICE. The Company's supply of natural gas is received from natural gas interstate pipelines and local Ohio gas wells. Thus, the heating value and specific gravity of gases received may vary between delivery points and from day-to-day, but at all times will meet the minimum heating value as required in Section 4933.06 of the Ohio Revised Code. These variations are beyond the control of the Company, which can only dispatch the gases received.

7. SERVICE NOT TO BE DISTURBED. No Customer shall attach or use any appliance which may result in the injection of air, water, or other foreign matter into the Company's lines and, without prior approval from the Company, no Customer shall attach or use any appliance which will increase or decrease the pressure in the Company's lines intermittently to such extent as to interfere with continuous service to other Customers.

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8. NO CUSTOMER SHALL SELL TO ANOTHER. The Customer shall not supply or sell gas for use in any location or by any person other than that specified in the application for service.

9. ACCESS TO PREMISES. The Company and its authorized employees shall have access at all reasonable times to its facilities and at all of the premises in which gas supplied by the Company is used or is to be used. The Customer shall, at reasonable request of the Company, trim all shrubs, trees, or bushes that may obstruct meter reading or maintenance functions that may be performed by the Company.

10. CUSTOMER'S RESPONSIBILITY. Customer assumes all responsibility for installation and repair of property owned by the Customer on Customer's side of the point of delivery, which will be the outlet side of the service line connection at the Company's line, as well as for the installation and appliances used in connection therewith, and will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on Customer's side of the point of delivery.

11. RIGHT-OF-WAY. Customer, without reimbursement, will make or procure conveyance to Company of right-of-way satisfactory to Company across the property owned or controlled by Customer for Company's distribution mains, extensions thereof, or appurtenances necessary or incidental to the supplying of service to Customer.

12. CHARGES AND PAYMENT FOR TEMPORARY SERVICE. In addition to regular payments for gas used, the Customer shall pay the cost for all material, labor, and other necessary expense incurred by the Company in supplying gas service to the Customer at Customer's request for any temporary purpose or use.

13. CUSTOMER INDEBTED TO COMPANY. Subject to the requirements of Chapter 4901:1-18, Ohio Administrative Code, service will not be supplied to any premises if at the time of application for service the applicant is indebted to Company for any service previously supplied at the same or other premises, until payment of such indebtedness or other arrangement satisfactory to the Company shall have been made; provided, however, that the company shall not deny service to a customer or applicant for service due to indebtedness to the company relating to a different class of service.

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**RULES, REGULATIONS AND RATES GOVERNING
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14. CUSTOMER SHALL SATISFACTORILY SECURE ACCOUNT. Subject to the requirements of Section 4933.17, Ohio Revised Code, and Chapter 4901:1-17, Ohio Administrative Code, Company may require a Customer to satisfactorily secure an account. In the event such security is required, the procedures with respect thereto shall be in accordance with orders of the Ohio Revised Code Section 4933.17, and Ohio Administrative Code Chapter 4901:1-17 and any subsequent amendments thereto, which sections are incorporated by reference herein. Copies of the statute and chapter shall be made available for inspection upon the request or inquiry of any Customer or applicant for service.

15. RIGHT TO SHUT OFF GAS. After reasonable notice, the Company shall have the right to discontinue service of any consumer for any of the following reasons or purposes:

- (A) Refusing access.
- (B) Non-payment of bills for gas or transportation, when due.
- (C) Failure to furnish or maintain required security deposit.
- (D) Non-use of gas or transportation service.
- (E) Substantiated cases of theft of service or fraudulent representation or practice.
- (F) Whenever deemed necessary by the Company for safety reasons.
- (G) Violation of any of these Rules and Regulations, and Application for Service, or the General Terms and Conditions applicable to any such Agreement.
- (H) Customer request.

Additionally, the Company shall have the right to disconnect and remove from the premises of any consumer the meter and any other property belonging to the Company for any of the following reasons or purposes:

- i) Non-payment of bills for gas or transportation, when due.
- ii) Non-use of gas or transportation service.
- iii) Substantiated cases of theft of service or fraudulent representation or practice.
- iv) Whenever deemed necessary by the Company for safety reasons.
- v) Customer request.

The Company shall follow the termination procedure for residential customers established in Ohio Administrative Code, Chapter 4901:1-18, and any subsequent revisions thereof, and to the lawful orders of regulatory authorities having jurisdiction, which section is incorporated here by reference. Copies of the Company's procedure and of the rule shall be

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made available for inspection upon the request or inquiry of any Customer or applicant for service.

Property Owner's/Agent's Disconnection Notice

If a customer who is a Property Owner or Agent thereof, requests disconnection of service when residential tenants reside at the premises, the Company shall provide a ten(10) day notice of the intended disconnection of service by mail to residential tenants or by posting such notice in conspicuous places on such premises. Information contained within such notice shall comply with Rule 4901:1-18-07 of the Ohio Administrative Code. Such Property Owner/Agent shall continue to be liable for all gas consumed during the ten(10) day notice period.

16. CHANGE OF ADDRESS OF CUSTOMER. When a Customer's address changes, the Customer must give notice thereof to the Company prior to the date of change. The Customer is responsible for all service supplied to the vacated premise until such notice has been received and the Company has had a reasonable time, but not less than three (3) business days, to discontinue service.

17. INFORMATION RELATIVE TO SERVICE. Information relative to the service that will be supplied at a given location should be obtained from Company. Information given orally or over the telephone shall be subject to confirmation by these Rules and Regulations and the written communications of the Company. A full and complete copy of the Company's tariff covering rate charges for service and terms and conditions of service is available for public inspection at each of the Company's business offices during normal business hours. The Company shall comply with the tariff disclosure requirements established by the Public Utilities Commission of Ohio and set forth in Rule 4901:1-1-03 of the Ohio Administrative Code, as amended from time to time.

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**RULES, REGULATIONS AND RATES GOVERNING
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SECTION II - METERING AND BILLING

18. QUANTITY OF GAS DELIVERED BY METER. Gas will be measured by a meter installed by the Company, which shall be and remain the property of the Company. Subject to certain exceptions, enumerated below, consumption shall be determined on the basis of the meter registration and bills shall reflect the consumption so registered. Any mistake in reading the registration, however, shall not affect the liability for gas consumed as determined by a corrected reading of the registration.

- (A) **Unit of Measurement.** The unit of measurement shall be that quantity of gas which will occupy one (1) cubic foot at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute (thirty inches (30") of mercury), a temperature base of sixty (60°) degrees Fahrenheit (five hundred twenty (520°) degrees absolute), and without adjustment for water vapor content. To determine the volume of gas delivered, volumetric calculations shall follow the recommendations of the latest edition of the American Gas Association (A.G.A) Report No. 3, No. 7, or Section 2.1 of the A.G.A. Gas Measurement Manual for orifice, turbine, or positive displacement meters, respectively.
- (B) **Non-Metered Service.** Without prejudice to its providing metered service, where warranted, the Company may provide gas light service on a non-metered basis, using for billing purposes the approximate average consumption of such appliance at the Company's current applicable rate.
- (C) **Estimated Bill.** When the meter is not read, the Company may estimate the quantity of gas consumed and render a bill for such quantity.
- (D) **Correct Meter.** A meter registering between three percent (3%) fast and three percent (3%) slow shall be deemed for all purposes to be registering correctly. A meter registering incorrectly shall be replaced or recalibrated by the Company at its expense.

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**RULES, REGULATIONS AND RATES GOVERNING
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- (E) **Incorrect Meter Readings.** During any period that incorrect registration can be established, the meter readings and bills based thereon shall be adjusted by the Company on the basis of all available information concerning the use of gas by the Customer. If, as the result of such adjustment, overpayments or underpayments are shown to have occurred, the Company shall reimburse the Customer in the amount of such overpayment; and subject to the requirements of Section 4933.28, Ohio Revised Code, the Customer shall pay the Company the amount of such underpayments. The Company shall continue to supply gas to the Customer, and the Customer shall continue to pay the amounts billed pending the adjustment.
- (F) **Meter Test.** The Company shall test the meter, at the reasonable request of the Customer, and, if Customer so desires, in Customer's presence. If the meter is found to be correct, as above defined, the Customer shall pay the fee, as set forth in Part 69(F), and provided by Section 4933.09 of the Ohio Revised Code, associated with the expense of removing it for the purpose of being tested. However, as reflected in Sheet 56, for the first such test in any 36-month period, residential customers shall not be assessed this charge. The date of inspection and test results shall be recorded and retained by the Company for a minimum of one year in accordance with its operating procedures.

18. **BACKBILLING.** The Company's policy of backbilling shall comply with the orders of the Public Utilities Commission of Ohio and Section 4933.28 of the Ohio Revised Code, as amended from time to time.

20. METER READING AND BILLING PERIODS.

- (A) **Meter Reading.** Meters are ordinarily read at monthly intervals by the Company or its Agent. At a minimum, the Company or its Agent shall make reasonable attempts to obtain actual readings of its customer meters every other month, except where the customer and the Company have agreed to other arrangements; provided however, that the Company shall read each Customer's meter at least once every twelve months. Any arrangements made with a customer in regards to obtaining an actual reading shall be made by phone or mailed notice. Meter readings taken by electronic means (i.e., automated meter reading equipment) shall be considered actual readings. When billing customers based on estimated usage, the company shall calculate the amount due using the applicable rates(s) in effect during each period of estimated usage.

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Thomas J. Smith, President

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

- (B) **Billing Period.** Bills are ordinarily rendered at regular monthly intervals. Non-receipt of bills by Customer does not release Customer from the obligation to pay amounts due and owing, or diminish the obligation of Customer with respect to payment thereof.
- (C) **Initial and Final Reads.** When service is terminated for any reason, the Company will render a final bill addressed to the customer's forwarding address, if known, or to the last known address, for the entire balance of the account, including a bill calculation from the last reading date to the requested final bill date. Customer may require that the Company attempt to obtain an actual final meter reading. However, with customer approval, the Company may estimate the reading for the final bill date, or allow the customer to provide the final meter read, subject to the Company's review for reasonableness, and if necessary actual reading.

When the customer begins use of service, an initial bill is normally rendered for the period from the initial date of service to the first regular meter reading date, this period normally being less than one month, except no bill is rendered if the period is less than eight (8) days. However, customer's usage for that unbilled period will be included, and billed, in the next month's bill. The Company may estimate the reading for the initial date of service. However, upon customer's request, the Company will attempt to obtain an actual reading for the initial date of service or allow the customer to provide the initial meter read.

21. PAYMENT OF BILLS. Bills shall be paid by the Customer at any office of the Company during its regular business hours or to any one of the Company's authorized collecting agents during the regular office hours of such agent. Payment made to an authorized collecting agent shall be deemed payment made at the Company office. Any remittance received by the Company by first class mail bearing U.S. Postal Office cancellation date corresponding with or previous to the last date of the net payment period will be accepted by the Company as within the net payment period.

22. AREA RATES. Billing of charges based on monthly consumption and service are determined by the customer's area of service. Customers in areas formerly served by Brainard Gas Corporation, Orwell Natural Gas Corporation and Northeast Ohio Gas Corporation will be served under the Area Rates listed herein. Area Rates for Brainard are

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**RULES, REGULATIONS AND RATES GOVERNING
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shown in Part 74 beginning on Sheet 58. Area Rates for Orwell are shown in Part 75 beginning on Sheet 60.

23. BILL FORMAT AND BILLING PROCEDURE. The Company's policy on bill format and billing procedure shall comply with rule 4901:1-18-10 of the Ohio Administrative Code, orders of the Public Utilities Commission of Ohio, and Section 4905.30 of the Ohio Revised Code, as amended from time to time.

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**RULES, REGULATIONS AND RATES GOVERNING
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SECTION III - PHYSICAL PROPERTY

24. SERVICE LINES. The term "service line" is used to designate the complete line between the Company's main line and the inlet meter connection at Customer's location. It consists of two distinct parts, (a) the Company service line, and (b) the Customer service line.

(A) **Company Service Line.** The Company service line consists of the complete line from the Company's main line up to and including the connection at the Customer service line, which is generally at the property or lot line.

(B) **Customer Service Line.** The Customer service line consists of the complete line from the Company service line connection up to and including the inlet riser at the meter location. The Customer's service line shall be installed at the Customer's expense, and remain the property of the Customer. The Company shall have the right to prescribe the specifications, size, location, and termination points of the Customer's service line. The Customer shall remain liable for maintenance of (except for maintenance and inspections performed by the Company as required under 49 C.F.R. Part 192), for imperfections in or for damage, injury or loss resulting, directly or indirectly, from the leak of gas relating to Customer's service line.

25. PRESSURE REGULATORS. Where service is provided to Customer at or below 1/2 psig at the outlet side of the pressure regulator, Company shall furnish the necessary pressure regulator or regulators, which regulator or regulators shall remain the property of Company.

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**RULES, REGULATIONS AND RATES GOVERNING
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Where service is provided to Customer above 1/2 psig at the outlet side of the pressure regulator, Company shall provide and install a suitable regulator or regulators for reducing the pressure to satisfy the inlet pressure requirement of the Customer. The regulator or regulators shall be the property of the Company. The allocation of the expense of said regulation equipment shall be determined in a manner mutually agreeable to Company and Customer.

If it is necessary, the Customer shall install and maintain, at Customer's expense, substantial housing or other protection (such as fencing or corner post) acceptable to the Company in size and design for the regulator or regulators and the meter in order to protect them from vandalism and accidental damage.

If it becomes necessary to construct, operate, and maintain a heater on the inlet side of the regulator to maintain satisfactory operation of the regulator or regulators, the gas used in such heater shall be at the expense of the Customer and shall be taken from the outlet side of meter serving the Customer.

26. METER FURNISHED. The Company will furnish each Customer with a meter of such size and type as the Company may determine will adequately serve the Customer's requirements, and such meter shall be and remain the property of the Company, and the Company shall have the right to replace it as the Company may deem it necessary. The Company reserves the right to charge for any equipment and associated operating costs required by the Company to provide real time measurement, communication and control capability for the of natural gas, pursuant to the conditions set forth in Part 41(B).

27. METER LOCATION. The Company shall determine the location of the meter, which shall ordinarily be outside of any enclosed building and shall be accessible to the Company without the necessity of Customer presence or approval.

When changes in buildings, arrangements or improvements therein render the meter inaccessible or exposed to hazards, the Company may require the Customer, at the Customer's expense, to relocate the meter setting together with any portion of the Customer's service line necessary to accomplish such relocation.

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**RULES, REGULATIONS AND RATES GOVERNING
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28. ONLY COMPANY CAN CONNECT METER. The owner or Customer shall not permit anyone who is not an authorized agent of the Company to connect or disconnect the Company's meters, regulators or gauges or in any way alter or interfere with the Company's meters, regulators, or gauges.

29. CUSTOMER PIPING. The Customer shall install, own and maintain, at the Customer's expense, the Customer piping from the outlet of the meter to gas burning equipment.

30. APPLIANCES. The Customer shall install and maintain all gas-burning equipment at the Customer's expense. The Company shall have no obligation to install, maintain or repair appliances.

31. STANDARDS FOR CUSTOMER'S PROPERTY. The Customer's service line, Customer piping, fittings, valves, connections, equipment venting, and all associated equipment shall be installed with materials and workmanship which meet the reasonable requirements of the Company and shall be subject to inspection and test by the Company. The Company shall have no obligation to establish service until after such inspection and test demonstrates compliance with such requirements of the Company with respect to the facilities in place at the time of the test.

