McNees Wallace & Nurick LLC attorneys at law

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November 8, 2006

Renee J. Jenkins Secretary Public Utilities Commission of Ohio 180 East Broad Street Columbus, Ohio 43215

Re: Case No. 06-1251-GA-ATA

Dear Secretary Jenkins:

Enclosed please find certain amended proposed tariffs, in both redlined and clean versions, filed by Southeastern Natural Gas Company ("Southeastern") in this proceeding as follows:

- First Revised Sheet No. 17 This proposed tariff has been amended to include a provision in Paragraph 2(c) for a new service, "Standby or partial service" to provide for consistency among the tariffs of Southeastern and that of its sister companies, Eastern Natural Gas Company and Pike Natural Gas Company. First Revised Sheet Nos. 17a and 17b are revised to accommodate the new language.
- 2. First Revised Sheet No. 24 This tariff has been revised to correct the inadvertent omission of the application of the tariff to the Industrial Service Rate. Also, the volumetric reference in the tariff has been revised to "Ccf" to make it consistent with the other rate schedules of Southeastern.

Very truly yours,

Øřetchen **∄**. Humme

Attorney for Southeastern Natural Gas Company

cc: Steve Puican, Utilities Department

21 EAST STATE STREET, 17TH FLOOR, COLUMBUS, OHIO 43215 • TEL: 614-469-8000 • FAX: 614-469-4653 • WWW.MWN.COM

Southeastern Natural Gas Company	
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First Revised Sheet No. 17 Supersedes

P.U.C.O. No. 2

Original Sheet No. 17

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Description of Services. Transportation service consists of delivery of the customer-owned or supplied natural gas volumes injected by the customer into the Company's facilities for redelivery by the Company. Except pursuant to standby or partial service, where and when available, the Company provides no assurance of continued delivery of natural gas in the event of interruption of the customer's supply. Subject to capacity constraints, transportation service hereunder is available to the Company's customers who: (1) enter into a transportation service agreement; and (2) have purchased or otherwise arranged for a supply of natural gas of acceptable quality from a supplier other than the Company. The customer must qualify for transportation service under the P.U.C.O. Gas Transportation Program Guidelines and must have requested that the Company transport such gas and have provided for the delivery of such gas to a point on the Company's existing system which is acceptable to the Company for redelivery at a point on the Company's system which is acceptable to the Company. The Company reserves the right to decline requests to provide such services whenever, in the Company's judgment, rendering such service would be detrimental to the operation of its system. Notwithstanding this tariff offering, the Company shall continue to enter into transportation service arrangements pursuant to R.C. 4905.31 when, in its judgment, the circumstance warrants a specific arrangement to address the nature of the service to be provided. The different types of transportation service are as follows:

- (a) <u>Firm Service</u>. The Company shall allocate and reserve pipeline capacity of the Company's facilities on behalf of the customer for redelivery of the customer's supply for consumption by the customer.
- (b) Interruptible Service. The Company shall accept the customer's supply for redelivery to the customer based on available capacity of the Company's facilities. Interruptible capacity shall be determined after considering all capacity commitments relative to general service and firm transportation services.
- (c) Standby or partial service. Company may provide, based upon the physical availability of natural gas supply, a standby or back-up service for a transportation service customer who does not have a sufficient alternative fuel supply in the event of interruption of the customer-owned or supplied natural gas transported through Company's facilities.

3. Standby and Partial Service Rate

Availability. Available and applicable, unless otherwise agreed by Company, to any customer which has obtained delivery of natural gas from a source other than the Company's distribution system or in addition to Company.

Facilities Charge

The monthly Facilities Charge shall be one hundred fifty dollars (\$150.00).

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Commodity Charge

The Commodity Charge shall be equal to the commodity cost component of the Company's currently-effective GCR rate plus any per Ccf charges which are applicable to Company's General Service Customers. The Commodity Charge shall be billed on the basis of the customer's per Ccf usage for the current billing month.

