

Large Filing Separator Sheet

Case Number : 07-589-GA-UAIR

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Section : 2 of 2

Number of Pages : 155

Description of Document : Notice

- (1) The name of the applicant/customer.
 - (2) The address of the premises to be served.
 - (3) The billing address for the service.
 - (4) The amount of the deposit and a statement that the rate of interest to be paid on the deposit will be not less than three per cent per annum if the deposit is held for one hundred eighty days or longer.
- (C) Each utility shall accrue interest at a rate of at least three per cent per annum per deposit held for one hundred eighty days or longer. Interest shall be paid to the customer when the deposit is refunded or deducted from the customer's final bill. A utility shall not be required to pay interest on a deposit it holds for less than one hundred eighty days. No utility shall be required to pay additional interest on a deposit after discontinuance of service, if the utility has made a reasonable effort to refund the deposit. A utility shall dispose of any unclaimed deposit, plus accrued interest, in conformity with Chapter 169. of the Revised Code.

4901:1-17-06 Refund of deposit and release of guarantor.

- (A) After discontinuing service, the utility shall promptly apply the customer's deposit, including any accrued interest, to the final bill. The utility shall promptly refund to the customer any deposit, plus any accrued interest, remaining. A transfer of service from one customer location to another within the service area of the utility does not prompt a refund of the deposit or a release of the guarantor.
- (B) The utility shall review each account holding a deposit or a guarantor agreement every twelve months and promptly refund the deposit, plus any accrued interest, or release the guarantor, if the account meets the following criteria:
- (1) The customer has paid his/her bills for service for twelve consecutive months without having had service disconnected for nonpayment.
 - (2) The customer has not had more than two occasions on which his/her bill was not paid by the due date.
 - (3) The customer is not then delinquent in the payment of his/her bills.
- (C) The utility shall promptly return the deposit, plus any accrued interest, upon the customer's request at any time the customer's credit has been otherwise established or reestablished, in accordance with this chapter of the Administrative Code.
- (D) Once the customer satisfies the requirements for release of the guarantor, pursuant to paragraph (B) of this rule, the utility shall notify the guarantor in writing, within thirty days, that the guarantor is released from all further responsibility for the account.

4901:1-17-07 Record of deposit.

Until the deposit is refunded or otherwise disposed of in accordance with applicable law, each utility holding a cash deposit shall maintain a record that displays all of the following information:

- (A) The name and current or last known billing address of each depositor.
- (B) The amount and date of the deposit.
- (C) Each transaction concerning the deposit.

4901:1-17-08 Applicant and/or customer rights.

- (A) Each public utility that requires a cash deposit shall notify the applicant/customer of all options available to establish credit as listed in paragraph (A) of rule 4901:1-17-03 of the Administrative Code.
- (B) If a public utility requires a cash deposit to establish or reestablish service and the customer expresses dissatisfaction with the utility's decision, the company shall inform the customer of the following:
 - (1) The reason(s) for its decision.
 - (2) How to contest the utility's decision and show creditworthiness.
 - (3) The right to have the utility's decision reviewed by an appropriate utility supervisor.
 - (4) The right to have the utility's decision reviewed by the commission staff, and provide the applicant/customer the local or toll-free numbers and/or TDD/TTY numbers, address, and the website address of the commission as stated below:

The public utilities commission of Ohio (PUCO) toll-free at 1-800-686-7826 or 1-614-466-3292, or for TDD/TTY toll-free at 1-800-686-1570 or 1-614-466-8180, from 8:00 a.m. to 5:00 p.m. weekdays, or the PUCO website at www.PUCO.ohio.gov.

- (C) Each public utility, upon request, shall provide in writing to the applicant/customer the information required by paragraph (B) of this rule.

4901:1-17-09 Waiver requests.

The public utilities commission of Ohio may waive any rule or any part of a rule contained in this chapter of the Administrative Code for good cause upon its own motion or upon application by a company.

The application for a waiver shall include the specific rule(s) requested to be waived. If the request is to waive only a part or parts of a rule, then the application should identify the appropriate paragraphs, sections, or subsections to be waived. The waiver request shall provide sufficient explanation by rule, including advantages and possible disadvantages, to allow the commission to thoroughly evaluate the waiver request.

**DUKE ENERGY OHIO
SERVICE REGULATIONS**

SUPPLEMENT B

**RULES, REGULATIONS AND PRACTICES
GOVERNING THE DISCONNECTION OF
GAS, NATURAL GAS, OR ELECTRIC
SERVICE TO RESIDENTIAL CUSTOMERS**

**Rule 4901:1-18 of the Ohio Administrative Code as
Adopted by The Public Utilities Commission of Ohio
in Case No. 03-888-AU-ORD**

4901:1-18-01	DEFINITIONS
4901:1-18-02	GENERAL PROVISIONS
4901:1-18-03	DELINQUENT BILLS
4901:1-18-04	EXTENDED PAYMENT PLANS AND RESPONSIBILITIES
4901:1-18-05	DISCONNECTION PROCEDURES FOR NATURAL GAS AND ELECTRIC COMPANIES.
4901:1-18-06	RECONNECTION OF SERVICE
4901:1-18-07	LANDLORD-TENANT PROVISIONS.
4901:1-18-07	APPENDICES & FORMS
4901:1-18-08	WAIVER REQUESTS
4901:1-18-09	RESIDENTIAL NATURAL GAS BILLS
4901:1-18-10	COMBINATION UTILITY COMPANIES
4901:1-18-11	INSUFFICIENT REASONS FOR REFUSING OR DISCONNECTING SERVICE
4901:1-18-12	RESTRICTIVE LANGUAGE PROHIBITION

4901:1-18-01 Definitions.

- (A) "Collection charge" means a tariffed charge assessed to a residential customer by a company for dispatching an employee or agent to a residence who is authorized to accept payment for utility service.
- (B) "Commission" means the public utilities commission of Ohio.
- (C) "Company" means a natural gas company as defined in division (G) of section 4929.01 of the Revised Code or an electric distribution utility as defined in division (A)(6) of section 4928.01 of the Revised Code.
- (D) "Consumer" means any person who is the ultimate user of electric or gas service.
- (E) "Customer" means any person who enters into a contractual agreement with the company to receive residential electric or gas service.
- (F) "Default" means the failure to make the required payment on an extended payment plan by the due date.
- (G) "Extended payment plan" means an agreement between the customer and the company that requires the customer to make payments over a set period of time to the company on unpaid amounts owed to the company.
- (H) "Household income" has the meaning attributed to it by the Ohio department of development, office of community services, in the administration of the home energy assistance program.
- (I) "Primary source of heat" means the energy that is the heat source for the central heating system of the residence or, if the residence is not centrally heated, the energy that makes up the bulk of the energy used for space heating.
- (J) "Secondary source of heat" means the energy that is the heat source for space heating other than that provided by the central heating system of the residence or, if the residence is not centrally heated, the energy that does not make up the bulk of the energy used for space heating or, if the residence is centrally heated using some other form of energy, the energy required to operate equipment needed for the proper functioning of the central heating system.

4901:1-18-02 General provisions.

Natural gas or electric companies under the jurisdiction of the commission may disconnect service to residential customers only for the following reasons:

- (A) For any violation of or refusal to comply with a contract and/or the general service rules and regulations on file with the commission that apply to the customer's service.
- (B) When a consumer uses electricity or gas in a manner detrimental to the service to other consumers.
- (C) When providing service is in conflict or incompatible with any order of the commission, court of law, laws of the state of Ohio or any political subdivision thereof, or of the federal government or any of its agencies.
- (D) When the customer has moved from the customer location.

- (E) When supplying electricity or gas creates a safety hazard to consumers or their premises, the public, or to the company's personnel or facilities or where, because of conditions *beyond the consumer's premises, disconnection of the supply of electricity or gas is reasonably necessary*. The company shall not restore service until the hazardous condition(s) has been corrected.
- (F) When a customer, consumer, or his/her agent:
 - (1) Prevents utility company personnel from reading the meter for a year or more, unless the company suspects tampering or other fraudulent activities.
 - (2) After notice and a reasonable period of time under the circumstances, continues to *prevent company personnel from calibrating, maintaining, or replacing the company's meter, metering equipment, or other company property used to supply service*.
 - (3) Resorts to any fraudulent practice to obtain electric or gas service, is the beneficiary of the fraudulent practice, or damages the company's meter, metering equipment or other property used to supply the service. Under the circumstances stated in this paragraph the company need not restore service until the consumer or customer has completed each of the following:
 - (a) Given assurance that the fraudulent or damaging practice has been discontinued.
 - (b) Paid to the company an amount estimated by the company to be reasonable compensation for unauthorized usage obtained and not paid for at the time of disconnection.
 - (c) Paid for any damage to property of the company including any cost to repair the damage.
 - (d) *All other fees and charges authorized by tariff resulting from the fraudulent practice or tampering.*
- (G) For repairs, provided that notice to consumers is given prior to scheduled maintenance interruptions in excess of six hours.
- (H) Upon the request of the customer.
- (I) For nonpayment, including nonpayment of security deposits applied to delinquent bills as a condition for continued service, only after the provisions and procedures set forth in the rules in this chapter have been complied with by the natural gas or electric company.

4901:1-18-03 Delinquent bills.

- (A) Individually metered residential service accounts will be considered delinquent and subject to the company's *disconnection procedures for nonpayment if the account meets one of the following criteria*:
 - (1) The customer has not made full payment or arrangements for payment by the due date, for any given bill containing a previous balance for regulated services provided by the distribution utility.
 - (2) The customer is in default on an extended payment plan.

- (3) The customer fails to make the initial payment on an extended payment plan.
- (B) The minimum payment necessary in order to avoid the disconnection procedures shall not be greater than the delinquent amount, i.e., that portion of the bill that represents a previous balance for regulated services provided by the distribution utility.

4901:1-18-04 Extended payment plans and responsibilities.

- (A) Upon contact by a customer whose account is delinquent or who desires to avoid a delinquency, the company shall inform the customer that it will make extensions or other extended payment plans appropriate for both the customer and the company. The company may require the customer to demonstrate an inability to pay. If the customer proposes payment terms, the company may exercise discretion in the acceptance of the payment terms based upon the account balance, the length of time that the balance has been outstanding, the customer's recent payment history, the reasons why payment has not been made, and any other relevant factors concerning the circumstances of the customer, including health, age, and family circumstances. If the customer fails to propose payment terms acceptable to the company, the company shall then advise the customer of the availability of one of the extended payment plans as set forth in paragraphs (A)(1) and (A)(2) of this rule and of the availability of the extended payment plan set forth in paragraph (B) of this rule for a customer whose income qualifies him/her for such a plan. A customer who is in default on an extended payment plan other than one set forth in paragraphs (A)(1), (A)(2), or (B) of this rule is eligible for an extended payment plan as set forth in paragraphs (A)(1), (A)(2), and (B) of this rule provided he/she meets the qualifications for those plans. A customer who is in default on one of the extended payment plans set forth in paragraph (A)(1) or (A)(2) of this rule is eligible for the extended payment plan set forth in paragraph (B) of this rule provided he/she meets the qualifications for that plan.

If a customer informs the company of a medical problem, the company shall inform the customer of the medical certification program as provided in paragraph (C) of rule 4901:1-18-05 of the Administrative Code.

Each company shall offer the customer at least one of the following extended payment plans:

- (1) A plan that requires six equal monthly payments on the arrearages in addition to full payment of current bills.
- (2) A plan that requires payment of one-third of the balance due each month (arrearages plus current bill). This plan shall be offered during the winter heating season as required by paragraph (B)(3) of rule 4901:1-18-05 of the Administrative Code.
- (B) No company shall disconnect the service of any residential customer for nonpayment or refuse to reconnect, because of an arrearage, the service of a residential customer who has requested to transfer his/her service from one address to another as long as that customer meets each of the following qualifications:
 - (1) The customer has a household income for the past three months, which if annualized, would equal one hundred fifty per cent of the federal poverty level or less or, if the household income for the past three months annualized is more than one hundred fifty per cent of the federal poverty level, the customer has a household income for the past twelve months equal to one hundred fifty per cent of the federal poverty level or less.