The first inspection and test at any premises, including both Customer service line and Customer piping, shall be without charge. In the case of leak, error, patent defect, or other unsatisfactory condition resulting in the disapproval of the line or piping by the Company, the necessary correction shall be made at the Customer's expense; and then the lines and piping will be inspected and tested again by the Company. Each additional inspection and test, when required after correction, shall be subject to a charge as set forth in Part 69(A).

32. DISCONTINUANCE OF SUPPLY ON NOTICE OF DEFECT IN CUSTOMER'S PROPERTY. If the Customer's service line, Customer's piping, or other Customer property (which is downstream of the meter) including pressure regulators, fittings, valves, connections, equipment, venting, and any other associated equipment on a Customer's premises are defective or in such condition as to constitute a hazard, the Company, upon reasonable notice to Customer of such defect or condition may discontinue the supply of gas to such Customer until such defect or condition has been rectified by the Customer in compliance with the reasonable requirements of the Company.

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Northeast Ohio Natural Gas Corp.
Lawrence P. Haren, President

NORTHEAST OHIO NATURAL GAS CORP. SECOND REVISED SHEET NO. 12

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

33. NO RESPONSIBILITY FOR MATERIAL OR WORKMANSHIP. The Company is not responsible for maintenance of (except for maintenance performed by the Company as required under 49 C.F.R. Part 192), or any imperfect material or defective or faulty workmanship in, the Customer's service line, Customer's piping, or other Customer property including pressure regulators, fittings, valves, connections, equipment, venting, and any other associated equipment and is not responsible for any loss or damage arising from inadequate or improper maintenance (except for maintenance performed by the Company as required under 49 C.F.R. Part 192), or from imperfect material or defective or faulty workmanship, unless the Company installs the Customer owned service line, at which time the Company would be responsible for imperfect material or defective or faulty workmanship.

34. INSPECTION OF ALTERED PIPING. It shall be the duty of the Customer to notify the Company promptly of any additions, changes, alterations, remodeling, or reconstruction affecting gas piping on the Customer's premises.

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**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

SECTION IV – DISTRIBUTION SERVICES

35. APPLICATION FOR DISTRIBUTION SERVICE. Before commencing service hereunder, Customer shall execute an Application for Distribution Service. The Application for Distribution Service shall set forth: (1) the point of delivery at which Company will supply gas to Customer's facility; and (2) the specific services and levels of such services for which customer has contracted.

The benefits and obligations of the Application for Distribution Service shall begin when Company commences to supply gas service. It shall inure to and be binding upon the successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, respectively, for the full term thereof. However, no service may be assigned or transferred without the written consent of or approval of the Company which shall not unreasonably be withheld.

36. SMALL GENERAL SERVICE (SGS).

(A) **Applicability.** Applicable to all territories served by Company from existing distribution lines of Company having sufficient capacity therefore, to Customers at one location. Company shall not be required to furnish gas service hereunder to any Customer or appliance except by written Application for Distribution Service by Customer to Company. Area Rates for Brainard and Orwell are shown in Part 74 and 75 respectively.

(B) **Availability.** Available to all Customers provided that Customer consumes less than 500 Mcf per year between August 1st and July 31st. Annual consumption for Customers served hereunder will be reviewed each July 31st.

(C) **General Sales Rate.**

All gas consumed per meter per month: \$ 2.49 per Mcf.

A 'Service Charge' of \$6.30 per meter per month will be charged, regardless of gas consumed.

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- (D) **Gas Cost Recovery.** In addition to the above rates, all gas consumed is subject to the Gas Cost Recovery Provisions of the Ohio Administrative Code Chapter 4901:1-14, and any subsequent amendments thereto, which section is incorporated herein by reference.
- (E) **MCF Tax Rider.** In addition to the above rates, all gas consumed is subject to an excise tax as set forth in Part 71.
- (F) **Gross Receipt Tax Rider.** In addition to the above rates, the Company will charge and collect each billing period the effect of the gross receipt taxes assessed against the Company. The current gross receipt tax rate is 4.75%; therefore the current gross receipt tax charged will be the effective rate of 4.9653%.
- (G) **Late Payment Charge.** A late payment charge will be levied in accordance with the provisions set forth in Part 69(D).
- (H) **Uncollectible Expense Rider.** In addition to the above rates, all gas consumed is subject to an uncollectible expense rider as set forth in Part 72.

37. GENERAL SERVICE (GS).

- (A) **Applicability.** Applicable to all territories served by Company from existing distribution lines of Company having sufficient capacity therefore, to Customers at one location. Company shall not be required to furnish gas service hereunder to any Customer or applicant except by written Application for Distribution Service by Customer to Company. Area Rates for Brainard and Orwell are shown in Part 74 and 75 respectively.
- (B) **Availability.** Available to all customers provided that Customer consumes at least 500 Mcf per year between August 1st and July 31st. Annual consumption for Customers served hereunder will be reviewed each July 31st.
- (C) **General Sales Rate.**
- | | |
|-----------------------------------|-----------------|
| First 500 Mcf per meter per month | \$ 2.42 per Mcf |
| Over 500 Mcf per meter per month | \$ 2.00 per Mcf |

A 'Service Charge' of \$17.50 per meter per month will be charged, regardless of gas consumed.

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In the event that Customer no longer qualifies for service hereunder, Company may terminate service hereunder and commence service under its SGS schedule or LGS schedules, whichever schedule is applicable.

- (D) **Gas Cost Recovery.** In addition to the above rates, all gas consumed is subject to the Gas Cost Recovery Provisions of the Ohio Administrative Code Chapter 4901:1-14, and any subsequent amendments thereto, which section is incorporated herein by reference.
- (E) **MCF Tax Rider.** In addition to the above rates, all gas consumed is subject to an excise tax as set forth in Part 71.
- (F) **Gross Receipt Tax Rider.** In addition to the above rates, the Company will charge and collect each billing period the effect of the gross receipt taxes assessed against the Company. The current gross receipt tax rate is 4.75%; therefore the current gross receipt tax charged will be the effective rate of 4.9653%.
- (G) **Late Payment Charge.** A late payment charge will be levied in accordance with the provisions set forth in Part 69(D).
- (H) **Uncollectible Expense Rider.** In addition to the above rates, all gas consumed is subject to an uncollectible expense rider as set forth in Part 72.

38. LARGE GENERAL SERVICE (LGS).

- (A) **Applicability.** Applicable to all territories served by Company from existing distribution lines of Company having sufficient capacity therefore, to Customers at one location. Company shall not be required to furnish gas service hereunder to any Customer or applicant except by written Application for Distribution Service by Customer to Company. Area Rates for Brainard and Orwell are shown in Part 74 and 75 respectively.
- (B) **Availability.** Available to any non-residential customer, provided that:
 - 1. Service can be rendered within the limits of the Company's operating conditions and facilities.

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2. Customer's consumption during one of the two most recent Annual Periods (November through October billing cycles) was at least 10,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 10,000 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.
3. 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 30% of Customer's annual consumption occurs during the months of April through October.

(C) General Sales Rate.

First	50 Mcf per meter per month	\$ 1.00 per Mcf
Next	2,450 Mcf per meter per month	\$.80 per Mcf
Over	2,500 Mcf per meter per month	\$.60 per Mcf

A 'Service Charge' of \$52.50 per meter per month will be charged, regardless of gas consumed.

In the event that Customer no longer qualifies for service hereunder, Company may terminate service hereunder and commence service under its SGS or GS schedules, whichever schedule applies.

- (D) Gas Cost Recovery.** In addition to the above rates, all gas consumed is subject to the Gas Cost Recovery Provisions of the Ohio Administrative Code Chapter 4901:1-14, and any subsequent amendments thereto, which section is incorporated herein by reference.

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- (E) **MCF Tax Rider.** In addition to the above rates, all gas consumed is subject to an excise tax as set forth in Part 71.
- (F) **Gross Receipt Tax Rider.** In addition to the above rates, the Company will charge and collect each billing period the effect of the gross receipt taxes assessed against the Company. The current gross receipt tax rate is 4.75%; therefore the current gross receipt tax charged will be the effective rate of 4.9653%.
- (G) **Late Payment Charge.** A late payment charge will be levied in accordance with the provisions set forth in Part 69(D).
- (H) **Uncollectible Expense Rider.** In addition to the above rates, all gas consumed is subject to an uncollectible expense rider as set forth in Part 72.

39. ADDITIONAL TERMS AND CONDITIONS. All distribution services are subject to Rules, Regulations and Rates Governing the Distribution and Transportation of Gas filed by the Company with the Public Utilities Commission of Ohio and any subsequent revisions thereto, and to the lawful order of regulatory authorities having jurisdiction.

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**RULES, REGULATIONS AND RATES GOVERNING
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SECTION V – TRANSPORTATION SERVICES

40. DEFINITIONS. (As used herein)

- (A) **“Company”** means Northeast Ohio Natural Gas Corp.
- (B) **“Customer”** means any individual, governmental, or corporate entity receiving transportation service hereunder.
- (C) **“Mcf”** means one thousand cubic feet of natural gas.
- (D) **“Dekatherm”** or **“Dth”** means one million British thermal units (Btu’s).
- (E) **“Backup Service”** means Standby Service for LGTS Customers and Full Requirements Standby Service, Partial Full Requirements Standby Service or Firm Sales Volumes for GTS Customers.
- (F) **“Authorized Daily Volume”** means the volume of gas on any day that Northeast Ohio would deliver to Customer with no planned interruption of that volume.
- (G) **“Customer's Facilities”** means the Customer's property, factories, and buildings where natural gas is being consumed.
- (H) **“Points of Receipt”** means Customer-owned gas is delivered into Company’s system.
- (I) **“Local Market Area”** means a continuous, physically interconnected system of Company-owned distribution piping through which the Company provides natural gas service to customers in a discrete geographic area, utilizing one or more common point from producers, interstate or intrastate pipeline supplier(s).
- (J) **“PUCO”** means Public Utilities Commission of Ohio.

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- (K) **“Company's Billing Cycle”** means the Company's accounting revenue month.
- (L) **“Customer's Maximum Daily Requirement”** means Customer's maximum estimated usage during any 24-hour period as determined by Company.
- (M) **“Alternate Fuel Capabilities”** means Customer has installed alternate fuel equipment, access to another gas source or has economically feasible access to another gas source.
- (N) **“High Priority”** means the Customer has contracted for a better quality of service. The order of interruption, which determines the quality of service, is as follows: (1) All volumes exceeding Authorized Daily Volumes; (2) volumes consumed by or delivered to customers served under Rate Schedules LGS and LGTS; (3) volumes consumed by or delivered to customers served under Rate Schedules GS and GTS; (4) volumes consumed by or delivered to customers served under Rate Schedule SGS and (5) human needs and public welfare customers.
- (O) **“Standby Service”** means a type of Backup Service available to LGTS Customers which will make gas available at all times except when interruption is necessary due to force majeure conditions or where service to human needs customers is threatened.
- (P) **“Firm Sales Volumes”** means the portion of a Customer's requirements that Customer has chosen to purchase gas under a published sales rate schedule from Company on a firm regular basis.
- (Q) **“Full Requirements Standby Service”** means a type of Backup Service available to GTS Customers which will make gas available at all times, for 100% of Customer's annual and maximum daily transportation volumes, except when interruption is necessary due to force majeure conditions or where service to human needs customers is threatened.

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- (R) **“Partial Full Requirements Standby Service”** means a type of Backup Service available to GTS Customers which will make gas available at all times, for a set percentage of Customer's Maximum Daily Transportation volume, except when interruption is necessary due to force majeure conditions or where service to human needs customers is threatened.
- (S) **“Customer Group”** means a group of two or more customers who combine their gas requirements and purchase gas from a designated pool or supplier(s) delivered to Company as one volume to be allocated by the Company among the group members using allocation methods developed for this purpose.
- (T) **“Local Usage Area”** means an area of the Company's distribution system within which gas usage can be physically displaced from one customer to another without capacity constraints and without adversely affecting the Company's ability to provide reliable service to its firm customers. Such areas shall be shown on maps maintained by the Company, as modified from time to time due to changes in operating conditions.
- (U) **“Daily Demand”** means customer or customer group demand on any day.
- (V) **“Day”** means 24-hour period beginning at 10:00 a.m. eastern standard or daylight savings time.
- (W) **“Marketer”** means Customer's natural gas supplier.
- (X) **“Residential Customer”** means customer using gas in a single family residential dwelling or unit for space heating, air conditioning, cooking, water heating, incineration, refrigeration, laundry drying, lighting, incidental heating, or other domestic purposes. Includes a tenant billed for natural gas consumption or use by other tenants at the same premises.

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- (Y) **“Commercial Customer”** is a customer using gas through a single meter in commercial activities such as apartment buildings, rooming and boarding dwellings, residential hotels, multifamily row housing, doubles and duplexes. Combination commercial and residential accounts shall be considered commercial if usage is half or more than half of the total service. Includes warehousing, distributing or selling commodities, providing professional services, wholesale and retail stores, offices, office buildings, hotels, clubs, lodges, associations, restaurants, railroad and bus stations, banks, laundries, dry cleaners, mortuaries, garages for commercial activity, gasoline stations, theaters, bowling alleys, billiard parlors, motor courts, camps, bars, grills, taverns, retail bakeries, hospitals, schools, churches, religious and charitable institutions, governmental agencies or the like.
- (Z) **“Industrial Customer”** means a customer using gas primarily in a process which either involves the extraction of raw or unfinished materials in another form or product through the application of heat or heat treating, steam agitation, evaporation, baking, extraction, drying, distilling, etc.
- (AA) **“Flowing Supply”** means gas delivered from sources other than storage, generally via firm or interruptible transportation capacity.
- (BB) **“Human Needs and Public Welfare Customer”** means the category of any service account where the use of natural gas is for space heating of a permanent residence or for use by governmental agency or public service organization which provides emergency or life support services. Human needs customers shall include hospitals, nursing homes, and residential correctional institutions, but shall exclude hotels and motels.

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**RULES, REGULATIONS AND RATES GOVERNING
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41. REQUIREMENTS FOR TRANSPORTATION SERVICE.

- (A) **Conditions of Service.** All transportation Customers or their agents must have a personal computer which is capable of receiving notices from Company of any consumption limitations or interruptions imposed pursuant to Parts 47 or 48, twenty-four hours a day, seven days a week. Pursuant to Part 48, all transportation Customers must either subscribe to (1) Volume and Banking Balancing Service or (2) be placed on a daily cash out provision. Customer's election in this regard shall be set forth in Customer's Application for Transportation Service.
- (B) **Daily Measuring Device.** All Customers that are required by Part 48 to install a daily measuring device, or who elect to install a daily measuring device, must pay all costs associated with the purchase and installation of a Daily Demand reading meter (i.e., a meter equipped with an electronic measurement (EM) or automatic meter reading (AMR) device) and associated telemetering equipment. Such Customers shall also 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 (EM or AMR), and associated telemetering equipment shall be and remain the property of the Company. All Customers/Customer groups without daily measurement devices are subject to the issuance of Operation Flow Orders pursuant to Part 60. All Customers/Customer groups with daily measurement devices are subject to the issuance of Operation Matching Orders pursuant to Part 61.

