

132

SUMMARY OF

THE EAST OHIO GAS COMPANY
CASE NO. 93-2006-GA-AIR

The East Ohio Gas Company (East Ohio) provides gas service to approximately 1,070,000 customers in Ohio. This opinion and order involves an application by East Ohio and The River Gas Company (which was merged into East Ohio in June 1994) for approval of an approximately \$98.9 million increase in base rates.

In this opinion and order, the Commission accepts an unopposed stipulation and recommendation to resolve all issues raised in this case. The signatory parties include East Ohio, the staff of the Commission, the Office of Consumers' Counsel, the City of Cleveland, the Greater Cleveland Schools' Council of Governments, Industrial Gas Users-Ohio, Ohio Oil & Gas Association, Western Reserve Alliance, Greater Cleveland Welfare Rights Organization, Cleveland Community Energy Coalition, Residential Energy Conservation Coalition, and the Northeast Ohio Apartment Association. The Industrial Energy Consumers group and the Ohio Department of Education did not sign the agreement but do not oppose its adoption by the Commission.

The Commission accepted the recommendation of the parties that East Ohio be granted a net base rate revenue increase of \$68,621,000. The increase will be phased-in over two years, \$62,372,000 the first year and \$6,249,000 the following year. By customer class, the total increase will be approximately 6.28 percent for residential customers, 4.9 percent for commercial customers, 3.97 percent for industrial customers, and 7.72 percent for transportation customers. Customers formerly served by River Gas will see slightly reduced rates in order for the East Ohio system to achieve uniform rates. The settlement agreement reflects 10.67 percent as a reasonable rate of return on rate base.

Other terms of the stipulation include an agreement by East Ohio to: Spend \$2.5 million on weatherization projects, plus an additional \$500,000 for weatherization of low-income homes; Provide greater accessibility for transportation customers, including a transportation tariff specifically for schools and an experimental transportation program for residential customers; Make all reasonable efforts to annually attain actual readings for customers with remote meter reading devices; and Use its best efforts to reduce telephone answer time on calls made to the company's customer service centers.

This summary was prepared to provide a brief statement of the Commission's action in this case. It is not part of the Commission's decision and does not supersede the full text of the opinion and order.

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
The East Ohio Gas Company and The)
River Gas Company for Authority to) Case No. 93-2006-GA-AIR
Amend Filed Tariffs to Increase the)
Rates and Charges for Gas Service.)

OPINION AND ORDER

The Commission, coming now to consider the application filed by The East Ohio Gas Company and The River Gas Company, the staff's report of investigation, the exhibits introduced into evidence, the joint stipulation and recommendation filed by parties in this proceeding, and being otherwise fully advised of the facts and issues in this case, hereby issues its opinion and order.

APPEARANCES:

Jones, Day, Reavis & Pogue, by Paul T. Ruxin and Helen L. Liebman, North Point, 901 Lakeside Avenue, Cleveland, Ohio 44114, on behalf of The East Ohio Gas Company and The River Gas Company.

Lee I. Fisher, Attorney General of the State of Ohio, James B. Gainer, Section Chief, by Paul A. Colbert, Anne L. Hammerstein, and Jodi J. Bair, Assistant Attorneys General, 180 East Broad Street, Columbus, Ohio 43215-3793, on behalf of the staff of the Public Utilities Commission of Ohio.

Robert S. Tongren, Consumers' Counsel, by Joseph P. Serio and Werner L. Margard, Associate Consumers' Counsel, 77 South High Street, 15th Floor, Columbus, Ohio 43266-0550, on behalf of the residential customers of The East Ohio Gas Company.

Sharon Sobol Jordan, Director of Law, and William M. Ondrey Gruber, Chief Assistant Director of Law, City Hall, Room 106, 601 Lakeside Avenue, Cleveland, Ohio 44114, on behalf of the City of Cleveland.

Joseph P. Meissner, Cleveland Legal Aid Society, 1223 West Sixth Street, Cleveland, Ohio 44113, on behalf of The Greater Cleveland Welfare Rights Organization, Inc., the Western Reserve Alliance, and The Cleveland Community Energy Coalition.

Emens, Kegler, Brown, Hill & Ritter, by Samuel C. Randazzo and Richard P. Rosenberry, 65 East State Street, Suite 1800, Columbus, Ohio 43215, on behalf of BP Oil Company, Republic Engineered Steels, Inc., and The Timken Company (Industrial Gas Users-Ohio).

Vorys, Sater, Seymour & Pease, by M. Howard Petricoff, W. Jonathon Airey, and Stephen M. Howard, 52 East Gay Street, Columbus, Ohio 43216-1008, on behalf of The Ohio Oil and Gas Association.

Bell, Royer & Sanders Co., L.P.A., by Langdon D. Bell, 33 South Grant Avenue, Columbus, Ohio 4321 on behalf of Alcoa, Chrysler Corporation, Ford Motor Company, General Electric, General Motors Corporation, J&L Specialty Steels, Lincoln Electric, LTV Steel, PPG Industries, Warren Consolidated Industries, and Wabash Alloys (Industrial Energy Consumers).

Climaco, Climaco, Seminatore, Lefkowitz & Garfoli Co., L.P.A., by Glenn S. Krassen, Suite 900, The Halle Building, 1228 Euclid Avenue, Cleveland, Ohio 44115, and Bruce J. Weston, 169 West Hubbard Avenue, Columbus, Ohio 43215, on behalf of the Greater Cleveland Schools Council of Governments.

Hahn Loeser & Parks, by Maureen R. Grady and Janine L. Migden, 431 East Broad Street, Suite 200, Columbus, Ohio 43215-3820, on behalf of the Residential Energy Conservation Coalition.

Lee I. Fisher, Attorney General of the State of Ohio, by John P. Ware, Assistant Attorney General, Education Section, 30 East Broad Street, 15th Floor, Columbus, Ohio 43266-0410, on behalf of the Ohio Department of Education.

Reminger & Reminger Co., L.P.A., by Thomas C. Simiele, 113 St. Clair Avenue, Suite 700, Cleveland, Ohio 44114, on behalf of the Northeast Ohio Apartment Association.

HISTORY OF THE PROCEEDINGS:

The East Ohio Gas Company (East Ohio, the applicant, or the company) is a wholly-owned subsidiary of Consolidated Natural Gas Company (Consolidated), a Delaware corporation and a registered holding company. The River Gas Company (River), which was also a subsidiary of Consolidated, has recently been merged into East Ohio, with East Ohio being the surviving corporation. The merger was approved by the Commission on June 23, 1994 in Case No. 94-791-GA-UNC and finalized on June 30, 1994.

East Ohio is an Ohio corporation engaged in the business of supplying gas service in the state of Ohio. East Ohio is a public utility and a natural gas company within the definitions of Sections 4905.02 and 4905.03(A)(6), Revised Code, and, as such, is subject to the jurisdiction of this Commission pursuant to Sections 4905.04, 4905.05, and 4905.06, Revised Code. The company provides service to approximately 1,070,000 customers in 21 counties. East Ohio's present rates and charges for gas service were established by the Commission in East Ohio Gas Co., Case No. 86-297-GA-AIR (December 30, 1986). Rates for former River customers were authorized by the Commission in River Gas Co., Case No. 90-395-GA-AIR (January 10, 1991).

On December 10, 1993, East Ohio and River served and filed a notice of intent to file an application for an increase in rates to be charged for gas service, as required by Section 4909.43(B), Revised Code, and Rule 4901-7-01, Ohio Administrative Code (O.A.C.). As part of the prefiling notification, the applicants requested that December 31, 1993 be fixed as the date certain for the valuation of property and that the 12 months ending September 30, 1994 be established as the test period for the analysis of accounts. By entry dated January 19, 1994, the Commission approved the proposed date certain and test year. The application to increase rates was filed on January 18, 1994, along with the Standard Filing Requirements. By entry dated March 16, 1994, the application was accepted for filing as of January 18, 1994. The entry also approved the form of legal notice proposed by the company.

The Staff Report of Investigation (Staff Ex. 1) was filed on August 5, 1994. Objections to the staff report were filed on September 6, 1994. Motions to strike various objections were filed on September 12, 1994 by the staff and East Ohio. Memoranda contra the motions to strike were filed on September 19, 1994 by the Office of Consumers' Counsel (OCC), the Ohio Oil and Gas Association (OGA), and jointly by the Greater Cleveland Schools Council of Governments (Schools) and the Ohio Department of Education.

The evidentiary hearing was scheduled to commence on September 27, 1994 but was continued several times to allow further settlement discussions by the parties. On October 12, 1994, a joint stipulation and recommendation (Joint Ex. 1) was filed and submitted into the record without objection. The stipulation is supported by East Ohio, the staff of the Commission, OCC, the City of Cleveland, jointly the Greater Cleveland Welfare Rights Organization, The Western Reserve Alliance, and The Cleveland Community Energy Coalition (GCWRO), the Schools, OGA, the Industrial Gas Users-Ohio (IGU), the Residential Energy Conservation Coalition (RECC), and the

Northeast Ohio Apartment Association (NOAA). The Industrial Energy Consumers (IEC) and the Department of Education did not sign the stipulation but do not oppose its adoption by the Commission.

Local public hearings were conducted by Commissioners at a number of locations throughout East Ohio's service area for the purpose of affording interested members of the public the opportunity to present testimony in this proceeding. The local hearings were held on October 13, 1994 in Marietta; on October 17, 1994 in Akron; on October 20, 1994 in Canton; on October 24, 1994 in Willoughby, Warren, and Poland; on October 25, 1994 in Cleveland; and on October 27, 1994 in Ashtabula. Legal notice of the company's application to increase rates was published in conformity with Section 4909.18, Revised Code, and notice of the local public hearings was published pursuant to Section 4903.083.

COMMISSION REVIEW AND DISCUSSION:

This case is before the Commission upon the application of East Ohio, pursuant to Section 4909.18, Revised Code, for authority to amend rates and charges for gas service within its service territory. In the joint application filed by East Ohio and River, the applicants alleged that existing rates are unjust, unreasonable, and insufficient to yield a reasonable compensation for service. The schedules supplied with the application support an increase in rates of \$98,901,903 based upon the test year ending September 30, 1994, and the date certain of December 31, 1993 (Application, Sched. A-1). The stipulation, among other things, provides for a total revenue increase of \$68,621,000, although the increase shall be reduced by \$6,249,000 during the first year it is in effect (Joint Ex. 1, at 2).

THE STIPULATION

The Commission begins its consideration with an overview of the main elements of the stipulation¹. As indicated above, the stipulation provides for a two-step rate increase, the bulk of which (\$62,372,000) is to be implemented beginning with the first billing cycle in November 1994. The second step, beginning in November 1995, will add a \$6,249,000 revenue increase for a total net base rate increase of \$68,621,000. The total recommended revenue requirement of \$1,200,318,000 reflects 10.67 percent as a reasonable rate of return on rate base. The agreement also includes a number of other detailed provisions which are outlined below.

1. The full stipulation, including proposed tariff schedules for both phases of the rate increase, is attached to the opinion and order.

Carrying Charges

The parties agree that carrying charges of 10 percent per year shall be accrued by the company on monthly balances of current gas in storage. The carrying charges will be included in the LIFO rate for gas in storage and reflected thereafter in the GCR mechanism beginning with Phase II of the increase. A base rate revenue requirement decrease of \$5,687,000 in Phase II will reflect this change (Para. 2.A.).

Financial Accounting Standard 106

East Ohio agrees under the settlement to fully implement Financial Accounting Standard 106, and to amortize the deferred accruals over a period of 17 years and 2 months beginning in the second phase of the increase (Para. 2.B.).

Weatherization Expense

The parties further agree that East Ohio will spend \$2,500,000 for weatherization which will be recovered above-the-line through the company's GSS (General Sales Service) and LVGSS (Large Volume General Sales Service) rate schedules. In addition, the company agrees to provide annually \$500,000 to fund weatherization, including funds for a minimum of 500 eligible residences in its service territory. East Ohio also agrees to continue to fund its Housewarming Program and to work with participants in that program and the federally funded Home Weatherization Assistance Program to leverage additional non-company funding for weatherization (Para. 2.C.).

In a separate letter agreement with RECC and GCWRO, East Ohio agrees to meet with those groups to discuss a method of allowing voluntary contributions by East Ohio customers for low-income weatherization projects. The company also agrees to: adopt a two-year primary term for the agreement by which East Ohio contracts for weatherization services; contribute \$15,000 in additional below-the-line funds for each one percent by which the total heating degree days exceed 6,241 in any twelve month period ending October 31 (beginning with October 31, 1995); and expend up to \$10,000 for a consultant to perform a study of the effect of East Ohio's weatherization programs on natural gas consumption by the company's low-income customers (Attach. A to Stip.).

Rate Schedule ISS

The stipulation provides that in each year prior to that in which rates become effective in the company's next rate case, revenues exceeding \$4,500,000 for service provided under Rate Schedule ISS (Interruptible Storage Service) shall be credited to customers through the GCR mechanism (Para. 2.D.).

Transportation Service

The parties agree that revenues received by the company under specific sections of the General Terms and Conditions of Transportation Service, DTS (Daily Transportation Service), GTS (General Transportation Service), ESGTS (Experimental Small General Transportation Service), and TSS (Transportation Service for Schools) rate schedules shall be credited to customers through the GCR mechanism (Para. 2.E.).

According to the stipulation, any payments made by East Ohio pursuant to Sections 5.1 and 19.4 of the General Terms and Conditions of Transportation Service, or under contracts referred to therein, shall be recovered by the company through the GCR mechanism (Para. 2.F.).

The agreement further provides that the monthly customer charge in the DTS, GTS, ESGTS, and TSS tariffs represents the combination of administrative fees and customer charges in prior tariffs. In addition, the company agrees that no customer shall be charged more customer charges, with respect to the customer's existing delivery points, than the number of such charges as of October 3, 1994 (Para. 2.G.).

In the event East Ohio rejects a customer's transportation volume nomination or production volume nomination under the General Terms and Conditions of Transportation tariff, the company agrees to provide a written response detailing the reasons why the nomination was rejected (Para. 2.H.).

The company also agrees that, approximately 6 months from the date of the opinion an order, it will meet with parties and the staff to review operating issues or questions which have arisen since the effective date of the DTS, GTS, ESGTS, TSS, and ISS tariffs and to attempt to resolve any such issues or questions (Para. 2.K.).

Tariff Review

East Ohio agrees, within 90 days of the issuance of the opinion and order in this case, to submit the results of its review of the General Service Terms and Conditions of its tariffs, including suggested changes to applicable rules or for improved clarity in the tariffs. The company agrees to include language which requires best efforts to obtain an actual meter reading at least once per year and language regarding mainline extensions (Para. 2.I.).

Back-Up Service

East Ohio also agrees, within 6 months of the issuance of the opinion and order in this case, to submit an ATA filing proposing a new standby or back-up service for eligible customers. The parties stipulate that intervention in such a proceeding by any of the signatory parties should be granted by the Commission (Para. 2.J.).

Additional Studies

Prior to the filing of its next rate case, East Ohio agrees to provide to the parties: a load research report analyzing the total company demands by rate or customer class; an analysis of the costs and benefits of adopting a late payment charge or prompt payment discount; a depreciation study for all accounts to determine the appropriate total company depreciation accrual rates; and a study of the high pressure billing lag days (Para. 2.L.).

Sales to Transportation Migration

The stipulation provides that, within 7 months after the effective date of the tariffs, and thereafter in conjunction with East Ohio's bi-annual GCR proceeding, the company and interested parties will review the effects on the company's firm interstate pipeline capacity entitlements of the migration of customers during the intervening periods from sales to transportation service. Upon a showing by the company that it has not disposed of all of, has disposed of some at less than the full cost of, or has retained for its own use only some of, the capacity rendered unnecessary by migration, the remaining costs will be borne by all customers on the DTS, GTS, and TSS rate schedules through a surcharge on such customers, pursuant to the Transportation Migration Rider set forth in Exhibit A-3 of the stipulation (Para. 2.M.).