- (2) For usage during any billing period all or part of which is within the winter period as defined by paragraph (B) of rule 4901:1-18-05 of the Administrative Code, the customer pays at least one of the following amounts:
 - (a) Ten per cent of his/her monthly household income to the jurisdictional company that provides the customer with his/her primary source of heat and pays at least five per cent of his/her monthly household income to the jurisdictional company that provides the customer a secondary source of heat.
 - (b) Fifteen per cent of his/her monthly household income to the jurisdictional company that provides both primary and secondary source of heat.
 - (c) Fifteen per cent of his/her monthly household income to the jurisdictional electric company that provides the totality of energy used for heating purposes to his/her residence.
 - (d) Ten per cent of his/her monthly household income to the jurisdictional company that provides the primary source of heat when a non-jurisdictional utility company or other person provides the secondary source of heat.
 - (e) Five per cent of his/her monthly household income to the jurisdictional company that provides the secondary source of heat when a non-jurisdictional utility company or other person provides the primary source of heat.
 - (3) For usage during any billing period, no part of which is within the winter period as defined by paragraph (B) of rule 4901:1-18-05 of the Administrative Code, the customer pays that percentage of his/her income required by paragraph (B)(2) of this rule or the current bill for actual non winter usage, whichever is greater.
 - (4) The customer applies for all public energy assistance for which he/she is eligible.
 - (5) The customer applies for all weatherization programs for which he/she is eligible.
 - (6) The customer provides proof to the jurisdictional company or the Ohio department of development, whichever is appropriate, no less often than once in every twelve months that he/she meets the household income requirements of paragraph (B)(1) of this rule. For customers determined to have zero income under paragraph (B)(1) of this rule, the jurisdictional company may require the customer to verify the household income no more than once every ninety days.
 - (7) The customer signs a waiver permitting the affected jurisdictional company to receive information from any public agency or private agency providing income or energy assistance and from any employer whether public or private.
- (C) For purposes of paragraphs (B)(1) and (B)(2) of this rule, any money provided to the jurisdictional company from the regular home energy assistance program (HEAP), or similar program, on behalf of the customer as energy assistance shall not be considered as household income or counted as part of the monies paid by the customer to meet the percentage of income requirement. Any money provided to the jurisdictional company on an irregular or on an emergency basis by a public or private agency for the purpose of paying utility bills shall not be considered as household income. These monies shall first be applied to the customer's current monthly payment obligation as determined in accordance with paragraph (B)(2) of this rule, with any money in excess of the amount necessary to satisfy the current monthly payment obligation being applied to either the

amount the customer is in default on an extended payment plan or, if no such default exists, then to the customer's arrearages.

- (D) The company shall provide an optional uniform payment plan (budget plan) on an annual basis for any customer who is not in default on a previously agreed upon extended payment plan. Arrearages need not be included in the optional uniform payment plan (budget plan).
- (E) A customer's failure to make any payment provided for under paragraph (A) or (B) of this rule shall entitle the company to disconnect service in accordance with the procedures set forth in rule 4901:1-18-05 of the Administrative Code.
- (F) The company shall furnish upon the request of the customer entering into an extended payment plan a written, typed, printed, or computer-generated copy of the plan and, if the extended payment plan was arranged by a company employee, the name of that employee.

4901:1-18-05 Disconnection procedures for natural gas and electric companies.

- (A) If a residential customer is delinquent in paying for regulated services provided by the distribution utility, the company may, after proper and reasonable notice of pending disconnection of service (not less than fourteen days), disconnect the customer's service during normal company business hours in compliance with all of the following conditions:
 - (1) No disconnections for nonpayment shall be made after twelve-thirty p.m. on the day preceding a day on which all services necessary for the customer to arrange and the company to perform reconnection are not regularly performed.
 - (2) On the day of disconnection of service, the company shall provide the customer with personal notice. If the customer is not at home, the company shall provide personal notice to an adult consumer. If neither the customer nor an adult consumer is at home, the company shall attach written notice to the premises in a conspicuous location prior to disconnecting service.
 - (3) Third-party or guarantor notification.
 - (a) Each company shall permit a residential customer to designate a third party to receive notice of the pending disconnection of the customer's service or of any other credit notices sent to the customer. If the customer has a guarantor, the guarantor shall receive notice of the pending disconnection of the guaranteed customer's service or of any other credit notices sent to the guaranteed customer, except where the guarantor has affirmatively waived the right to receive notices pursuant to rule 4901:1-17-03 of the Administrative Code. The company shall notify the third party or the guarantor at least fourteen days prior to disconnecting the customer's service.
 - (b) The company shall inform the third party that his/her receipt of such notices does not constitute acceptance of any liability by the third party for payment for service provided to the customer unless the third party has also agreed, in writing, to be a guarantor for the customer.
 - (c) In compliance with division (E) of section 4933.12 and division (D) of section 4933.121 of the Revised Code, if the company plans to disconnect the residential utility service of a customer for the nonpayment of his/her bill, and that customer resides in a county in which the department of job and family

services has provided the company with a written request for prior notification of residential service disconnection, then the company shall provide the appropriate county department of job and family services with a listing of those customers whose service will be disconnected for nonpayment at least twenty-four hours before the action is taken.

- (d) Upon the request of a property owner or the agent of a property owner, each company shall provide the property owner or the agent of a property owner with at least three-days advance notice when service to his/her property is to be disconnected either at the request of a residential customer who is a tenant or for nonpayment.
- (4) Employees or agents who disconnect service at the premises may or may not, at the discretion of the company, be authorized to make extended payment arrangements. Company employees or agents who disconnect service shall be authorized to complete one of the following:
- (a) Accept payment in lieu of disconnection.
 - (b) Dispatch an employee to the premises to accept payment.
 - (c) Make available to the customer another means to avoid disconnection.
- (5) The following information shall be either clearly displayed on the disconnection notice or included in documents accompanying the disconnection notice:
- (a) The delinquent billing account number, the total amount required to prevent disconnection of the regulated services provided by the distribution utility and any security deposit owed at the time of the notice.
 - (b) The earliest date when disconnection may occur.
 - (c) The local or toll-free number and address of the company's office for customers to contact about their account.
 - (d) A statement that the commission staff is available to render assistance with unresolved complaints, the current address, local or toll-free number and the TDD/TTY number of the commission's public interest center, and the commission's website.
 - (e) A statement that the customer's failure to pay the amount required at the company's office or to one of its authorized agents by the date specified in the notice may result in a security deposit and a charge for reconnection being required. The statement shall also include the amount of the security deposit and the reconnection charge.
 - (f) If applicable, a statement that the failure to pay charges for non-tariffed and/or non-regulated products or services may result in the loss of those products and/or services.
 - (g) An explanation of the payment plans and options available to a customer whose account is delinquent, as provided in this rule and rule 4901:1-18-04 of the Administrative Code, and, when applicable, rule 4901:1-18-10 of the Administrative Code.

- (h) If disconnection of service is to occur, as a result of nonpayment, a statement that a medical certification program and forms are available from the company.
 - (i) A statement that a listing of the company's authorized payment agents is available by calling the company's toll-free customer service number.
- (B) The company shall not disconnect service to residential customers for nonpayment during the period of November first through April fifteenth unless, in addition to the other requirements of this rule, the company completes each of the following:
 - (1) Makes contact with the customer or other adult consumer at the premises ten days prior to disconnection of service by personal contact, telephone, or hand-delivered written notice.
 - (2) Informs the customer or adult consumer that sources of federal, state, and local government aid for payment of utility bills and for home weatherization are available at the time the company delivers the notice required in paragraph (B)(1) of this rule, and provides sufficient information to allow the customer to further pursue available assistance.
 - (3) Informs the customer of the right to enter into a payment plan as set forth in paragraph (A)(2) of rule 4901:1-18-04 of the Administrative Code, unless the customer qualifies for the payment plan set forth in paragraph (B) of rule 4901:1-18-04 of the Administrative Code, in which event the company shall inform the customer of the availability of both plans. The company may require reasonable verification of the customer's household income, including but not necessarily limited to verification by the local agency providing governmental aid in paying utility bills. If the customer does not respond to the notice described in paragraph (B)(1) of this rule, or refuses to accept a payment plan or fails to make the initial payment on a payment plan referenced in this paragraph, the company may disconnect service after the ten-day notice expires.
- (C) Medical Certification
 - (1) The company shall not disconnect service for nonpayment if the disconnection of service would be especially dangerous to health. The health condition must be *certified in accordance with this rule.*
 - (2) When the disconnection of service would make operation of necessary medical or life-supporting equipment impossible or impractical, the company shall not disconnect service for nonpayment, if the customer establishes an inability to pay the amount due in full and enters into and makes payments in accordance with an extended payment plan. The necessary medical or life-supporting equipment must be certified in accordance with this rule.
 - (3) The electric distribution company shall give notice of availability of medical certification to its residential customers by means of bill inserts or special notices at the beginning of the winter heating period and at the beginning of the summer cooling period. The natural gas company shall give notice of the availability of medical certification to its residential customers by means of bill inserts or special notices at the beginning of the winter heating period.
 - (4) The company shall provide application forms for health care professionals or local board of health physicians for certification upon request of any residential consumer.

- (5) Any consumer who is a permanent resident of the premises where the service is rendered may qualify for certification.
- (6) The condition shall be certified to the company by a licensed physician, physician assistant, clinical nurse specialist, certified nurse practitioner, certified nurse-midwife, or local board of health physician.
 - (a) The certification required by paragraphs (C)(1) and (C)(2) of this rule shall be in writing and shall include the name of the person to be certified, a statement that the person is a permanent resident of the premises in question, the name, business address, and telephone number of the certifying party, the nature of the condition, and a signed statement by the certifying party that disconnection of service will be especially dangerous to health.
 - (b) Initial certification by the certifying party may be by telephone if written certification is forwarded to the company within seven days.
 - (c) In the event service has been disconnected within twenty-one days prior to certification of special danger to health for a qualifying resident, service shall be restored to that residence if proper certification is made in accordance with the foregoing provisions and the customer agrees to an extended payment plan.
 - (d) Certification shall prohibit disconnection of service for thirty days. Certification may be renewed two additional times (thirty days each) by a licensed physician, physician assistant, clinical nurse specialist, certified nurse practitioner, certified nurse-midwife, or local board of health physician by providing an additional certificate to the company. The total certification period is not to exceed ninety days per household in any twelve-month period.
 - (e) Upon renewal of certification, company personnel shall personally contact the customer and advise the customer of the governmental assistance programs that may be available. In the event that the best efforts of the company fail to result in personal contact, the company shall provide assistance information by mail.
 - (f) If a medical certificate is used to avoid disconnection, the customer shall enter into an extended payment plan prior to the end of the medical certification period or be subject to disconnection. The initial payment on the plan shall not be due until the end of the certification period.
- (D) Upon request of the customer, the company shall provide an opportunity for review of the initial decision to disconnect the service. The company shall review the circumstances surrounding the disconnection, escalate the review to an appropriate supervisor if requested, and inform the customer of the decision upon review as soon as possible. At the customer's request, the company shall respond in writing.
- (E) The company when contacted by the commission's public interest center shall respond to an inquiry concerning a pending disconnection or actual disconnection within two business days. At the request of commission staff, the company shall respond in writing. Commission staff will notify the customer of the company's response.