42. APPLICATION FOR TRANSPORTATION SERVICE. Before commencing transportation service hereunder, Customer shall execute an Application for Transportation Service. The Application for Transportation Service shall set forth: (1) the point(s) of receipt at which Company will accept delivery of Customer's gas; (2) the point(s) at which Company will redeliver gas to Customer's facilities; (3) Customer's maximum daily and annual transportation volumes; (4) daily measuring device election; (5) the specific services and levels of such services for which customer has contracted; (6) daily and annual standby volumes; (7) daily and annual firm sales volumes; (8) percentage of partial full requirements standby; (9) full or partial full requirements

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standby service election; (10) cash out versus banking election and (11) banking percentage.

Applicant shall attach to the Application for Transportation Service a verified undertaking by Applicant's marketer or other source of natural gas to be delivered to Company for redelivery to Applicant, by which the marketer other source of natural gas to be delivered by Applicant commits to provide telephonic, electronic mail or facsimile notice to Company ten (10) calendar days before the date said marketer interrupts or terminates delivery of natural gas to Company for redelivery to Applicant for any reason whatsoever (except a condition of force majeure or conditions beyond the marketer's control to prevent), explicitly including but not limited to default by Applicant under its agreement or agreements with said marketer. Failure of Applicant to submit such verified undertaking shall be grounds for denial of the Application. Failure of applicant's marketer or other source of gas to provide the notice of interruption or termination for deliveries to Applicant as required herein shall be a default by Applicant under the Transportation Agreement and Company shall be entitled to terminate Transportation Service.

The benefits and obligations of the Application for Transportation Service shall begin when Company commences to supply gas service. It shall inure to and be binding upon the successors survivors and executors or administrators, as the case may be and assigns, original parties thereto, respectively, for the full term thereof. However, no service may be assigned or transferred without the written consent of or approval of the Company which shall not unreasonably be withheld.

43. DELIVERIES OF CUSTOMER-OWNED GAS. Subject to the limitations of Company's pipeline capacity in its system and its service obligations to other higher priority customers, Company will accept deliveries of Customer's gas at the point(s) of receipt for redelivery to Customer's facilities, in Mcfs, less unaccounted-for gas. Such gas volumes delivered to Company and redelivered to Customer shall be limited to maximum daily and annual transportation volumes for each facility. These volume levels shall represent the actual expected requirements of Customer's facilities and may be exceeded only with the prior consent of Company, which shall not be unreasonably withheld.

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**RULES REGULATIONS AND RATES GOVERNING
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The volumes of Customer-owned gas transported by Company, including banked volumes, to Customer at its facilities during each monthly billing cycle will be considered the first gas through the meter.

44. MEASUREMENT.

- (A) **Heat Content Adjustment.** Unless otherwise agreed, when Company receives Customer's gas from an interstate pipeline on a dekatherm basis, Company will make a heat content adjustment in accordance with the procedures set forth below in order to deliver to Customer volumes of gas, in Mcfs, equal in heat content to the gas delivered to Company for the account of Customer. The monthly heating value of gas measured and calculated by the pipeline which delivers Customer's gas to Company will be used each billing month to establish the heating value of the gas delivered by the Company to the Customer. If however, locally produced gas or gas from pipelines other than the delivering pipeline is introduced

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into Company's pipeline serving Customer's facilities, so as to raise a question as to the applicability of the heating value determined by the delivering pipeline, either Company or Customer may request that gas samples be taken to determine the heating value of the gas received by Customer at its facilities. The following provisions will apply in the event either party elects to have gas samples taken:

The party requesting the sample(s) will pay all costs connected with obtaining the sample(s) and having the sample(s) analyzed.

1. The gas sample(s) shall be obtained at or in the vicinity of Customers facilities during normal operating hours of the facilities.
2. The gas sample(s) will be analyzed at a Company testing facility or at a testing facility approved by the Company.
3. If the analysis is done by an outside testing facility, the testing facility will forward the results directly to Company and Customer, using a format provided by Company for recording the results of the analysis. If Company performs the analysis, the Company testing facility will forward the results directly to Customer.
4. Multiple samples taken during any billing month will be averaged to obtain a Btu value, which will be applied only for that particular billing month. No retroactive adjustments based on Btu readings obtained in a current billing month will be made to billings for any prior month.
5. The average Btu value obtained from sample(s) during any billing month shall be used to determine the volumes delivered by Company to Customer only if such Btu value is more than 103% or less than 97% of the Btu value without adjustment for water vapor content provided by the delivering pipeline for that month. Otherwise the delivering pipeline's Btu value will be used.

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6. When Company receives Customer's gas directly into its system, from point(s) of receipt other than an interstate pipeline, on an Mcf basis, rather than a Dekatherm basis, no heat content adjustment shall be made. Company will redeliver to Customer volumes of gas equal to the Mcf volume of gas delivered to Company by Customer.
- (B) **Measurement at Point(s) of Receipt with an Interstate Pipeline.** When Company receives Customer's gas at a point(s) of receipt with an interstate pipeline, all measurement shall be performed in accordance with the terms of Company's agreement with the interstate pipeline and shall be conclusive for purposes of this tariff.
- (C) **Measurement at Other Point(s) of Receipt.** When Company receives Customer's gas directly into its system, from point(s) of receipt other than those with an interstate pipeline, and Company owns the measuring station, then Company shall read the meter, furnish, place and remove all recording charts, and calculate the deliveries at no cost to the Customer pursuant to the measurement standards set forth in Part 18.

Should Customer challenge the accuracy of the measuring device or devices used, Company shall test the meter. A representative of Customer may be present at the test. If the measuring equipment is found to be in error, and the resultant aggregate error in computed deliveries at the recording rate corresponding to the average hourly rate of gas flow for the period since the preceding test is not more than three percent (3%), then previous deliveries shall be considered accurate, and Customer shall pay the cost of testing the meter. If, however, any measuring equipment is found to be in error, and the resultant aggregate error in computed deliveries exceeds the three percent (3%) tolerance, then the previous computed deliveries shall be adjusted by Company to zero error and the cost of testing the meter shall be borne by Company. Such adjustment shall be made for a period not to exceed thirty (30) days prior to the date of challenge by Customer. All equipment shall, in any case, be adjusted at the time of test to record correctly.

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Upon written request from Customer, Company shall forward copies of meter charts to Customer for inspection. Company shall keep the original meter charts on file for four (4) years after the date of delivery, during which time they will be open for inspection by Customer upon prior request.

Customer's gas delivered directly into Company facilities shall be at commercial operating pressures sufficient to deliver volumes at regulated pressures at the point(s) of receipt.

- (D) Accounting for Monthly Deliveries.** Meter reading dates at the point(s) of receipt may not match the Customer's billing cycle. However, Company's accounting system used for crediting Customer's gas to Customer's account will be applied on a consistent basis, and will be used by Company in determining deliveries, volume bank levels and deficiencies in deliveries.

45. QUALITY OF GAS DELIVERED TO COMPANY.

- (A) Quality of Gas at Point(s) of Receipt with an Interstate Pipeline.** Gas delivered by or on behalf of Customer to Company at point(s) of receipt with an interstate pipeline shall conform to the interstate pipeline's gas quality standards.
- (B) Quality of Gas at Other Point(s) of Receipt.** Gas delivered by or on behalf of Customer to Company at point(s) of receipt other than an interstate pipeline shall 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 interference to or with, proper operation of the pipelines, regulators, meters, and other equipment of Company or its customers.

Customer will indemnify and hold Company harmless from any suits, actions, debts, accounts, damages, costs, losses and expenses, including but not limited to, attorneys' fees and expenses, arising from personal injury, death, or damage to Company's equipment or facilities or arising from personal injuries, death, or damage to

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the facilities, products, or equipment of Company's other customers or third parties, or arising from additional hours worked by Company or its other customers or third parties, caused as a result of Customer's gas failing to meet the quality specifications set forth herein.

However, pursuant to the Commission's opinion and order in Case No. 85-1406-AU-001, approval of the above tariff language by the Commission does not constitute a determination by the Commission that the limitation of liability imposed by the Company should be upheld in a court of law. Approval by the Commission merely recognizes that since it is a court's responsibility to adjudicate negligence and consequent damage claims, it is also the court's responsibility to determine the validity of the exculpatory clause.

To assure that the gas delivered by Customer to Company conforms to the quality specifications of this Section, Customer's gas shall be analyzed at the point(s) of receipt from time-to-time as Company deems necessary. Such analysis will be performed by Company at its expense. If, however, such analysis by Company discloses quality deficiencies, the cost of subsequent re-testing to assure conformity with this Section shall be borne by Customer. The gas delivered shall not contain in excess of:

1. Seven (7) pounds of water per million cubic feet of gas at the base pressure and temperature of fourteen and seventy-three hundredths (14.73) psia and sixty (60) degrees Fahrenheit. The water vapor will be determined by the use of the Bureau of Mines type dew point apparatus or in accordance with other approved methods generally in use in the natural gas industry;
2. Three percent (3%) by volume of a combined total of carbon dioxide and nitrogen components;
3. Twenty-five hundredths (.25) grains of hydrogen sulfide per one hundred (100) cubic feet of gas; and
4. Ten (10) grains of total sulfur per one hundred (100) cubic feet of gas.

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Northeast Ohio Natural Gas Corp.
Lawrence P. Haren, President

NORTHEAST OHIO NATURAL GAS CORP.

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The Total Heating Value of the gas shall be determined by taking samples of the gas at the point(s) of receipt at such reasonable times as may be designated by Company. The Btu content per cubic foot shall be determined by an accepted type of chromatograph or other suitable instrument for a cubic foot of gas at a temperature of sixty (60) degrees Fahrenheit when saturated with water vapor and at a pressure of 14.73 psia. The Btu determination designated by Company shall be made by Company at its expense. Any additional Btu determinations requested by Customer shall be at Customer's expense.

Customer's gas delivered to Company shall have a total heating value of not less than one thousand (1,000) Btu per standard cubic foot. However, Company shall not be obligated to accept gas which it believes may adversely affect the standard of public utility service offered by Company, or gas which it believes may adversely affect the operation of the gas-burning equipment of its customers.

If any gas delivered hereunder fails to meet the quality specifications set forth herein, Company may, at any time, elect to refuse to accept all or any portions of such gas until Customer brings the gas into conformity with such specifications.

46. AUTHORIZED DAILY VOLUME. Customer's Authorized Daily Volume on any day consists of the sum of Customers transported volumes (as determined herein) plus any Backup Service for which Customer has contracted, plus any additional volumes that Company, in its sole discretion, authorizes Customer to use on that day. Delivery of Customers Authorized Daily Volume is firm, with no planned interruptions, except as provided in Part 47 hereof. Consumption at Customer's facility in excess of the Authorized Daily Volume is interruptible service, and upon notice to Customer, Company may require Customer to reduce consumption to Customer's Authorized Daily Volume whenever Company, in its discretion, deems necessary to do so. Company may, at its option, require such reductions in consumption by LGTS Customers prior to imposing similar reductions on GTS Customers. The Authorized Daily Volume for that portion of a Customer Group located in a given Local Usage Area shall equal the sum of the Authorized Daily Volumes (including Backup Service) for each group member located within such Local Usage Area.

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For purposes of this section, the portion of Customer's Authorized Daily Volume attributable to transported gas delivered to Company shall consist of two parts. The first part shall consist of volumes (adjusted for unaccounted for gas) delivered at receipt points where the upstream transporter, producer, or other delivering entity does not report deliveries to Company on a daily basis. The portion of Customer's Authorized Daily Volumes attributable to this part shall be determined by dividing the volume of gas delivered to Customer in the most recent month for which information is available by the number of days in that month.

The second part shall consist of volumes (adjusted for unaccounted for gas) delivered by upstream transporters which report Customer's deliveries to Company on a daily basis. If the upstream transporter's reporting system is acceptable to Company, Company may, at its option, utilize such system to determine Customer's deliveries on any day. If Company elects not to utilize such reporting system, it shall determine Customer's deliveries using the best information available, as determined by Company.

In the event actual gas deliveries to Customer are in excess of the Authorized Daily Volume on any day on which the Company requires Customer to limit gas consumption to that Authorized Daily volume, Customer shall be liable for all penalties and fines incurred by Company as a result of Customer's deliveries in excess of its Authorized Daily Volume.

No member of a Customer Group shall be liable for such fines or penalties for usage on any given day if the total usage for all members of the group located in the same Local Usage Area on that day did not exceed the aggregate of such members Authorized Daily Volumes. In the event that the total usage of the same Customer Group exceeded the sum of the Authorized Daily volumes of the group members, any applicable fines or penalties resulting from such excess usage shall be assessed on a pro rata basis upon those group members who exceeded their individual Authorized Daily Volumes during the relevant period of time. In such an instance, modified nominations causing a revised level of gas deliveries to Customer Group members in the Local Usage Area shall be recognized and accepted by the Company. The Company will notify each member of a Customer Group of any consumption limitations imposed by the Company upon such member pursuant to this Part 46.

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47. INTERRUPTION. Notwithstanding the provisions of Part 46 hereof, all deliveries by Company to Customer, including Customer's Authorized Daily Volumes, are subject to partial or complete interruption during force majeure situations, herein defined to mean acts of God, strikes, lockouts, or other labor disturbances, acts of a public enemy, war, blockages, insurrections, riots, epidemics, fire, storms, floods, washouts, civil disturbances, explosions, breakage or accidents to machinery or pipelines, freezing of wells or pipelines, partial or entire failure of such wells, or any other cause not otherwise provided for herein, whether of the kind herein enumerated or otherwise, not reasonably within the control of Company. All deliveries are also subject to complete or partial interruption whenever service to residential and other high priority customers in the same local market area is threatened.

In addition, where a transportation customer delivers gas to Company at a receipt point which is located in a local market area other than the local market area in which Customer's facilities are located, such delivery shall be considered a delivery by displacement. Company may interrupt deliveries by displacement, up to 100% in the case of gas delivered to Company by an interstate pipeline, and up to 75% in the case of intrastate gas delivered directly to Company's facilities, where such interruption is necessary to prevent Company from exceeding contractual limitations with its interstate pipeline suppliers, including, but not limited to, any maximum daily delivery obligation (MDDO), provided, however, that Company will use its best efforts to make deliveries by displacement, and provided, further, that Company will not interrupt deliveries by displacement pursuant to this paragraph unless (a) such interruption is necessary to enable Company to maintain deliveries to high priority customers in the same local market area, or (b) Company's interstate pipeline supplier has directed Company to limit its deliveries to the applicable MDDO in order to enable the supplier to maintain firm deliveries on its pipeline system. Company may, at its option, interrupt LGTS Customers prior to interrupting GTS Customers.

When Company interrupts deliveries pursuant to this section, Customer shall be liable to Company for all fines and penalties incurred by Company as a result of any failure by Customer to interrupt its usage when directed to do so.

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No member of a Customer Group shall be liable for such fines or penalties for usage on any given day if the total usage for all members of the group located in the same Local Usage Area on that day did not exceed the aggregate of such members Authorized Daily Volumes, unless such interruption was necessitated by a localized force majeure condition, in which case any group members who were required to interrupt service as a result of such condition shall be liable for fines or penalties incurred by Company if such members failed to interrupt their usage as directed by the Company. All group members within a given Local Usage Area who are not affected by such an interruption shall be treated as a separate subgroup, and shall be permitted to aggregate their usage for purposes of determining the applicability of fines or penalties in the manner described in Part 46 and this Part 47.