Access to Multi-Tenant Residence

In the event East Ohio is unable to gain access to a delinquent customer's meter in a multi-tenant residence, the parties agree that the company may request access to the common area of the residence by letter to the other tenants. The company and the staff will agree on the content of the letter (Para. 2.N.).

Remote Meter Reading

With respect to its remote meter reading devices, East Ohio agrees to do the following: take all reasonable steps to obtain actual readings of meters with remote devices installed; provide

to the staff an explanation of the method for calculating backbills where the remote meter malfunctions; undertake studies to test the accuracy of its remote meter reading devices; send a letter to customers with remote meters explaining the need for actual readings; and to evaluate the effectiveness of communications with customers who have remote meter reading devices when they are backbilled due to a malfunctioning remote meter (Para. 2.O.).

Customer Service

East Ohio also agrees to use its best efforts to reduce telephone answer time on calls made to its customer service centers. Within 90 days of the opinion and order, and annually thereafter, the company agrees to report to the staff the goals, efforts, and results achieved (Para. 2.P.).

PIPP Training

The company agrees that a staff representative may attend company training sessions for company service representatives regarding the administration of the percentage of income payment plan (PIPP). East Ohio agrees to monitor its service representatives and use best efforts to ensure that all eligible customers are offered PIPP enrollment (Para. 2.Q.).

REVIEW OF THE STIPULATION

The stipulation and recommendation submitted by the signatory parties on October 12, 1994 is unopposed and resolves all issues raised by East Ohio's application in this case. Rule 4901-1-30, O.A.C., provides for the submission of stipulations such as the one presented in this case. Although not binding upon the Commission, stipulations are entitled to careful consideration, particularly when the agreement is unopposed and is sponsored by parties representing a wide range of interests, including the Commission's staff. See, Cincinnati Gas & Electric Co., Case No. 82-485-EL-AIR (March 30, 1983). See also, Cleveland Electric Illuminating Co., Case No. 88-170-EL-AIR (January 31, 1989). The Ohio Supreme Court has also held that stipulations entered into between the parties in a proceeding can be accorded substantial weight by the Commission. Akron v. Pub. Util. Comm., 55 Ohio St. 2d 155 (1978); Consumers' Counsel v. Pub. Util. Comm., 64 Ohio St. 3d 123 (1992). Although we give substantial weight to an unopposed settlement in a case such as this, our primary concern is whether the stipulation is in the public interest.

The standard of review for considering the reasonableness of a stipulation has been discussed in a number of prior Commission proceedings. See, e.g., Columbia Gas of Ohio, Case No. 94-987-GA-AIR (September 29, 1994); Cincinnati Bell Telephone Co.,

Case No. 93-432-TP-ALT, et al. (May 5, 1994); Cincinnati Gas & Electric Co., Case No. 91-410-EL-AIR (April 14, 1994); Cleveland Electric Illuminating Co., supra; Restatement of Accounts and Records (Zimmer Plant), Case No. 84-1187-EL-UNC (November 26, 1985). In considering the reasonableness of a stipulation, the Commission has used the following criteria:

- 1) Is the settlement a product of serious bargaining among capable, knowledgeable parties?
- 2) Does the settlement, as a package, benefit ratepayers and the public interest?
- 3) Does the settlement package violate any important regulatory principle or practice?

The Ohio Supreme Court has endorsed the Commission's analysis using these criteria to resolve issues in a method economical to ratepayers and public utilities. Indus. Energy Consumers of Ohio Power Co. v. Pub. Util. Comm. (1994), 68 Ohio St. 3d 547 (citing Consumers' Counsel, supra).

Based on our three prong standard of review, we find that the first criterion, that the process involved serious bargaining by knowledgeable, capable parties, is clearly met. Counsel for the signatory parties have been involved in many cases before the Commission, including a number of prior cases involving complex rate issues. Moreover, the level of detail contained in the stipulation, as well as the breadth of issues encompassed by the agreement, leaves little doubt that the parties engaged in serious negotiations prior to signing the agreement.

The stipulation also meets the second criterion. As a package, it advances the public interest by resolving all issues raised in this proceeding without the incurrence of the time and expense of extensive litigation. Although the stipulation includes an increase in rates for most customers (approximately 6.4 percent increase for average residential East Ohio customers), the increase is significantly less than the amount requested by the company and lower than the level of increase originally recommended by the staff. The agreement also includes a number of other terms which should benefit both ratepayers and shareholders. For example, the settlement, among other things, provides a compromise in the level of rate relief granted to the company. This compromise agreement protects ratepayers from a larger increase while offering shareholders the opportunity to

-
2. However, average residential customers in southeastern Ohio who were formerly served by River Gas will see a rate decrease of approximately 5.5 percent.

earn a reasonable rate of return on their investment. The agreement also affords a number of customers, including eligible school systems, the opportunity to take transportation service at lower rates. Low income customers should benefit from the agreement's weatherization commitments which provide for assistance in making residences more energy efficient and less costly to heat. The stipulation includes a number of provisions aimed at improving the level of service provided by East Ohio to its customers. Provisions of the agreement which encourage faster telephone service, and the full dissemination of information regarding PIFP eligibility, should enhance customer satisfaction. The sections regarding remote meters and access to rental units will assist the company in avoiding the need to backbill customers. Considered as a package, the stipulation clearly benefits both ratepayers and the public interest.

Finally, the stipulation meets the third criterion because it does not violate any important regulatory policy. Indeed, the compromise agreement crafted by the parties over several months furthers the goal of resolving disputes without extensive litigation. The stipulation is especially impressive given the diversity of interests represented in this proceeding. East Ohio, the staff, and the other signatory parties are to be commended for their hard work in creating a fair and reasonable settlement regarding a number of difficult issues.

Our review of the stipulation and recommendation indicates that it is in the public interest and represents a reasonable disposition of this proceeding. We will, therefore, adopt the stipulation to the extent and for the reasons set forth herein.

LOCAL PUBLIC HEARINGS

As indicated above, the Commission held eight local public hearings at locations throughout East Ohio's service area. At these hearings, a total of 14 people gave sworn testimony while 4 witnesses gave unsworn statements. In Marietta, City Council member Phil Case commended the company for its service and urged the Commission to give small local producers a level playing field regarding access to Ohio markets.

At the Akron hearing, Edward Bollinger, who is a member of the Summit County Energy Conservation Task Force, expressed concern over increased gas costs and the administrative charge for transportation customers.

In Warren, two witnesses expressed concern about the effect of the proposed rate increase on people with fixed incomes. At the Willoughby hearing, two witnesses opposed any rate increase for East Ohio. In Cleveland, a representative of an industrial

customer testified that, although he felt East Ohio was entitled to a rate increase, the company should become more competitive in the area of transportation rates.

At the final public hearing in Ashtabula, several witnesses stated concerns about the rate increase, especially regarding the effect an increase would have on senior citizens on fixed incomes. In addition, several representatives of gas marketing companies urged the Commission to consider the rate impact on their customers before approving the settlement.

We note that, since the stipulation was entered into, concerns by non-parties to the case have been raised concerning the level of increase in the initial blocks of the transportation rate. We too have some concerns over this rate design and expect the staff and those affected customers to more closely monitor these rates in the future and inform us of problems they are causing in the growth of transportation service in the East Ohio service territory. Although settlements are preferred, the company should be reluctant to enter into tariff changes which appear to be inequitable to a particular segment of customers. Rather, special contracts filed and approved by the Commission pursuant to Section 4905.31, Revised Code, (with appropriate assignment of delta revenue responsibility) would be a preferred approach to deal with particular competitive situations. We expect the company to follow this approach in the future and stand ready to litigate the case if this result cannot be achieved through negotiation. Nevertheless, we do not find the objections sufficient to overturn this stipulation, particularly in light of the protestants' failure to intervene in the case or participate in the negotiations.

We also note that some persons have expressed concern regarding various implementation details associated with operational and administrative changes in the transportation program. While we conclude that these matters need not delay approval of the settlement, we expect both the company and the affected industry segment to cooperatively resolve these outstanding implementation and administrative matters. If such becomes necessary, but only after intensive good faith negotiations among the interested parties, the staff may be called upon to assist with these matters.

Finally, the Commission recognizes that the settlement adopts new tariff provisions which we have not previously reviewed in detail and, due to the resolution of this case prior to an evidentiary hearing, we will not have an opportunity to conduct such a review herein. Therefore, approval of this settlement should not be interpreted as a determination by the Commission that such new tariff provisions are fully acceptable on a stand alone basis. In an appropriate future proceeding, the Commission

may comprehensively evaluate these provisions and conclude, based on all relevant considerations presented therein, that significant modifications are warranted.

PROPOSED TARIFFS, CUSTOMER NOTICE, AND EFFECTIVE DATE

As a result of the settlement of all issues, the parties have submitted proposed tariffs consistent with the stipulation and a proposed customer notice regarding the rate changes. The Commission finds that the tariffs conform to this opinion and order, are just and reasonable, and should be approved. The new tariffs shall be effective for bills rendered on and after November 8, 1994.³ Additionally, we find that the customer notices are acceptable and will be approved. East Ohio should immediately commence notification of its affected customers by a special mailing or bill insert to be completed as soon as possible.

FINDINGS OF FACT:

- 1) On December 10, 1993, East Ohio and River filed a notice of intent to file an application for an increase in gas rates. On January 18, 1994, East Ohio and River filed an application for an increase in gas rates. By entry dated March 16, 1994, the application was accepted for filing as of January 18, 1994. East Ohio is the remaining rate applicant corporation following a merger with River approved by the Commission on June 23, 1994 in Case No. 94-791-GA-UNC, and finalized on June 30, 1994.
 - 2) On October 12, 1994, a joint stipulation and recommendation was filed by East Ohio, the staff of the Commission, the Office of Consumers' Counsel, the City of Cleveland, the Greater Cleveland Welfare Rights Organization, Western Reserve Alliance, Cleveland Community Energy Coalition, the Greater Cleveland Schools Council of Governments, the Ohio Oil and Gas Association, Industrial Gas Users-Ohio, the Residential Energy
-
3. A practice appears to have developed for stipulations to provide for rates to be effective on a bills rendered rather than a service rendered basis. Although we will approve this agreement, we would not want to see such a provision become the standard in stipulations. Rather, customers and the staff should realize some significant offsetting benefit before agreeing to such a provision.

Conservation Coalition, and the Northeast Ohio Apartment Association. The Industrial Energy Consumers and the Ohio Department of Education did not oppose adoption of the stipulation.

- 3) Local public hearings were held on October 13, 1994 in Marietta; on October 17, 1994 in Akron; on October 20, 1994 in Canton; on October 24, 1994 in Willoughby, Warren, and Poland; on October 25, 1994 in Cleveland; and on October 27, 1994 in Ashtabula. The evidentiary hearing was initially called on September 27, 1994 but was continued several times until October 12, 1994 when the stipulation was accepted into the record without objection.
- 4) The stipulation is the product of serious bargaining among knowledgeable parties; it benefits ratepayers and advances the public interest; and it does not violate any important regulatory principles or practices.
- 5) The rates, terms, and conditions set forth in the tariffs filed with the stipulation will produce gross annual revenues consistent with the revenue increase approved by the Commission.

CONCLUSIONS OF LAW:

- 1) East Ohio's application was filed pursuant to, and this Commission has jurisdiction over the application under, the provisions of Sections 4909.17, 4909.18, and 4909.19, Revised Code. The applicant has complied with the requirements of these statutes.
- 2) A staff investigation was conducted and a report was duly filed and mailed. Public hearings have been held. Notices of the application and hearings were published in accordance with Sections 4909.19 and 4903.083, Revised Code.
- 3) The existing rates and charges for natural gas service to customers affected by this application are insufficient to provide the applicant with adequate net annual compensation and return on its property used and useful in the rendition of gas service.

- 4) The stipulation submitted by the parties is reasonable, supported by the record, and should be adopted in its entirety.
- 5) The company is authorized to withdraw its current tariffs and to file in final form four complete printed copies of its tariffs which the Commission has approved herein.

ORDER:

It is, therefore,

ORDERED, That the joint stipulation and recommendation filed on October 12, 1994 is approved for the reasons and to the extent provided herein. It is, further,

ORDERED, That East Ohio's application for authority to increase rates for gas service is granted to the extent provided in this opinion and order. It is, further,

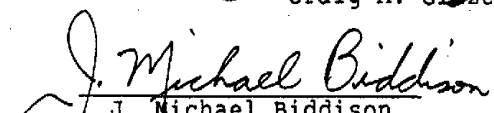
ORDERED, That the applicant is authorized to cancel and withdraw its present tariffs for customers affected by this application and to file in final form four complete printed copies of its revised tariffs, which are hereby approved. The new tariffs will be effective for all bills rendered beginning November 8, 1994, provided the company has filed its new approved tariffs. It is, further,


ORDERED, That the proposed form of customer notice is hereby approved. The applicant shall commence notification of its customers of the rate changes authorized herein by means of a bill insert or special mailing. It is, further,

ORDERED, That a copy of this opinion and order be served upon all parties of record.

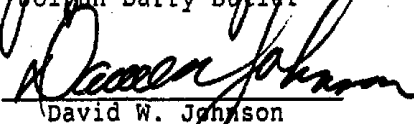
THE PUBLIC UTILITIES COMMISSION OF OHIO


Craig A. Glazer, Chairman


J. Michael Biddison


Jolynn Barry Butler


Richard M. Fanelly

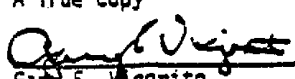

David W. Johnson

DDN/gm

Entered in the Journal

NOV 03 1994

A True Copy


Gary E. Vigorito
Secretary

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In The Matter of the Application)
of The East Ohio Gas Company and)
The River Gas Company for Authority) Case No. 93-2006-GA-AIR
to Amend Filed Tariffs to Increase)
The Rates and Charges for this)
Service)

RECEIVED

OCT 12 1994

DOCKETING DIVISION
PUBLIC UTILITIES COMMISSION OF OHIO

STIPULATION AND RECOMMENDATION

Rule 4901:1-30 of the Ohio Administrative Code ("OAC") provides that two or more parties to a proceeding may enter into a written stipulation concerning the issues presented in such a proceeding. Pursuant to rule 4901:1-10(C) of the OAC the Staff of the Public Utilities Commission of Ohio ("Staff") is considered a party for the purpose of entering into a stipulation under rule 4901:1-30 of the OAC.

The East Ohio Gas Company ("Company"), the Office of the Consumers' Counsel, The City of Cleveland, The Greater Cleveland Welfare Rights Organization, The Western Reserve Alliance, The Industrial Energy Consumers, The Industrial Gas Users-Ohio, The Residential Energy Conservation Coalition, The Cleveland Community Energy Coalition, The Ohio Oil and Gas Association, The Northeast Ohio Apartment Association, The Greater Cleveland Schools Council of Governments, and The Ohio Department of Education (collectively referred to as "Parties"), stipulate, and the Staff recommends, that the Commission issue an Opinion and Order in this matter authorizing the Company to amend its filed tariffs in accordance with the provisions of this Stipulation and

Recommendation and the attached exhibits, effective for bills rendered beginning November 8, 1994. Specifically, the Parties stipulate and the Staff recommends:

1. The total recommended revenue increase is \$68,621,000. The rates and charges set forth in the Company's tariffs shall be amended to increase annual operating revenue in Phase 1 (beginning with the first billing cycle in November, 1994 and ending with the last billing cycle in October, 1995) by that amount less \$6,249,000, for an increase of \$62,372,000. Those amended rates and charges shall subsequently be further amended to be effective one year later in Phase II, to increase operating revenue by \$6,249,000, to achieve the total recommended revenue increase of \$68,621,000. The \$6,249,000 adjustment reflects the effect of the agreements described in detail in paragraph 2A and 2B of this Stipulation. The Company's current rates are no longer sufficient to yield a reasonable compensation for the services rendered and so are unreasonable. The recommended total revenue requirement of \$1,200,318,000 provides reasonable compensation and the revenue increases of \$62,372,000 in Phase I and the additional \$6,249,000 in Phase II generate the total revenue increase of \$68,621,000 and will provide the total revenue requirement noted above. The total revenue requirement reflects 10.67% as a reasonable rate of return on rate base.