- (F) The company shall include in its tariff its current standard practices and procedures for disconnection, including the applicable collection and reconnect charges. The company shall submit a sample disconnection notice for approval.

4901:1-18-06 Reconnection of service.

The company shall reconnect service that has been disconnected for nonpayment pursuant to the following provisions:

- (A) Upon payment or proof of payment, including any reconnection charge, of the amount owed for the service that was previously disconnected or of an amount sufficient to cure the default on any extended payment plan described in Rule 4901:1-18-04 of the Administrative Code, including any reconnection charge, the company shall reconnect service by the close of the following regular company working day. The amount sufficient to cure the default includes all amounts that would have been due and owing under the terms of the applicable extended payment plan, absent default, on the date on which service is reconnected.
- (B) If service is disconnected and the customer wishes to guarantee the reconnection of service the same day on which payment is rendered:
- (1) The customer must provide proof of payment, and notify the company no later than twelve-thirty p.m. that reconnection of service is requested the same day.
 - (2) The company may require the customer to pay or agree to pay the company's approved tariff charges for reconnection of service if reconnection of service occurs after normal company business hours. The company may collect this fee prior to reconnection or with the customer's next monthly billing.
- (C) The company shall not assess a reconnection charge unless the company has actually disconnected the service. The company may, however, assess a collection charge if a collection charge is part of the company's approved tariff.
- (D) If the company requires a guarantor in order to reestablish service, the guarantor shall sign an acknowledgment that he/she is willing to accept the responsibility to secure payment of the customer's bill in an amount sufficient for a sixty-day supply of service.

4901:1-18-07 Landlord-tenant provisions.

A company may disconnect utility service of individuals whose utility services are included in rental payments and of consumers residing in a multi-unit dwelling (i.e., tenants who receive master-metered services) for which the customer is the landlord, only in accordance with the following:

- (A) The company shall give a notice of disconnection of service to the landlord/agent at least fourteen days before the disconnection would occur. If, at the end of the fourteen-day notice period, the customer has not paid or made payment arrangements for the bill to which the fourteen-day notice relates, the company shall then make a good faith effort by mail, or otherwise, to provide a separate ten-day notice of pending disconnection to the landlord/agent, and to each unit of a multi-unit dwelling (i.e., each tenant who receives master-metered service). This ten-day notice shall be in addition to the fourteen-day notice given to the landlord/agent. This notice requirement shall be complied with throughout the year. In a multi-unit dwelling, written notice shall also be placed in a conspicuous place.
- (B) The company shall also provide the following information in its ten-day notice:

- (1) A summary of the remedies tenants may choose to prevent disconnection or to have service reconnected.
 - (2) A statement to inform tenants that a list of procedures and forms to prevent disconnection or to have service reconnected are available from the company upon request. A model form of the tenants' ten-day notice is attached as appendix A to this rule.
- (C) The company shall inform any consumer inquiring about the notice, posted pursuant to paragraph (A) of this rule, of the amount due for the current month's bill and that the disconnection of service may be prevented if the consumer(s) makes a single payment to the company in the amount of the current month's bill.
- (D) The company shall credit to the appropriate account any payment made by tenants equal to or exceeding the landlord's current bill for those premises. The company is under no obligation to accept partial payment from individual tenants. The company may choose to accept only a single payment from a representative acting on behalf of all the tenants.
- (E) No company shall disconnect service to master-metered premises when all of the following actions take place:
- (1) A tenant delivers to the company a copy of the written notice required by division (A) of section 5321.07 of the Revised Code, signed by fifty per cent or more of the tenants of the occupied dwelling units, which notice shall designate the imminent disconnection of utility service (as shown by the disconnection notices received) as a reason for the notice.
 - (2) A tenant informs the company in writing of the date of the last day on which rent may be paid before a penalty is assessed or the date on which default on the lease or rental agreement can be claimed.
 - (3) The tenants timely invoke the remedies provided in divisions (B)(1) and (B)(2) of section 5321.07 of the Revised Code, including but not limited to:
 - (a) Depositing all rent that is due and thereafter becomes due to the landlord, with the clerk of the municipal or county court having jurisdiction, and
 - (b) Applying to the court for an order to use the rent deposited to remedy the condition or conditions specified in the tenant's notice to the landlord (including but not necessarily limited to payment to the company rendering the disconnection notice).
- (F) Each company that delivers notice pursuant to paragraph (A) of this rule shall provide to each tenant, upon request, the procedures to avoid disconnection or to have service reconnected as described in appendix B to this rule. The forms referenced in appendix B to this rule shall be made available by the company and also will be available on the commission's website at www.puc.state.oh.us/PUCO/forms/index.cfm or by contacting the commission's public interest center toll-free (in Ohio) at 1-800-686-7826 or TDD/TTY at 1-800-686-1570. The company shall also identify for the tenant any resources in the community where he/she can obtain assistance in pursuing his/her claim, including but not limited to:
- (1) The telephone number(s) of the local legal services program (in cities over one hundred thousand served by that company),

- (2) The toll-free number(s) for the Ohio state legal services association,
 - (3) The toll-free number(s) of the office of consumers' counsel,
 - (4) The telephone number(s) of the local bar association, and
 - (5) The telephone number(s) of the local tenant organization(s).
- (G) If a company disconnects service to consumers whose utility services are included in rental payments or who are residing in master-metered premises, the company, upon inquiry, shall inform the consumer that service will be reconnected upon payment of the amount due for the current month's bill plus any reconnection charge if the payment is made within fourteen days of disconnection. The company shall continue service at the premises as long as the tenant's representative continues to pay for each month's service (based upon actual or estimated consumption) by the due date of the bill for that service. The company shall also reconnect service for those consumers who, within fourteen days of the disconnection of service, invoke the provisions of section 5321.07 of the Revised Code, as specified in paragraph (E) of this rule. If the consumers choose to have their service reconnected by paying the current month's bill and payment is not made by the due date each month, the company shall post the notice in a conspicuous location on the premises and make a good faith effort by mail or otherwise to notify each household unit of a multi-unit dwelling or tenant receiving service in the master-metered premises of the impending service disconnection. The company is not required to reconnect service pursuant to this paragraph where the landlord resides on the premises.
- (H) The company shall only provide service to a master-metered premise if the customer is the landlord/owner of the premises. Company acceptance of new applications for service to master-metered premises requires the landlord/owner to provide to the company an accurate list specifying the individual mailing addresses of each unit served at the master-metered premises.
- (I) The company may charge the landlord/owner of the master-metered premises a reasonable fee, as set forth in the company's tariffs, designed to pay the company's incurred cost for providing the notice to tenants required by paragraph (A) of this rule.
- (J) The company has the burden of collecting any amounts in arrears.
- (K) If a customer, who is a property owner or the agent of a property owner, requests disconnection of service when residential tenants reside at the premises, the company shall perform both of the following actions:
- (1) Provide at least a ten-day notice prior to the disconnection of service by mail to the residential tenants or by posting the notice in conspicuous places on the premises.
 - (2) Inform such customer of the customer's liability for all utility service consumed during the ten-day notice period.
- (L) Notwithstanding any notice requirement of a company under paragraph (K) of this rule and paragraph (A)(3)(d) of rule 4901:1-18-05 of the Administrative Code, a company will not be found to have violated these rules if:
- (1) The company uses reasonable efforts to determine the status of the customer/consumer as either a property owner, the agent of a property owner, or a tenant; or

- (2) The customer/consumer misrepresents the status of the customer/consumer as either a property owner, or the agent of a property owner, or tenant.

4901:1-18-07 Appendices & Forms

4901:1-18-08 Waiver requests.

The public utilities commission of Ohio may waive any rule or any part of a rule contained in this chapter of the Administrative Code for good cause upon its own motion or upon application by a company.

The application for a waiver shall include the specific rule(s) requested to be waived. If the request is to waive only a part or parts of a rule, then the application should identify the appropriate paragraphs, sections, or subsections to be waived. The waiver request shall provide sufficient explanation by rule, including advantages and possible disadvantages, to allow the commission to thoroughly evaluate the waiver request.

4901:1-18-09 Residential natural gas bills.

- (A) This rule applies to natural gas company bills that do not include any retail gas supplier charges. Requirements for natural gas consolidated billing appear in rule 4901:1-29-12 of the Administrative Code.
- (B) Bills issued by or for the natural gas company shall be accurate and rendered at regular intervals and shall contain clear and understandable form and language. Each bill shall display the following information:
- (1) The customer's name, billing address, service address, and account number.
 - (2) The natural gas company's name and its payment address.
 - (3) The natural gas company's twenty-four hour, local or toll-free telephone number for reporting service emergencies.
 - (4) A statement that customers with bill questions or complaints should call or write the natural gas company first. The bill shall list the natural gas company's local or toll-free telephone number(s) and the address where a question or complaint may be sent.
 - (5) The following text:

"If your questions are not resolved after you have called (name of company), you may call the Public Utilities Commission of Ohio (PUCO) toll-free at 1-800-686-7826 or 1-614-466-3292, or for TDD/TTY toll-free at 1-800-686-1570 or 1-614-466-8180, from 8:00 a.m. to 5:00 p.m. weekdays, or visit the PUCO website at www.PUCO.ohio.gov.

Residential customers may also call the Ohio Consumers' Counsel (OCC), toll-free at 1-877-742-5622 from 8:30 a.m. to 5:30 p.m. weekdays, or visit the OCC website at www.pickocc.org."
 - (6) A rate schedule, if applicable.
 - (7) The dates of the service period covered by the bill.
 - (8) The billing determinants, if applicable:

- (a) Beginning meter reading(s),
 - (b) Ending meter reading(s),
 - (c) Demand meter reading(s),
 - (d) Multiplier(s),
 - (e) Consumption, and/or
 - (f) Demand(s).
- (9) The gas cost recovery rate expressed in dollars and cents per MCF or CCF.
- (10) The total charge attributable to the gas cost recovery rate expressed in dollars and cents.
- (11) The identification of estimated bills.
- (12) The due date for payment.
- (13) The total charges for current billing period.
- (14) Any late payment charge or gross and net charges, if applicable.
- (15) Any unpaid amounts due from previous bills, customer credits, and total amounts due and payable.
- (16) The current balance of the account, if the residential customer is billed according to a budget plan.
- (17) *The current gas and electric charges separately, if the customer is billed for gas and electric service on the same bill.*
- (18) If applicable, each charge for non-tariffed, non-regulated service(s).
- (19) Any nonrecurring charge(s).
- (20) Any payment(s) or credit(s) applied to the account during the current billing period.
- (21) If applicable, the percentage of income payment program (PIPP) billing information:
- (a) Current PIPP payment,
 - (b) PIPP payments defaulted (i.e., past due),
 - (c) Total PIPP amount due, and
 - (d) Total account arrearage.
- (22) An explanation of codes and abbreviations used.