The Company will notify each member of a Customer Group of any interruption imposed by the Company upon such member pursuant to this Part 47.

Other than in the case of a localized force majeure condition, in the instance of an interruption pursuant to this Part 47, modified nominations causing a revised level of gas deliveries to Customer Group members in a given local usage area shall be recognized and accepted by the Company.

48. VOLUME BANKING AND BALANCING.

- (A) **Volume Bank.** Under the Volume Banking and Balancing Service, Company has established a system to account for Customer's volumes received by Company but not delivered to Customer at its facilities during the same monthly billing cycle. Such undelivered volumes shall be called a Volume Bank and Customer shall be permitted to receive such banked volumes at a later date.
- (A) **Annual Election.** Customers must subscribe to the Volume Banking and Balancing Service set forth to be eligible for the provisions of the Volume Bank and Balancing section described herein. The service is optional for all transportation customers with the exception of transportation Customer Groups. Customers may only elect to change bank tolerance levels on an annual basis or upon joining a customer group. Notification of a change of service must be provided to Company no later than January 2nd with

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service effective the following April 1st. Customer must execute a new Application for Transportation Service or an amended Application for Transportation Service with the Company in order to change bank tolerance levels. If Customer does not elect a specific percentage for a monthly bank tolerance, the Company will assume ten percent for GTS customers and five percent for LGTS customers.

- (C) **Imbalances.** In months when Customers deliveries are less than their usage, the Company may sell gas to the Customer at the current month's indexed gas cost, as published in the first gas market report each month in Inside FERC's Gas Market Report, for Louisiana Onshore gas entering applicable interstate pipeline, times 120%, or the Company's highest incremental cost of gas, whichever is greater, plus firm transportation charges, commodity and demand charges, upstream penalty charges, adjusted for shrinkage to the city gate, plus excise tax; plus the applicable transportation rate identified in the Application for Transportation Service.

In the event Customer's Volume Bank exceeds the bank tolerance, Company may, at its option, purchase the excess volumes at a rate determined by adding the current month's indexed gas cost, as published in the first gas market report each month in Inside FERC's Gas Market Report, for Louisiana Onshore gas entering applicable interstate pipeline, times 80%, or the Company's lowest incremental cost of gas, whichever is lower, plus the released firm transportation commodity charge to transport gas on applicable interstate pipeline, adjusted for shrinkage.

In addition, if, in any month, the Customer exceeds the bank tolerance and the Company incurs a storage overrun or excess storage injection penalty from applicable interstate pipeline in that month, the Customer is subject to its prorata share of the penalty.

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- (D) **Pool-to-Pool Transfers.** The total Volume Bank of Customer shall not at any time exceed the bank tolerance, contained in the Customer's Application for Transportation Service. Pool-to-Pool transfers of bank balances between local usage areas will be allowed on an interruptible basis. Pool-to-Pool transfers of bank balances within a local usage area will be done on a firm basis. Customers will be charged a transfer fee of ten dollars (\$10.00) for each transaction. A customer's accounts located within a single local usage area may be aggregated for determination of actual volume bank.
- (E) **Termination of Service.** In the event service hereunder is terminated, Company will deliver to Customer volumes of Customer's gas which Company is holding pursuant to this Volume Bank section during the three monthly billing cycles following the date of termination. However, should Customer fail to take delivery of its entire Volume Bank within the three-month period, Company may, at its option, retain and purchase the undelivered banked volumes. In addition, if Customer owes Company any outstanding gas transportation charges, or other charges which are due, Company may, at its option, offset said unpaid charges by retaining as necessary, banked volumes that would have otherwise been delivered to Customer upon termination of service. The value assigned to such retained bank volumes which are purchased or retained will be the cost of Company's least expensive gas supply at the time the gas was delivered to Company.
- (F) **Cash-Out Basis.** Transportation customers who choose not to subscribe to the Volume Banking and Balancing Service will be placed on a daily cash-out provision, as defined below and are required to pay all costs associated with the purchase and installation of a daily measuring device. On days when Customer's deliveries are less than their usage, the Company will sell gas to the Customer at the current month's indexed gas cost, as published in the first gas market report each month in Inside FERC's Gas Market Report, for Louisiana Onshore gas entering applicable interstate pipeline, times 120%, or the Company's highest incremental cost of gas, whichever is greater, plus firm transportation charges, commodity and demand-charges,

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upstream penalty charges, adjusted for shrinkage to the city gate, plus excise tax; plus the applicable transportation rate identified in the Application for Transportation Service.

On days when Customer's deliveries are greater than their usage, Company may, at its option, purchase the excess deliveries at a rate determined by adding the current month's indexed gas cost, as published as published in the first gas market report each month in Inside FERC's Gas Market Report, for Louisiana Onshore gas entering applicable interstate pipeline, times 80%, or the Company's lowest incremental cost of gas, whichever is lower, plus the released firm transportation commodity charge, to transport gas on applicable interstate pipeline to the Company's City Gate, adjusted for shrinkage.

The Company will maintain a single volume bank for each Customer Group. Each member of a Transportation Customer group must subscribe to the same level of banking and balancing service. During a given monthly billing cycle, the gas deliveries to a Customer Group by the Group's non-utility supplier(s) shall be combined with any existing Customer Group banked volumes and disbursed as needed to cover the aggregate usage of all members of the Customer Group, with any excess volumes being allocated, for future disbursement, to the Customer Group's bank, and with any deficiency being (a) allocated on a prorata basis among the members of the Customer Group, and (b) offset by any tariff gas purchases pursuant to the provisions of Part 49 hereof. Customers may not utilize banked volumes during any period in which a consumption limitation or interruption has been imposed pursuant to Parts 46 or 47 hereof.

49. DEFICIENCIES IN DELIVERIES TO COMPANY. Any volumes of gas that are delivered by Company to Customer in any monthly billing cycle that are in excess of: (1) Customer's volume bank from the previous month, plus (2) any volumes delivered to Company by Customer for that billing cycle, plus (3) any volumes available to Customer under a Backup Service, shall be considered a deficiency in deliveries.

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50. WARRANTY OF TITLE. Customer warrants that it will have good and merchantable title to all natural gas delivered to Company for redelivery to Customer's facilities, that such gas will be free and clear of all liens, encumbrances and claims whatsoever, and that it will indemnify Company and hold it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said gas.

51. LATE PAYMENT CHARGE. For all transportation services set forth herein, a late payment charge will be levied in accordance with the provisions set forth in Part 69(D).

52. CHARGES FOR THIRD PARTY SERVICES. If furnishing service to Customer pursuant to this tariff requires Company to use transportation service provided by another entity, any cost incurred by, or billed to Company with regard thereto, shall be billed to Customer by Company and paid by Customer. Such costs shall include, without limitation, transportation or delivery charges, retainage for company use and unaccounted-for gas, filing fees, and penalties incurred as a result of gas volume imbalances or other factors set forth in the applicable rate schedule or contract of such other entity. Customer shall also reimburse Company for any filing fees paid by Company to another entity when necessary to commence or continue gas transportation service to Customer. Company shall obtain service provided by another entity or the occurrence of additional filing fees.

53. PROVISION FOR HUMAN NEEDS AND PUBLIC WELFARE CUSTOMERS. Customers who are human needs and public welfare Customers, as described in Part 40(BB) are required to either have installed alternate fuel equipment or contract with Company for Standby Service under the LGTS rate schedule or for Firm Sales Volumes or Full Requirements Standby Service under the GTS rate schedules. This requirement shall not apply to any meter that serves only uses which are not classified as Human Needs and Public Welfare Customers.

54. OPTIONAL SERVICES. Company may provide optional services to GTS and LGTS Customers as specified in the applicable rate schedules.

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55. TERMINATION OF SERVICE. Company may terminate service hereunder for any of the following reasons:

- (A) Any violation of or refusal by Customer to comply with its Application for Service or any tariff, rule, or regulation on file with the PUCO that applies to Customer's service;
- (B) Any use of gas by Customer in a manner detrimental to the service of other customers;
- (C) When providing service is in conflict or incompatible with any order of the PUCO, the laws of the State of Ohio, or any political subdivision thereof, or the laws or rules of the federal government or any of its agencies;
- (D) When Customer has moved from the premises;
- (E) When supplying gas to Customer creates a dangerous condition on Customer's premises or where, because of dangerous conditions beyond Customer's premises, termination of the supply of gas is reasonably necessary. Service will not be restored until such dangerous condition or conditions have been corrected;
- (F) In accordance with the provisions of Ohio Administrative Code Section 4901:1-18, if Customer resorts to fraudulent practice in obtaining the gas supplied, or is the beneficiary of any such fraudulent practice, or Company's meter, metering equipment, or property used to supply service has been damaged by Customer, its servants or agents.

Service will not be restored until Customer has given satisfactory assurance that such fraudulent or damaging practice will be discontinued, and has paid Company an amount estimated by Company to be reasonable compensation for service fraudulently obtained and not paid for and for any damage to property of Company including any cost to repair the damage;

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- (G) For repairs, provided that Customer will be given 24 hours written notice prior to scheduled maintenance interruptions in excess of six hours;
- (H) Upon the request of Customer in accordance with its Application for Service; and
- (I) For nonpayment of charges for transportation service or for gas sold to Customer, including nonpayment of late payment charges or security deposits required as a condition for continued service, upon ten (10) days written notice to Customer.

56. ADDITION AND REPLACEMENT OF FACILITIES. Where it is necessary, and if Customer and Company agree in writing that it should be done, Company will construct additions, replacements or betterments of its facilities located at the point(s) of receipt in order to accommodate the volumes of Customer-owned gas to be delivered to Company pursuant to the Application for Transportation Service. Customer shall pay Company the estimated cost of such additions, replacements or betterments, including an adjustment for federal income tax, prior to the installation thereof.

Such estimate shall be accompanied by supporting data in such detail as Customer shall reasonably require. If the actual cost including an adjustment for federal income tax is less than the estimate, Company shall refund any overpayment to Customer. If the actual cost is greater than the estimate, Customer shall reimburse Company for the additional cost, including an adjustment for federal income tax. Such facilities shall remain the property of Company.

57. OPERATION AND MAINTENANCE COSTS. When Company receives Customer's gas directly into its system from point(s) of receipt other than interstate pipeline, and Company owns the measuring station, Company shall assume all responsibilities associated with the operation and maintenance of said measuring station. Normal operation and maintenance such as pressure checks, grass cutting, routine inspections and routine maintenance will be performed by Company at its expense. Customer shall reimburse Company for major and unusual non-recurring operation and maintenance costs. Customers shall pay for such costs within thirty (30) days of the billing date.

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58. OTHER RULES AND REGULATIONS. Except to the extent superseded herein, Sections I through IV of Company's Rules, Regulations, and Rates Governing the Distribution and Sale of Gas and such other Commission rules and guidelines as are applicable shall apply to all gas transportation service provided hereunder.

59. OBLIGATION TO SERVE FOLLOWING TERMINATION OF TRANSPORTATION AGREEMENT. Following the cancellation of any Application for Service entered into and the termination of gas transportation service hereunder, Company shall have no obligation to sell or deliver gas to Customer under any other contract or rate schedule at Company's GCR Rate, as set forth in Part 65, except to the extent that Customer has contracted for Backup Service.

The Company may provide gas from the GCR regulated system supply to former transportation or bypass customers if: (i) such provision does not negatively impact the GCR rate for continuing GCR-served customers; or (ii) Company can demonstrate that any increased costs are offset by credits, refunds, or other factors providing a benefit to continuing GCR-served customers; or (iii) if the former transportation or bypass customers absorb the increased cost incurred by Company to obtain additional supplies to serve such customers.

60. OPERATIONAL FLOW ORDERS. Customers/Customer groups without daily measuring devices are subject to Company's issuance of operational flow orders (OFO) which will direct Customers/Customer groups to adjust scheduled volumes to match their estimated usage. An OFO may include the scheduling of supply quantities in excess of daily contract quantities when operating conditions exceed design criteria. Failure to comply with an OFO will result in the billing of the following charges to the OFO shortfall which is defined as the difference between the daily OFO volume and actual daily deliveries:

- (A) The payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance;
- (B) One month's demand charges on the OFO shortfall, except in instances where OFOs require scheduling of volumes in excess of daily contracted quantities. This charge shall not be imposed more frequently than once in any thirty day period; and

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- (C) The payment of all other charges incurred by Company on the date of the OFO shortfall.

If a customer or customer group complies with an OFO it shall not be subject to any penalty or additional cost.

61. OPERATIONAL MATCHING ORDERS. Customers/Customer groups with daily measuring devices meters are subject to Company's issuance of operational matching orders (OMO) which will direct Customers/Customers groups to adjust usage to match volumes flowing on pipelines. Failure to comply with an OMO will result in the billing of the following charges to the OMO excess which is to be defined as the difference between the actual daily usage and the daily flowing volume:

- (A) The payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance.
- (B) The payment of all other charges incurred by Company on the date of the OMO shortfall.

62. AGGREGATION SERVICE. This service is for marketers, brokers, Agents, producers or Customer Groups (Agent(s)) that have been engaged by Customers receiving transportation service from the Company to be responsible for the delivery of natural gas to the Company's city gates on behalf of Customers. This service provides for the aggregation of Customers by the Agent for purposes of scheduling and nominating gas, banking and balancing, and compliance with OFO's and OMO's. All Agents who wish to act on behalf of Customers must be certified by the Company as meeting the minimum standards identified herein.

- (A) **Aggregation Service.** Service provided by the Company that allows Agents to deliver to the Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the requirements of transportation Customers that comprise the membership of the Aggregation Pool for participation in the Company's transportation program.

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- (B) **Aggregation Pool.** Agents will be allowed to establish one or more Customer aggregations. Customers in an Aggregation Pool must be located within the same Columbia Gas Transmission or Tennessee Gas operating area and must be participating under the same rate schedule. The Aggregation Pool referred to herein shall mean the Customer Group that Agent establishes under the Aggregation Service Agreement.
- (C) **Aggregation Service Agreement.** Before commencing service hereunder, Agent(s) must execute an Aggregation Service Agreement which sets forth: (1) a list of all transportation Customers that comprise the Aggregation Pool; (2) the point(s) of delivery at which the Company will accept delivery of gas, (3) the point(s) at which the Company will redeliver the gas to the Customers facilities; (4) the daily measurement device election of each Customer participating in the pooling agreement; (5) Customers' maximum daily and annual transportation volumes; and (6) the specific services and levels of such services of each Customer participating in the pooling service.

The benefits and obligations of the Aggregation Service Agreement shall begin when Company commences to supply gas service. It shall inure to and be binding upon the successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, respectively, for the full term thereof. However, no Aggregation Service Agreement may be assigned or transferred without the written consent of or approval of the Company which shall not unreasonably be withheld.

- (D) **Requirements For Program Participation.** The Company shall have the right to establish reasonable standards for participation in this program, provided it does so on a non-discriminatory basis. Accordingly, in order to participate as an Agent in the Company's Aggregation Service Program, Agent shall upon request provide the Company, on a confidential basis, a balance sheet and other financial statements and appropriate trade and banking references.