2. The revenue requirements described in Paragraph 1 above are to be adopted in conjunction with the following:

- A. Carrying charges associated with the actual monthly balances of Current Gas in Storage shall be accrued at a rate of ten percent (10%) per

year, included in the calculation of the LIFO rate for gas in storage, and reflected thereafter in the Actual Adjustment portion of the Gas Cost Recovery ("GCR") mechanism beginning with the effective date of the Phase II rates. A base rate revenue requirement decrease of \$5,687,000 in Phase II will reflect this change.

- B. The Company shall adopt full implementation of Financial Accounting Standard 106, and shall amortize the transition obligation and deferred portions of the accruals thereunder over a period of seventeen years and two months, beginning with the effective date of the Phase II rates. A base rate revenue requirement increase of \$11,987,000 in Phase II will reflect this change.
- C. Test year weatherization expense of \$2,500,000 includes an increase of \$500,000 over current levels which will be recovered through the GSS and LVGSS rate schedules. In addition to this \$2,500,000 of above-the-line weatherization expense, the Company shall also provide \$500,000 annually to fund additional weatherization efforts, until the date rates become effective as a result of its next rate proceeding. This \$500,000 shall be used for the weatherization of a minimum of 500 additional residences within its service territory eligible for weatherization, at an average cost of \$1,000. The cost of this weatherization shall be borne by the Company below-the-line for ratemaking purposes. The Company shall continue to utilize the total annual weatherization funding to fund the Company's Housewarming Program consistent with its existing criteria for the allocation of weatherization funds. Community-based, non-profits, or local government agencies in addition to those currently participating in the Housewarming Program may participate if eligible. The Company shall work with the participants in its Housewarming Program and the federally funded Home Weatherization Assistance Program to coordinate programs and attempt to leverage additional non-Company funding for weatherization, in order to provide or make possible comprehensive cost effective weatherization services to low income eligible customers in the Company's service territory. Incorporated in this Paragraph 2C by reference is Attachment A, a letter dated October 11, 1994.
- D. In each year prior to that in which rates become effective as a result of its next rate proceeding,

revenues received by the Company in excess of \$4,500,000 for service rendered under Rate Schedule ISS shall be credited to customers through the Actual Adjustment portion of the GCR mechanism.

- E. Revenues received by the Company pursuant to Sections 4, 6, 13.1(A) and (B), and 14.1(A) and (B) of the General Terms and Conditions of Transportation Service, and Sections 4.2 and 5.2 of the DTS and Sections 4 and 5.2 of the GTS, ESGTS and TSS rate schedules shall be credited to customers through the Actual Adjustment portion of the GCR mechanism.
- F. Any payments made by East Ohio pursuant to Sections 5.1 and 19.4 of the General Terms and Conditions of Transportation Service, or pursuant to contractual arrangements referred to therein, shall be recovered by East Ohio through the Actual Adjustment portion of the GCR mechanism; any gas acquired by the Company pursuant to these Sections will become part of its system supply for Core Demand.
- G. The monthly "customer charge" referred to in the DTS, GTS, ESGTS, and TSS tariffs represents the combination of what were, in predecessor tariffs, identified separately as administrative fees and customer charges. At least until the effective date of rates resulting from the Company's next rate proceeding, no customer shall be assessed more customer charges or service charges with respect to customer's existing delivery points and locations than the number of such charges paid by the customer for such delivery points and locations as of October 3, 1994.
- H. If the Company finds it necessary or appropriate to reject a Customer's Transportation Volume nomination or a Customer's Production Volume nomination under Sections 8.4 and 11.4 of the General Terms and Conditions of Transportation Service, it shall, when requested by the customer or its authorized agent, provide a written response detailing the reasons why the nomination was rejected.
- I. Within ninety days of the issuance of the Commission's Opinion and Order in this proceeding, the Company will submit, in this Docket, the result of its review of the General Service Terms and Conditions of its tariffs, including the

changes, if any, it proposes to file to achieve conformity with applicable OAC provisions and Commission decisions, as well as any changes necessary to improve the organization or clarity of its tariffs. Any changes proposed by the Company shall not be contrary to the tariffs attached as Exhibit A to this Stipulation and Recommendation. The Company will, as part of its submission, modify the first paragraph of Paragraph 16 of its Rules and Regulations to read as follows:

The Company will use its best efforts to obtain an actual meter reading by Company personnel or agents at least once within each full calendar year of service. "Actual meter reading" shall mean reading of an indoor or outdoor meter.

The Company will, as part of its submission, add language to the main extension provisions of its Rules and Regulations containing specific criteria for mainline extensions.

- J. Within six months of the issuance of the Commission's Opinion and Order in this proceeding, the Company will make an ATA filing proposing a new standby or back-up service for customers who have suppliers or sources of gas other than the Company, at a rate or rates which may include separate demand and commodity charges. The Company shall also serve upon the Parties a copy of its filing. The Company and the Parties stipulate and the Staff recommends that any petition to intervene in such proceeding by any party hereto shall be granted by the Commission.
- K. The Company agrees to meet with the Parties and Staff approximately six months from the date of the Commission's Opinion and Order in this case to review operating issues or questions that have arisen since the effective date of the DTS, GTS, ESGTS, TSS, and ISS tariffs and the applicable General Terms and Conditions, and, in good faith, to discuss and attempt to resolve any such issues or questions.
- L. No later than the filing of its next rate proceeding, and as a part of that proceeding if not filed earlier, the Company will provide:

- i. a load research report analyzing the total Company demands by rate or customer class; and
 - ii. an analysis of the costs and benefits of adopting a Late Payment Charge or Prompt Payment Discount; and
 - iii. a depreciation study for all accounts to determine the appropriate total Company depreciation accrual rates; and
 - iv. a study of the high pressure billing lag days.
- M. Seven months after the effective date of the tariffs in this proceeding, and thereafter in conjunction with the Company's bi-annual GCR proceeding, the Company, interested Parties, and Staff will review the effects, if any, on the Company's firm interstate pipeline capacity entitlements of the migration of customers during the intervening periods from sales to transportation service. The Company will use its best efforts to dispose of any such entitlements which are rendered unnecessary by such migration during the period. Upon a showing by the Company that it has not disposed of all of, has disposed of some at less than the full cost of, or has retained for its own use only some of, the capacity rendered unnecessary by migration, the remaining costs will be borne by all customers on the DTS, GTS, and TSS rate schedules through a surcharge which will be collected from such customers, over the subsequent twenty-four month period. The surcharge rate per Mcf of transportation volumes shall be calculated by dividing the costs identified in each review period by the total transportation volumes in the immediately preceding twenty-four month period ending April 30. The minimum surcharge rate, if one is necessary, will be \$.001/Mcf. Any under- or over-collections during any period shall be corrected in the subsequent period. The surcharge, if one is necessary, shall be collected pursuant to the Transportation Migration Rider included in Exhibit A as Exhibit A-3.
- N. Where the Company cannot obtain access from a delinquent customer in a multitenant residence, or from the landlord, to the delinquent customer's meter, located in a common area of that residence, the Company will be permitted to request access to

the common area from other tenants by letter, so long as the letter does not threaten disconnection or other action by the Company for failure to provide such access. The Company and the Staff will agree on the content of the letter.

- O. With respect to the Company's remote meter reading devices, the Company will take the following actions:
 - i. The Company will take all reasonable steps to ensure that it obtains an actual meter read once every twelve months of all of the active meters on which Readomatic remote reading devices ("ROMs") have been installed. The Company will provide to the Staff a report on those actual meter reads one year after the Opinion and Order in this proceeding and annually thereafter, unless otherwise agreed by the Company and the Staff, until the filing of the Company's next rate proceeding.
 - ii. The Company will provide to the Staff, in writing, an explanation of the manner in which it calculates the twelve months for which it backbills when there is a malfunction or failure of a remote meter reading device.
 - iii. The Company will undertake statistically valid studies to test the accuracy of its remote meter reading devices. Within twelve months of the Opinion and Order in this case, the Company will undertake the study with respect to each of its two types of ROMs (or on a combined basis if the Company and the Staff agree that it is appropriate) and to each of the three generations of Hexagrams. Furthermore, at the point at which the Company has installed a sufficient number of automatic meter reading ("AMR") devices to do a statistically valid study on the AMRs, it will do so. In the fifth year following the initial AMR study, the Company will conduct another such study on the AMRs to test their continuing accuracy.
 - iv. Over the twelve month period from the date of the Opinion and Order, the Company will send to each of its customers with a remote meter reading device a letter explaining what the device is and that it does not replace the

meter for the purpose of measuring actual consumption. In that letter, the Company will inform the customer that in the calendar month following the date of the letter, the Company will attempt to read the indoor meter. The letter also will inform the customer that he or she may call the Company to schedule an appointment to have the meter read. The Company and the Staff will agree on the content of the letter.

v. The Company will evaluate the effectiveness of its communication with customers who have remote meter reading devices when they are backbilled due to a malfunction or failure of the device. The Company and the Staff will agree on any changes to the bill or on a letter of explanation to be sent to those customers in conjunction with such bills.

P. The Company agrees to use its best efforts to reduce telephone answer time on all calls made to its Customer Service Centers. Further, within ninety days of the Opinion and Order in this proceeding and annually thereafter, unless otherwise agreed by the Company and Staff, until the filing of the Company's next rate proceeding, the Company will provide a report to Staff detailing the goals, efforts and results achieved.

Q. The Company agrees that a Staff representative(s) may attend any of the Company sponsored training sessions at which the Company instructs its Customer Information Representatives how to administer the Percentage of Income Payment Plan ("PIPP"). Further, Company supervisory personnel will monitor the administration of PIPP by its Customer Information Representatives. Finally, the Company will use its best efforts to ensure that all PIPP eligible customers are offered PIPP enrollment.

3. The tariff sheets attached hereto as Exhibit A should be adopted in lieu of pages 1-83 of Exhibit 3 originally filed on December 10, 1993 in this docket. The rates reflected in Exhibit A-1 shall be the "Phase I" rates; the rates reflected in Exhibit A-2 shall be the "Phase II" rates. Exhibit A contains rates, terms and conditions of service which are just and

reasonable and will provide the revenue increases identified in Paragraph 1 above.

4. Subject to the agreements set forth in paragraphs 1-3 above, nothing herein shall preclude East Ohio, any other Party, or the Commission from initiating any proceeding or asserting any position with respect to the Company's rates, charges, terms, and conditions at any time.

5. The Company, Parties, and Staff stipulate and recommend that the filing of the proposed Rate Schedules attached as Exhibit A hereto be approved as the Company's filing of new Rate Schedules in this case. Based on the data stipulated to by the Company, Parties, and Staff, the Company and Parties stipulate and the Staff recommends that the Commission find the rates provided in Exhibit A to be just and reasonable, and order that the Phase I rates become effective for bills rendered on and after November 8, 1994, the beginning of the Company's first billing cycle in November, 1994, and that the Phase II rates become effective one year after the effective date of the Phase I rates. The Company should also, therefore, be authorized to cancel and withdraw as of the effective date of the Phase I rates, the superseded Rate Schedules and tariff sheets presently in effect, and all of the Rate Schedules and tariff sheets of The River Gas Company, now dissolved. The Company should also be authorized to cancel and withdraw the Phase I rates as of the effective date of the Phase II rates. As shown by the Proof of Revenue attached as Exhibit B, the rates and charges provided for

in Exhibit A will produce gross annual revenues consistent with the revenue increases recommended in Paragraph 1 above.

6. As soon as practicable the Company will file, with a Motion for Approval, its proposed notices to affected customers of the changes in rates and charges set forth in Exhibit A. The Company and Parties stipulate and the Staff recommends that the motion and filing receive expedited treatment.

7. The Company and Parties withdraw their Objections filed on September 6, 1994 to the Staff Report of Investigation filed on August 5, 1994 in this matter; such Objections shall be reinstituted if the Commission rejects or modifies this Stipulation and Recommendation in whole or in part.

8. This Stipulation and Recommendation has been entered into as an overall compromise and resolution of all issues presented in this proceeding, in order to minimize litigation and controversy. The Company, Parties, and Staff believe and assert that this Stipulation and Recommendation is the result of serious bargaining among capable and knowledgeable parties, and that as a package it benefits ratepayers, is in the public interest, and does not violate regulatory principles or practices. The Company, Parties, and Staff further agree and stipulate that this Stipulation and Recommendation does not represent the positions on any issue that the Company, Parties, or Staff would have taken had the issues in this proceeding been fully litigated and establishes no precedents to be relied upon in any manner in any other proceeding except one to enforce the provisions of this Stipulation and Recommendation itself. If the Commission rejects

or amends all or any part of this Stipulation and Recommendation, the Company, Parties, and Staff agree that this Stipulation and Recommendation shall be withdrawn, shall not constitute any part of the record in this proceeding, nor, whether or not the Commission accepts, rejects or amends it, shall it be used for any purpose whatsoever by any party in this or any other proceeding except as specified herein. The Company, Parties, and Staff further agree that additional hearing time should be promptly provided in order to fully litigate the issues in this proceeding and to argue their positions with respect to such issues to the Commission after hearing, if the Stipulation and Recommendation is rejected or amended by the Commission.

9. Nothing in this Stipulation and Recommendation shall be construed as in any way limiting testimony by members of the public at the local public hearings to be held in this case. The Company, Parties, and Staff agree and stipulate to participate in good faith negotiations to resolve any and all consumer service complaints raised in public testimony in this docket.

The undersigned respectfully join in requesting the Commission to issue its Opinion and Order approving and adopting this Stipulation and Recommendation, in accordance with the terms set forth above.