- (23) If applicable, the name of the selected competitive retail natural gas supplier or governmental aggregator and a statement that such provider is responsible for billing the gas supplier charges.
 - (24) The customer's historical consumption during each of the preceding twelve months, with a total and average consumption for such twelve-month period.
 - (25) A prominently displayed "apples-to-apples" notice, if the company has a choice program.
 - (26) A statement, either appearing directly on the bill, in a bill insert, or as a separate mailing, of any payment arrangement agreed upon by the customer and the company.
 - (27) Other information required by Ohio law or commission rule or order.
- (C) A natural gas company proposing any new bill format shall file its proposed bill format with the commission for approval. If the commission does not act upon an application for sample bill approval within forty-five days, the sample bill shall be approved.
- (D) Each natural gas company shall maintain an appropriate listing of its customer service number(s) in the directory of each certified local telephone service provider operating in the natural gas company's service area.
- (E) Each natural gas company shall, upon request, provide customers with an updated list of the name and street address/location of the nearest payment center and/or local authorized agent, and alternative methods available for payment of customer bills. Customers shall not be charged more than two-times the cost of a first-class postage stamp for processing their payments by cash, check or money order at authorized agent locations.
- (F) When a customer pays a bill at the natural gas company's business office or to an authorized agent of the company, the payment, including any partial payment, shall be immediately credited to the customer's account where feasible and in any event be credited to the customer's account as of the date received at the business office or by the agent. No natural gas company shall disconnect service to a customer who pays to the company or an authorized agent of the company the total amount due (or an amount agreed upon between the natural gas company and the customer to prevent disconnection) on the account by the close of business on the disconnection date listed on the disconnection notice. Payment received by an authorized agent of the natural gas company shall constitute receipt of payment by the company.
- (G) Each natural gas company shall establish a written policy for its personnel at its business offices and for its authorized agents to handle billing disputes, requests for payment arrangements, and reporting payments to prevent disconnection of service. If these matters cannot be handled by an agent authorized to accept payments, the agent shall provide customers with the natural gas company's local or toll-free number.
- (H) Any natural gas company wishing to issue billing statements online shall comply with each of the following requirements:
- (1) A customer shall not be required to use online billing.
 - (2) No enrollment or usage fees shall be assessed to a customer who chooses to receive bills and/or customer information online.

- (3) The online billing statement shall include all requirements listed in paragraph (B) of this rule.
- (4) The company shall maintain a secure and encrypted site that is to be accessed only by the customer of record after completing a secure registration process.
- (5) Any fees to accept online payments shall be clearly disclosed in payment window(s).
- (6) Any payment made online shall be treated as a payment made at the company business office and shall be posted to the account in accordance with paragraph (F) of this rule. The time needed to post the payment to the account shall be clearly stated.
- (7) If a customer chooses to use online billing, the customer shall not be restricted to making payments online in the future. All payment methods shall continue to be available to the customer.

4901:1-18-10 Combination utility companies.

- (A) The residential customers and consumers of a combination utility company that provides both natural gas and electric service shall have the same rights pursuant to Chapter 4901:1-18 of the Administrative Code as customers and consumers who are served by separate natural gas and electric companies. In the event of disconnection or pending disconnection of both gas and electric services, a residential customer of a combination utility company has the right to choose to retain or have reconnected both utility services or one service, either gas or electric.
- (B) A combination utility company shall apply the payments from residential customers to their gas and electric accounts separately and shall apportion the payments based on the total balance for each service, including any arrearage plus the current month's charge(s). For purposes of applying these payments:
 - (1) For customers billed only for services provided by the combination utility company, the company shall apply payments first to past due amounts, then to current regulated charges, and finally to any non-regulated charges.
 - (2) For customers billed by the combination utility company for any competitive services provided by either a competitive retail natural gas supplier and/or a competitive retail electric provider, the company shall apply payments as provided for in paragraph (J) of rule 4901:1-29-12 and paragraph (H) of rule 4901:1-10-33 of the Administrative Code.
- (C) Whenever a residential customer receiving both gas and electric service from a combination utility company has received a disconnection of service notice, the company shall give the customer each of the following options:
 - (1) An extended payment plan for both gas and electric as provided for in rule 4901:1-18-04 of the Administrative Code.
 - (2) An extended payment plan to retain either gas or electric service as chosen by the customer. Such extended payment plan shall include an extended payment plan as provided in rule 4901:1-18-04 of the Administrative Code.
- (D) If a residential customer of a combination utility company who has entered into one extended payment plan for both gas and electric service receives a disconnection of service notice and notifies the company of an inability to pay the full amount due under

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RATE RS
RESIDENTIAL SERVICE

APPLICABILITY

Applicable to gas service required for residential purposes when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
All delivered gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month \$6.00

Plus the applicable charge per month as set forth on Sheet
No. 65, Rider AMRP, Accelerated Main Replacement Program

Plus a charge for
All CCF delivered at \$0.18591 per CCF

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on:

Sheet No. 63, Rider PIPP, Percentage of Income Payment Plan.

Sheet No. 68, Rider STR, State Tax Rider.

Sheet No. 71, Rider GCRR, Gas Cost Recovery Rate.

Sheet No. 76, Rider CCCR, Contract Commitment Cost Recovery Rider.

EXCISE TAX RIDER

The net monthly bill shall be adjusted by application of the percent specified on Sheet No. 64, Rider ETR, Ohio Excise Tax Liability Rider, except that finance charges are excluded in the computation of the net bill.

MINIMUM BILL

The monthly minimum bill shall be the monthly Customer Charge and applicable charge under Rider AMRP shown above, plus the percentage specified in Rider ETR, Sheet No. 64, Ohio Excise Tax Liability Rider.

LATE PAYMENT CHARGE

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable. However, this provision is not applicable to:

- (1) customers actively enrolled on the Percentage of Income Payment Plan (PIPP) pursuant to Rule 4901:1-18-04(B), Ohio Administrative Code;

LATE PAYMENT CHARGE (Contd.)

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

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- (2) the unpaid account balances of those customers being backbilled in accordance with Section 4933.28 Ohio Revised Code; and
- (3) the unpaid account balances of those customers on other Commission approved deferred payment plans or the Budget Billing Plan, except that a late payment charge may be assessed on any deferred payment plan or Budget Billing Plan amount not timely paid.

At a residential customer's request, the Company will waive a late payment charge where the current charge is the only late payment charge levied in the most recent twelve month period.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

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RATE GS

GENERAL SERVICE

APPLICABILITY

Applicable to gas service required for any purpose by an individual customer on one premises when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:

All delivered gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month

\$21.00

Plus the applicable charge per month as set forth on Sheet No. 65, Rider AMRP, Accelerated Main Replacement Program

Plus a charge for

First 1,000 CCF delivered at

\$0.1630 per CCF

Next 4,000 CCF delivered at

\$0.1570 per CCF

Additional CCF delivered at

\$0.1540 per CCF

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on:

Sheet No. 63, Rider PIPP, Percentage of Income Payment Plan.

Sheet No. 68, Rider STR, State Tax Rider.

Sheet No. 71, Rider GCRR, Gas Cost Recovery Rate.

Sheet No. 76, Rider CCCR, Contract Commitment Cost Recovery Rider.

EXCISE TAX RIDER

The net monthly bill shall be adjusted by application of the percent specified on Sheet No. 64, Rider ETR, Ohio Excise Tax Liability Rider, except that finance charges are excluded in the computation of the net bill.

MINIMUM BILL

The monthly minimum bill shall be the monthly Customer Charge and applicable charge under Rider AMRP shown above, plus the percentage specified in Rider ETR, Sheet No. 64, Ohio Excise Tax Liability Rider.

LATE PAYMENT CHARGE

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

TERM OF SERVICE

One year, terminable thereafter on three (3) days written notice by either customer or Company.

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SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

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RATE RFT

RESIDENTIAL FIRM TRANSPORTATION SERVICE

AVAILABILITY

Firm transportation service for residential purposes, which is provided from the Company's city gate receipt points to the outlet side of Company's meter. Service is available to all residential customers, except for those customers whose utility service accounts are past due at the time customer desires to utilize this service. The Company may terminate a customer's supplier contract for non-payment and return the customer to the Company's sales service only if: (1) the Supplier has made an affirmative request for the Company to act as its agent to terminate customer contracts for non-payment; and (2) the Supplier has included in its customer contracts, a notice that the Company can terminate such contracts for non-payment. Where the Supplier is performing its own billing of the gas supply, termination of the agreement will be at the discretion of the Supplier, as specified in the Supplier contracts for service. In either case, the Supplier or the Company shall give no less than 30 days written notice that the customer will be switched from the Supplier and revert to the Company unless the past due amount is paid by the customer's next scheduled bill due date. If the past due amount is paid by the next scheduled bill due date, the customer will not revert to the Company and will remain with the Supplier. If the Company provides the late payment notice to the customer, it will send a copy of the notice to the customer's Supplier. A customer must enter into an agreement with a Supplier who meets the Company's requirements for participation in this pooling program pursuant to Rate FRAS, Sheet No. 44.

Gas transported under this tariff shall be for customer's sole use at one point of delivery where distribution mains are adjacent to the premises to be served. Any gas provided hereunder shall be provided by displacement.

Residential customers who are enrolled in income payment plans pursuant to Rule 4901:1-18-04(B), Ohio Administrative Code (PIPP Customers), shall be provided their alternative gas supply service exclusively through their own supply pool, for which gas is provided by a willing Supplier whose bid has been approved by the Public Utilities Commission of Ohio.

DEFINITIONS

Terms used in this tariff are defined in the same manner as set forth in Rate FRAS, Sheet No. 44.

CHANGES IN CUSTOMERS' SERVICE ELECTIONS

Customers who elect service under this tariff and later return to Company's sales service may do so only in accordance with the requirements of the Company's tariffs and applicable regulations of the Public Utilities Commission of Ohio. If a customer voluntarily elects to return to the Company's sales service, all incremental gas procurement, upstream transportation, and storage costs incurred by the Company in order to return a customer to sales service shall be borne by customer pursuant to the Commission's Gas Transportation Program Guidelines adopted in Case No. 85-800-GA-COI.

Filed pursuant to an entry dated May 16, 2007 in Case No. 07-522-GA-ATA before the Public Utilities Commission of Ohio.

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TRANSFER OF SERVICE

Customers may transfer from one Supplier's pool to any other Supplier's pool or revert to the Company's sales service upon payment of a \$4.00 switching fee. If the Company's firm transportation program terminates, or if the Company terminates a customer's Supplier's participation in the Company's transportation program, the customer may revert to the Company's sales service without paying the switching fee.

After the Company installs additional information system capability on or before September 1, 2007, a customer participating in a governmental aggregation will not be subject to the switching fee, regardless of whether the customer returns to the Company's sales service from the governmental aggregation or the governmental aggregator chooses to switch its aggregation to a different Supplier.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:

All delivered gas is billed in units of 100 cubic feet (CCF).

Administrative Charge per month

\$6.00

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Plus the applicable charge per month as set forth on Sheet No.
65, Rider AMRP, Accelerated Main Replacement Program

Plus a charge per CCF for each CCF of gas transported for
customer from Company's city-gate measuring
stations to the outlet side of Company's
meter used to measure deliveries to
customer at

\$0.18591 per CCF

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Plus, all transported gas shall be subject to an adjustment per CCF as set forth on:

Sheet No. 63, Rider PIPP, Percentage of Income Payment Plan.

Sheet No. 66, Rider GSR, Gas Surcredit Rider

Sheet No. 67, Rider UE-G, Uncollectible Expense Rider

Sheet No. 68, Rider STR, State Tax Rider.

Sheet No. 69, Rider MSR-G, Merger Savings Credit Rider - Gas

Sheet No. 76, Rider CCCR, Contract Commitment Cost Recovery Rider.

Plus, or minus, rate adjustments which may occur as a result of changes in the rates of interstate pipelines, or of rulings of the Public Utilities Commission of Ohio and/or the Federal Energy Regulatory Commission, and for which it is determined that all customers should be allocated some portion of the corresponding costs or refunds.

In addition, the net monthly bill, as calculated above, shall be adjusted by application of the percent specified on Sheet No. 64, Rider ETR, Ohio Excise Tax Liability Rider, except that finance charges are excluded in the computation of the net bill.

Filed pursuant to an entry dated May 16, 2007 in Case No. 07-522-GA-ATA before the Public Utilities Commission of Ohio.

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NET MONTHLY BILL (Contd.)

Customer and/or its Suppliers shall be responsible for the collection and payment of excise taxes, revenue taxes, or similar taxes on the gas supplies that customer purchases from its Supplier.