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Agent also agrees to allow the Company to conduct a credit investigation as to Agent's credit worthiness. Further, if the Company determines it is necessary, Agent agrees to maintain a cash deposit, a surety bond, an irrevocable letter of credit at a Company approved bank of the Agent's choosing, or such other financial instrument, as the Company may require during the term of this Agreement, in order to assure Agent's performance of its obligations under this Agreement. In order to assure that the value of each financial security instrument remains proportional to Agent's potential liability under this Agreement, the required dollar amounts of such instruments shall be adjusted at the sole discretion of the Company, as customers are added to, or deleted from, Agent's pool. Agent agrees that, in the event it defaults on its obligations under this Aggregation Agreement, Company shall have the right to use such cash deposit, or the proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy Agent's obligations under this Agreement. Such proceeds shall be used to secure additional gas supplies, including payment of the costs of the gas supplies themselves. The costs of transportation, storage, gathering and other related costs incurred in bringing those gas supplies into the Company's system. The proceeds from such instruments shall also be used to satisfy any outstanding claims that the company may have against Agent, including imbalance charges, cash-out charges, pipeline penalty charges, and other amounts owed to the Company and arising from Agent's participation in this pooling program.

In the event Agent elects, or is forced, to terminate its participation in this program in accordance with the provisions of this Agreement, it shall continue its obligation to maintain its financial security instrument until it has satisfied all of its outstanding claims of the Company. In addition to the above financial requirements, the Company may impose reasonable standards of conduct for Agents, as a prerequisite for their participation in the program.

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filed in pursuant to PUCO Entry dated March 4, 1999, Case No. 97-1724-GA-AIR

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Issued by
Northeast Ohio Natural Gas Corp.
Lawrence P. Haren, President

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Agent acknowledges that in its capacity as an Agent in this program, it has a continuing responsibility to conduct its business in a legal and ethical manner. If, as a result of customers' complaints, and/or from its own investigation, the Company determines, in its sole judgment, that Agent is not operating under this Agreement in an ethical and/or legal manner, then the Company shall have the unilateral right to cancel this Agreement and deny Agent's further participation in this pooling program.

- (E) **Delivery Requirements.** Agent agrees to deliver gas supplies into the Company's designated city gate receipt points on a daily basis, in accordance with the aggregate usage requirements of all those Customers that comprise the Agent's Aggregation Pool.

The Agent will use their best efforts to maintain a balance between deliveries and aggregate customer usage on a daily and monthly basis. The Company reserves the right: (1) to require an Agent to balance deliveries and takes of transported gas; or (2) to require a reasonable uniform delivery rate of gas which will at months end equal aggregate Customer requirements.

- (F) **Volume Banking and Balancing.** Agents shall elect an annual contract volume and applicable bank tolerance for the Aggregation Pool. This will allow Customers within an Aggregation Pool to be billed immediately following their monthly meter reading with gas volumes being deducted daily from the Agent's total aggregation volume. At the close of each business month the Company will determine any imbalances pursuant to Part 48(C) with all imbalances being the sole responsibility of the Agent.

Agent(s) may also make transfers of gas between Aggregation Pools pursuant to Part 48(D), Pool-to-Pool transfers. All Pool-to-Pool transfers performed in accordance with this paragraph will be billed directly to the Agent.

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- (G) **Operational Flow Orders and Operational Matching Orders.** All Aggregation Pools are subject to Parts 60 and 61 with all charges resulting from failure to comply with these tariffs being the sole responsibility of the Agent.
- (H) **Late Payment Charge.** If a bill payment is not received at the Company offices or by the Company's authorized agent on or before the specified payment date, a late payment charge will be levied in accordance with the provisions set forth in Part 69(D).
- (I) **Force Majeure.** Neither of the parties to the Application for Transportation Service hereto shall be liable in damages to the other, except for the actual delivered costs, plus shrinkage, of replacement supplies and the flow through of penalty charges, for any act, omission, or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, act of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, storms, floods, washouts, civil disturbances, explosions, breakage, or accident to machine or pipelines, gas curtailment imposed by interstate or intrastate pipelines, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the control of the party claiming suspension.

Such causes or contingencies affecting the performance hereunder by either party hereto, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve Agent from its obligations to make payments of amounts due hereunder.

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- (J) **Title to Gas.** Agent warrants that it will have good title to all natural gas delivered to the Company hereunder, and that such gas will be free and clear of all liens, encumbrances and claims whatsoever, and that it will indemnify the Company, and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expense arising from or out of a breach of such warranty.

63. GENERAL TRANSPORTATION SERVICE (GTS).

- (A) **Applicability.** Applicable in all territories served by Company from existing distribution lines of Company having sufficient capacity therefore, to Customers at one location. Area Rates for Brainard and Orwell are shown in Part 74 and 75 respectively.
- (B) **Availability.** Company shall not be required to furnish transportation service hereunder to any customer or applicant except by written application for gas service by Customer or Company. Available to any commercial or industrial end-use Customer provided that service can be rendered within the limits of Company's operating conditions and facilities, and provided that Customer consumes at least 500 Mcf per year between August 1st and July 31. Annual consumption for Customers served hereunder will be reviewed each July 31st. Service is subject to the Rules, Regulations and Rates as set forth in Part Nos. 40 through 62.
- (C) **Character of Service.** On any day, Company shall deliver Customer's Authorized Daily Volume of gas, as defined in Part No. 46 hereof, on a firm basis, with no planned interruption. However, Customer's Authorized Daily volume is interruptible when such interruption is necessary due to force majeure conditions, or where service to human needs customers is threatened. In addition, where Customer-owned gas is being delivered to the Company at a city gate which does not serve the market area in which Customer's facilities are located, that portion of Customer's Authorized Daily Volume is interruptible as described in Part 47 hereof.

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NORTHEAST OHIO NATURAL GAS CORP. SECOND REVISED SHEET NO. 45

**RULES, REGULATIONS AND RATES GOVERNING
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- (D) Delivery Charge.** The Company will charge the following maximum rates for all Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed:

First 500 Mcf per meter per month	\$ 2.42 per Mcf
Over 500 Mcf per meter per month	\$ 2.00 per Mcf

A 'Service Charge' of \$17.50 per meter per month will be charged, regardless of gas consumed.

The Company, at its sole discretion, may offer transportation services at rates that are downwardly flexible from the maximum rates above. The lower bound shall be calculated on a Customer-by Customer basis for each Customer offered rates flexed from the maximum rates stated above. The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to fixed costs.

Such reduced rates will be determined based on competitive services available to the Customer and the Company's need for load preservation or the economic recovery of costs of the Company. Unless otherwise agreed by the Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

- (E) Volume Banking and Balancing Service.** The Volume Banking and Balancing Service represents the current storage cost to the Company to provide a bank tolerance to the Customer. The calculation of charges when deliveries are less than customers usage are set forth under Parts No. 48 and 49 of this tariff. The formula for determination of the rate paid for excess volumes, when a customer exceeds the bank tolerance, is set forth under Part No. 48 of this tariff. The rate for this service is set forth below. To meet competition and retain throughput, the Company may be required to flex the level of the Banking and Balancing rate to Customers subject to this tariff.

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Lawrence P. Haren, President

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

Rate. Customers that subscribe for this Volume Banking and Balancing Service will be billed the applicable rate per Mcf on all volumes delivered which corresponds to the level of balancing service set forth in their Application for Transportation Service.

Monthly Bank Tolerance – Maximum Percent of Annual Contract Volumes	Rate Per Mcf For All Volumes Transported
Two Percent	\$.01 per Mcf
Four Percent	\$.02 per Mcf
Six Percent	\$.03 per Mcf
Eight Percent	\$.04 per Mcf
Ten Percent	\$.05 per Mcf

- (F) **Full Requirements Standby Service.** Full Requirements Standby Service, if approved by Company and contracted for by Customer under this tariff, will make gas service available at all times, except where interruption is necessary due to force majeure conditions (as defined in Part 62(I) hereof), or where service to human needs customers is threatened, and reserves for the Customer the right to purchase GS sales gas.

Annual Supply Backup. Full Requirements Standby Service provides Customer the ability to return to a retail supply of gas from Company for one hundred percent (100%) of Customer's Annual and Maximum Daily Transportation Volumes as set forth in the Application for Transportation Service.

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Lawrence P. Haren, President

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Charges. Customer will pay Company, in addition to the delivery charge, a supplemental charge on all volumes delivered to these facilities pursuant to the Application for Transportation Service. This supplemental charge shall reflect the pipeline demand costs, interstate penalty charges, plus applicable excise taxes, included in Company's Gas Cost Recovery Rate then in effect. The supplemental charge shall be adjusted, as necessary, to enable Company to recover all costs incurred by Company as a result of providing Customer Full Requirements Standby Service, including, but not limited to, any gas inventory charge from Company's interstate pipeline supplier(s).

- (G) Partial Full Requirements Standby Service.** Partial Full Requirements Standby Service shall be the same as the Full Requirements Standby Service in all respects except that Customer's ability to return to a retail supply of gas from the Company, Customer's supplemental charge, and Customer's volume of gas available at all times will each be reduced by a percentage as set forth in the Application for Transportation Service. For purposes of determining Customer's Authorized Daily Volume attributable to Partial Full Requirements Standby Service, Customer's Maximum Daily Transportation Volume, as set forth in the Application for Transportation Service, shall be multiplied by the percentage set forth in the Application for Transportation Service.
- (H) Firm Sales Volume.** If approved by Company, Customer can choose to purchase GS gas from Company on a firm regular basis for a portion of its requirements instead of contracting for Full Requirements Service, or depending on an alternate fuel system. Those volumes will be listed in the Application for Transportation Service as Daily and Annual Firm Sales Volumes.
- (I) Unaccounted For Gas.** Company will retain one percent (1%) of all volumes delivered to it for the account of Customer to offset unaccounted-for gas as a result of transporting these volumes to Customer.

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**RULES, REGULATIONS AND RATES GOVERNING
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- (J) **Late Payment Charge.** A late payment charge will be levied in accordance with the provisions set forth in Part 69(D).
- (K) **Gross Receipt Tax Rider.** In addition to the above rates, the Company will charge and collect each billing period the effect of the gross receipt taxes assessed against the Company. The current gross receipt tax rate is 4.75%; therefore the current gross receipt tax charged will be the effective rate of 4.9653%.

64. LARGE GENERAL TRANSPORTATION SERVICE (LGTS).

- (A) **Applicability.** Applicable in all territories served by Company from existing distribution lines of Company having sufficient capacity therefore, to Customers at one location. Area Rates for Brainard and Orwell are shown in Part 74 and 75 respectively.
- (B) **Availability.** Company shall not be required to furnish transportation service hereunder to any Customer or applicant except by written Application for Transportation Service by Customer to Company.

Available to any non-residential customer, provided that:

1. Service can be rendered within the limits of the Company's operating conditions and facilities.
2. Customer's consumption during one of the two most recent Annual Periods (November through October billing cycles) was at least 10,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 10,000 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.
3. 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.

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4. Service is subject to the Rules, Regulations and Rates as set forth in Part Nos. 40 through 62.

In the event that Customer no longer qualifies for service hereunder, Company may, upon thirty (30) days notice, terminate service hereunder and commence service under Its GTS schedule, in which case Customer's Application for Transportation Service shall be deemed amended to reflect such change in service and rates.

- (C) Character of Service. Large General Transportation Service shall consist of delivery of Customer-owned or supplied natural gas volumes injected by Customer into Company's facilities for redelivery by Company. The different types of transportation service are as follows:

Interruptible Service. Company shall accept Customer's supply for redelivery to Customer based on available capacity of Company's facilities. Interruptible capacity shall be determined after considering all capacity commitments relative to Distribution and Firm Transportation Services. Customer's authorized daily volume is interruptible when such interruption is necessary due to force majeure conditions or where service to Distribution or Firm Transportation Customers is threatened or when necessary for maintenance or repair of Company's facilities.

Firm Service. Company shall allocate and reserve pipeline capacity of Company's facilities on behalf of Customer for redelivery of Customer's supply for consumption by Customer. On any day, Company shall deliver Customer's Authorized Daily Volume of gas (as defined in Part 46 hereof) on a firm basis, with no planned interruption. However, Customer's Authorized Daily Volume is interruptible when such interruption is necessary due to force majeure conditions, or where service to human needs customers is threatened.

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**RULES, REGULATIONS AND RATES GOVERNING
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force majeure conditions, or where service to human needs customers is threatened.

In addition, where Customer-owned gas is being delivered to the Company at a city gate which does not serve the market area in which Customer's facilities are located, that portion of Customer's Authorized Daily Volume is interruptible as described in Part 47 hereof.

(D) Options.

- 1. Fixed Delivery Charge.** The Company will charge the following rates for all Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed:

First	50 Mcf per meter per month	\$ 1.00 per Mcf
Next	2,450 Mcf per meter per month	\$.80 per Mcf
Next	7,500 Mcf per meter per month	\$.60 per Mcf
Over	10,000 Mcf per meter per month	\$.157 per Mcf

A 'Service Charge' of \$52.50 per metered per month will be charged, regardless of gas consumed.

- a. Firm Service. The firm transportation service rate shall be the sum of the following two components:
- A reservation fee for the portion of pipeline capacity allocated to Customer at a rate of \$0.485/Mcf/Month, plus
 - The Fixed Delivery Charge pursuant to Section No. 1 above.

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**RULES, REGULATIONS AND RATES GOVERNING
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- 2. Flexible Delivery Charge.** The competitive flexibility provision is an alternative to the Fixed Delivery Charge provision.

The maximum delivery charge for all deliveries by Company to Customer of Customer-owned gas under this provision will be equal to the LGTS base rate then in effect in Customer's rate location. When a Customer can demonstrate to the Company and requests that a charge lower than the maximum delivery charge is necessary because of competition from an alternate energy supplier, then the Company may charge a rate lower than the maximum delivery charge for all deliveries. The minimum rate shall not be less than the variable costs of providing service hereunder plus some contribution to total Company fixed costs.

The Customer must continue to pay a flexible delivery charge as determined by the Company for a period of three months. The delivery charge will be reviewed monthly by the Company. If Company, in its sole judgment, determines that such competitive circumstances have changed, the delivery charge can increase or decrease immediately.

At the end of three months, the Customer may, upon written notification to the Company, apply for a flexible rate for another three months.

Absent such notification, the Customer's rate will convert to the rate specified in the Fixed Delivery Charge section above.

- 3. Mainline Delivery Charge.** An alternative delivery charge is available to all customers connected directly through a dual-purpose meter to facilities of an interstate pipeline supplier of the Company. Such customers will pay a maximum delivery charge of \$.15 per Mcf. The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to total

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Company fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

- (E) **Minimum Monthly Charge.** If Customer fails to take delivery of 750 Mcf in any month, the Customer will be charged for 750 Mcf at the total billing rate which includes the delivery charge and standby service monthly demand charge if applicable.

In case of complete suspension of industrial operations at customer's plant for a period of not less than seven (7) consecutive days in any billing month, so that customer would be billed the minimum monthly charge in such billing month, then customer shall be billed and pay an amount calculated by billing the volume of gas actually consumed during such billing month at the then currently effective total billing rate.

- (F) **Volume Banking and Balancing Service.** The Volume Banking and Balancing Service represents the current storage cost to the Company to provide a bank tolerance to the Customer. The calculation of charges when deliveries are less than customers usage are set forth under Parts 48 and 49 of this tariff. The formula for determination of the rate to be paid for excess volumes, when a customer exceeds the bank tolerance, is set forth under Part No 48 of this tariff. The rate for this service is set forth below. To meet competition and retain throughput, the Company may be required to flex the level of the Banking and Balancing rate to Customers subject to this tariff.