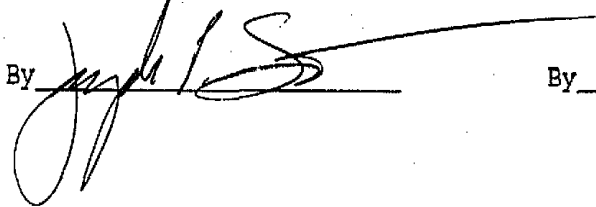
THE EAST OHIO GAS COMPANY

By 

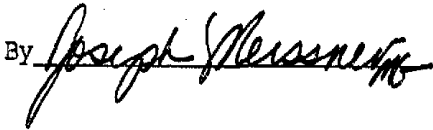
THE STAFF OF THE PUBLIC
UTILITIES COMMISSION OF OHIO

By 

THE OFFICE OF THE CONSUMERS'
COUNSEL

By 

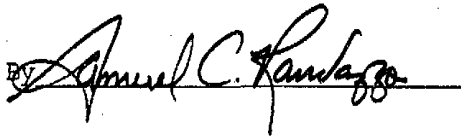
THE WESTERN RESERVE ALLIANCE,
GREATER CLEVELAND WELFARE
RIGHTS ORGANIZATION, THE
CLEVELAND COMMUNITY ENERGY
COALITION

By 

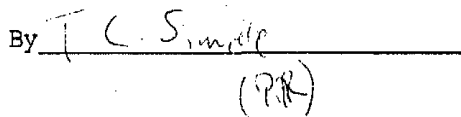
THE OHIO OIL AND GAS
ASSOCIATION

By 

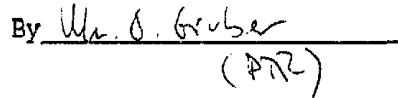
THE INDUSTRIAL GAS USERS - OHIO

By 

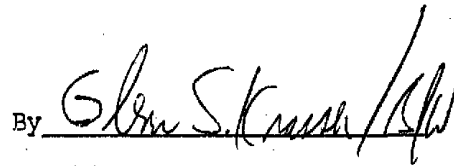
THE NORTHEAST OHIO APARTMENT
ASSOCIATION

By 
(PR)

THE CITY OF CLEVELAND

By 
(PR)

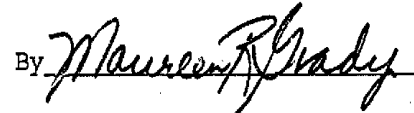
THE GREATER CLEVELAND
SCHOOLS COUNCIL OF
GOVERNMENTS

By 

INDUSTRIAL ENERGY CONSUMERS

By _____

RESIDENTIAL ENERGY
CONSERVATION COALITION

By 

OHIO DEPARTMENT OF
EDUCATION

By _____

JONES, DAY, REAVIS & POGUE

ATLANTA LONDON
AUSTIN LOS ANGELES
BRUSSELS NEW YORK
CHICAGO PARIS
CLEVELAND PITTSBURGH
DALLAS RIYADH
FRANKFURT TAIPEI
GENEVA TOKYO
HONG KONG
IRVINE WASHINGTON

1900 HUNTINGTON CENTER
COLUMBUS, OHIO 43215

TELEPHONE: 614-469-3939
CABLE: ATTORNEYS COLUMBUS
FACSIMILE: 614-461-4198
WRITER'S DIRECT NUMBER:

October 11, 1994

(614) 469-3944

276240-071-134
9061 47584

Attachment A

VIA TELECOPY

Joseph P. Meissner
The Legal Aid Society of Cleveland
1223 West 6th Street
Cleveland, Ohio 44113

Maureen R. Grady
Hahn Loeser and Parks
431 East Broad Street, Suite 200
Columbus, Ohio 43215

Re: PUCO Case No. 94-2006-GA-AIR

Dear Mr. Meissner and Ms. Grady:

In addition to the provisions of the Stipulation and Recommendation in PUCO Case No. 94-2006-GA-AIR, The East Ohio Gas Company agrees:

- 1) To meet with you and your clients to discuss a plan by which customers of East Ohio can voluntarily contribute, either by a bill check-off option or other similar means, through East Ohio, to weatherization or conservation projects for low income customers; and
- 2) To adopt a two-year primary term for the standard agreement by which East Ohio contracts for weatherization services, such term to be extended annually year-by-year, for so long as East Ohio and the present providers of weatherization services agree to continue to purchase and perform, respectively, such services; and
- 3) To contribute \$15,000 in additional below-the-line funds, not to be recognized for rate-making purposes, for each one percent by which the total heating degree days (calculated using the weighted system average

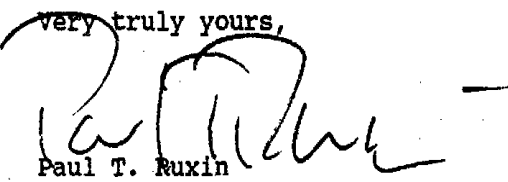
Joseph P. Meissner
Maureen R. Grady
October 11, 1994
Page 2

methodology contained in Appendix F of East Ohio's 1994 Long Term Forecast Report) in East Ohio's service territory exceed 6,241, in any twelve month period ending October 31, beginning with October 31, 1995. Such additional contributions shall be expended in the same manner as the \$500,000 below-the-line contribution described in paragraph 2.C of the Stipulation and Recommendation, and shall continue, subject to the recurrence of the condition described in the preceding sentence, until the year in which rates become effective as a result of East Ohio's next rate proceeding; and

- 4) To expend up to \$10,000 for a consultant, to be selected by agreement among your clients and East Ohio, to perform a study of the effect of East Ohio's weatherization programs on natural gas consumption by low income customers in its service territory. East Ohio will cooperate with the consultant to permit the consultant to perform the study.

Please indicate your acceptance of the foregoing and your intention to execute the Stipulation and Recommendation in consideration thereof.

very truly yours,


Paul T. Ruxin

Joseph P. Meissner
Maureen R. Grady
October 11, 1994
Page 3

Accepted:

RESIDENTIAL ENERGY
CONSERVATION COALITION

THE WESTERN RESERVE ALLIANCE;
GREATER CLEVELAND WELFARE
RIGHTS ORGANIZATION; THE
CLEVELAND COMMUNITY ENERGY
COALITION

By: Maureen R. Grady

By: Joseph Meissner

EXHIBIT A-1

General Sales Service Rate Schedule (GSS)

1. Applicability

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

2. Character of Service

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

3. Rates and Charges

3.1 The total monthly charge for each Customer at each location served under this rate schedule shall be the sum of the following charges:

- (1) \$1.549 per Mcf for all consumption each month; and
- (2) an adjustment to the rate set forth in (1) in accordance with the Interim Emergency and Temporary PIP Plan Rider as set forth on Sheet L1 and any other rider approved by the PUCO and included in this tariff; and
- (3) a charge for the cost of gas determined in accordance with the Uniform Purchased Gas Adjustment as set forth on Sheets G1 through G23; and
- (4) a service charge of \$5.70.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Sales Service Rate Schedule (GSS)

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

4. Estimated Bills

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

5. Resumption of Service after Interruption

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

6. Prohibition on Resale of Gas

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

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

Large Volume General Sales Service Rate Schedule (LVGSS)

1. Applicability

Service under this rate schedule is available to Customers throughout East Ohio's service area who purchase and receive all of their natural gas requirements directly from East Ohio pursuant to this rate schedule and who have entered into a written contract with East Ohio for service under this rate schedule for a minimum of twelve months.

Customers who purchase transportation service from East Ohio may enter into a special arrangement with East Ohio for Contract Supply Service, pursuant to Section 16 of the General Terms and Conditions of Transportation Service.

2. Character of Service

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

3. Rates and Charges

3.1 The total monthly charge for each Customer at each location served under this rate schedule shall be the sum of the following charges:

- (1) For the first 100 Mcf each month, \$1.549 per Mcf,
For the next 400 Mcf each month, \$1.292 per Mcf,
For all over 500 Mcf each month, \$1.120 per Mcf;
and
- (2) an adjustment to the rates set forth in (1) in accordance with the Interim Emergency and Temporary PIP Plan Rider as set forth on Sheet L1 and any other rider approved by the PUCO and included in this tariff; and

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-CA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

Large Volume General Sales Service Rate Schedule (LVGSS)

(3) a charge for the cost of gas determined in accordance with the Uniform Purchased Gas Adjustment as set forth on Sheets G1 through G23; and

(4) a service charge of \$40.00.

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

4. Estimated Bills

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

5. Termination of contract

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

6. Resumption of Service after Interruption or Termination

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

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Large Volume General Sales Service Rate Schedule (LVGSS)

Customer under this or any other rate schedule, a reconnection payment of \$60.

7. Prohibition on Resale of Gas

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

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

Definitions

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

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

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

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

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

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

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

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

EBB -- East Ohio's Electronic Bulletin Board.

FERC -- the Federal Energy Regulatory Commission.

Human Needs Customer -- any Customer who uses natural gas for heating a residence, or a governmental agency or other entity

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

Definitions

which provides emergency or life support services. Human Needs Customers include hospitals, nursing homes, and residential correctional institutions, and exclude hotels, motels and non-residential educational facilities.

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

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

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

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

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

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

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

Positive Imbalance Volume -- the amount by which the sum of all daily volumes available for redelivery by East Ohio to a Customer

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

Definitions

during the Customer's Billing Cycle exceeds the sum of all daily volumes actually delivered to the Customer during the same period.

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

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

PSIA -- pounds per square inch, absolute.

PUCO -- The Public Utilities Commission of Ohio.

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

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

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

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

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

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

THE EAST OHIO GAS COMPANY

General Terms and Conditions of Transportation Service

Definitions

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

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

1. Sources of Supply

- 1.1 Customers may receive gas supplies delivered to East Ohio from Upstream Pipelines and/or Ohio production sources.

2. Authorized Daily Volume

- 2.1 Customer's Authorized Daily Volume on any Day consists of the sum of Customer's Daily Available Volume plus any additional volumes that East Ohio authorizes Customer to use on that Day. Delivery of Customer's Authorized Daily Volume is firm, except as provided in this Section 2.1. Such deliveries, however, shall be subject to interruption or curtailment based on the failure of an Upstream Pipeline to deliver Transportation Volumes, the failure of the Customer to deliver Production Volumes, Force Majeure conditions, or an order of the PUCO or other governmental body. The Customer and East Ohio shall use their best efforts to minimize such interruption or curtailment within the limitations of applicable law, regulations, and orders of any governmental authority. Consumption at Customer's facility in excess of the Authorized Daily Volume is interruptible service, and upon notice to Customer, East Ohio may require Customer to reduce consumption to Customer's Authorized Daily Volume whenever East Ohio deems it necessary to do so. East Ohio may, at its option, require such reductions in consumption by DTS Customers prior to imposing similar reductions on TSS, ESGTS, or GTS Customers.
- 2.2 In the event Delivery Volumes are in excess of the Authorized Daily Volume on any day on which East Ohio requires Customer to limit gas consumption to that Authorized Daily Volume, Customer shall be liable for all gas costs, transportation costs, penalties, and fines incurred by East Ohio as a result of Customer's deliveries in excess of its Authorized Daily Volume.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

3. Electronic Bulletin Board

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

4. Volume Banking Service

- 4.1 Under the Volume Banking Service, East Ohio will reconcile in subsequent Customer Billing Cycles, on a volumetric basis, any Positive Imbalance Volumes previously incurred.
- 4.2 Customers must subscribe to the Volume Banking Service set forth in Rate Schedules TSS, ESGTS, GTS, and DTS to be eligible for the provisions of the Volume Bank and Balancing section described herein. The service is optional for all DTS transportation Customers; a minimum Monthly Tolerance Level is specified in Rate Schedules TSS, ESGTS, and GTS. Annual election of Monthly Tolerances Levels shall be effective on April 1. Customers may elect to change tolerance levels on an annual basis by providing written notification to East Ohio no later than January 2 for service to be effective the following April 1. Customers must execute new or amended contracts reflecting the new Monthly Tolerance Level. If Customer does not elect a specific percentage for a Monthly Tolerance Level, East Ohio will assume ten percent (10%) for TSS, ESGTS, and GTS Customers and zero percent (0%) for DTS Customers.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

5. Positive Imbalance Volumes

- 5.1 Unless Customer and East Ohio otherwise agree, East Ohio will purchase Customer's Positive Imbalance Volumes, in excess of Customer's Monthly Tolerance Level, at a rate determined by adding the current month's indexed gas cost, as published in the first gas market report each month in *Inside FERC's Gas Market Report*, for gas entering Tennessee Gas Pipeline Company in Zone 1, times eighty percent (80%), plus the actual transportation charges paid to bring the gas to East Ohio's system, adjusted for shrinkage.
- 5.2 Positive Imbalance Volumes within Customer's Monthly Tolerance Level shall be available for delivery to the Customer in the Customer Billing Cycle following the determination of the Positive Imbalance Volume (the "Adjustment Month"), by increasing the Customer's Daily Available Volume on each Day in the Adjustment Month by an amount equal to the Positive Imbalance Volume divided by the number of days in the Adjustment Month.

6. Negative Imbalance Volumes

- 6.1 East Ohio will sell gas to Customer to eliminate Negative Imbalance 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 gas entering Tennessee Gas Pipeline Company in Zone 1, times one hundred and twenty percent (120%), plus the firm transportation charges to transport gas on Tennessee Gas Pipeline Company and CNG Transmission Corporation ("CNGT") to East Ohio's interconnections with CNGT, plus excise tax, adjusted for shrinkage.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

7. Transportation Receipt Points

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

8. Nomination of Transportation Volumes

- 8.1 All Transportation Volumes received for Customer's account at Transportation Receipt Points shall be nominated to East Ohio in advance according to the procedures outlined in this Section.
- 8.2 Nominations are to be transmitted to East Ohio either by electronic facsimile (FAX) or via East Ohio's EBB, and are to be received by East Ohio by the dates and times specified in East Ohio's Calendar of Nomination

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

Deadlines, as amended from time to time, which is available on East Ohio's EBB.

- 8.3 Nominations must conform, in content and format, with East Ohio's specifications for Transportation Volume Nominations, which shall include, at a minimum: Customer name; Customer's East Ohio contract number; Upstream Pipeline; Customer's Upstream Pipeline contract number; requested daily Transportation Volume; and the name and telephone number of the Customer's nominations contact.
- 8.4 Subject to the limits of East Ohio's operating conditions and facilities, previously confirmed nominations and timely confirmation by Upstream Pipelines, East Ohio will either confirm, in total or in part, or reject Customer's Transportation Volume nomination. Confirmed Transportation Volumes will be posted on East Ohio's EBB.
- 8.5 Confirmed nominations will become effective on the date specified in the Customer's nomination and will remain in force until the last day of the current calendar month, subject to continued receipt by East Ohio from Upstream Pipeline of the confirmed volume, unless superseded by a subsequent Transportation Volume nomination.

9. Firm Receipt Point Option

- 9.1 The Customer may elect to designate specific Transportation Receipt Points as firm receipt points. Each such firm receipt point, and the corresponding maximum daily transportation quantity for each such firm receipt point, shall be specified in the contract. The sum of the maximum daily transportation quantities for all firm receipt points shall not exceed the total Maximum Daily Transportation Quantity specified in the contract.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

- 9.2 Access to any receipt points on East Ohio's system, as to which an election pursuant to Section 9.1 above has not been made, shall be on a best efforts basis.
- 9.3 A Customer making an election pursuant to Section 9.1, above, shall be assessed a firm receipt point surcharge; the actual amount of the surcharge shall be determined through competitive bidding with minimum bid amounts to be determined by East Ohio.

10. Production Receipt Points

- 10.1 The unit of measurement for Production Volumes shall be one (1) cubic foot of gas, and the term "cubic foot of gas" shall mean a cubic foot of gas at a pressure of 14.73 PSIA and at a temperature of sixty degrees (60) Fahrenheit. For purposes of measurement and meter calibration, atmospheric pressure shall be assumed to be 14.4 pounds per square inch. All gas delivered to East Ohio by the Customer shall be measured by orifice or other measurement facility of standard type to be selected and furnished by East Ohio. Orifice meters of East Ohio shall be constructed and installed in accordance with the applicable provisions of the American National Standard "Orifice Metering of Natural Gas," ANSI/API 2530, First Edition, and any amendments thereto. The volumes of gas delivered to East Ohio shall be computed from meter records and converted into the unit of measurement specified above in accordance with standard industry practices. Correction shall not be made for deviation from the Ideal Gas Laws. In the absence of a recording thermometer, an assumed flowing temperature of sixty degrees (60) Fahrenheit shall be used in computing said quantities of gas; provided, however, that if the temperature of the natural gas passing through the meter is determined for any Day by the use of a recording thermometer, then the arithmetic average of the temperature recorded for such Day shall be used.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

- 10.2 The Production Volume delivered to East Ohio shall be delivered in its natural state, and have a gross heating value of not less than 1,000 British thermal units per cubic foot at 14.73 PSIA, sixty degrees (60) Fahrenheit and saturated with water vapor.
- 10.3 If at any time the delivery by the Customer at the Production Receipt Point(s) of gas from any meter subject to the contract shall be less than an average of ten thousand cubic feet per Day, then East Ohio, at its sole option, may terminate the contract as to the gas behind any such meter(s), by giving the Customer thirty days prior written notice of such termination, unless East Ohio and Customer agree in writing to an alternative.
- 10.4 The Production Receipt Points for Production Volumes from physical meters listed in the contract or any supplement thereto shall be at measuring stations furnished, constructed, owned, operated, and maintained by East Ohio, to be located at such points as East Ohio and the Customer shall agree, on East Ohio's lines as now constructed or on any extensions thereof which East Ohio in its sole judgment, in accordance with good industry practice, may hereafter construct. The sites for said measuring stations shall be furnished by East Ohio, or, if furnished by the Customer, shall provide rights of ingress and egress to East Ohio. In the event the Customer wishes to change any Production Receipt Points, all costs incurred by East Ohio in connection with such change shall be promptly reimbursed to East Ohio by the Customer. Measuring stations on East Ohio's lines existing as of the date of the contract and owned by the Customer or any other person, shall, subject to the approval of East Ohio, also be designated as Production Receipt Points, to be operated and maintained by East Ohio.
- 10.5 The Customer shall be responsible for the construction of any necessary pipeline extending from the wells to the Production Receipt Points agreed

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

upon. As soon as practical after completion of such a line by the Customer, East Ohio, at the Customer's expense, shall construct any measuring stations or approve Customer's construction of the Production Receipt Point to East Ohio's specifications which may be necessary at Production Receipt Points receiving Production Volumes. All pipelines which connect wells listed with East Ohio's measuring stations shall be owned and constructed by the Customer or by the party from which the Customer purchases volumes delivered to East Ohio.