Base Rate Demand Charge (D-1)

The Base Rate Demand Charge (D-1) shall be equal to the usage sensitive charges in Company's General Service Rate plus any charges contained in riders which are applicable to the General Service Rate.

Gas Cost Demand Charge (D-2)

The Gas Cost Demand Charge (D-2) shall be equal to the average per Ccf demand and fixed cost component of the Company's currently-effective GCR Rate.

Billing Determinants

The billing determinants for the Facilities Charge shall be equal to the number of billing meters for the location receiving service under this rate.

The billing determinants for the Commodity Charge shall be based upon volumes actually consumed as measured by the meter at the customer's premises.

The billing determinants for the Base Rate Demand Charge (D-1) and the Gas Cost Demand Charge (D-2) shall be based upon the highest of the following:

- (a) The actual volumetric measurement for the current billing period;
- (b) The contract demand agreed to by Company and the customer;
- (c) One hundred percent (100%) of the maximum daily volumetric measurement recorded during the months of May, June, July, August and September. In the event daily measurement information is not available, maximum daily volumetric measurement shall be equal to the maximum monthly volumetric measurement during the period November through March divided by the number of days in said month.

In addition to all other rates and charges applicable to the service hereunder, the customer shall reimburse Company for all gas supply, transportation, storage, balancing, penalties or other costs which are incurred by Company as a direct result of the customer's load or usage characteristics.

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

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Southeastern Na P.U.C.O. No. 2	tural Gas CompanyOriginal Sheet No. 17b	
1.0.0.0. No. 2	Original Sileet No. 176	
<u>G</u>	ross Receipts Tax Rider	
<u>Co</u> re sh	I bills rendered pursuant to this tariff will be adjusted to provide for the recovery of the application of the gross receipts tax liability of said bills through the application of the gross ceipts tax rider specified on Sheet No. 27 of this tariff. This gross receipts tax rider hall not be applicable to customers that are statutorily exempt from the payment of the coss receipts tax.	
La	ate Payment Charge	
the 1(c	applicable, an additional late payment charge of 1.5% (one and one-half percent) of e overdue unpaid balance shall be assessed as provided in Section IV. Paragraph d), of the Company's Rules and Regulations Governing the Distribution and Sale of as.	
<u>Se</u>	ervice Reestablishment Charge	
sc an cu	bject to the provisions of Section II, Paragraph 7 herein, if service under this rate hedule is discontinued at the request of the customer, the Company shall not be under by obligation to resume service to the same customer on the same premises until the instomer has made payment of an amount equal to the monthly customer charge for each month of the intervening period, but not to exceed twelve (12) months.	
	ansportation Rates. The maximum and minimum rates to be charged for the vice specified above will be as follows:	Deleted: 3
(a)	Maximum Rates	
	Firm and Interruptible Service. The firm and interruptible transportation service rate shall not exceed \$.225 CCF.	Formatted: Centered, Indent: First line: 0", Tabs: Not at 0.5" + 1" +