Rate. Customers that subscribe for this Volume Banking and Balancing Service will be billed the applicable rate per Mcf on all volumes delivered which corresponds to the level of balancing service set forth in their Application for Transportation Service.

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Monthly Bank Tolerance – Maximum Percent of Annual Contract Volumes	Rate Per Mcf For All Volumes Transported
One Percent	\$.010 per Mcf
Two Percent	\$.015 per Mcf
Three Percent	\$.020 per Mcf
Four Percent	\$.025 per Mcf
Five Percent	\$.030 per Mcf

- (G) **Standby Service.** Standby Service, if approved by Company and contracted for by Customer under this tariff, will make gas service available at all times, except where interruption is necessary due to force majeure conditions, as defined in Part 62(I) hereof, or where service to human needs customers is threatened, up to the maximum daily and annual transportation volumes contracted for as set forth in the Application for Transportation Service, and reserves for Customer the right to purchase Standby Service.

Daily Standby Volume. Customer is entitled to use and Company agrees to deliver gas volumes to Customer up to the Daily Standby Volume (adjusted for unaccounted-for gas) on any day during the term of the Application for Service.

Annual Standby Volume. During the term of this agreement, Customer is entitled to purchase and Company is obligated to deliver to Customer the Annual Standby Volume as indicated in the Application for Service, less unaccounted for gas. The minimum Annual Standby Volume is determined by multiplying the Daily Standby Volume times 75.5.

Standby Service Charges.

- 1. Demand Charge for Daily Standby Volume.** The monthly demand charge for the Daily Standby Volume is calculated by multiplying the Daily Standby Volume(s) in the Application for

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Transportation Service by the sum of the weighted average demand cost underlying the Company's effective GCR rate, plus applicable excise taxes.

- 2. Commodity Charge.** All Standby Volumes delivered by Company to Customer will be considered next through Customer's meter, after Customer's own transportation gas is delivered. Any volumes of Standby Volume delivered to Customer will be billed at the weighted average commodity cost of gas underlying the Company's effective GCR rate, plus applicable excise taxes. Customer will also pay the applicable delivery charge pursuant to this tariff on all Standby Volumes delivered. In addition, Company will retain the percentage set forth herein of any Standby Volumes delivered to Customer as unaccounted-for gas.
- (H) Unaccounted For Gas.** Company will retain one percent (1%) of all volumes delivered to it for the account of Customer to offset unaccounted-for gas as a result of transporting gas volumes to Customer.
- (I) Late Payment Charge.** A late payment charge will be levied in accordance with the provisions set forth in Part 69(D).
- (J) MCF Tax Rider.** In addition to the above rates, all gas consumed is subject to an excise tax as set forth in Part 71.
- (K) Gross Receipt Tax Rider.** In addition to the above rates, the Company will charge and collect each billing period the effect of the gross receipt taxes assessed against the Company. The current gross receipt tax rate is 4.75%; therefore the current gross receipt tax charged will be the effective rate of 4.9653%.

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SECTION VI - UNIFORM PURCHASED GAS ADJUSTMENT

65. GAS COST RECOVERY CHARGE. The charge to the Customer for the cost of gas shall be the appropriate final Gas Cost Recovery rate per Mcf applied to the Customer's monthly consumption. The final gas cost recovery rates shall be determined under the provisions of the uniform purchased gas adjustment as set forth in Ohio Administrative Code Chapter 4901:1-14 and any subsequent revisions thereof, and to the lawful orders of regulatory authorities having jurisdiction.

SECTION VII - GENERAL

66. PUCO EMERGENCY POWERS These Rules, Regulations and Rates Governing the Distribution and Transportation of Gas are subject to and include as part thereof all orders, rules, and regulations applicable to the Company from time-to-time issued or established by The Public Utilities Commission of Ohio under its emergency powers.

67. RIGHT TO MODIFY. The Company reserves the right to modify, alter, or amend the foregoing Rules, Regulations, and Rates and to make such further and other Rules, Regulations, and Rates as experience may suggest, as the Company may deem necessary or convenient in the conduct of its business, and as The Public Utilities Commission of Ohio may approve.

Approval of the above tariff language by The Public Utilities Commission does not constitute a determination by the Commission that the limitation of liability imposed by the Company should be upheld in a court of law. Approval by the Commission merely recognizes that since it is a court's responsibility to adjudicate negligence and consequent damage claims, it is also the court's responsibility to determine the validity of the exculpatory clause.

Nothing contained in the Company's tariff shall relieve the Company of its duties and obligations under the Pipeline Safety Act of 1994 as amended, 49 USCA 60101 et seq., 49 C.F.R. Part 192 and all applicable federal regulations, and Chapter 4901:1-16 of the Ohio Administrative Code.

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68. RESIDENTIAL TERMINATION PROCEDURE FOR NONPAYMENT.

The Company shall follow the termination procedure established in the Ohio Administrative Code Chapter 4901:1-18, other Commission Orders which may be issued from time to time, and any subsequent amendments thereto, which section is incorporated herein by reference. Copies of the rule shall be made available for inspection upon the request or inquiry of any Customer or applicant for service.

69. MISCELLANEOUS. The following charges shall apply to all classes of customers:

(A) Reconnection Trip Charge and Additional Inspection Charge.

- 1.** If a service is reconnected after disconnection, or an additional inspection is required, a charge of twenty-five dollars (\$25.00) shall be assessed if performed during normal working hours.
- 2.** If service is reconnected after disconnection or an additional inspection is required after Company's normal business hours, a charge of thirty dollars (\$30.00) shall be assessed.

(B) Collection Charge. If payment is made to any employee whose authorized purpose was to disconnect service and who was authorized to accept such payment, or to an employee dispatched to the premises to accept payment, a charge of ten dollars (\$10.00) may be assessed on each such visit and shall be payable at the time of such visit. However, this charge shall be waived for the first such trip in any 36-month period, and only one such trip can occur in any billing cycle.

(C) Dishonored Check Charge. Whenever a customer pays a bill by check and the check is returned to the Company by the Customer's financial institution for lack of sufficient funds in the Customer's account, there may be a dishonored check charge assessed for each check returned. Such Customer shall be charged twenty dollars (\$20.00) for processing the dishonored check. However, this charge may not be assessed if the cause of the dishonored check is due to bank error.

(D) Late Payment Charge. If a bill payment is not received by the Company offices or by the Company's authorized agent within twenty one (21) days of the invoice, an additional amount of one and one half percent (1.5%) of the unpaid balance on the Customer's

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THE DISTRIBUTION AND TRANSPORTATION OF GAS**

subsequent bill will become due and payable as part of the Customer's total obligation. This provision is not applicable to unpaid account balances of any customer enrolled in PIPP or a payment plan pursuant to Rule 4901:1-1B-04, Ohio Administrative Code.

(E) **Tie-in Charge.** If a tie-in is required to restore service to the same Customer who had their service line cut and plugged as a result of repeated detection of unauthorized use of service, a charge of up to two hundred fifty dollars (\$250.00) or actual cost, whichever is less shall be assessed. Unauthorized use of service includes:

1. Detection of turning on meter and curb valve after non-pay turn off by Company, and;
2. Detection of by-passing meter inlet and outlet connections after removal of meter by Company.

(F) **Meter Test Charge.** If a meter is tested at the request of a customer and said test result demonstrates the meter was operating within accepted tolerances, a charge of twenty-five dollars (\$25.00) shall be assessed. If the test result demonstrates the meter was not operating within accepted tolerance, there shall be no charge for the test or removal. This charge shall not be assessed for the first such test performed in any 36-month period.

70. NEW FACILITIES. Where necessary, and after Customer agrees, Company will construct all additions, replacements or betterments of its facilities in order to accommodate the volumes of gas delivered to and by Company on Customer's behalf. Company will bill Customer for the cost thereof, or as the parties may otherwise agree, and Customer agrees to pay such costs within thirty (30) days after receipt of Company's bill, or as the parties may otherwise agree. The Company shall own all such additions, replacements or betterments except for that part of the Customer's service line as described in Part 24 (B) contained herein.

Filed under Authority of Case No. 97-1724-GA-AIR of the Public Utilities Commission of Ohio
filed in pursuant to PUCO Entry dated March 4, 1999, Case No. 97-1724-GA-AIR

ISSUED: March 5, 1999 EFFECTIVE: For Bills Rendered on or after March 8, 1999

Issued by
Northeast Ohio Natural Gas Corp.
Lawrence P. Haren, President

NORTHEAST OHIO NATURAL GAS CORP.

FIFTH REVISED SHEET NO. 57

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

71. MCF Tax Rider. Applicable to all distribution and transportation services to provide for recovery of Northeast Ohio Natural Gas Corp.'s excise tax liability. In addition to all other rates, each Mcf delivered is subject to the following excise tax:

First 100 Mcf per month	\$.1593 per Mcf
Next 1,900 Mcf per month	\$.0877 per Mcf
Over 2,000 Mcf per month	\$.0411 per Mcf

Flex Customer	\$.0200 per Mcf
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All bills rendered to a Flex Customer as defined by O.R.C. 5727.80(N) shall be assessed using the Flex Customer rate above (\$.02 per Mcf), with a corresponding reduction to the flexed base rate billed to that customer.

72. Uncollectible Expense Rider. Applicable to all customers served under rate schedules SGS, GS, and LGS. An additional charge of \$.0232 per Mcf shall be applied to all volumes for service rendered under applicable rate schedules to recover cost associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. The Company shall file an application with the Public Utilities Commission of Ohio requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over or under collections.

73. Interim, Emergency and Temporary PIP Plan Tariff Schedule Rider. Applicable to all distribution and transportation services and in addition to all other rates and charges, the interim Emergency and Temporary PIP Plan Rate base rate rider for gas service established in Case No. 17-409-GA-PIP is \$0.000 per Mcf delivered

Filed pursuant to PUCO Application dated August 28, 2017 in Case No. 17-409-GA-PIP

ISSUED: October 13, 2017

EFFECTIVE: For bills rendered on or after
October 13, 2017

Issued by
Northeast Ohio Natural Gas Corp.
Martin K. Whelan, President

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

74. BRAINARD GAS CORP. AREA RATES

Customers served under the Brainard Gas Area Rates will be governed by the Northeast Ohio Rules, Regulations and Rates for similar Distribution and Transportation of gas services with the exception of the specific following items:

Sales Service:

(A) Sales Rate: The Company sales rate shall include:

- a. Customer Charge of \$7.00 per meter, per month, regardless of gas consumed. [The minimum monthly charge shall be the Customer Charge.]
- b. Base Rate of \$2.50 per MCF, regardless of gas consumed.

(B) Gas Cost Recovery. In addition to the above rates, all gas consumed is subject to the Gas Cost Recovery Provisions of the Ohio Administrative Code Chapter 4901:1-14, and any subsequent amendments thereto, which section is incorporated herein by reference.

(C) MCF Tax Rider. In addition to the above rates, all gas consumed is subject to an excise tax of \$.0411 per Mcf delivered.

(D) Gross Receipt Tax Rider. In addition to the above rates, the Company will charge and collect each billing period the effect of the gross receipt taxes assessed against the Company. The current gross receipt tax rate is 4.75%; therefore the current gross receipt tax charged will be the effective rate of 4.890%.

(E) Late Payment Charge. A late payment charge will be levied in accordance with the provisions set forth in Part 69(D).

Filed in accordance with the Public Utilities Commission of Ohio Entry dated _____, Case No. _____

ISSUED: _____

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Issued by
Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

NORTHEAST OHIO NATURAL GAS CORP.

ORIGINAL SHEET NO. 59

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

BRAINARD GAS CORP. AREA RATES

Transportation Service:

(A) Transportation Service. Company shall offer transportation service on either a firm or fully interruptible basis on a first-come, first-served basis.

(B) Rates. The stated rate for firm transportation is two dollars and thirty cents (\$2.30) per 1,000 cubic feet (Mcf) of gas transported and the stated rate for interruptible transportation is two dollars and ten cents (\$2.10) per 1,000 cubic feet (Mcf) of gas transported. These rates are subject to the Ohio Gross Receipts Tax Recovery Rate set forth on Sheet No. 58. Transportation service is offered on a non-discriminatory basis.

The Company may flex down from its stated rate however, the Company will not flex below its actual system specific cost of providing the respective transportation service.

Any transportation arrangement that falls outside of the stated rate and/or flex down rate will be treated as a "Special Arrangement" and as such shall be presented to the Commission for specific approval.

Meter reading, billing, and related administrative costs when applicable shall be specifically disclosed in each arrangement.

All other transportation descriptions and requirements are provided for within the total of these tariff sheets for PUCO No. 1.

Filed in accordance with the Public Utilities Commission of Ohio Entry dated _____, Case No. _____

ISSUED: _____

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Issued by
Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

75. ORWELL NATURAL GAS COMPANY AREA RATES

Customers served under the Orwell Natural Gas Area Rates will be governed by the Northeast Ohio Rules, Regulations and Rates for similar Distribution and Transportation of gas services with the exception of the specific following items:

SMALL GENERAL SERVICE (SGS).

(A). Base Rates.

Class of Service: Applicable to residential, commercial and industrial customers using less than 500 Mcf per year between August 1st and July 31st.

Rates:

Monthly Customer Charge: \$9.00

Volumetric Rates per Mcf:

For first 100 Mcf: \$3.33

From 101 to 400 Mcf: \$3.10

Over 400 Mcf: \$3.00

(B) Adjustments to Base Rates

Gas Cost Adjustment. The current gas cost for gas purchased from the Company's suppliers shall be charged in addition to the volumetric charge.

Gross Receipts Tax Rider. The Company will charge and collect each billing period the effect of the gross receipts taxes assessed against the Company under all applicable rates and charges. However, this Gross Receipts Tax Rider will not be applied to bills of customers statutorily exempt from the payment of gross receipts taxes. The current gross receipt tax rate is 4.75 percent, thus the current gross receipts tax charged will be at the effective rate of 4.98725 percent.

Filed in accordance with the Public Utilities Commission of Ohio Entry dated _____, Case No. _____

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Issued by
Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

ORWELL NATURAL GAS COMPANY AREA RATES

Mcf Tax Rider. In addition to the above rates, the Company will charge and collect each billing period the effect of its excise tax liability. For each Mcf delivered, the Mcf tax will be \$.0411.

Uncollectible Accounts Rider. In addition to and independent of the adjustments provided for in Subsections A and B above, a charge of \$0.1465 per Mcf shall be applied to recover costs associated with uncollectible accounts for customers served pursuant to this schedule. No more frequently than annually, the Company may file an application with the Public Utilities Commission of Ohio requesting approval to adjust this charge if the Company determines that in the preceding year uncollectible account expense was over or under-recovered by more than ten percent.

Filed in accordance with the Public Utilities Commission of Ohio Entry dated _____, Case No. _____

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Issued by
Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

ORWELL NATURAL GAS COMPANY AREA RATES

GENERAL SERVICE (GS).

(A) Base Rates

Class of Service: Applicable to all customers using at least 500 Mcf per year between August 1st and July 31st Usage under this rate schedule will be reviewed annually at July 31st.