- 10.6 Unless otherwise agreed to by East Ohio and Customer, prior to construction of a measuring station at a Production Receipt Point, East Ohio shall provide the Customer with its best estimate of the costs of the measuring station, including station site. The Customer shall pay East Ohio an amount equal to the estimate provided by East Ohio to the Customer if Customer elects to have East Ohio construct the Production Receipt Point. Such payment, which will bear no interest, will be applied by East Ohio toward the actual construction costs of the measuring station. Following the accumulation of all actual costs by East Ohio for the measuring station, the parties shall reconcile any differences within thirty days.
- 10.7 Production Volumes received by East Ohio at Production Receipt Points listed in the contract shall be taken by East Ohio at all times at full flow against the varying pressures maintained from time to time in East Ohio's pipelines. East Ohio at any time may suspend the taking of gas hereunder while making repairs or alterations in its facilities. When practicable East Ohio shall notify the Customer in advance of its plans to suspend the taking of gas, giving its best estimate of the duration of the suspension. Such repairs and alterations shall be completed with reasonable speed, unavoidable delays excepted. During periods when East Ohio must suspend the taking of gas, East Ohio shall not be required to

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

accept Production Volumes from meters. Subject to the foregoing, the Customer may compress and pump the gas to be delivered to East Ohio hereunder; however, the Customer shall install and maintain at its own expense the necessary equipment for the elimination or suppression of pulsations in the flowing gas that are created by compression equipment, and, in addition, the Customer will install the necessary equipment to insure a flowing temperature not to exceed 120 degrees Fahrenheit at the measuring stations described.

- 10.8 The capacity of East Ohio's facilities to receive Production Volumes at the Production Receipt Points shall be of such size as East Ohio in its sole judgment, in accordance with good industry practice, deems adequate. East Ohio shall have the right to restrict, limit or halt its receipt of Production Volumes whenever, in its sole judgment, in accordance with good industry practice, it is necessary to do so due to Force Majeure, an order of the PUCO or other governmental body, circumstances requiring East Ohio to act to protect its ability to meet its Core Demand. In the event East Ohio exercises its right to restrict, limit, or halt its receipt of Production Volumes, it shall give the Customer notice by telephone, letter, or otherwise to decrease or terminate deliveries of Production Volumes to East Ohio until such time as, in East Ohio's sole judgment, in accordance with good industry practice, deliveries may be increased or resumed. If the Customer fails to act promptly in accordance with such notice, East Ohio shall have the right to shut in wells or otherwise refuse to accept further Production Volumes at the Production Receipt Points.
- 10.9 The Customer shall install and maintain, at East Ohio's request at any time and at the Customer's own expense, the necessary equipment for separating and removing oil, water, salt, dust, and other foreign substances from Production Volumes before its delivery at the Production Receipt Points. The gas

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

received by East Ohio at the Production Receipt Points shall be free from all foreign matter or fluid characteristics that might interfere with its marketability or cause injury to, or interference with, the operation of the lines, regulators, meters, or other appliances connected with East Ohio's distribution system. East Ohio may refuse at any time any gas which contains gaseous impurities or objectionable odors.

- 10.10 East Ohio shall furnish, install, and maintain in good repair all meters and regulating equipment at the Production Receipt Points receiving Production Volumes. East Ohio shall read the meters and the same shall be accessible to inspection and examination by the Customer at all reasonable times. If either party challenges the accuracy of any meter in use under the contract and desires to have the meter tested, East Ohio shall test the same in the presence of a Customer employee or representative, if the Customer wishes to exercise the right to be present or to be represented at such test; the cost of testing the meter to be borne by the party challenging its accuracy if it proves to be correct, and it shall be deemed correct if there be no greater variation than three percent (3%), either fast or slow; but if the meter on test proves to be incorrect, then the cost of testing the meter shall be borne by East Ohio. For the purpose of testing, the meter shall be tested and adjusted on the ground. During such time as the meter is disconnected from the line, the gas delivered may be estimated by East Ohio until the meter is again connected to the line, and adjustment and settlement shall be made at the regular monthly periods on the basis of the amount of gas registered at like pressures for like periods of time when the meter was registering accurately. Any adjustment for errors in the meter shall be made for a period not to exceed ninety (90) days prior to the date of challenge by either party. The statements of meter measurement and estimated deliveries which under the contract are to be rendered by East Ohio to

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

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

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

11. Nomination of Production Volumes

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

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

- 11.5 Confirmed nominations will become effective on the date specified in the Customer's nomination and will remain in force until the last day of the current calendar month, unless superseded by a subsequent Production Volume nomination.

12. Reconciliation of Production Volumes

- 12.1 Confirmed Production Volume nominations will be credited to Customer's account on the date specified in the Customer's nomination. When actual Production Volumes are known, any discrepancies between actual and confirmed Production Volumes will be reconciled, in the first full billing cycle following the determination of actual Production Volumes, in accordance with the provisions of Sections 5 and 6 hereunder.

13. Operational Flow Orders

- 13.1 Customers without electronic gas measurement devices are subject to East Ohio's issuance of operational flow orders ("OFO") which will direct Customers to adjust Daily Available Volumes to match their estimated Delivery Volumes. Failure to comply with an operational flow order will result in the billing of the following incremental charges times the OFO shortfall which is defined as the imbalance between Daily Available Volumes and estimated Delivery Volumes, as calculated by East Ohio, on those Days subject to the OFO:
- (A) the payment of a gas cost equal to the highest incremental cost paid by East Ohio on the date of non-compliance; and
 - (B) one month's demand charges and/or otherwise applicable storage and overrun costs. This charge shall not be imposed more frequently than once in any thirty day period; and

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

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

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

14. Operational Matching Orders

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

- (A) the payment of a gas cost equal to the highest incremental cost paid by East Ohio on the date of non-compliance; and
- (B) one month's demand charges and/or otherwise applicable storage and overrun costs. This charge shall not be imposed more frequently than once in any thirty day period; and
- (C) the payment of all other charges incurred by East Ohio on the date of the OMO shortfall.

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

15. Obligations

15.1 The Customer shall be deemed to be in control and possession of the gas transported for it, until it shall have been delivered to East Ohio at the Transportation Receipt Point(s) or the Production

Issued: _____ Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

Receipt Point(s), as applicable, after which East Ohio shall be deemed to be in control, but not possession, of the gas until the gas is redelivered to the Customer by East Ohio at the Delivery Point(s).

- 15.2 The Customer warrants the title to the gas delivered to East Ohio at the Transportation Receipt Point(s) or the Production Receipt Point(s), as applicable, and shall indemnify East Ohio for and save East Ohio harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or attributable to the adverse claims of any and all other persons or parties to the gas delivered to East Ohio, provided, however, that if any person or party makes claim to any gas delivered to East Ohio adverse to Customer's claim of ownership of the gas, or obtains a lien or encumbrance against the gas, East Ohio may withhold payment, if any may be due, for such gas until such adverse claim or lien is released or disposed of by the parties by final court action and may pay such withheld amount(s) to the party entitled to payment, unless the Customer posts a bond in an amount and on terms satisfactory to East Ohio to protect and indemnify East Ohio against such adverse claim or lien.

16. Contract Supply Service

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

Issued: _____ Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

17. Provision for Human Needs Customers

- 17.1 Human Needs Customers are required to have adequate:
a) installed operational alternate fuel equipment and fuel; or b) Contract Supply Service from East Ohio.

18. Optional Sale of Gas to East Ohio

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

19. Force Majeure

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

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

transportation service agreement and applicable rate schedules, and after notice of the Force Majeure condition is given to the other party in writing or by facsimile, the obligation of both parties, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused except the obligation to continue delivery of Production Volumes during curtailment periods, and the Force Majeure condition shall be remedied with all reasonable dispatch.

- 19.3 Whenever East Ohio is unable to meet its Core Demand due to Force Majeure conditions on, or upstream of, East Ohio's system, East Ohio shall have the right to use the Customer's flowing supplies to meet its Core Demand. Any interruption in the Customer's service entitlement resulting from such condition shall be remedied as quickly as possible, and must be preceded by the exhaustion of other reasonable alternatives to avoid the involuntary interruption of service. To the extent possible and appropriate in the circumstances, any necessary interruptions in service will be based on the size and location of the facilities involved, to minimize the absolute number of interruptions required.
- 19.4 If East Ohio and the Customer have not entered into a contractual compensation arrangement pursuant to Section 18 hereof covering the sale of Customer's gas to East Ohio, East Ohio shall compensate the Customer for gas diverted by East Ohio from the Customer pursuant to Section 19.3, above, as follows: East Ohio shall reimburse the Customer for the cost of the gas diverted plus a portion of the Customer's annual interstate pipeline demand charges, if any, in each month in which gas is taken by East Ohio. On the first Day on which gas is diverted in any month, the demand charge compensation shall equal 1/24 of the Customer's annual pipeline demand charges; if gas is diverted on two or more Days in a month, the demand charge compensation shall be 1/12 of the Customer's annual pipeline demand charges. In no event shall

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

the monthly demand charge compensation exceed 1/12 of the Customer's annual pipeline demand charges. The total compensation determined in accordance with this Section 19.4 shall not be less than the cost of gas as computed pursuant to Section 6.1 of these General Terms and Conditions of Transportation Service.

19.5 Neither East Ohio nor the Customer shall be liable in damages to the other for any act, omission or circumstances occasioned by, or in consequence of, Force Majeure.

19.6 Such causes or contingencies affecting the performance of the transportation service agreement by East Ohio or the Customer shall not relieve the affected party of liability unless such party shall give notice and full particulars of such cause or contingency in writing or by facsimile to the other party as soon as reasonably practical after the occurrence of the cause relied upon, nor shall such causes or contingencies affecting the performance of the transportation service agreement by either party relieve it of liability in the event of its concurring negligence, nor shall such causes or contingencies affecting the performance of the transportation service agreement relieve either party from its obligations to make payments of amounts then due under the Customer's transportation service agreement or applicable rate schedules in respect to gas already delivered.

20. Late Payment Charge

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

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

21. Ownership of Facilities

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

22. Governmental Authorizations

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

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

22.3 If the transactions provided for under the transportation service agreement at any time subject either party to the jurisdiction or regulation by the FERC to an extent greater than any which exists on the date of the contract, whether by reason of statutory, regulatory or judicial action, then either party may elect to terminate the contract in the manner provided for in Section 22.2 above, provided, however, that termination shall not relieve either party of its obligations under the transportation service agreement or applicable rate schedules with respect to transactions that have occurred prior to the date of termination.

23. Miscellaneous

- 23.1 No modification of the terms and provisions of the transportation service agreement shall be made or become effective except by the execution of a supplementary written agreement.
- 23.2 No waiver by East Ohio or the Customer of any one or more defaults by the other in the performance of any provision of the transportation service agreement or applicable rate schedules shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.
- 23.3 The transportation service agreement shall not be assignable without the prior written consent of the other party, which consent shall not unreasonably be withheld.
- 23.4 The payments of the rates stated in the transportation service agreement or applicable rate schedules as well as the other provisions and conditions of these General Terms and Conditions of Transportation Service shall be subject to all applicable Federal and State laws and orders, rules and regulations.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

- 23.5 In the event any tax is imposed on natural gas, or the production, severance, gathering, transportation, sale, delivery, or use of natural gas, or if such tax is imposed in any other manner so as to constitute directly or indirectly a charge upon the gas delivered to East Ohio for redelivery pursuant to the transportation service agreement, the amount of such tax shall be borne by the Customer so far as it affects or relates to or is apportionable to the gas delivered to East Ohio under the transportation service agreement or applicable rate schedules. In the event East Ohio is required to pay such tax, the amount of the tax shall be billed directly to the Customer.
- 23.6 The Customer shall pay, or cause to be paid, any royalty payments due or owed on the gas delivered pursuant to the transportation service agreement, and shall indemnify and hold East Ohio harmless from any responsibility, liability or obligation for payment of any such royalty. In the event East Ohio is obligated by law to make any such royalty payment directly to royalty owners, the Customer shall reimburse East Ohio for any such payment and any costs associated with such payment. If the Customer fails to reimburse East Ohio, East Ohio may deduct the amount of such payments or costs from any payments accruing to the Customer under the transportation service agreement or applicable rate schedules, or take production in kind in satisfaction of the Customer's obligation.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Daily Transportation Service (DTS)

1. Applicability

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

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

1.2 Transportation service pursuant to this rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service.

2. Character of Service

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

3. Measurement of Deliveries

3.1 All Delivery Points specified in the contract shall be equipped with real-time electronic gas measurement ("EGM") capability. If EGM capability approved and required by East Ohio is not available at any of the

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Daily Transportation Service (DTS)

Delivery Points specified in the contract at the time the contract is executed, such equipment shall be installed, owned, operated, and maintained by East Ohio, provided, however, that all costs associated with the purchase and installation of such equipment shall be borne by the Customer and paid to East Ohio in equal monthly installments over a period specified in the contract, which period shall not exceed 24 months.

- 3.2 The Customer shall provide, at no cost to East Ohio and in a timely manner, a 120 volt, 15 ampere, AC power supply and a telephone tie to the Customer's telephone system accessible at Customer's meter location(s), and any necessary telephone enhancements to properly transmit data.
- 3.3 The Customer shall pay all charges for continuous electric and telephone service necessary for the operation of the EGM equipment.
- 3.4 The Customer is subject to the issuance of Operational Matching Orders.

4. Balancing Tolerances

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

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Daily Transportation Service (DTS)

5. Optional Volume Banking Service

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

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

6. Rates and Charges

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

For the first 500 Mcf each month, \$1.108 per Mcf,
For the next 24,500 Mcf each month, \$0.941 per Mcf,
For the next 25,000 Mcf each month, \$0.659 per Mcf,
For all over 50,000 Mcf each month, \$0.220 per Mcf.

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

Issued: _____ Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Daily Transportation Service (DTS)

The above rates are also subject to adjustment for recovery of take-or-pay costs and FERC Order 636 transition costs, as approved by the PUCO, plus the associated excise tax effect.

- 6.2 In addition to the volumetric charge, each Customer shall be charged a Customer charge of \$377.00 per Delivery Point per month.
- 6.3 Any Customer initiating transportation service under this rate schedule who was exclusively a sales customer of East Ohio on the effective date of this tariff shall continue to be responsible for charges pursuant to East Ohio's Interim Emergency and Temporary PIP Plan Rider, and shall retain the transition cost and refund rights and responsibilities of a sales customer, and the associated excise tax effects, in lieu of the provisions of the last sentence of paragraph 6.1 hereof.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Transportation Service (GTS)

1. Applicability

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

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

1.2 Transportation service pursuant to this rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service.

2. Character of Service

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

3. Measurement of Deliveries

3.1 Delivery Points specified in the contract may be equipped with monthly gas measurement equipment instead of real-time electronic gas measurement ("EGM") capability, except as specified in Section

Issued: _____ Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Transportation Service (GTS)

3.2 below. For any Delivery Point so equipped, the average daily volume of gas delivered by East Ohio to the Customer shall be calculated by dividing the total volume of gas delivered by East Ohio during the Customer's Billing Cycle by the number of days in the Billing Cycle. In addition:

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

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

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

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Transportation Service (GTS)

4. Tolerances

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

5. Volume Banking Service

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

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

6. Rates and Charges

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

For the first 100 Mcf each month, \$1.370 per Mcf,
For the next 400 Mcf each month, \$1.113 per Mcf,
For all over 500 Mcf each month, \$0.941 per Mcf.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Transportation Service (GTS)

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

The above rates are also subject to adjustment for recovery of take-or-pay costs and FERC Order 636 transition costs, as approved by the PUCO, plus the associated excise tax effect.