MINIMUM BILL

The monthly minimum bill shall be the Monthly Administrative Charge and applicable charge under Rider AMRP shown above plus the percentage specified in Rider ETR, Sheet No. 64, the Ohio Excise Tax Liability Rider.

GENERAL TERMS AND CONDITIONS

1. Approved Supplier List

Company shall maintain a list of qualified Suppliers from which customer can choose. Such list shall include Suppliers who sign a Gas Supply Aggregation/Customer Pooling Agreement in which Supplier agrees to participate in, and abide by Company's requirements for, its pooling program. This list shall be available to any customer upon request.

2. Applications and Service Date

A customer who desires service under this tariff shall apply through its chosen Supplier. Unless the Company determines that the customer is not eligible to become a transportation customer of the Supplier, the Company shall transfer the customer to the Supplier's pool on the customer's next regularly scheduled meter reading date that is twelve (12) or more calendar days from the date the Company receives the transfer request from the Supplier. The Company shall notify the Supplier of the actual transfer date.

A customer may request termination of service under this tariff and return to the Company's sales service by notifying the Company, and the request will become effective on the customer's next regularly scheduled meter reading date that is twelve (12) or more calendar days from the receipt of such notification. In the event that a customer is returned to sales service for non-payment, the Supplier shall provide the Company with notice of termination and shall comply with all notice requirements of the Suppliers' Code of Conduct set forth in Rate FRAS, Sheet No. 44.

3. Delivery Pressure and Gas Composition

Gas service under this tariff shall be at the pressure that is currently available at customer's premise.

During severe weather periods, Company must sometimes supplement its flowing gas supplies with propane-air gas produced at peaking plants located at various points on Company's system. While Company attempts to manufacture such gas at a heating value roughly equivalent to the heating value of its flowing gas supplies, it is not always able to do so.

Filed pursuant to an entry dated May 16, 2007 in Case No. 07-522-GA-ATA before the Public Utilities Commission of Ohio.

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GENERAL TERMS AND CONDITIONS (Cont'd)

4. Regulatory Approvals

Customer's Supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable gas to be delivered to Company's system.

LATE PAYMENT CHARGE

Payment of the total amount due must be received in Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance of the bill is due and payable. However, this provision is not applicable to:

- (1) customers actively enrolled on the Percentage of Income Payment Plan (PIPP) pursuant to Rule 4901:1-18-04(B), Ohio Administrative Code.
- (2) the unpaid account balances of those customers being backbilled in accordance with Section 4933.28 Ohio Revised Code; and
- (3) the unpaid account balances of those customers on other Commission-approved deferred payment plans or the Budget Billing Plan, except that a late payment charge may be assessed on any deferred payment plan or Budget Billing Plan amount not timely paid.
- (4) the unpaid gas commodity portion of account balances of those customers served by a Supplier participating in the Company's Choice Program where Company has not agreed to purchase the Supplier's accounts receivable.

At a residential customer's request, the Company will waive a late payment charge where the current charge is the only late payment charge levied in the most recent twelve month period.

SERVICE REGULATIONS

The supplying of, and billing for, service, and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio and to Company's Service Rules and Regulations currently in effect as filed with the Public Utilities Commission of Ohio and as provided by law and by the regulations of the Public Utilities Commission of Ohio.

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RATE FRAS

FULL REQUIREMENTS AGGREGATION SERVICE

APPLICABILITY

This service is available to Suppliers delivering gas on a firm basis to the Company's city gate receipt points on behalf of Customers receiving firm transportation service from the Company under Rate Schedules RFT and FT. The service provided hereunder allows Suppliers to deliver to the Company on an aggregated basis those natural gas supplies that are needed to satisfy the requirements of Customer Pools participating in the Company's firm transportation programs.

CHARACTER OF SERVICE

This Tariff Sheet applies to the provision of pooling service for firm gas transportation Customers. Suppliers under this Tariff Sheet shall supply the full requirements of their Pool Customers and agree to accept supply management responsibility. Company shall specify and Supplier shall deliver each day the Target Supply Quantity for Supplier's Pool.

GAS SUPPLY AGGREGATION/CUSTOMER POOLING AGREEMENT

Prior to acting as a Supplier for Pool Customers taking service under Rate Schedules RFT or FT, Supplier must enter into a Gas Supply Aggregation/Customer Pooling Agreement with the Company. An example of the Gas Supply Aggregation/Customer Pooling Agreement is attached to this Tariff Sheet.

SUPPLIER INVOICE

On a monthly basis, the Company will generate, and Supplier will pay, an invoice that includes the costs set forth below in this Tariff Sheet and in Sheet No. 45 herein.

LATE PAYMENT CHARGE

Payment of the total amount due must be received by Company, or an authorized agent, by the due date shown on the Supplier's invoice. If the Supplier does not pay the total amount due by the date shown, an additional amount equal to one and one half percent (1.5%) of the total unpaid balance shall also become due and payable.

RETURNED CHECK CHARGE

The Returned Check Charge set forth in Sheet No. 45 herein shall be added to the Supplier's account each time a check is returned by the financial institution for insufficient funds.

MEASUREMENT OF CUSTOMER USAGE VOLUMES

The Company shall be responsible for all usage measurement at the point of delivery to the Customer's facilities. Monthly volumes billed to Pool Customers shall be considered actual volumes consumed, whether the meter reading is actual or estimated.

QUALITY OF GAS DELIVERED BY SUPPLIER

The Supplier warrants that all gas delivered by or on behalf of Supplier for its Pool Customers under this Tariff Sheet shall meet the quality, pressure, heating value and other quality specifications of the applicable FERC Gas Tariff of the interstate gas pipeline delivering said gas to the Company.

Filed pursuant to an Order dated March 21, 2007 in Cases No. 05-732-EL-MER and 05-733-EL-AAM before the Public Utilities Commission of Ohio.

Issued: March 22, 2007

Effective: April 1, 2007

Issued by Sandra P. Meyer, President

TITLE AND WARRANTY

Supplier warrants that it will, at the time and place of delivery, have good right and title to all volumes of gas delivered on its behalf, free and clear of all liens, encumbrances, and claims whatsoever, and that it will indemnify and hold the Company harmless for all suits, actions, debts, accounts, damages, costs, losses, or expenses (including reasonable attorneys fees) arising from or out of the adverse claims of any or all persons relating to or arising from said gas.

DEFINITIONS

"Adjusted MDQ" means the Supplier's MDQ less the Company's winter propane percentage, representing the Pool's allocation of the Company's propane peaking supplies.

"Adjusted Target Supply Quantities" (ATSQ) means the Target Supply Quantities plus or minus any adjustments that the Company may require the Supplier to make to its daily deliveries (i.e., Annual Reconciliation volumes) plus the daily firm (Rate FT) requirements of all Customers being served by the Supplier under Rate IT.

"Aggregation Service" is a service provided by the Company that allows Suppliers to deliver to the Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the full firm requirements of the one, or more, firm transportation Customers that comprise the membership of the Supplier's Pool, as defined below, all in accordance with the rules established by the Company regarding delivery requirements, banking, billing and payments, and Supplier performance requirements.

"Arrearages" are past due and unpaid amounts owed to the Company. A 30-day arrears exists when any portion of the previous month's bill is unpaid at the time the current bill is issued. Customers having a 30-day or more arrears of \$50.00 or more are not eligible to participate in the Program. A customer who is current on a payment plan for previously billed and unpaid charges is not considered to have Arrearages when an electronic enrollment to the Company's firm transportation program is received from a Supplier.

"British Thermal Unit" or "Btu" means the quantity of heat required to raise one (1) pound of water (about a pint) one (1) degree Fahrenheit at or near its point of maximum density.

"Ccf" means one hundred cubic feet.

"Commission" means the Public Utilities Commission of Ohio.

"Company" means Duke Energy Ohio.

"Customer" means a residential, non-mercantile, or mercantile recipient of the Company's Sales Service or Transportation Service.

"Default" means the failure of the Company or Supplier to fulfill a duty or obligation set forth in Duke Energy Ohio's tariffs, the Ohio Revised Code, the Ohio Administrative Code, or any agreement or contract between and among the Company and Supplier.

"Dekatherm" or "Dth" means a unit of heating value equal to ten (10) Therms or Million Btu's (1 MMBtu).

DEFINITIONS (Contd.)

"Eligible Customer" is a Customer that is eligible to participate in a Governmental Aggregation in accordance with section 4929.26 and 4929.27 of the Revised Code and does not include any of the following: a person that is both a distribution service Customer and a mercantile Customer on the date of commencement of service to the Governmental Aggregator or the person becomes a distribution service Customer after the service commencement date and is also a mercantile Customer; a person that is supplied with natural gas sales service pursuant to a contract with a Supplier that is in effect on the effective date of the ordinance or resolution authorizing the aggregation; a person that is supplied with natural gas sales service as part of the Percentage of Income Payment Plan program; or, a Customer that has failed to discharge, or enter into a plan to discharge, all existing Arrearages owed to or billed by the Company.

"Enrollment Processing Period" means the number of days required to process a Customer's accepted enrollment in the Program pursuant to this Tariff. This process commences with the submission to Company by Supplier of appropriate information for an eligible Customer and ends with the termination of the Customer's recession period. The process will take up to 12 calendar days, and includes 7 business days from the date the Company sends the Customer a letter indicating the Customer may rescind its Program enrollment or change in Suppliers.

"Gas Supply Aggregation/Customer Pooling Agreement" is an agreement between the Company and Supplier that defines the mutual responsibilities and obligations of those parties relative to the Aggregation Service provided under Rate FRAS.

"Maximum Daily Quantities" (MDQ) means the expected peak day natural gas usage for a Supplier's Pool of Customers.

"Mcf" means one thousand cubic feet.

"Mercantile Customer" has the meaning set out in division (L) of section 4929.01 of the Ohio Revised Code. In summary, it means a Customer that consumes, other than for residential use: 1) more than 5,000 Ccf of natural gas per year at a single location or as part of an undertaking having more than 3 locations within or outside the state, and 2) that has not filed a declaration with the PUCO.

"Negative Imbalance Volume" or "Under-deliveries" is the amount by which the sum of all volumes actually delivered to the Pool Customers during the period exceeds the sum of the volumes available for redelivery by the Company to the Pool during the same period.

"OAC" means the Ohio Administrative Code.

"OCC" means the Ohio Office of Consumers' Counsel.

"Operational Flow Orders" (OFOs) are notices issued by the Company via its electronic bulletin board (EBB) or fax transmission requiring Suppliers to adjust their daily deliveries into the Company's system to match, match or be less than, or match or be more than their Adjusted Target Supply Quantity for the Supplier's Pool of Customers receiving service under Rates FT and RFT. Supplier shall be required to deliver natural gas, or to

DEFINITIONS (Contd.)

cause natural gas to be delivered, into the Company's specified city gate receipt points, if it is determined by the Company to be necessary and the specified receipt points and amounts are identified in the OFO notice posted on the EBB.

"Over-deliveries" or "Positive Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the Pool Customers during the period is less than the sum of the volumes available for redelivery by the Company to the Pool during the same period.

"Pool" is a group of one or more Customers receiving service pursuant to *firm transportation tariffs* that have been joined together pursuant to Rate FRAS, Full Requirements Aggregation Service for supply management purposes. If PIPP Customers are being served by a Supplier, a separate Pool must be comprised entirely of PIPP Customers.

"Pool Customer" means a recipient of Transportation Service provided by the Company under Tariff Sheet Nos. 33 or 52 who receives gas supply from a Supplier as a member of a Pool.

"Pooling Program" refers to the services provided under Residential Firm Transportation Service (Rate RFT – Sheet No. 33), Firm Transportation Service (Rate FT – Sheet No. 52), and Full Requirements Aggregation Service (Rate FRAS – Sheet No. 44).