Rates:

Monthly Customer Charge: \$50.00

Volumetric Rates per Mcf:

For first 500 Mcf: \$3.00

Over 500 Mcf: \$2.50

(B) Adjustments to Base Rates

Gas Cost Adjustment. The current gas cost for gas purchased from the Company's suppliers shall be charged in addition to the volumetric charge.

Gross Receipts Tax Rider. The Company will charge and collect each billing period the effect of the gross receipts taxes assessed against the Company under all applicable rates and charges. However, this Gross Receipts Tax Rider will not be applied to bills of customers statutorily exempt from the payment of gross receipts taxes. The current gross receipt tax rate is 4.75 percent, thus the current gross receipts tax charged will be at the effective rate of 4.98725 percent.

Mcf Tax Rider. In addition to the above rates, the Company will charge and collect each billing period the effect of its excise tax liability. For each Mcf delivered, the Mcf tax will be \$.0411.

Filed in accordance with the Public Utilities Commission of Ohio Entry dated _____, Case No. _____

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Issued by
Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

ORWELL NATURAL GAS COMPANY AREA RATES

Uncollectible Accounts Rider. In addition to and independent of the adjustments provided for in Subsections A and B above, a charge of \$0.1465 per Mcf shall be applied to recover costs associated with uncollectible accounts for customers served pursuant to this schedule. No more frequently than annually, the Company may file an application with the Public Utilities Commission of Ohio requesting approval to adjust this charge if the Company determines that in the preceding year uncollectible account expense was over or under-recovered by more than ten percent.

Filed in accordance with the Public Utilities Commission of Ohio Entry dated _____, Case No. _____

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Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

NORTHEAST OHIO NATURAL GAS CORP.

ORIGINAL SHEET NO. 64

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

ORWELL NATURAL GAS COMPANY AREA RATES

LARGE GENERAL SERVICE (LGS).

(A). Base Rates.

Availability. Company shall not be required to furnish sales service hereunder to any Customer or applicant except by written Application for Large General Service by Customer to Company. Available to any commercial or industrial customer, provided that:

- (a) Service can be rendered within the limits of the Company's operating conditions and facilities.
- (b) Customer's consumption at the service location during one of the two most recent Annual Periods (November through October billing cycles) was at least 10,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 10,000 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.

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.

Rates:

Monthly Customer Charge: \$ 100.00 per meter.

Volumetric Rates per Mcf:

First 100 Mcf per meter per month \$2.50 per Mcf

Next 2,400 Mcf per meter per month \$2.00 per Mcf

Next 7,500 Mcf per meter per month \$1.00 per Mcf

Over 10,000 Mcf per meter per month \$.75 per Mcf

Filed in accordance with the Public Utilities Commission of Ohio Entry dated _____, Case No. _____

ISSUED: _____

EFFECTIVE: For Bills Rendered on or after _____

Issued by
Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

ORWELL NATURAL GAS COMPANY AREA RATES

(B) Adjustments to Base Rates

Gas Cost Adjustment. The current gas cost for gas purchased from the Company's suppliers shall be charged in addition to the volumetric charge.

Gross Receipts Tax Rider. The Company will charge and collect each billing period the effect of the gross receipts taxes assessed against the Company under all applicable rates and charges. However, this Gross Receipts Tax Rider will not be applied to bills of customers statutorily exempt from the payment of gross receipts taxes. The current gross receipt tax rate is 4.75 percent, thus the current gross receipts tax charged will be at the effective rate of 4.98725 percent.

Mcf Tax Rider. In addition to the above rates, the Company will charge and collect each billing period the effect of its excise tax liability. For each Mcf delivered, the Mcf tax will be \$.0411.

Uncollectible Accounts Rider. In addition to and independent of the adjustments provided for in Subsections A and B above, a charge of \$0.1465 per Mcf shall be applied to recover costs associated with uncollectible accounts for customers served pursuant to this schedule. No more frequently than annually, the Company may file an application with the Public Utilities Commission of Ohio requesting approval to adjust this charge if the Company determines that in the preceding year uncollectible account expense was over or under-recovered by ten percent or more.

Filed in accordance with the Public Utilities Commission of Ohio Entry dated _____, Case No. _____

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Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

ORWELL NATURAL GAS COMPANY AREA RATES

GENERAL TRANSPORTATION SERVICE (GTS)

(A). Base Rates.

Availability. Company shall not be required to furnish transportation service hereunder to any customer or applicant except by written application for gas service by Customer or Company. Available to any commercial or industrial end-use Customer provided that Service can be rendered within the limits of Company's operating conditions and facilities, and provided that Customer consumes at least 1000 Mcf per year between August 1st and July 31st.

Fixed Delivery Charge. The Company will charge the following rates for Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed:

First 500 Mcf per meter per month \$3.00 per Mcf

Over 500 Mcf Delivered: \$2.50 per Mcf

A Monthly Service Charge of \$70.00 per meter per month will be charged, regardless of the amount of gas consumed.

Flexible Delivery Charge. The Company, at its sole discretion, may offer transportation services at rates that are downwardly flexible from the maximum rates above. The lower bound shall be calculated on a Customer-specific basis for each Customer offered rates flexed from the maximum rates stated above. The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to fixed costs.

Filed in accordance with the Public Utilities Commission of Ohio Entry dated _____, Case No. _____

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Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

NORTHEAST OHIO NATURAL GAS CORP.

ORIGINAL SHEET NO. 67

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

ORWELL NATURAL GAS COMPANY AREA RATES

(B). Adjustments to Base Rates

Shrinkage. Company will retain the quantity of Gas required by the Company to replace the quantity of Gas that is required for lost-and-unaccounted-for Gas when transporting the tendered quantities. This percentage will be a system-wide average calculated annually by the Company.

Gross Receipts Tax Rider. The Company will charge and collect each billing period the effect of the gross receipts taxes assessed against the Company under all applicable rates and charges. However, this Gross Receipts Tax Rider will not be applied to bills of customers statutorily exempt from the payment of gross receipts taxes. The current gross receipt tax rate is 4.75 percent, thus the current gross receipts tax charged will be at the effective rate of 4.98725 percent.

Mcf Tax Rider. In addition to the above rates, the Company will charge and collect each billing period the effect of its excise tax liability. For each Mcf delivered, the Mcf tax will be \$.0411. A "flex customer" as defined in Ohio Rev. Code §5727.80(N) shall be assessed \$.0200 per Mcf with a corresponding reduction to the flexed base rate billed to that flex customer.

Filed in accordance with the Public Utilities Commission of Ohio Entry dated _____, Case No. _____

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Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

NORTHEAST OHIO NATURAL GAS CORP.

ORIGINAL SHEET NO. 68

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

ORWELL NATURAL GAS COMPANY AREA RATES

LARGE GENERAL TRANSPORTATION SERVICE (LGTS).

(A). Base Rates.

Availability. Company shall not be required to furnish transportation service hereunder to any Customer or applicant except by written Application for Transportation Service by Customer to Company. Available to any commercial or industrial customer, provided that:

Customer's consumption during one of the two most recent Annual Periods (November through October billing cycles) was at least 10,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 10,000 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.

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.

Fixed Delivery Charge. The Company will charge the following rates for Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed:

First 100 Mcf per meter per month \$2.50 per Mcf
Next 2,400 Mcf per meter per month \$2.00 per Mcf
Next 7,500 Mcf per meter per month \$1.00 per Mcf
Over 10,000 Mcf per meter per month \$.75 per Mcf

A Monthly Service Charge of \$ 100.00 per meter per month will be charged, regardless of the amount of gas consumed.

Filed in accordance with the Public Utilities Commission of Ohio Entry dated _____, Case No. _____

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Issued by
Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

**RULES, REGULATIONS AND RATES GOVERNING
THE DISTRIBUTION AND TRANSPORTATION OF GAS**

ORWELL NATURAL GAS COMPANY AREA RATES

Flexible Delivery Charge. The Company, at its sole discretion, may offer transportation services at rates that are downwardly flexible from the maximum rates above. The lower bound shall be calculated on a Customer-specific Customer basis for each Customer offered rates flexed from the maximum rates stated above.

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to fixed costs. Such reduced rates will be determined based on competitive services available to the Customer and the Company's need for load preservation or the economic recovery of costs of the Company. Unless otherwise agreed by the Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

(B) Adjustments to Base Rates

Shrinkage. Company will retain the quantity of Gas required by the Company to replace the quantity of Gas that is required for lost-and-unaccounted-for Gas when transporting the tendered quantities. This percentage will be a system-wide average calculated annually by the Company.

Gross Receipts Tax Rider. The Company will charge and collect each billing period the effect of the gross receipts taxes assessed against the Company under all applicable rates and charges. However, this Gross Receipts Tax Rider will not be applied to bills of customers statutorily exempt from the payment of gross receipts taxes. The current gross receipt tax rate is 4.75 percent, thus the current gross receipts tax charged will be at the effective rate of 4.98725 percent.

Mcf Tax Rider. In addition to the above rates, the Company will charge and collect each billing period the effect of its excise tax liability. For each Mcf delivered, the Mcf tax will be \$.0411. A "flex customer" as defined in Ohio Rev. Code §5727.80(N) shall be assessed \$.0200 per Mcf with a corresponding reduction to the flexed base rate billed to that flex customer.

Filed in accordance with the Public Utilities Commission of Ohio Entry dated _____, Case No. _____

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Issued by
Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

NORTHEAST OHIO NATURAL GAS CORP.

ORIGINAL SHEET NO. 70

Filed in accordance with the Public Utilities Commission of Ohio Entry dated _____, Case No. _____

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Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

P.U.C.O. NO. 1

Spelman Pipeline Holdings, LLC

Original Title Sheet
And Table of Contents

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

GAS TRANSPORTATION SERVICES

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Filed pursuant to PUCO Finding and Order dated October 12, 2011 in Case No. 11-4444-PL-UNC

Issued: October 18, 2011

Effective: October 18 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.

Filed pursuant to PUCO Finding and Order dated October 12, 2011 in Case No. 11-4444-PL-UNC

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Spelman Pipeline Holdings, LLC
Martin K. Whelan, President

P.U.C.O. NO. 1

Spelman Pipeline Holdings, LLC

Original Sheet No. 2

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

- 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,

Filed pursuant to PUCO Finding and Order dated October 12, 2011 in Case No. 11-4444-PL-UNC

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Spelman Pipeline Holdings, LLC
Martin K. Whelan, President

Spelman Pipeline Holdings, LLC

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

- 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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Spelman Pipeline Holdings, LLC
Martin K. Whelan, President

Spelman Pipeline Holdings, LLC

P.U.C.O. NO. 1

Original Sheet No. 4

**RULES AND REGULATIONS GOVERNING THE TRANSPORTATION
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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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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 x MDQ x number of days in the month
Commodity Charge (paid only on quantity transported):	\$.10 per Dth
Unauthorized Daily Overrun Charge:	\$.50 per Dth

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Martin K. Whelan, President**

Spelman Pipeline Holdings, LLC **P.U.C.O. NO. 1** **Original Sheet No. 6**

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INTERRUPTIBLE TRANSPORTATION SERVICE:

Commodity Charge (paid only on
quantity transported): \$.50 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 Section 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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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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**RULES AND REGULATIONS GOVERNING THE TRANSPORTATION
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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.

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P.U.C.O. NO. 1

Spelman Pipeline Holdings, LLC

Original Sheet No. 10

**RULES AND REGULATIONS GOVERNING THE TRANSPORTATION
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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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Spelman Pipeline Holdings, LLC
Martin K. Whelan, President

TRANSPORTATION SERVICE AGREEMENT No. _____

THIS AGREEMENT made and entered into as of the _____ day of _____, 20____, by and between SPELMAN PIPELINE HOLDINGS, LLC. ("Company") and _____, ("Customer") (sometimes jointly referred to as "Parties").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Transportation Service to be Rendered. In accordance with the provisions of the effective applicable transportation service provisions of Company's Tariff, on file with the Public Utilities Commission of Ohio (PUCO), and the terms and conditions herein contained, Company shall receive the quantities of gas requested by Customer to be transported and shall redeliver said gas to Customer's Delivery Point(s). The Point(s) of Receipt, Customer's Delivery Point(s), the Maximum Daily Quantity (MDQ) if applicable and the quality of service shall be set forth in Section 7 of this Transportation Service Agreement.

Section 2. Incorporation of Tariff Provisions. This Transportation Service Agreement shall be subject to and governed by the provisions of the Company's Tariff Gas P.U.C.O. No. 1, as the same may be amended or superseded from time to time, which is incorporated herein by this reference.

Section 3. Regulation. This Transportation Service Agreement is contingent upon the receipt and continuation of all necessary regulatory approvals and authorizations. This Agreement shall become void or expire, as appropriate, if any necessary regulatory approval or authorization is not so received or continued.

Section 4. Term. This Transportation Service Agreement shall have a commencement date of _____, 20____ and shall continue for a period of _____ from the commencement date,

Section 5. Notices. Any notices, except those relating to billing or interruption of service, required or permitted to be given hereunder shall be effective only if delivered personally to an officer or authorized representative of the party being notified, or if mailed by certified mail, facsimile transmission confirmed by ordinary mail or e-mail confirmed by ordinary mail to the address provided in Section 7(E) of this Agreement.

Section 6. Cancellation of Prior Agreements. This agreement supersedes and cancels, as of the effective date herein, any previous service agreements between the parties hereto.

APPENDIX A**Section 7. Contract Data****A. PRIMARY POINTS OF RECEIPT INTO SPELMAN PIPELINE HOLDINGS, LLC:**

Gate Station	Township	County
1)		
2)		
3)		

B. DELIVERY POINTS FROM SPELMAN PIPELINE HOLDINGS, LLC:

Gate Station	Township	County
1)		
2)		
3)		

C. TRANSPORTATION SERVICE - VOLUME DETAIL

Quality of Service: FIRM (☐) INTERRUPTIBLE (☐)

Shrinkage: 3.5 %; each calendar year during the term hereof as that term may be extended pursuant to Section 4 of this Transportation Service Agreement, Company may adjust this shrinkage percentage effective January 1 to reflect its operating experience.

Maximum Daily Quantity (MDQ): _____ Dth

D. TRANSPORTATION SERVICE RATE

Pursuant to the flexible rate authority granted in Spelman Pipeline Holdings, LLC's Tariff, P.U.C.O. No. 1, the maximum contractual volumetric rate hereunder is set at \$ _____ per Dth commencing on the commencement date for deliveries on behalf of Customer.

D. NOTICES

To Spelman Pipeline Holdings, LLC:

Spelman Pipeline Holdings, LLC
Attention: Martin K. Whelan, President
8500 Station St Suite 100
Mentor, OH 44060
(740) 862-3300
mwhelan@neogas.com

To. Customer:

[Customer Name]
Attention: [Contact Name]
[Mailing Address]
[Telephone Number]
[Fax Number]
[E-mail Address]

IN WITNESS WHEREOF, the parties hereto have accordingly and duly executed this Agreement as of the date hereinafter first mentioned.

CUSTOMER NAME

SPELMAN PIPELINE HOLDINGS, LLC

By:

By:

[PRINT NAME]

[PRINT NAME]

Title: _____

Title: _____

~~APPENDIX~~ B

GAS TRANSPORTATION PROGRAM GUIDELINES

The following standards and guidelines: (1) will be utilized to determine whether arrangements for furnishing natural gas or synthetic gas meet the reasonableness requirements of Section 4905.31, Revised Code; and (2) will be considered in applications made pursuant to Section 4909.18, Revised Code. However, the guidelines should not be understood or interpreted as barring the submission or approval of any arrangement which has been agreed to between the public utility (also referred to as the local distribution company) and a customer, a group of customers, or a previously unserved customer (hereafter referred to as "party").