- 6.2 In addition to the volumetric charge, each Customer shall be charged a Customer charge of \$102.50 per Delivery Point per month.
- 6.3 Any Customer that does not receive all of its natural gas requirements through East Ohio will be subject to a surcharge equal to \$3.00 per Mcf times the Customer's Maximum Daily Transportation Quantity, payable monthly.
- 6.4 Any Customer initiating transportation service under this rate schedule who was exclusively a sales customer of East Ohio on the effective date of this tariff shall continue to be responsible for charges pursuant to East Ohio's Interim Emergency and Temporary PIP Plan Rider, and shall retain the transition cost and refund rights and responsibilities of a sales customer, and the associated excise tax effects, in lieu of the provisions of the last sentence of paragraph 6.1 hereof.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Experimental Small General Transportation Service (ESGTS)

1. Applicability

- 1.1 Transportation service pursuant to this rate schedule is available to Customers throughout East Ohio's service area who:
 - a) have purchased or otherwise arranged for a supply of natural gas of acceptable quality and have provided for the delivery of such gas to East Ohio's system for redelivery at a point on the East Ohio system; and
 - b) qualify for transportation service under the PUCO Gas Transportation Program Guidelines; and
 - c) consume less than 300 Mcf per year; and
 - d) have entered into a written contract (the "contract") with East Ohio for service under this rate schedule for a minimum of 12 months.
- 1.2 Transportation service pursuant to this experimental rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service.
- 1.3 Transportation service pursuant to this experimental rate schedule is limited to the first five hundred (500) Customers submitting a written request to East Ohio for service hereunder.

2. Character of Service

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

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Experimental Small General Transportation Service (ESGTS)

of Section 2 of East Ohio's General Terms and Conditions of Transportation Service.

3. Measurement of Deliveries

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

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

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

(A) The Customer shall provide, at no cost to East Ohio and in a timely manner, a 120 volt, 15 ampere, AC power supply and a telephone tie to

Issued: _____ Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

Experimental Small General Transportation Service (ESGTS)

the Customer's telephone system accessible at Customer's meter location(s), and any necessary telephone enhancements to properly transmit data.

- (B) The Customer shall pay all charges for continuous electric and telephone service necessary for the operation of the EGM equipment.
- (C) Customers with EGM devices are subject to East Ohio's issuance of operational matching orders.

4. Balancing Tolerances

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

5. Volume Banking Service

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

Issued: _____ Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

**Experimental Small General Transportation Service
(ESGTS)**

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

6. Rates and Charges

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

\$1.370 per Mcf for all consumption each month.

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

The above rate is also subject to adjustment for recovery of take-or-pay costs and FERC Order 636 transition costs, as approved by the PUCO, plus the associated excise tax effect.

- 6.2 In addition to the volumetric charge, each Customer shall be charged a Customer charge of \$12.50 per Delivery Point per month.
- 6.3 Any Customer that does not receive all of its natural gas requirements through East Ohio will be subject to a surcharge equal to \$3.00 per Mcf times the Customer's Maximum Daily Transportation Quantity, payable monthly.
- 6.4 Any Customer initiating transportation service under this rate schedule who was exclusively a sales

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

**Experimental Small General Transportation Service
(ESGTS)**

customer of East Ohio on the effective date of this tariff shall continue to be responsible for charges pursuant to East Ohio's Interim Emergency and Temporary PIP Plan Rider, and shall retain the transition cost and refund rights and responsibilities of a sales customer, and the associated excise tax effects, in lieu of the provisions of the last sentence of paragraph 6.1 hereof.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

Transportation Service for Schools (TSS)

1. Applicability

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

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

1.2 Transportation service pursuant to this rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service.

2. Character of Service

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

3. Measurement of Deliveries

3.1 Delivery Points specified in the contract may be equipped with monthly gas measurement equipment instead of real-time electronic gas measurement

Issued: _____ Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

Transportation Service for Schools (TSS)

("EGM") capability, except as specified in Section 3.2 below. For any Delivery Point so equipped, the average daily volume of gas delivered by East Ohio to the Customer shall be calculated by dividing the total volume of gas delivered by East Ohio during the Customer's Billing Cycle by the number of days in the Billing Cycle. In addition:

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

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

- (A) The Customer shall provide, at no cost to East Ohio and in a timely manner, a 120 volt, 15 ampere, AC power supply and a telephone tie to the Customer's telephone system accessible at Customer's meter location(s), and any necessary telephone enhancements to properly transmit data.
- (B) The Customer shall pay all charges for continuous electric and telephone service necessary for the operation of the EGM equipment.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

Transportation Service for Schools (TSS)

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

4. Balancing Tolerances

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

5. Volume Banking Service

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

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

6. Rates and Charges

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

For the first 100 Mcf each month, \$1.514 per Mcf,

Issued: _____ Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Transportation Service for Schools (TSS)

For the next 400 Mcf each month, \$1.257 per Mcf,
For all over 500 Mcf each month, \$1.085 per Mcf.

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

The above rates are also subject to adjustment for recovery of take-or-pay costs and FERC Order 636 transition costs, as approved by the PUCO, plus the associated excise tax effect.

- 6.2 In addition to the volumetric charge, each Customer shall be charged a Customer charge of \$50.00 per Delivery Point per month.
- 6.3 Any Customer that does not receive all of its natural gas requirements through East Ohio will be subject to a surcharge equal to \$3.00 per Mcf times the Customer's Maximum Daily Transportation Quantity, payable monthly.
- 6.4 Any Customer initiating transportation service under this rate schedule who was exclusively a sales customer of East Ohio on the effective date of this tariff shall continue to be responsible for charges pursuant to East Ohio's Interim Emergency and Temporary PIP Plan Rider, and shall retain the transition cost and refund rights and responsibilities of a sales customer, and the associated excise tax effects, in lieu of the provisions of the last sentence of paragraph 6.1 hereof.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

Interruptible Storage Service (ISS)

1. Applicability

Interruptible Storage Service under this rate schedule is available, subject to the availability of storage capacity, in conjunction with transportation service under Rate Schedules TSS, ESGTS, GTS, and DTS, subject to the eligibility requirements for the specific storage services as set forth in Section 5, below. A Customer or its authorized agent who has a pooling service agreement with East Ohio in effect must enter into a written contract with East Ohio for service under this rate schedule for a minimum of 12 months.

2. Character of Service

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

3. Nominations

All receipts and deliveries must be nominated in advance in accordance with the procedures applicable to service under Rate Schedules TSS, ESGTS, GTS and DTS and East Ohio's General Terms and Conditions of Transportation Service.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Interruptible Storage Service (ISS)

4. Curtailment

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

5. Types of Interruptible Storage Services

The Customer may chose from the following storage services:

5.1 Seasonal Service

This service is available to Customers at a load factor of fifty percent (50%) or more (that is, Customers agree to take storage service such that the amount allocated against consumption in any month does not exceed the lesser of (1) the total storage volumes received by East Ohio times forty percent (40%) or (2) the total unallocated storage volumes). The Customer may inject gas into East Ohio's storage facilities during the Summer Period and withdraw gas during the Winter Period. Daily withdrawal volumes shall be specified by the Customer in advance of the Winter Period. The rates charged to each Customer electing to purchase this service shall not exceed (1) a reservation fee of \$0.398 per Mcf times the Maximum Storage Capacity specified in the contract, payable before November 1 each year, and (2) a usage fee of \$0.074 per Mcf injected and \$0.073 per Mcf withdrawn. In no event shall the charges under this Section 5.1 be less than the Variable Cost of Service.

5.2 Enhanced Seasonal Service

This service is available to Customers at a load factor of fifty percent (50%) or more. The Customer may inject gas into East Ohio's storage facilities

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Interruptible Storage Service (ISS)

during the Summer Period and withdraw gas during the Winter Period. Daily withdrawal volumes shall be nominated by the Customer in advance of each month of the Winter Period; limited nomination changes, which shall apply prospectively, shall be permitted during the month. The rates charged to each Customer electing to purchase this service shall not exceed (1) a reservation fee, payable before November 1 each year, of \$0.398 per Mcf times the Maximum Storage Capacity specified in the contract, and (2) a usage fee of \$0.099 per Mcf injected and \$0.098 per Mcf withdrawn. In no event shall the charges under this Section 5.2 be less than the Variable Cost of Service.

5.3 In/Out Service

Customers purchasing this service, which is only available to Customers contracting for transportation service pursuant to Rate Schedule DTS, may inject gas into East Ohio's storage facilities on any Day and withdraw gas on any subsequent Day. East Ohio shall manage the Customer's injection and withdrawal volumes, subject to the daily and annual limitations specified in the contract, in a manner that will minimize any otherwise applicable imbalance charges. The rates charged to each Customer electing to purchase this service shall not exceed (1) a reservation fee, payable monthly, of the sum of (a) \$1.848 per Mcf times the Maximum Daily Storage Capacity specified in the contract and (b) \$0.041 per Mcf times the Maximum Storage Capacity specified in the contract, and (2) a usage fee of \$0.038 per Mcf injected or withdrawn. In no event shall the charges under this Section 5.3 be less than the Variable Cost of Service.

Issued: _____

Effective: November 8, 1994 through November 7, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

EXHIBIT A-2

General Sales Service Rate Schedule (GSS)

1. Applicability

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

2. Character of Service

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

3. Rates and Charges

3.1 The total monthly charge for each Customer at each location served under this rate schedule shall be the sum of the following charges:

- (1) \$1.578 per Mcf for all consumption each month; and
- (2) an adjustment to the rate set forth in (1) in accordance with the Interim Emergency and Temporary PIP Plan Rider as set forth on Sheet L1 and any other rider approved by the PUCO and included in this tariff; and
- (3) a charge for the cost of gas determined in accordance with the Uniform Purchased Gas Adjustment as set forth on Sheets G1 through G23; and
- (4) a service charge of \$5.70.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Sales Service Rate Schedule (GSS)

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

4. Estimated Bills

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

5. Resumption of Service after Interruption

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

6. Prohibition on Resale of Gas

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Large Volume General Sales Service Rate Schedule (LVGSS)

1. Applicability

Service under this rate schedule is available to Customers throughout East Ohio's service area who purchase and receive all of their natural gas requirements directly from East Ohio pursuant to this rate schedule and who have entered into a written contract with East Ohio for service under this rate schedule for a minimum of twelve months.

Customers who purchase transportation service from East Ohio may enter into a special arrangement with East Ohio for Contract Supply Service, pursuant to Section 16 of the General Terms and Conditions of Transportation Service.

2. Character of Service

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

3. Rates and Charges

3.1 The total monthly charge for each Customer at each location served under this rate schedule shall be the sum of the following charges:

- (1) For the first 100 Mcf each month, \$1.578 per Mcf,
For the next 400 Mcf each month, \$1.318 per Mcf,
For all over 500 Mcf each month, \$1.144 per Mcf;
and
- (2) an adjustment to the rates set forth in (1) in accordance with the Interim Emergency and Temporary PIP Plan Rider as set forth on Sheet L1 and any other rider approved by the PUCO and included in this tariff; and

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Large Volume General Sales Service Rate Schedule (LVGSS)

- (3) a charge for the cost of gas determined in accordance with the Uniform Purchased Gas Adjustment as set forth on Sheets G1 through G23; and
- (4) a service charge of \$40.00.

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

4. Estimated Bills

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

5. Termination of contract

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

6. Resumption of Service after Interruption or Termination

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

THE EAST OHIO GAS COMPANY

Large Volume General Sales Service Rate Schedule (LVGSS)

Customer under this or any other rate schedule, a reconnection payment of \$60.

7. **Prohibition on Resale of Gas**

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

Definitions

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

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

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

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

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

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

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

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

EBB -- East Ohio's Electronic Bulletin Board.

FERC -- the Federal Energy Regulatory Commission.

Human Needs Customer -- any Customer who uses natural gas for heating a residence, or a governmental agency or other entity

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

Definitions

which provides emergency or life support services. Human Needs Customers include hospitals, nursing homes, and residential correctional institutions, and exclude hotels, motels and non-residential educational facilities.

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

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

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

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

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

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

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

Positive Imbalance Volume -- the amount by which the sum of all daily volumes available for redelivery by East Ohio to a Customer

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

Definitions

during the Customer's Billing Cycle exceeds the sum of all daily volumes actually delivered to the Customer during the same period.

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

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

PSIA -- pounds per square inch, absolute.

PUCO -- The Public Utilities Commission of Ohio.

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

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

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

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

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

THE EAST OHIO GAS COMPANY

General Terms and Conditions of Transportation Service

Definitions

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

1. Sources of Supply

- 1.1 Customers may receive gas supplies delivered to East Ohio from Upstream Pipelines and/or Ohio production sources.

2. Authorized Daily Volume

- 2.1 Customer's Authorized Daily Volume on any Day consists of the sum of Customer's Daily Available Volume plus any additional volumes that East Ohio authorizes Customer to use on that Day. Delivery of Customer's Authorized Daily Volume is firm, except as provided in this Section 2.1. Such deliveries, however, shall be subject to interruption or curtailment based on the failure of an Upstream Pipeline to deliver Transportation Volumes, the failure of the Customer to deliver Production Volumes, Force Majeure conditions, or an order of the PUCO or other governmental body. The Customer and East Ohio shall use their best efforts to minimize such interruption or curtailment within the limitations of applicable law, regulations, and orders of any governmental authority. Consumption at Customer's facility in excess of the Authorized Daily Volume is interruptible service, and upon notice to Customer, East Ohio may require Customer to reduce consumption to Customer's Authorized Daily Volume whenever East Ohio deems it necessary to do so. East Ohio may, at its option, require such reductions in consumption by DTS Customers prior to imposing similar reductions on TSS, ESGTS, or GTS Customers.
- 2.2 In the event Delivery Volumes are in excess of the Authorized Daily Volume on any day on which East Ohio requires Customer to limit gas consumption to that Authorized Daily Volume, Customer shall be liable for all gas costs, transportation costs, penalties, and fines incurred by East Ohio as a result of Customer's deliveries in excess of its Authorized Daily Volume.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

3. Electronic Bulletin Board

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

4. Volume Banking Service

- 4.1 Under the Volume Banking Service, East Ohio will reconcile in subsequent Customer Billing Cycles, on a volumetric basis, any Positive Imbalance Volumes previously incurred.
- 4.2 Customers must subscribe to the Volume Banking Service set forth in Rate Schedules TSS, ESGTS, GTS, and DTS to be eligible for the provisions of the Volume Bank and Balancing section described herein. The service is optional for all DTS transportation Customers; a minimum Monthly Tolerance Level is specified in Rate Schedules TSS, ESGTS, and GTS. Annual election of Monthly Tolerances Levels shall be effective on April 1. Customers may elect to change tolerance levels on an annual basis by providing written notification to East Ohio no later than January 2 for service to be effective the following April 1. Customers must execute new or amended contracts reflecting the new Monthly Tolerance Level. If Customer does not elect a specific percentage for a Monthly Tolerance Level, East Ohio will assume ten percent (10%) for TSS, ESGTS, and GTS Customers and zero percent (0%) for DTS Customers.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

5. Positive Imbalance Volumes

- 5.1 Unless Customer and East Ohio otherwise agree, East Ohio will purchase Customer's Positive Imbalance Volumes, in excess of Customer's Monthly Tolerance Level, at a rate determined by adding the current month's indexed gas cost, as published in the first gas market report each month in *Inside FERC's Gas Market Report*, for gas entering Tennessee Gas Pipeline Company in Zone 1, times eighty percent (80%), plus the actual transportation charges paid to bring the gas to East Ohio's system, adjusted for shrinkage.
- 5.2 Positive Imbalance Volumes within Customer's Monthly Tolerance Level shall be available for delivery to the Customer in the Customer Billing Cycle following the determination of the Positive Imbalance Volume (the "Adjustment Month"), by increasing the Customer's Daily Available Volume on each Day in the Adjustment Month by an amount equal to the Positive Imbalance Volume divided by the number of days in the Adjustment Month.