"Pooling Service" means a service provided by the Company that allows Suppliers to deliver to the Company gas supplies needed to satisfy the usage requirements of the Customers of the Supplier's Pool, all in accordance with the rules established by the Company in this Tariff Sheet and Gas Supply Aggregation/Customer Pooling Agreement.

"Positive Imbalance Volume" or "Over-deliveries" is the amount by which the sum of all volumes actually delivered to the Pool Customers during the period is less than the sum of the volumes available for redelivery by the Company to the Pool during the same period.

"Program" means the Company's firm transportation/supply aggregation Customer choice program under Rate RFT and Rate FT, and Rate FRAS, respectively.

"PUCO" means the Public Utilities Commission of Ohio.

"Sales Service" means service under Residential Service (Rate RS – Sheet No. 30) or General Service (Rate GS – Sheet No. 32).

"Supplier" is a qualified business entity that: 1) has been certified by the PUCO to provide retail natural gas service, 2) has been chosen as a Supplier by a group of one or more Customers that qualifies as a Pool, 3) agrees to accept responsibility for the gas supply management of the Pool, 4) meets the Requirements for Supplier Participation set out in this Tariff Sheet, and 5) has executed a Gas Supply Aggregation/Customer Pooling Agreement with the Company.

"Supply Contract" or "Contract" means a contract between the Pool Customer and its Supplier that defines the mutual responsibilities and obligations of those parties relative to Customer's purchase and Supplier's sale of gas supplies for delivery to Customer pursuant to this Tariff Sheet and the applicable Transportation Service Tariff Sheet.

DEFINITIONS (Contd.)

"Target Supply Quantities" (TSQ) are defined as daily city gate delivery quantities determined from statistical models used to estimate the daily gas usage of the full requirements firm Customers in Supplier's Pool. These daily gas usage estimates are adjusted for Unaccounted-for Gas Loss and converted from volumetric to thermal quantities.

"Transportation Service" means service under Residential Firm Transportation Service (Rate RFT – Sheet No. 33), Firm Transportation Service (Rate FT – Sheet No. 52), or Interruptible Transportation Service (Rate IT – Sheet No. 51).

"Unaccounted-for Gas Loss" is the difference between the Company's total available gas commodity and the total gas commodity accounted for (metered) as sales and transported volumes. The difference is comprised of factors including but not limited to leakage, discrepancies due to meter inaccuracies, Company use and with the use of cycle billing, an amount of gas used but not billed.

"Unaccounted-for Percentage" means a percentage calculated by dividing the difference between: 1) the aggregate volume of gas received into Company's system from the interstate pipelines plus the volume of vaporized propane, all converted to Mcf using the Btu content associated with such supply source and 2) the aggregate volume consumed by all of Company's gas Customers, stated in Mcf, over that same period, by the Mcf volume calculated in item 1) above.

"Under-deliveries" or "Negative Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the Pool Customers during the period exceeds the sum of the volumes available for redelivery by the Company to the Pool during the same period.

REQUIREMENTS FOR SUPPLIER PARTICIPATION

Each Supplier desiring to receive Aggregation Service/Transportation Service from the Company will be evaluated to ensure that it possesses the financial resources and sufficient experience to perform its responsibilities as a Supplier. On the basis of this evaluation, a Supplier's participation may be limited to a level specified by the Company.

In order to assist Company in performing its evaluation, Supplier(s) must do the following:

- a) Provide proof of Commission Certification to the Company.
- b) Complete and sign Company's Credit Application form.
- c) Complete and sign Retail Natural Gas Supplier Registration form.
- d) Pay a registration fee as set forth in Sheet No. 45 herein.
- e) Attend Company-sponsored training for Retail Natural Gas Suppliers.
- f) Demonstrate a working understanding of the proper electronic communications capabilities necessary to transact business with the Company.
- g) Complete and sign the Company's Gas Supply Aggregation/Customer Pooling Agreement.

REQUIREMENTS FOR SUPPLIER PARTICIPATION (Contd.)

Suppliers not meeting the necessary credit level will be required to provide additional security in a form and format specified by the Company.

Financial evaluations will be based on standard credit factors such as financial and credit ratings, *trade references, bank information, unused line of credit, Pool Customer payment history, and related financial information* that has been independently audited, if available. The Company shall determine credit worthiness based on the above criteria, and will not deny a Supplier's participation in the Program without reasonable cause. A fee will be assessed to the Supplier for each financial evaluation, as set forth in Sheet No. 45 herein.

The Company reserves the right to conduct re-evaluations of Supplier's financial standing from time to time. Such re-evaluation may be initiated either by a request from the Supplier or by the Company, if the Company reasonably believes that the creditworthiness or operating environment of a Supplier may have changed. Based on such re-evaluation, the Company may require the Supplier to increase the amount of its financial security. If the Supplier does not increase its security within five (5) business days of the Company's request or within an additional time period specified by the Company, the Supplier's participation may be suspended or terminated in accordance with the *Consequences of Supplier's Failure to Perform or Comply* section of this Tariff. The financial evaluation fee set forth in Sheet No. 45 herein will be assessed for such re-evaluations.

GENERAL PROVISIONS

- A) Suppliers and Governmental Aggregators shall not engage in unfair, misleading, deceptive, or unconscionable acts or practices related to, without limitation, the following activities:
 - 1) Marketing, solicitation, or sale of a competitive retail natural gas service;
 - 2) Administration of contracts for such service; or
 - 3) Provision of such service, including interactions with consumers.
- B) Suppliers shall maintain an employee and an office open for business in the state of Ohio.
- C) Suppliers and Governmental Aggregators shall not cause or arrange for the disconnection of distribution service, or employ the threat of such actions, as a consequence of contract termination, customer nonpayment, or for any other reason.
- D) Suppliers and Governmental Aggregators shall not change or authorize the changing of a Customer's Supplier of competitive retail natural service without the Customer's prior consent, as provided for under Rule 4901:1-29-06 of the OAC. For the purpose of procuring competitive retail natural gas services, this requirement does not apply to automatic Governmental Aggregation and for the percentage of income payment program.
- E) All Suppliers and Governmental Aggregators shall provide the Commission's staff with a name, telephone number, and e-mail address of a contact person who will respond to Commission concerns pertaining to consumer complaints. If any of the required information relating to the

GENERAL PROVISIONS (Contd.)

contact person should change, the Supplier or Governmental Aggregator shall provide advance notice of such changes to the Commission.

RECORDS AND RETENTION

- A) The Company (for records retention related to competitive retail natural gas services), each Supplier and each Governmental Aggregator shall establish and maintain records and data sufficient to:
- 1) Verify its compliance with the requirements of any applicable Commission rules; and
 - 2) Support any investigation of Customer complaints.
- B) Unless otherwise prescribed in this chapter, all records required by this chapter shall be retained for no less than two years.
- C) Unless otherwise prescribed by the Commission or its authorized representatives, all records required by this chapter shall be provided to the Commission staff within three business days of its request.

MARKETING AND SOLICITATION

- A) Each Supplier and Governmental Aggregator that offers competitive retail natural gas service to Customers shall provide, in marketing materials that include or accompany a service contract, sufficient information for Customers to make informed cost comparisons.
1. For fixed-rate offers, such information shall, at minimum, include:
 - a) The cost per Ccf or Mcf, whichever is consistent with the Company's current billing format, for natural gas supply;
 - b) The amount of any other recurring or nonrecurring Supplier or Governmental Aggregator charges; and
 - c) A statement that the Supplier's or Governmental Aggregator's rate is exclusive of all applicable state and local taxes and the Company's service and delivery charges.
 - 2) For variable-rate offers, such information shall, at minimum, include:
 - a) A clear and understandable explanation of the factors that will cause the price to vary (including any related indices) and how often the price can change;
 - b) The amount of any other recurring or Supplier or Governmental Aggregator charges; and
 - c) A statement that the Supplier's or Governmental Aggregator's rate is exclusive of all applicable state and local taxes and the Company's service and delivery charges.

MARKETING AND SOLICITATION (Contd.)

- B) A Supplier's or Governmental Aggregator's promotional and advertising material shall be provided to the Commission or its staff within three business days of a request by the Commission or its staff.
- C) No Supplier or Governmental Aggregator may engage in marketing, solicitation, sales acts, or practices which are unfair, misleading, deceptive, or unconscionable in the marketing, solicitation, or sale of a competitive retail natural gas service. Such unfair, misleading, deceptive, or unconscionable acts or practices include, but are not limited to, the following:
- 1) Soliciting Customers for a competitive retail natural gas service:
 - a) After suspension, rescission, or conditional rescission of certification by the Commission; or
 - b) After denial of certification renewal by the Commission.
 - 2) Failing to comply with paragraph (A) or (B) of this section;
 - 3) Failing to provide in or with its advertisements and promotional materials that make an offer for sale, a toll-free/local telephone number (and address for printed materials) which the potential Customer may call or write to request detailed information regarding the price, terms, conditions, limitations, and restrictions;
 - 4) Soliciting via telephone calls initiated by the Supplier or Governmental Aggregator (or its agent) without first:
 - a) Obtaining the list of Customers who have requested to be placed on a "do not call" list, which shall be created and maintained by the Commission; and
 - b) Obtaining monthly updates of the Commission-maintained "do not call" list;
 - 5) Engaging in telephone solicitation of Customers who have been placed on the "do not call" list maintained by the Commission;
 - 6) Engaging in telephone solicitation to residential customers either before nine a.m. or after nine p.m.;
 - 7) Engaging in direct solicitation to Customers where the Supplier's or Governmental Aggregator's sales agent fails to wear and display a valid Supplier or Governmental Aggregator photo identification. The format for this identification shall be pre-approved by the Commission staff; and
 - 8) Advertising or marketing offers that:
 - a) Claim that a specific price advantage, savings, or guarantee exists if it does not, or may exist if it will not;
 - b) Claim to provide a competitive retail natural gas service when such an offer is not a bona fide offer to sell such services;

MARKETING AND SOLICITATION (Contd.)

- c) Offer a fixed price per Ccf or Mcf, whichever is consistent with the Company's current billing format, for competitive retail natural gas service without disclosing all recurring and nonrecurring charges;
- d) Offer a variable price per Ccf or Mcf, whichever is consistent with the Company's current billing format, for competitive retail natural gas service without disclosing all recurring and nonrecurring charges; and
- e) Fail to disclose all material limitations, exclusions, and offer expiration dates.

OBLIGATIONS TO THE COMPANY

Each Supplier participating in the Pooling Program shall:

- 1) Deliver gas to the Company on a firm basis on behalf of the Supplier's pool members in accordance with the requirements of the "Gas Supply Aggregation/Customer Pooling Agreement".
- 2) Establish and maintain a credit-worthy financial position to enable the Supplier to indemnify the Company and the Customers for costs incurred as a result of any failure by Supplier to deliver gas in accordance with the requirements of the program and to assure payment of any PUCO-approved charges for any such failure.
- 3) Make good faith efforts to resolve all disputes between Supplier and its Pool Customers and to cooperate with resolution of any joint issues with Company.
- 4) Refrain from requesting Customer-specific billing, payment, and usage history without first having received the Customer's approval to access such information.

Failure to fulfill any of these obligations may subject Supplier to consequences set forth in the Consequences of Supplier's Failure to Perform or Comply section of this Tariff Sheet.

CUSTOMER INFORMATION LIST

On or before May 1, 2003, Company shall make available to Suppliers an electronic list of Customer information for Customers who are eligible to participate in the Program. Such list shall be updated quarterly and shall, at a minimum, contain the following information regarding each Customer: name, service and mailing addresses, meter read date or schedule, and the most recent 12 months of consumption data. The fee for this Customer information list is set forth in Sheet No. 45 herein.