These guidelines are intended to facilitate gas transportation within the state of Ohio. They do not supplant approved curtailment or emergency plans or activities.

These guidelines are intended to provide broad guidance while individual transportation tariffs and special contract language may detail specific terms and conditions.

- (1) Each gas or natural gas utility subject to the jurisdiction of the Commission that elects to provide transportation of gas shall do so on a non-discriminatory basis subject to the capacity of its system. Transportation services will be available pursuant to tariffs filed with and approved by the Commission. Such tariffs shall specify all rates and charges for both firm and interruptible transportation services. A range of rates may be published as part of the tariff. The range shall specify a minimum and a maximum transportation rate. The minimum rate shall cover the variable costs of serving a customer plus make a contribution to total company fixed costs. Only arrangements which vary from the tariff or which involve agency gas service or utility brokerage operations shall be filed in accordance with section 4905.31, Revised Code. The utility will periodically publish and file with the Commission, no less often than annually, a list of the unbundled and optional transportation services that it provides, and make such list available upon request.
 - (a) End-users who satisfy the definition of human needs and public welfare customers, as set forth in this appendix, must purchase backup supply service from the local gas distribution company (LDC), or have arranged for alternative natural gas capacity and reliable delivery of commodity from another supplier, or have alternative fuel capability, or have a combination thereof sufficient to maintain minimal operations.

Attachment
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- (b) Those end-users who do not satisfy the definition of human needs and public welfare customers or those customers who utilize the services of the LDC for transportation only are not required to have backup supplies.
- (c) Rates for backup supply, provided by the utility, shall be cost based. Backup supply shall be considered as the same priority, class, subdivision or category as that customer would be entitled to receive as a firm sales customer of the utility.
- (d) Customers who elect to relieve the LDC of the merchant function by engaging in gas transportation or bypass should bear the market risks of the choices that they make about sources of supply. Thus, while the utility retains an obligation to provide to its transportation customers transportation and related services, the public utility's obligation to provide commodity to these customers is on a best efforts basis and does not include an obligation to provide commodity service under the GCR regulated system supply as replacement of transportation or bypass volumes at prevailing GCR rates. All costs incurred by the utility in providing commodity to these customers should be borne by the customers who were provided such service.
- (e) The public utility is responsible for safeguarding the interests of all system customers by establishing reasonable procedures and mechanisms for making transportation customers responsible for balancing, on a timely basis, transportation gas deliveries with the transportation customer's consumption. The transportation customer is responsible for fully compensating the LDC, on behalf of the system sales customers, and other transportation customers as applicable, for any additional costs incurred as a result of that transportation customer's unreasonable imbalance between delivery and consumption. The reasonableness of such procedures and mechanisms are subject to evaluation by the Commission.
- (F) TO STRENGTHEN THE KNOWLEDGE BASE AMONG TRANSPORTATION CUSTOMERS, AND SCHOOLS IN PARTICULAR, LDC'S SHOULD DEVELOP INFORMATION PROGRAMS - SUCH AS BROCHURES AND FORUMS, AS APPROPRIATE - TO ACQUAINT POTENTIAL TRANSPORTATION PARTICIPANTS, ON AN ANNUAL BASIS, WITH OPERATIONAL REQUIREMENTS, COSTS, LIABILITIES, AND BENEFITS OF ENGAGING IN NATURAL GAS TRANSPORTATION.

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LDC'S SHALL FILE, ANNUALLY BY DECEMBER 31ST, WITH THE STAFF, A RECORD OF INFORMATIONAL PROGRAMS PERFORMED AND COPIES OF ANY MATERIALS UTILIZED IN THIS INFORMATIONAL EFFORT.

- (G) IT IS NOTED THAT SCHOOL FACILITIES OFTEN FUNCTION AS EMERGENCY SHELTERS. ALL LDC'S PROVIDING TRANSPORTATION SERVICE ARE REQUIRED TO IDENTIFY ALL SCHOOL FACILITIES WITHIN THEIR SERVICE TERRITORY, ENGAGING IN NATURAL GAS TRANSPORTATION, AND DESIGNATED AS EMERGENCY SHELTERS, AND COORDINATING THIS LIST ANNUALLY WITH THE PUBLIC UTILITIES COMMISSION OF OHIO EMERGENCY/OUTAGE COORDINATOR AND THE RESPECTIVE LOCAL COUNTY EMERGENCY MANAGEMENT DIRECTOR. THIS LIST SHOULD PROVIDE COMPLETE LOCATIONAL DETAILS AND POINTS OF CONTACT. IN THE ABSENCE OF BACK-UP SERVICE, IN AN EMERGENCY, THESE FACILITIES WOULD BE ENTITLED TO SPECIAL CONSIDERATION FOR GAS SUPPLY ONLY IF THEY WERE ACTIVATED AS EMERGENCY SHELTERS.
- (2) The party making available supplies of natural gas or synthetic gas should have the following commodity and capacity rights and be subject to the following conditions:
- (a) To the extent that a party makes supplies of natural or synthetic gas available, the party shall have a right to retain, pursuant to an approved arrangement, 100% of the gas delivered to the transporting utility or utilities, less the average system-wide unaccounted-for gas percentage, or a different percentage when such is justified by the utility in any application approved by the Commission pursuant to either Sections 4905.31 or 4909.18, Revised Code.
 - (b) Planning for system supply customers shall not assume that the gas supply or capacity entitlement of transportation customers will or can be used to meet system supply customers' design requirements unless a transportation customer has agreed otherwise. This will be reviewed in each company's LTFR filings and/or GCR proceedings.
 - (c) Absent a condition that creates a clear and present danger to the LDC's ability to meet the demands of human needs and public welfare customers, the gas supply of a transportation customer shall be accepted and delivered by an LDC according to the terms of the applicable contract or tariff. Any interruption in the service

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entitlement of a transportation customer resulting from such a condition shall be remedied as quickly as reasonably possible and must be preceded by the exhaustion of other reasonable alternatives to avoid the involuntary interruption of service.

- (d) In the event all or any portion of a supply or capacity entitlement is not available to a transportation customer as a result of the direct action of the LDC pursuant to (2)(c), other than in cases of force majeure, the transportation customer not receiving the entitlement shall be entitled to compensation from the LDC. Compensation should take into consideration the cost incurred for interstate and intrastate capacity entitlements, if any, the cost of the commodity purchased, the incremental cost incurred by a transportation customer to obtain substitute energy, if an alternative is available and used, and any premium required by the market for the time of the capture.
 - (e) The transportation party shall be responsible, either directly or indirectly, for all costs and risks associated with the field or plant development, production, storage and delivery of the volumes to the public utility. The transportation party shall also be responsible for compensating the LDC, for the benefit of its system sales customers, when the transporting party uses gas to which it is not entitled. Compensation should take into consideration the cost incurred for interstate and intrastate capacity entitlements, if any, the cost of the commodity purchased, and any premium required by the market for the time of the capture.
- (3) If the party is a customer of the transporting local distribution company and satisfies the definition of a human needs and public welfare customer, the application must specify the type of alternative fuel the customer has available (i.e., backup service from the utility, alternative natural gas capacity and reliable commodity supplier, fuel oil, propane, coal, or other energy source).
 - (4) The utility shall maintain separate accounts or subaccounts for expenses of and for all equipment installed or property devoted to the production, collection, transmission, and delivery of natural or synthetic gas pursuant to an arrangement between a party and a public utility.

Agency or brokerage staff of the utility shall not restrain competition by using information involving non-LDC brokerage

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or producer sales obtained through the exercise of the utility's transportation function in competing against those same non-LDC brokers or producers. Where such restraint of competition occurs, agency or brokerage sales may be canceled.

- (5) Any application for the approval of an agreement between a party and a public utility or any agreement issued in accordance with published transportation tariffs shall specifically set forth the following:
- (a) The manner in which the public utility's existing and pending restrictions relating to the curtailment of existing service or the extension of new service would be altered or modified if the proposed arrangement were approved by the Commission.
 - (b) The areas where the arrangement is at variance with the guidelines used to judge the reasonableness of such arrangement, and the reasons that the variance is deemed necessary.
 - (c) The name, address, and telephone number of the party.
 - (d) The nature and extent of any interest which each party to the arrangement holds in any other party to the arrangement, or in any public utility subject to the jurisdiction of the Commission.
 - (e) The location of the intended points of consumption.
 - (f) Where an arrangement renews or replaces a previous transportation arrangement, the application should specify the case number under which the previous arrangement was filed with the Commission and the date of the entry approving the arrangement.
 - (g) Types of services and rates charged and minimum and maximum volumes.
 - (h) Each arrangement, filed pursuant to Section 4905.31, Revised Code, entered into between a party and a public utility for furnishing natural or synthetic gas, shall provide that no alteration, modification, assignment, or termination shall be made without specific approval of the Commission.

- (i) The portions of the transportation service provided on a firm and an interruptible basis, as indicated in the transportation agreement.
 - (j) The method and manner of compensating the transporting party in the event of an appropriation of gas pursuant to the public utility's curtailment plan and/or contractual arrangement, as indicated in the transportation agreement.
 - (k) The arrangements, reasonable and non-punitive, between the customer and the public utility which are necessary for the public utility to manage its system and service so that the transportation customers service does not adversely affect other customers and/or the integrity of the system.
 - (L) WITH RESPECT TO SCHOOL SYSTEMS ENGAGING IN NATURAL GAS TRANSPORTATION SERVICES WITHOUT LDC PROVIDED BACK-UP SERVICES, TO INSURE ADEQUATE COMMUNICATION AND UNDERSTANDING AMONG THE PARTIES PROVIDING EACH SEGMENT OF THIS SERVICE AND THE SCHOOL SYSTEM'S GOVERNING BODY, THE COMMISSION REQUIRES THAT A SCHOOL BOARD RESOLUTION WHICH ACKNOWLEDGES THE RISKS, THE RESPONSIBILITIES, AND THE POTENTIAL CONSEQUENCES OF ENGAGING IN NATURAL GAS SUPPLY AND TRANSPORTATION ARRANGEMENTS BE FILED ANNUALLY WITH THE LOCAL DISTRIBUTION COMPANY AND THAT SAID RESOLUTION ACCOMPANY ANY FILING, WITH THE COMMISSION, OF A CONTRACT PURSUANT TO RC 4905.31.
- (6) Any application for the approval of a transportation agreement shall conform to the requirements of Section 4905.31, Revised Code.
- (7) Each gas or natural gas utility that elects to offer transportation service shall provide rates for firm and interruptible service. Initial filings for such rates may be downwardly flexible from a basic transportation rate, which is defined as the otherwise applicable service and rate schedule less all GCR-related costs and less optional services. The rate may be flexed between an upper bound of the basic transportation service rate and a lower bound that recovers all variable costs of service and provides a contribution to the utility's fixed costs of providing service. Transportation rate flexibility should be used as an opportunity to optimize revenue. Where gas-related services such as supply back-up are contracted for, the cost of providing such service shall be in addition to the basic transportation rate.

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For contracts submitted to the Commission under Section 4905.31, Revised Code, the transportation rate may take effect upon the filing of the agreement with the Commission, but the agreement would remain subject to subsequent approval.

- (a) Information regarding the transportation rates will be treated confidentially by the Commission Staff in any application for approval of a transportation arrangement; pursuant to Section 4905.31, Revised Code, when it can be demonstrated by the utility that disclosure of the negotiated rate will jeopardize the utility's ability to optimize revenue in future rate negotiations.

All documents and records in the possession of the Commission are public records. Thus, it is only under extraordinary circumstances that material in the Commission's possession may be held in confidential status.

If there is a request for rate confidentiality, the request shall accompany the application. The rate which is the subject of the request will be treated as confidential pending a Commission finding regarding the propriety of the request.

IN MAKING AN APPLICATION FOR CONFIDENTIAL TREATMENT, THE LDC SHOULD CONSULT WITH APPROPRIATE STAFF TO INSURE COMPLIANCE WITH CURRENT FILING REQUIREMENTS.

- (b) Each utility shall maintain information and accounts sufficient to identify total transportation service revenue actually recovered and that which would have been recovered but for the use of transportation rate flexibility.
- (c) A local distribution company may establish its gas transportation schedule(s) pursuant to an application(s) found to be in accordance with Section 4909.18, Revised Code. In establishing its gas transportation tariff schedule(s), the local distribution company should disclose all services and related expenses, such as administration, which occur in addition to the otherwise applicable service and rate, and those services and related expenses which need not be performed when compared with the otherwise applicable service and rate. Any such application(s) must include a complete

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description of all required services and documentation of associated expenses which result directly and exclusively from the provision of the transportation service(s) which is the subject of the application.

(8) The Commission believes that the provisions of these guidelines provide the utility with adequate means to meet competitive realities and to maintain the revenue contribution of customers receiving the services. The Commission will use the rate case proceeding to scrutinize the appropriateness of recovery of any revenue deficiency from the general service customers, which deficiency arose from the loss of customers and/or from the use of pricing flexibility.

(9) Definitions

- (a) Administration Fee - The charge and corresponding accounting entry which represent the actual cost of administering gas transportation service and its obligations.
- (b) Agency Gas Service - A function by the local distribution company wherein the LDC acts as agent for the consumer for the procurement of gas or as agent for a producer for the sale of gas.
- (c) Human Needs and Public Welfare Customer - A customer whose facilities are used for residential dwelling on either a permanent or temporary basis; commercial customers of a residential nature; other customers whose service locations are places of the kind, where the element of human welfare is the predominant factor; and civil and governmental customers whose facilities are required in the performance of protecting and preserving the public health, safety and welfare. Such facilities shall include, but are not limited to houses, apartment buildings, correctional institutions, hospitals, nursing homes, and charitable institutions. Specifically excluded are hotels and motels used for temporary lodging and not used as a principal place of residence on a monthly or yearly basis; AND PRIMARY, SECONDARY, AND OTHER NON-RESIDENTIAL SCHOOLS.
- (d) Minimal Operations - Maintenance supply of natural gas sufficient to allow a human needs and public welfare customer, who does not have a 24-hour residence requirement, to meet average worst day maintenance heating requirements based on the heating degree days

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record for the closest location to the building site. Supply of natural gas sufficient to allow those facilities with a residential function to provide the full requirements of the residential heating load plus maintenance levels for the non-residential portions of the facility.

- (e) Optional Services - The offering of services in addition to services provided for in the basic transportation rate.
- (f) Unbundled Services - The offering of the separate or individual components of transportation and related services and corresponding rates and charges.
- (g) Utility Brokerage Operations - Activities of an agency which is subordinate to an LDC, or subordinate to a pipeline or other holding company having organizational connection to the LDC; and which engages in commodity transactions separate from those activities normal to operation of the Gas Cost Recovery system supply.

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Case No(s). 18-1720-GA-AIR, 18-1721-GA-ATA, 18-1722-GA-ALT

Summary: Application Schedule E-2 electronically filed by Mr. Trevor Alexander on behalf of Northeast Ohio Natural Gas Corp. and Orwell Natural Gas Company and Brainard Gas Corp. and Spelman Pipeline Holdings, LLC