6. Negative Imbalance Volumes

- 6.1 East Ohio will sell gas to Customer to eliminate Negative Imbalance 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 gas entering Tennessee Gas Pipeline Company in Zone 1, times one hundred and twenty percent (120%), plus the firm transportation charges to transport gas on Tennessee Gas Pipeline Company and CNG Transmission Corporation ("CNGT") to East Ohio's interconnections with CNGT, plus excise tax, adjusted for shrinkage.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

7. Transportation Receipt Points

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

8. Nomination of Transportation Volumes

- 8.1 All Transportation Volumes received for Customer's account at Transportation Receipt Points shall be nominated to East Ohio in advance according to the procedures outlined in this Section.
- 8.2 Nominations are to be transmitted to East Ohio either by electronic facsimile (FAX) or via East Ohio's EBB, and are to be received by East Ohio by the dates and times specified in East Ohio's Calendar of Nomination

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

Deadlines, as amended from time to time, which is available on East Ohio's EBB.

- 8.3 Nominations must conform, in content and format, with East Ohio's specifications for Transportation Volume Nominations, which shall include, at a minimum: Customer name; Customer's East Ohio contract number; Upstream Pipeline; Customer's Upstream Pipeline contract number; requested daily Transportation Volume; and the name and telephone number of the Customer's nominations contact.
- 8.4 Subject to the limits of East Ohio's operating conditions and facilities, previously confirmed nominations and timely confirmation by Upstream Pipelines, East Ohio will either confirm, in total or in part, or reject Customer's Transportation Volume nomination. Confirmed Transportation Volumes will be posted on East Ohio's EBB.
- 8.5 Confirmed nominations will become effective on the date specified in the Customer's nomination and will remain in force until the last day of the current calendar month, subject to continued receipt by East Ohio from Upstream Pipeline of the confirmed volume, unless superseded by a subsequent Transportation Volume nomination.

9. Firm Receipt Point Option

- 9.1 The Customer may elect to designate specific Transportation Receipt Points as firm receipt points. Each such firm receipt point, and the corresponding maximum daily transportation quantity for each such firm receipt point, shall be specified in the contract. The sum of the maximum daily transportation quantities for all firm receipt points shall not exceed the total Maximum Daily Transportation Quantity specified in the contract.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

- 9.2 Access to any receipt points on East Ohio's system, as to which an election pursuant to Section 9.1 above has not been made, shall be on a best efforts basis.
- 9.3 A Customer making an election pursuant to Section 9.1, above, shall be assessed a firm receipt point surcharge; the actual amount of the surcharge shall be determined through competitive bidding with minimum bid amounts to be determined by East Ohio.

10. Production Receipt Points

- 10.1 The unit of measurement for Production Volumes shall be one (1) cubic foot of gas, and the term "cubic foot of gas" shall mean a cubic foot of gas at a pressure of 14.73 PSIA and at a temperature of sixty degrees (60) Fahrenheit. For purposes of measurement and meter calibration, atmospheric pressure shall be assumed to be 14.4 pounds per square inch. All gas delivered to East Ohio by the Customer shall be measured by orifice or other measurement facility of standard type to be selected and furnished by East Ohio. Orifice meters of East Ohio shall be constructed and installed in accordance with the applicable provisions of the American National Standard "Orifice Metering of Natural Gas," ANSI/API 2530, First Edition, and any amendments thereto. The volumes of gas delivered to East Ohio shall be computed from meter records and converted into the unit of measurement specified above in accordance with standard industry practices. Correction shall not be made for deviation from the Ideal Gas Laws. In the absence of a recording thermometer, an assumed flowing temperature of sixty degrees (60) Fahrenheit shall be used in computing said quantities of gas; provided, however, that if the temperature of the natural gas passing through the meter is determined for any Day by the use of a recording thermometer, then the arithmetic average of the temperature recorded for such Day shall be used.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

- 10.2 The Production Volume delivered to East Ohio shall be delivered in its natural state, and have a gross heating value of not less than 1,000 British thermal units per cubic foot at 14.73 PSIA, sixty degrees (60) Fahrenheit and saturated with water vapor.
- 10.3 If at any time the delivery by the Customer at the Production Receipt Point(s) of gas from any meter subject to the contract shall be less than an average of ten thousand cubic feet per Day, then East Ohio, at its sole option, may terminate the contract as to the gas behind any such meter(s), by giving the Customer thirty days prior written notice of such termination, unless East Ohio and Customer agree in writing to an alternative.
- 10.4 The Production Receipt Points for Production Volumes from physical meters listed in the contract or any supplement thereto shall be at measuring stations furnished, constructed, owned, operated, and maintained by East Ohio, to be located at such points as East Ohio and the Customer shall agree, on East Ohio's lines as now constructed or on any extensions thereof which East Ohio in its sole judgment, in accordance with good industry practice, may hereafter construct. The sites for said measuring stations shall be furnished by East Ohio, or, if furnished by the Customer, shall provide rights of ingress and egress to East Ohio. In the event the Customer wishes to change any Production Receipt Points, all costs incurred by East Ohio in connection with such change shall be promptly reimbursed to East Ohio by the Customer. Measuring stations on East Ohio's lines existing as of the date of the contract and owned by the Customer or any other person, shall, subject to the approval of East Ohio, also be designated as Production Receipt Points, to be operated and maintained by East Ohio.
- 10.5 The Customer shall be responsible for the construction of any necessary pipeline extending from the wells to the Production Receipt Points agreed

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

upon. As soon as practical after completion of such a line by the Customer, East Ohio, at the Customer's expense, shall construct any measuring stations or approve Customer's construction of the Production Receipt Point to East Ohio's specifications which may be necessary at Production Receipt Points receiving Production Volumes. All pipelines which connect wells listed with East Ohio's measuring stations shall be owned and constructed by the Customer or by the party from which the Customer purchases volumes delivered to East Ohio.

- 10.6 Unless otherwise agreed to by East Ohio and Customer, prior to construction of a measuring station at a Production Receipt Point, East Ohio shall provide the Customer with its best estimate of the costs of the measuring station, including station site. The Customer shall pay East Ohio an amount equal to the estimate provided by East Ohio to the Customer if Customer elects to have East Ohio construct the Production Receipt Point. Such payment, which will bear no interest, will be applied by East Ohio toward the actual construction costs of the measuring station. Following the accumulation of all actual costs by East Ohio for the measuring station, the parties shall reconcile any differences within thirty days.
- 10.7 Production Volumes received by East Ohio at Production Receipt Points listed in the contract shall be taken by East Ohio at all times at full flow against the varying pressures maintained from time to time in East Ohio's pipelines. East Ohio at any time may suspend the taking of gas hereunder while making repairs or alterations in its facilities. When practicable East Ohio shall notify the Customer in advance of its plans to suspend the taking of gas, giving its best estimate of the duration of the suspension. Such repairs and alterations shall be completed with reasonable speed, unavoidable delays excepted. During periods when East Ohio must suspend the taking of gas, East Ohio shall not be required to

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

accept Production Volumes from meters. Subject to the foregoing, the Customer may compress and pump the gas to be delivered to East Ohio hereunder; however, the Customer shall install and maintain at its own expense the necessary equipment for the elimination or suppression of pulsations in the flowing gas that are created by compression equipment, and, in addition, the Customer will install the necessary equipment to insure a flowing temperature not to exceed 120 degrees Fahrenheit at the measuring stations described.

- 10.8 The capacity of East Ohio's facilities to receive Production Volumes at the Production Receipt Points shall be of such size as East Ohio in its sole judgment, in accordance with good industry practice, deems adequate. East Ohio shall have the right to restrict, limit or halt its receipt of Production Volumes whenever, in its sole judgment, in accordance with good industry practice, it is necessary to do so due to Force Majeure, an order of the PUCO or other governmental body, circumstances requiring East Ohio to act to protect its ability to meet its Core Demand. In the event East Ohio exercises its right to restrict, limit, or halt its receipt of Production Volumes, it shall give the Customer notice by telephone, letter, or otherwise to decrease or terminate deliveries of Production Volumes to East Ohio until such time as, in East Ohio's sole judgment, in accordance with good industry practice, deliveries may be increased or resumed. If the Customer fails to act promptly in accordance with such notice, East Ohio shall have the right to shut in wells or otherwise refuse to accept further Production Volumes at the Production Receipt Points.
- 10.9 The Customer shall install and maintain, at East Ohio's request at any time and at the Customer's own expense, the necessary equipment for separating and removing oil, water, salt, dust, and other foreign substances from Production Volumes before its delivery at the Production Receipt Points. The gas

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

received by East Ohio at the Production Receipt Points shall be free from all foreign matter or fluid characteristics that might interfere with its marketability or cause injury to, or interference with, the operation of the lines, regulators, meters, or other appliances connected with East Ohio's distribution system. East Ohio may refuse at any time any gas which contains gaseous impurities or objectionable odors.

- 10.10 East Ohio shall furnish, install, and maintain in good repair all meters and regulating equipment at the Production Receipt Points receiving Production Volumes. East Ohio shall read the meters and the same shall be accessible to inspection and examination by the Customer at all reasonable times. If either party challenges the accuracy of any meter in use under the contract and desires to have the meter tested, East Ohio shall test the same in the presence of a Customer employee or representative, if the Customer wishes to exercise the right to be present or to be represented at such test; the cost of testing the meter to be borne by the party challenging its accuracy if it proves to be correct, and it shall be deemed correct if there be no greater variation than three percent (3%), either fast or slow, but if the meter on test proves to be incorrect, then the cost of testing the meter shall be borne by East Ohio. For the purpose of testing, the meter shall be tested and adjusted on the ground. During such time as the meter is disconnected from the line, the gas delivered may be estimated by East Ohio until the meter is again connected to the line, and adjustment and settlement shall be made at the regular monthly periods on the basis of the amount of gas registered at like pressures for like periods of time when the meter was registering accurately. Any adjustment for errors in the meter shall be made for a period not to exceed ninety (90) days prior to the date of challenge by either party. The statements of meter measurement and estimated deliveries which under the contract are to be rendered by East Ohio to

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

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

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

11. Nomination of Production Volumes

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

- 11.5 Confirmed nominations will become effective on the date specified in the Customer's nomination and will remain in force until the last day of the current calendar month, unless superseded by a subsequent Production Volume nomination.

12. Reconciliation of Production Volumes

- 12.1 Confirmed Production Volume nominations will be credited to Customer's account on the date specified in the Customer's nomination. When actual Production Volumes are known, any discrepancies between actual and confirmed Production Volumes will be reconciled, in the first full billing cycle following the determination of actual Production Volumes, in accordance with the provisions of Sections 5 and 6 hereunder.

13. Operational Flow Orders

- 13.1 Customers without electronic gas measurement devices are subject to East Ohio's issuance of operational flow orders ("OFO") which will direct Customers to adjust Daily Available Volumes to match their estimated Delivery Volumes. Failure to comply with an operational flow order will result in the billing of the following incremental charges times the OFO shortfall which is defined as the imbalance between Daily Available Volumes and estimated Delivery Volumes, as calculated by East Ohio, on those Days subject to the OFO:
- (A) the payment of a gas cost equal to the highest incremental cost paid by East Ohio on the date of non-compliance; and
 - (B) one month's demand charges and/or otherwise applicable storage and overrun costs. This charge shall not be imposed more frequently than once in any thirty day period; and

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

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

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

14. Operational Matching Orders

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

- (A) the payment of a gas cost equal to the highest incremental cost paid by East Ohio on the date of non-compliance; and
- (B) one month's demand charges and/or otherwise applicable storage and overrun costs. This charge shall not be imposed more frequently than once in any thirty day period; and
- (C) the payment of all other charges incurred by East Ohio on the date of the OMO shortfall.

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

15. Obligations

15.1 The Customer shall be deemed to be in control and possession of the gas transported for it, until it shall have been delivered to East Ohio at the Transportation Receipt Point(s) or the Production

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

Receipt Point(s), as applicable, after which East Ohio shall be deemed to be in control, but not possession, of the gas until the gas is redelivered to the Customer by East Ohio at the Delivery Point(s).

- 15.2 The Customer warrants the title to the gas delivered to East Ohio at the Transportation Receipt Point(s) or the Production Receipt Point(s), as applicable, and shall indemnify East Ohio for and save East Ohio harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or attributable to the adverse claims of any and all other persons or parties to the gas delivered to East Ohio, provided, however, that if any person or party makes claim to any gas delivered to East Ohio adverse to Customer's claim of ownership of the gas, or obtains a lien or encumbrance against the gas, East Ohio may withhold payment, if any may be due, for such gas until such adverse claim or lien is released or disposed of by the parties by final court action and may pay such withheld amount(s) to the party entitled to payment, unless the Customer posts a bond in an amount and on terms satisfactory to East Ohio to protect and indemnify East Ohio against such adverse claim or lien.

16. Contract Supply Service

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

17. Provision for Human Needs Customers

- 17.1 Human Needs Customers are required to have adequate:
a) installed operational alternate fuel equipment and fuel; or b) Contract Supply Service from East Ohio.

18. Optional Sale of Gas to East Ohio

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

19. Force Majeure

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

transportation service agreement and applicable rate schedules, and after notice of the Force Majeure condition is given to the other party in writing or by facsimile, the obligation of both parties, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused except the obligation to continue delivery of Production Volumes during curtailment periods, and the Force Majeure condition shall be remedied with all reasonable dispatch.

- 19.3 Whenever East Ohio is unable to meet its Core Demand due to Force Majeure conditions on, or upstream of, East Ohio's system, East Ohio shall have the right to use the Customer's flowing supplies to meet its Core Demand. Any interruption in the Customer's service entitlement resulting from such condition shall be remedied as quickly as possible, and must be preceded by the exhaustion of other reasonable alternatives to avoid the involuntary interruption of service. To the extent possible and appropriate in the circumstances, any necessary interruptions in service will be based on the size and location of the facilities involved, to minimize the absolute number of interruptions required.
- 19.4 If East Ohio and the Customer have not entered into a contractual compensation arrangement pursuant to Section 18 hereof covering the sale of Customer's gas to East Ohio, East Ohio shall compensate the Customer for gas diverted by East Ohio from the Customer pursuant to Section 19.3, above, as follows: East Ohio shall reimburse the Customer for the cost of the gas diverted plus a portion of the Customer's annual interstate pipeline demand charges, if any, in each month in which gas is taken by East Ohio. On the first Day on which gas is diverted in any month, the demand charge compensation shall equal 1/24 of the Customer's annual pipeline demand charges; if gas is diverted on two or more Days in a month, the demand charge compensation shall be 1/12 of the Customer's annual pipeline demand charges. In no event shall

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

the monthly demand charge compensation exceed 1/12 of the Customer's annual pipeline demand charges. The total compensation determined in accordance with this Section 19.4 shall not be less than the cost of gas as computed pursuant to Section 6.1 of these General Terms and Conditions of Transportation Service.