GOVERNMENTAL AGGREGATION

Governmental Aggregators shall follow the Commission's rules for formation and operation of a Governmental Aggregation.

On or before May 1, 2003 and upon the request of a Governmental Aggregator, the Company will provide, on a best efforts basis, an update list of Eligible Customers' names, service and mailing addresses, account numbers, and other Customer information list data for all Eligible Customers residing within the Governmental Aggregator's boundaries. Except for the inclusion of information for Customers who have opted-off the Company's Customer information list for Suppliers and Company account numbers, the Customer information contained in such list shall be consistent

GOVERNMENTAL AGGREGATION (Contd.)

with any Customer information list provided to Suppliers described herein. The Governmental Aggregator will pay a fee for a copy of said list, as set forth in Sheet No. 45 herein. The Governmental Aggregator shall not disclose or use a Customer's account number or any Customer information regarding those Customers who have opted off the Company's Customer information list, without the Customer's express written consent.

Prior to the Company including a Customer's natural gas account in a Governmental Aggregation, the Governmental Aggregator shall provide each Eligible Customer written notice that their account will be automatically included in the aggregation notice unless the Customer affirmatively opts out of the aggregation. The Company shall switch Eligible Customers, who have not opted out of the Governmental Aggregation, to or from a Governmental Aggregation under the same processes described herein for Suppliers.

CUSTOMER SIGN-UP PROCEDURES

Customers desiring to participate in the Program must execute a written Supply Contract with a Supplier that states that the Customer has agreed to participate in the Program and which sets forth the terms and conditions of the Customer's gas supply purchase. The Supplier may design the format of the Supply Contract, but at a minimum, it must comply with the applicable provisions specified in Rules 4901:1-29-10 and 4901:1-29-11 of the O.A.C.

In the alternative, Customers desiring to participate in the Program may enroll with a Supplier via telephone or Internet. Under these methods, the Supplier must retain proof of Customer consent as required by the Commission.

The Supply Contract, or alternate proof of Customer consent in the case of telephonic or Internet enrollment, will be used to resolve disputes if the validity of an account sign up comes into question. If requested by the Company, PUCO (in the case of Non-Mercantile Customers only) or OCC (in the case of residential Customers only), Supplier must provide a copy of a specific Supply Contract, or alternate proof of Customer consent in the case of telephonic or internet enrollment, within three (3) business days of any such request.

Regardless of the Customer enrollment method used, within 3 business days after completion of enrollment (unless a later date agreed to or Customer rescinds), Supplier will provide the Company with an electronic file in a format specified by the Company, containing a listing of all Customers that Supplier has signed up or desires to drop since its last submission. Among other things, this list shall include each Pool Customer's name, service address and Company account number. The Company will evaluate the information provided for accuracy and Customer eligibility, and provide Supplier with a confirmation report within three (3) business days. In the event more than one Supplier includes the same Pool Customer on their enrollment files to begin the same period, the Customer will be assigned to the Supplier whose acceptable enrollment was first processed by the Company.

Once complete and accurate information supporting a Customer joining or leaving Supplier's Pool is received and confirmed by Company, the change will be effective with the Customer's next on-cycle meter reading after the Customer's Enrollment Processing Period. If a Customer rescinds their enrollment prior to commencing service with a Supplier, the Company shall notify the Supplier within two business days of the Customer's rescission.

CUSTOMER SIGN-UP PROCEDURES (Contd.)

Customer will remain with its Supplier until: 1) the Customer is reverted to Sales Service due to non-payment or Supplier default; 2) the Customer or Supplier notifies the Company that the Customer should revert to the Company's Sales Service; 3) the Customer joins the PIPP program; or 4) when the Company's information system has the necessary capability, which will occur on or after May 1, 2003, the Customer's name, service address and account number appear on another Supplier's electronic enrollment file listing. If a Customer moves from one address to another within the Company's service territory; a) nothing in this tariff shall be construed to impact the Supplier/Customer contract by virtue of that move; b) the Company's current billing system needs confirmation in order to maintain Program participation with the Supplier because of the location change within the Company's service territory; c) in order to maintain Program participation with the Supplier, the Supplier must confirm enrollment via Customer authorization once the new distribution service account with the Company has been established; d) when a Customer changes their service address within the Company's service territory, the Customer will be billed for Sales Service for a period of no more than one billing cycle plus 11 days, provided that a timely enrollment notice is received from the Supplier; e) the Customer and the Supplier may minimize the time the Customer is billed under Sales Service by promptly providing the Company with the new enrollment notice. If the Customer's current Supplier initiates Customer's termination in the Program, the Company shall issue a written notification to the Customer informing Customer of such change. Customers who on their own initiative decide to terminate their participation in the Program will be permitted to do so without the Company making any determination regarding whether the Customer is contractually permitted to make such move. The Company shall not be liable to the Supplier or Customer for allowing the Customer to revert to Sales Service. The Company is not responsible for tracking Supplier contract terms and conditions between Suppliers and Customers and shall not be liable for any default of such contract.

If the Company rejects a Customer from enrollment, the Supplier shall notify the Customer within three business days from the Company's notification of rejection that the Customer will not be enrolled or enrollment will be delayed, along with the reason(s) therefor.

Prior to installing additional information system capability on or after May 1, 2003, the Company shall reject an enrollment request from another Supplier for a Customer currently with a Supplier, unless the current Supplier has submitted an electronic drop notification to the Company prior to receipt of the new electronic enrollment request from another Supplier. In enrollment situations where the necessary drop notification has been received or the Customer is currently receiving Sales Service, the Company shall, prior to commencing competitive retail natural gas service with the subsequent Supplier, mail the Customer a confirmation notice stating:

- 1) The Company has received a request to enroll the Customer for competitive retail natural gas service with the named Supplier;
- 2) The date such service is expected to begin; and
- 3) How the Company may be contacted.

After installing additional information system capability on or after May 1, 2003, the Company will accept an enrollment from another Supplier for a Customer who is currently with a Supplier, without the current Supplier first submitting an electronic drop notification to the Company. In enrollment situations where a Customer is already being served by a Supplier or the Customer is currently receiving Sales Service, the Company shall, prior to commencing competitive retail natural gas service with the subsequent Supplier, mail the Customer a confirmation notice stating:

CUSTOMER SIGN-UP PROCEDURES (Contd.)

- 1) The Company has received a request to enroll the Customer with the named Supplier, and, in the case of an enrollment request for a Customer who is currently with another Supplier, a statement that Company's records reflect that Customer is currently enrolled with another Supplier along with an admonition that Customer should review the terms and conditions of the incumbent Supplier's Contract for Customer's obligations under said Contract;
- 2) The date such service is expected to begin;
- 3) The Customer has seven business days from the postmark date on the notice to contact the Company telephonically, in writing or via the Internet to rescind the enrollment request or notify the Company that the change of the Supplier was not requested by the Customer; and
- 4) The Company's appropriate contact information, including, but not limited to, the Company's toll-free telephone number.

Prior to the Company installing additional information system capability on or after May 1, 2003, a Customer's account is subject to the applicable GCR adjustments (BA, AA, or RA) during the initial twelve-month period of the Customer's participation in the Company's Program. If a Customer is returned to Sales Service for any reason during the initial twelve-month period and the Customer subsequently chooses another Supplier or Governmental Aggregator, then the GCR adjustments will only apply for the remaining number of months left in the initial twelve-month period. Any Customer returning to the Company's Sales Service because of Supplier default, abandonment, slamming or certification rescission will not be liable for the Company's GCR adjustments while receiving Sales Service, provided that the Customer begins receiving service from a Supplier no more than sixty (60) days from the date of the Customer's return to Sales Service. Until the additional information system capability is installed, a Customer's account is only subject to the GCR adjustments during the initial twelve months of the Customer's participation in the Company's Program.

After the Company installs additional information system capability on or after May 1, 2003, a Customer's account may be subject to the GCR adjustments longer than the initial twelve-month period of the Customer's participation in the Company's Program, based on the amount of time the Customer receives Sales Service when returning from a Supplier. If a Customer is returned to Sales Service for any reason during the initial twelve-month period and the Customer begins receiving service from a Supplier no more than sixty (60) days from the date of the Customer's return to Sales Service, then the GCR adjustments will only apply for the remaining number of months left in the initial twelve-month period. However, any time a Customer returns to Sales Service from a Supplier for any reason and continues receiving such service for more than sixty (60) days, the twelve-month obligation to the Company's GCR adjustments renews itself when the Customer enrolls with a Supplier. Any Customer returning to the Company's Sales Service because of Supplier default, abandonment, slamming or certification rescission will not be liable for the Company's GCR adjustments while receiving Sales Service, provided that the Customer begins receiving service from a Supplier no more than sixty (60) days from the date of the Customer's return to Sales Service.

If the Customer rescinds their enrollment, the Company will initiate said rescission and notify the Supplier or Governmental Aggregator.

Any Customer returning to Sales Service as a result of Supplier default, slamming, Supplier abandonment, or Supplier certification rescission will not be liable for any costs associated with the switch.

ENROLLMENT OF CUSTOMERS

Suppliers may enroll Customers by mail, facsimile, direct solicitation, telephone, and the Internet. When soliciting and/or enrolling Non-Mercantile Customers, Supplier must adhere to the requirements set out in Rules 4901:1-29-05 and 4901:1-29-06 of the OAC.

CONTRACT ADMINISTRATION AND RENEWAL NOTICES

Supplier must adhere to the contract administration and renewal requirements for Non-Mercantile Customers set out in Rule 4901:1-29-10 of the OAC.

POOL CUSTOMER BILLING OPTIONS

Suppliers may elect one of the following two billing options for its Pool Customers that do not participate in PIPP.

Option 1 – Company Consolidated Billing

The Pool Customer shall receive one bill from the Company that indicates the name of the Supplier from whom the Customer is receiving its gas supply and includes an amount for the Supplier's gas supply charges in accordance with the pricing arrangements agreed upon between the Supplier and the Customer, including any taxes for which the Supplier must collect. The Company's consolidated bill may provide the budget amounts, past due balances, payments applied, credits, late charges, and total amount due on a consolidated basis only. A Supplier who elects this billing option will be limited to a reasonable number of pricing arrangements to which a Customer may be assigned by the Supplier and billed by the Company. In the event that a Supplier desires extraordinary billing system changes, the Supplier shall be charged for the cost of implementing such changes, as set forth in Sheet No. 45 of this Tariff.

(D)

The Pool Customer will be responsible for making payment to the Company for the entire amount shown on the bill, including both the Company's and the Supplier's charges. In the event that a Customer remits to the Company less than the full payment due, the payment received shall first be applied to the Company's charges shown on the bill plus any Arrearages relating to such Company charges from previous billing periods, and the residual amount shall be applied to the Supplier's portion of the bill, including the taxes thereon. Supplier shall be promptly notified of any payments received from Customers attributable to Supplier's portion of the bill. Payment to Supplier for payments received from Customers as noted above will be made within five (5) business days after mid-month and end-of-month numbers are available.

Where Supplier has elected service under Rate ARM, Accounts Receivable Management Service, the Company shall remit to the Supplier, by wire transfer or otherwise, payment for all gas billed to the Supplier's Customers by the Company on Supplier's behalf, including taxes attributable to Supplier's portion of the bill based on the terms contained in the respective Supplier's ARM agreement.

Supplier shall be responsible for dispersing to the appropriate taxing authorities any tax that is attributable to Supplier's portion of the bill.

In the event, and to the extent, that a Customer remits to the Company less than the amount which would be attributable to the Company's charges and Arrearages included on the bill, the Customer shall be subject to the same late charges and disconnection procedures which would be applicable if the Customer were receiving Sales Service.