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Southeastern Natural Gas Company	First Revised Sheet No. 24	
P.U.C.O. No. 2	Replaces Original Sheet No. 24	
5. Interim Emergency and Temporary Rider for Recovery of Costs.	Percentage of Income Plan	Deleted: 3
In addition to all other rates and charges applicable to Company's General Service Rate and Industrial Service Rate Schedule sale of gas, customers receiving service pursuant to the General Se	s governing the distribution and	Deleted: Schedule
Schedules shall pay an additional amount per Ccf for the recovery ("PIPP") costs. The monthly PIPP charge may be revised in accordar Utilities Commission of Ohio in Case No. 92-363-GA-PIP.	of Percentage of Income Plan	Deleted: Schedule Deleted: Mcf
The monthly PIPP charge will be determined consistent order and in conjunction with the Staff of the Public Utilities Commission subsequent to the filing of a revision to this sheet.		
		Deleted: February 9, 2001 Deleted: February 9, 2001
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- 2. <u>Description of Services</u>. Transportation service consists of delivery of the customer-owned or supplied natural gas volumes injected by the customer into the Company's facilities for redelivery by the Company. Except pursuant to standby or partial service, where and when available, the Company provides no assurance of continued delivery of natural gas in the event of interruption of the customer's supply. Subject to capacity constraints, transportation service hereunder is available to the Company's customers who: (1) enter into a transportation service agreement; and (2) have purchased or otherwise arranged for a supply of natural gas of acceptable quality from a supplier other than the Company. The customer must qualify for transportation service under the P.U.C.O. Gas Transportation Program Guidelines and must have requested that the Company transport such gas and have provided for the delivery of such gas to a point on the Company's existing system which is acceptable to the Company for redelivery at a point on the Company's system which is acceptable to the Company. The Company reserves the right to decline requests to provide such services whenever, in the Company's judgment, rendering such service would be detrimental to the operation of its system. Notwithstanding this tariff offering, the Company shall continue to enter into transportation service arrangements pursuant to R.C. 4905.31 when, in its judgment, the circumstance warrants a specific arrangement to address the nature of the service to be provided. The different types of transportation service are as follows:
 - (a) <u>Firm Service</u>. The Company shall allocate and reserve pipeline capacity of the Company's facilities on behalf of the customer for redelivery of the customer's supply for consumption by the customer.
 - (b) Interruptible Service. The Company shall accept the customer's supply for redelivery to the customer based on available capacity of the Company's facilities. Interruptible capacity shall be determined after considering all capacity commitments relative to general service and firm transportation services.
 - (c) <u>Standby or partial service</u>. Company may provide, based upon the physical availability of natural gas supply, a standby or back-up service for a transportation service customer who does not have a sufficient alternative fuel supply in the event of interruption of the customer-owned or supplied natural gas transported through Company's facilities.

3. Standby and Partial Service Rate

<u>Availability</u>. Available and applicable, unless otherwise agreed by Company, to any customer which has obtained delivery of natural gas from a source other than the Company's distribution system or in addition to Company.

Facilities Charge

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Commodity Charge

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Gas Cost Demand Charge (D-2)

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Billing Determinants

The billing determinants for the Facilities Charge shall be equal to the number of billing meters for the location receiving service under this rate.

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- (a) The actual volumetric measurement for the current billing period;
- (b) The contract demand agreed to by Company and the customer;
- (c) One hundred percent (100%) of the maximum daily volumetric measurement recorded during the months of May, June, July, August and September. In the event daily measurement information is not available, maximum daily volumetric measurement shall be equal to the maximum monthly volumetric measurement during the period November through March divided by the number of days in said month.

In addition to all other rates and charges applicable to the service hereunder, the customer shall reimburse Company for all gas supply, transportation, storage, balancing, penalties or other costs which are incurred by Company as a direct result of the customer's load or usage characteristics.

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

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Gross Receipts Tax Rider

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

Late Payment Charge

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

Service Reestablishment Charge

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

4. <u>Transportation Rates</u>. The maximum and minimum rates to be charged for the transportation service specified above will be as follows:

(a) Maximum Rates

<u>Firm and Interruptible Service</u>. The firm and interruptible transportation service rate shall not exceed \$.225 CCF.

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5. <u>Interim Emergency and Temporary Rider for Recovery of Percentage of Income Plan</u>
Costs.

In addition to all other rates and charges applicable to the service provided under the Company's General Service Rate and Industrial Service Rate Schedules governing the distribution and sale of gas, customers receiving service pursuant to the General Service Rate and Industrial Rate Schedules shall pay an additional amount per Ccf for the recovery of Percentage of Income Plan ("PIPP") costs. The monthly PIPP charge may be revised in accordance with the order of the Public Utilities Commission of Ohio in Case No. 92-363-GA-PIP.

The monthly PIPP charge will be determined consistent with the relevant Commission order and in conjunction with the Staff of the Public Utilities Commission of Ohio and will be charged subsequent to the filing of a revision to this sheet.

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