- 19.5 Neither East Ohio nor the Customer shall be liable in damages to the other for any act, omission or circumstances occasioned by, or in consequence of, Force Majeure.
- 19.6 Such causes or contingencies affecting the performance of the transportation service agreement by East Ohio or the Customer shall not relieve the affected party of liability unless such party shall give notice and full particulars of such cause or contingency in writing or by facsimile to the other party as soon as reasonably practical after the occurrence of the cause relied upon, nor shall such causes or contingencies affecting the performance of the transportation service agreement by either party relieve it of liability in the event of its concurring negligence, nor shall such causes or contingencies affecting the performance of the transportation service agreement relieve either party from its obligations to make payments of amounts then due under the Customer's transportation service agreement or applicable rate schedules in respect to gas already delivered.

20. Late Payment Charge

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

21. Ownership of Facilities

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

22. Governmental Authorizations

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

22.3 If the transactions provided for under the transportation service agreement at any time subject either party to the jurisdiction or regulation by the FERC to an extent greater than any which exists on the date of the contract, whether by reason of statutory, regulatory or judicial action, then either party may elect to terminate the contract in the manner provided for in Section 22.2 above, provided, however, that termination shall not relieve either party of its obligations under the transportation service agreement or applicable rate schedules with respect to transactions that have occurred prior to the date of termination.

23. Miscellaneous

- 23.1 No modification of the terms and provisions of the transportation service agreement shall be made or become effective except by the execution of a supplementary written agreement.
- 23.2 No waiver by East Ohio or the Customer of any one or more defaults by the other in the performance of any provision of the transportation service agreement or applicable rate schedules shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.
- 23.3 The transportation service agreement shall not be assignable without the prior written consent of the other party, which consent shall not unreasonably be withheld.
- 23.4 The payments of the rates stated in the transportation service agreement or applicable rate schedules as well as the other provisions and conditions of these General Terms and Conditions of Transportation Service shall be subject to all applicable Federal and State laws and orders, rules and regulations.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

General Terms and Conditions of Transportation Service

- 23.5 In the event any tax is imposed on natural gas, or the production, severance, gathering, transportation, sale, delivery, or use of natural gas, or if such tax is imposed in any other manner so as to constitute directly or indirectly a charge upon the gas delivered to East Ohio for redelivery pursuant to the transportation service agreement, the amount of such tax shall be borne by the Customer so far as it affects or relates to or is apportionable to the gas delivered to East Ohio under the transportation service agreement or applicable rate schedules. In the event East Ohio is required to pay such tax, the amount of the tax shall be billed directly to the Customer.
- 23.6 The Customer shall pay, or cause to be paid, any royalty payments due or owed on the gas delivered pursuant to the transportation service agreement, and shall indemnify and hold East Ohio harmless from any responsibility, liability or obligation for payment of any such royalty. In the event East Ohio is obligated by law to make any such royalty payment directly to royalty owners, the Customer shall reimburse East Ohio for any such payment and any costs associated with such payment. If the Customer fails to reimburse East Ohio, East Ohio may deduct the amount of such payments or costs from any payments accruing to the Customer under the transportation service agreement or applicable rate schedules, or take production in kind in satisfaction of the Customer's obligation.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Daily Transportation Service (DTS)

1. Applicability

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

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

1.2 Transportation service pursuant to this rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service.

2. Character of Service

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

3. Measurement of Deliveries

3.1 All Delivery Points specified in the contract shall be equipped with real-time electronic gas measurement ("EGM") capability. If EGM capability approved and required by East Ohio is not available at any of the

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Daily Transportation Service (DTS)

Delivery Points specified in the contract at the time the contract is executed, such equipment shall be installed, owned, operated, and maintained by East Ohio, provided, however, that all costs associated with the purchase and installation of such equipment shall be borne by the Customer and paid to East Ohio in equal monthly installments over a period specified in the contract, which period shall not exceed 24 months.

- 3.2 The Customer shall provide, at no cost to East Ohio and in a timely manner, a 120 volt, 15 ampere, AC power supply and a telephone tie to the Customer's telephone system accessible at Customer's meter location(s), and any necessary telephone enhancements to properly transmit data.
- 3.3 The Customer shall pay all charges for continuous electric and telephone service necessary for the operation of the EGM equipment.
- 3.4 The Customer is subject to the issuance of Operational Matching Orders.

4. Balancing Tolerances

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

Daily Transportation Service (DTS)

5. Optional Volume Banking Service

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

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

6. Rates and Charges

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

For the first 500 Mcf each month, \$1.134 per Mcf,
For the next 24,500 Mcf each month, \$0.965 per Mcf,
For the next 25,000 Mcf each month, \$0.614 per Mcf,
For all over 50,000 Mcf each month, \$0.220 per Mcf.

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

Daily Transportation Service (DTS)

The above rates are also subject to adjustment for recovery of take-or-pay costs and FERC Order 636 transition costs, as approved by the PUCO, plus the associated excise tax effect.

- 6.2 In addition to the volumetric charge, each Customer shall be charged a Customer charge of \$377.00 per Delivery Point per month.
- 6.3 Any Customer initiating transportation service under this rate schedule who was exclusively a sales customer of East Ohio on the effective date of this tariff shall continue to be responsible for charges pursuant to East Ohio's Interim Emergency and Temporary PIP Plan Rider, and shall retain the transition cost and refund rights and responsibilities of a sales customer, and the associated excise tax effects, in lieu of the provisions of the last sentence of paragraph 6.1 hereof.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Transportation Service (GTS)

1. Applicability

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

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

1.2 Transportation service pursuant to this rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service.

2. Character of Service

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

3. Measurement of Deliveries

3.1 Delivery Points specified in the contract may be equipped with monthly gas measurement equipment instead of real-time electronic gas measurement ("EGM") capability, except as specified in Section

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Transportation Service (GTS)

3.2 below. For any Delivery Point so equipped, the average daily volume of gas delivered by East Ohio to the Customer shall be calculated by dividing the total volume of gas delivered by East Ohio during the Customer's Billing Cycle by the number of days in the Billing Cycle. In addition:

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

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

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Transportation Service (GTS)

4. Tolerances

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

5. Volume Banking Service

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

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

6. Rates and Charges

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

For the first 100 Mcf each month, \$1.399 per Mcf,
For the next 400 Mcf each month, \$1.139 per Mcf,
For all over 500 Mcf each month, \$0.965 per Mcf.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

General Transportation Service (GTS)

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

The above rates are also subject to adjustment for recovery of take-or-pay costs and FERC Order 636 transition costs, as approved by the PUCO, plus the associated excise tax effect.

- 6.2 In addition to the volumetric charge, each Customer shall be charged a Customer charge of \$102.50 per Delivery Point per month.
- 6.3 Any Customer that does not receive all of its natural gas requirements through East Ohio will be subject to a surcharge equal to \$3.00 per Mcf times the Customer's Maximum Daily Transportation Quantity, payable monthly.
- 6.4 Any Customer initiating transportation service under this rate schedule who was exclusively a sales customer of East Ohio on the effective date of this tariff shall continue to be responsible for charges pursuant to East Ohio's Interim Emergency and Temporary PIP Plan Rider, and shall retain the transition cost and refund rights and responsibilities of a sales customer, and the associated excise tax effects, in lieu of the provisions of the last sentence of paragraph 6.1 hereof.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Experimental Small General Transportation Service (ESGTS)

1. Applicability

- 1.1 Transportation service pursuant to this rate schedule is available to Customers throughout East Ohio's service area who:
- a) have purchased or otherwise arranged for a supply of natural gas of acceptable quality and have provided for the delivery of such gas to East Ohio's system for redelivery at a point on the East Ohio system; and
 - b) qualify for transportation service under the PUCO Gas Transportation Program Guidelines; and
 - c) consume less than 300 Mcf per year; and
 - d) have entered into a written contract (the "contract") with East Ohio for service under this rate schedule for a minimum of 12 months.
- 1.2 Transportation service pursuant to this experimental rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service.
- 1.3 Transportation service pursuant to this experimental rate schedule is limited to the first five hundred (500) Customers submitting a written request to East Ohio for service hereunder.

2. Character of Service

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Experimental Small General Transportation Service (ESGTS)

of Section 2 of East Ohio's General Terms and Conditions of Transportation Service.

3. Measurement of Deliveries

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

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

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

(A) The Customer shall provide, at no cost to East Ohio and in a timely manner, a 120 volt, 15 ampere, AC power supply and a telephone tie to

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Experimental Small General Transportation Service (ESGTS)

the Customer's telephone system accessible at Customer's meter location(s), and any necessary telephone enhancements to properly transmit data.

- (B) The Customer shall pay all charges for continuous electric and telephone service necessary for the operation of the EGM equipment.
- (C) Customers with EGM devices are subject to East Ohio's issuance of operational matching orders.

4. Balancing Tolerances

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

5. Volume Banking Service

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

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

**Experimental Small General Transportation Service
(ESGTS)**

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

6. Rates and Charges

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

\$1.399 per Mcf for all consumption each month.

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

The above rate is also subject to adjustment for recovery of take-or-pay costs and FERC Order 636 transition costs, as approved by the PUCO, plus the associated excise tax effect.

- 6.2 In addition to the volumetric charge, each Customer shall be charged a Customer charge of \$12.50 per Delivery Point per month.
- 6.3 Any Customer that does not receive all of its natural gas requirements through East Ohio will be subject to a surcharge equal to \$3.00 per Mcf times the Customer's Maximum Daily Transportation Quantity, payable monthly.
- 6.4 Any Customer initiating transportation service under this rate schedule who was exclusively a sales

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

Experimental Small General Transportation Service (ESGTS)

customer of East Ohio on the effective date of this tariff shall continue to be responsible for charges pursuant to East Ohio's Interim Emergency and Temporary PIP Plan Rider, and shall retain the transition cost and refund rights and responsibilities of a sales customer, and the associated excise tax effects, in lieu of the provisions of the last sentence of paragraph 6.1 hereof.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

Transportation Service for Schools (TSS)

1. Applicability

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

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

1.2 Transportation service pursuant to this rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service.

2. Character of Service

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

3. Measurement of Deliveries

3.1 Delivery Points specified in the contract may be equipped with monthly gas measurement equipment instead of real-time electronic gas measurement

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Transportation Service for Schools (TSS)

("EGM") capability, except as specified in Section 3.2 below. For any Delivery Point so equipped, the average daily volume of gas delivered by East Ohio to the Customer shall be calculated by dividing the total volume of gas delivered by East Ohio during the Customer's Billing Cycle by the number of days in the Billing Cycle. In addition:

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

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

- (A) The Customer shall provide, at no cost to East Ohio and in a timely manner, a 120 volt, 15 ampere, AC power supply and a telephone tie to the Customer's telephone system accessible at Customer's meter location(s), and any necessary telephone enhancements to properly transmit data.
- (B) The Customer shall pay all charges for continuous electric and telephone service necessary for the operation of the EGM equipment.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Transportation Service for Schools (TSS)

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

4. Balancing Tolerances

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

5. Volume Banking Service

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

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

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

6. Rates and Charges

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

For the first 100 Mcf each month, \$1.543 per Mcf,

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Transportation Service for Schools (TSS)

For the next 400 Mcf each month, \$1.283 per Mcf,
For all over 500 Mcf each month, \$1.109 per Mcf.

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

The above rates are also subject to adjustment for recovery of take-or-pay costs and FERC Order 636 transition costs, as approved by the PUCO, plus the associated excise tax effect.

- 6.2 In addition to the volumetric charge, each Customer shall be charged a Customer charge of \$50.00 per Delivery Point per month.
- 6.3 Any Customer that does not receive all of its natural gas requirements through East Ohio will be subject to a surcharge equal to \$3.00 per Mcf times the Customer's Maximum Daily Transportation Quantity, payable monthly.
- 6.4 Any Customer initiating transportation service under this rate schedule who was exclusively a sales customer of East Ohio on the effective date of this tariff shall continue to be responsible for charges pursuant to East Ohio's Interim Emergency and Temporary PIP Plan Rider, and shall retain the transition cost and refund rights and responsibilities of a sales customer, and the associated excise tax effects, in lieu of the provisions of the last sentence of paragraph 6.1 hereof.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

Interruptible Storage Service (ISS)

1. Applicability

Interruptible Storage Service under this rate schedule is available, subject to the availability of storage capacity, in conjunction with transportation service under Rate Schedules TSS, ESGTS, GTS, and DTS, subject to the eligibility requirements for the specific storage services as set forth in Section 5, below. A Customer or its authorized agent who has a pooling service agreement with East Ohio in effect must enter into a written contract with East Ohio for service under this rate schedule for a minimum of 12 months.

2. Character of Service

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

3. Nominations

All receipts and deliveries must be nominated in advance in accordance with the procedures applicable to service under Rate Schedules TSS, ESGTS, GTS and DTS and East Ohio's General Terms and Conditions of Transportation Service.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

Interruptible Storage Service (ISS)

4. Curtailment

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

5. Types of Interruptible Storage Services

The Customer may choose from the following storage services:

5.1 Seasonal Service

This service is available to Customers at a load factor of fifty percent (50%) or more (that is, Customers agree to take storage service such that the amount allocated against consumption in any month does not exceed the lesser of (1) the total storage volumes received by East Ohio times forty percent (40%) or (2) the total unallocated storage volumes). The Customer may inject gas into East Ohio's storage facilities during the Summer Period and withdraw gas during the Winter Period. Daily withdrawal volumes shall be specified by the Customer in advance of the Winter Period. The rates charged to each Customer electing to purchase this service shall not exceed (1) a reservation fee of \$0.403 per Mcf times the Maximum Storage Capacity specified in the contract, payable before November 1 each year, and (2) a usage fee of \$0.075 per Mcf injected and \$0.074 per Mcf withdrawn. In no event shall the charges under this Section 5.1 be less than the Variable Cost of Service.

5.2 Enhanced Seasonal Service

This service is available to Customers at a load factor of fifty percent (50%) or more. The Customer may inject gas into East Ohio's storage facilities

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply

Interruptible Storage Service (ISS)

during the Summer Period and withdraw gas during the Winter Period. Daily withdrawal volumes shall be nominated by the Customer in advance of each month of the Winter Period; limited nomination changes, which shall apply prospectively, shall be permitted during the month. The rates charged to each Customer electing to purchase this service shall not exceed (1) a reservation fee, payable before November 1 each year, of \$0.403 per Mcf times the Maximum Storage Capacity specified in the contract, and (2) a usage fee of \$0.100 per Mcf injected and \$0.099 per Mcf withdrawn. In no event shall the charges under this Section 5.2 be less than the Variable Cost of Service.

5.3 In/Out Service

Customers purchasing this service, which is only available to Customers contracting for transportation service pursuant to Rate Schedule DTS, may inject gas into East Ohio's storage facilities on any Day and withdraw gas on any subsequent Day. East Ohio shall manage the Customer's injection and withdrawal volumes, subject to the daily and annual limitations specified in the contract, in a manner that will minimize any otherwise applicable imbalance charges. The rates charged to each Customer electing to purchase this service shall not exceed (1) a reservation fee, payable monthly, of the sum of (a) \$1.870 per Mcf times the Maximum Daily Storage Capacity specified in the contract and (b) \$0.041 per Mcf times the Maximum Storage Capacity specified in the contract, and (2) a usage fee of \$0.039 per Mcf injected or withdrawn. In no event shall the charges under this Section 5.3 be less than the Variable Cost of Service.

Issued: _____

Effective: November 8, 1995

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____.

Bruce C. Klink
Vice President - Rates and Supply

EXHIBIT A-3

THE EAST OHIO GAS COMPANY

Transportation Migration Rider

An additional charge of \$.00 per Mcf shall be applied to all volumes transported under the Daily Transportation Service, General Transportation Service, and Transportation Service for Schools Rate Schedules.

Issued: _____

Effective: November 8, 1994

Filed under authority of The Public Utilities Commission of Ohio in Case No. 93-2006-GA-AIR
Order dated _____

Bruce C. Klink
Vice President - Rates and Supply