POOL CUSTOMER BILLING OPTIONS (Contd.)

Option 2 – Dual Billing

The Customer shall receive two bills as follows:

- a) The Company shall bill and collect for its portion of the bill that includes charges for gas transportation service and all applicable Riders. The Company's bill shall include the Supplier's name and a statement that the Supplier is responsible for billing Supplier's charges. In the event that a Customer remits to the Company less than the amount included on the Company's bill, Customer shall be subject to the same late charges and disconnect rules that would be applicable if the Customer were receiving Sales Service.
- b) Supplier shall be responsible for billing and collecting its part of the bill including any past due amounts that are due from Supplier's own prior billings. To facilitate Suppliers' portion of the billing each month, the Company will provide each Supplier with an electronic notification of the monthly meter readings of all Customers within Supplier's Pool that have been billed by the Company. Such billing data will correspond to the meter reading data on which the Company based its bill for transportation service. A Supplier may terminate gas sales to any Pool Customer for non-payment and remove the Customer from its Pool in accordance with the procedures for dropping Customers from a Supplier's Pool pursuant to this Tariff Sheet.

CUSTOMER DISCONNECTION

The Company may disconnect service to a Customer for non-payment of its Regulated Utility Charges. The Supplier is not permitted to physically disconnect Customer's gas service for non-payment of the Supplier gas charges.

CUSTOMER ACCESS AND COMPLAINT HANDLING

Each Supplier shall cooperate with the Company, the PUCO, and the OCC (in the case of residential Customers) to answer inquiries and resolve disputes. The following procedures shall be applicable to customer access and complaint handling:

A) Customer access

- 1) Each Supplier or Governmental Aggregator shall ensure Customers reasonable access to its service representatives to make inquiries and complaints, discuss charges on customer bills, terminate competitive service, and transact any other pertinent business.
- 2) Telephone access shall be toll-free and afford Customers prompt answer times during normal business hours.
- 3) Each Supplier or Governmental Aggregator shall provide a twenty-four hour automated telephone message instructing callers to report any service interruptions or natural gas emergencies to the Company.

CUSTOMER ACCESS AND COMPLAINT HANDLING (Contd.)

B) Customer complaints

- 1) Each Supplier or Governmental Aggregator (and/or its agent) shall investigate Customer complaints (including Customer complaints referred by the Company) and provide a status report within three business days following receipt of the complaint to:
 - a) The customer, when the complaint is made directly to the Supplier or Governmental Aggregator, or
 - b) The Customer and Commission staff, when a complaint is referred to the Supplier or Governmental Aggregator by the Commission staff.
 - 2) The Governmental Aggregator may choose to have the Supplier perform certain functions as the Governmental Aggregator's agent. However, the Governmental Aggregator is still responsible for ensuring that the requirements of these rules are met.
 - 3) If an investigation is not completed within ten business days, the Supplier or Governmental Aggregator (and/or its agent) shall provide status reports to the Customer, or if applicable, to the Customer and Commission staff. Such status reports shall be provided at three business day intervals until the investigation is complete, unless the action that must be taken will require more than three business days and the Customer has been so notified.
 - 4) The Supplier or Governmental Aggregator (and/or its agent) shall inform the customer, or the Customer and Commission staff, of the results of the investigation, orally or in writing, no later than three business days after completion of the investigation. The Customer or Commission staff may request the report in writing.
 - 5) If a Customer disputes the Supplier's or Governmental Aggregator's (and/or its agent's) report, the Supplier or Governmental Aggregator shall inform the Customer that the Commission staff is available to mediate complaints. The Supplier or Governmental Aggregator (and/or its agent) shall provide the Customer with the address, local/toll-free telephone numbers, and TDD/TTY telephone number of the Commission's public interest center.
 - 6) Each Supplier or Governmental Aggregator shall retain records of Customer complaints, investigations, and complaint resolutions for two years after the occurrence of such complaints and shall provide such records to the Commission staff within three business days of request.
 - 7) Each Supplier or Governmental Aggregator shall make good faith efforts to resolve disputes and cooperate with the resolution of any joint issues with the Company.
- C) If Customers contact the Company concerning competitive retail natural gas service issues, the Company shall:
- 1) Review the issue with the Customer to determine whether it also involves the Company;

CUSTOMER ACCESS AND COMPLAINT HANDLING (Contd.)

- 2) Cooperate with the resolution of any joint issues with the Supplier or Governmental Aggregator; and
- 3) Refer the Customer to the appropriate Supplier or Governmental Aggregator in those instances where the issue lacks Company involvement.

D) Slamming Complaints

- 1) A slamming complaint is a Customer's allegation that the Customer's Supplier or Governmental Aggregator has been switched without the Customer's authorization.
- 2) If a Customer contacts the Company, Supplier or Governmental Aggregator alleging that the Customer's Supplier has been switched without the Customer's authorization, the Company, Supplier or Governmental Aggregator shall:
 - a) Provide the Customer any evidence relating to the Customer's enrollment;
 - b) Refer the Customer to the Commission's public interest center;
 - c) Provide the Customer with the local/toll-free telephone numbers of the Commission's consumer service department; and
 - d) Cooperate with the Commission staff in any subsequent investigations of the slamming complaint.
- 3) Except as otherwise provided in Chapter 4901:1-28 of the OAC, if the Supplier or Governmental Aggregator cannot produce valid documentation confirming that the Customer authorized the switch, there shall be a rebuttable presumption that the Customer was switched without authorization. Such documentation shall include one of the following, in conformance with the requirements of Rule 4901:1-29-06 of the OAC:
 - a) A signed contract, in the case of direct enrollment;
 - b) An audio recording, in the case of telephonic enrollment; or
 - c) Electronic consent, in the case of internet enrollment.
- 4) In the event that the Customer was switched from one Supplier or Governmental Aggregator to a different Supplier or Governmental Aggregator without authorization, the Customer's previous Supplier or Governmental Aggregator shall re-enroll the Customer without penalty under such Customer's original contract price for the duration of the original term and send the Company an electronic enrollment request. If the original Supplier or Governmental Aggregator is unable to return the Customer to the original contract price, the original Supplier or Governmental Aggregator may enroll the Customer in a new contract pursuant to the provisions of Rule 4901:1-29-06 of the OAC, or the Customer may select a new Supplier or return to the Company's GCR commodity service;

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CUSTOMER ACCESS AND COMPLAINT HANDLING (Contd.)

- 5) In the event that a Customer was switched from Sales Service to a Supplier or Governmental Aggregator without authorization, the Company shall switch the Customer back to Sales Service without penalty.

UPSTREAM CAPACITY REQUIREMENTS

Suppliers participating in the Company's firm transportation program must secure their own upstream firm interstate pipeline capacity required to meet Supplier's Rates FT and RFT pools' aggregate Adjusted MDQ less the firm interstate pipeline capacity assigned to the Supplier by the Company. Assignments and recalls of interstate pipeline capacity are mandatory for MDQ in excess of the Supplier's Rates FT and RFT pools' aggregate Adjusted MDQ as of April 1, 2007. Due to the physical configuration of the Company's system, and certain upstream interstate pipeline facilities, and to enable the Company to comply with lawful interstate pipeline tariffs and/or to maintain the Company's system integrity, the Company reserves the right to direct each Supplier to proportionally deliver, with respect to the Company's northern and southern interstate pipeline receipt points, the Supplier's daily pool requirements. Specific delivery requirements will be electronically posted by the Company.

A Supplier, whose aggregate Pools' MDQ exceeds 6,000 Dth/day and who adds 3,000 Dth/day of additional MDQ, shall be assigned a proportionate amount of the Company's interstate pipeline firm transportation capacity by the Company. Additionally, the Company will recall proportionately some capacity from a Supplier whose aggregate Pools' MDQ is reduced by 3,000 Dth/day. This MDQ criterion will be reviewed by the Company semi-annually based on the MDQ as of September 30th with any release/recall becoming effective the following November 1st, and on the MDQ as of February 28th, with any release/recall becoming effective the following April 1st. Suppliers will be notified of any change to their released capacity by October 15th for winter capacity and by March 15th for summer capacity.

The assignment shall be structured as a release of capacity. The posted rate will be the rate for which the Company has contracted with the interstate pipeline. Any capacity with a discounted rate will be posted open to bids, with the Supplier being the prearranged bidder. All other capacity will be posted at the pipeline's maximum rate with the Supplier being the prearranged shipper.

The term of the release shall be on a seasonal basis, from November 1st through March 31st or April 1st through October 31st. Any incremental capacity changes will be handled by recalling the previously released capacity and re-releasing at the new amount.

The Company shall assign interstate pipeline firm transportation capacity consistent with its delivery north/south allocation percentages and on a pro-rata basis to the Company's total capacity for the designated pipelines or the parties may choose a mutually agreed-upon assigned capacity portfolio.

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UPSTREAM CAPACITY REQUIREMENTS (Contd.)

Capacity will be assigned to the Supplier on a "recall and reput" basis. The Company shall release this capacity utilizing the appropriate pipeline company's electronic bulletin board and the

Supplier shall execute the service agreements so generated by the pipelines five (5) days prior to the end of the month to enable the Supplier to nominate gas suppliers under the service agreements for the following month. If the Supplier fails to execute the service agreements the charges for the released capacity will be added to the Supplier's Pool Invoice for the month.

Prior to the capacity release process, the Supplier shall comply with the appropriate pipeline's credit review and establish itself on the pipeline's Approved Bidders List (as defined in the interstate pipeline company's tariff).

The Company, as releasing shipper under a recallable release, remains liable to the pipeline for reservation charges. The Supplier will provide sufficient financial guaranty to the Company of its ability to pay such pipeline charges, unless the applicable pipeline company releases the Company from liability for the Supplier's pipeline reservation charges.

The Company reserves the right to change the type of information required as well as the nomination deadline to comply with the requirements of the interstate pipeline companies.

There will be no restrictions on the Supplier's use of the released capacity at such times that it is not required to deliver gas to the Company's system.

The Supplier may re-release all or a portion of the capacity to a replacement shipper who meets all the requirements to which the Supplier is subject including but not limited to the Company's right of recall. A re-release shall not relieve the Supplier of its obligations under the provisions of the capacity release by the Company.

The Supplier receiving assignment shall pay the pipeline(s) directly for all charges associated with the use of released capacity, including (without limitation) demand charges, commodity charges, taxes, surcharges, fuel allowances, imbalance and overrun charges, and penalties.

The Supplier shall not revise receipt and delivery points of the interstate pipeline company firm transportation capacity released by the Company, without written consent from the Company. The Supplier will be responsible for operating the assigned capacity consistent with all the terms and conditions set forth in the tariffs of the Company and the applicable pipeline companies.

DAILY BALANCING

The Company will provide and charge the Supplier for balancing service, which will be used to manage differences between the Company's required daily Supplier delivery and the actual Customer's consumption. There will be an annual election each year for Suppliers whose Pool MDQ is greater than 1,000 Dth/day to elect on or before January 15th each year either Rider FBS (Firm Balancing Service), Sheet No. 75 or Rider EFBS (Enhanced Firm Balancing Service), Sheet No. 74, to be effective on April 1st each year. A Supplier who elects Rider EFBS will be billed rates as set forth in Rider EFBS, Sheet No. 75. A Supplier whose Pool MDQ is less than 1,000 Dth/day will receive balancing service under the Company tariff Rider FBS. Suppliers who elect Rider FBS **DAILY BALANCING**

Filed pursuant to an Order dated March 21, 2007 in Cases No. 05-732-EL-MER and 05-733-EL-AAM before the Public Utilities Commission of Ohio.

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Issued by Sandra P. Meyer, President

DAILY BALANCING (Cont'd)

and Suppliers whose Pool MDQ is less than 1,000 Dth/day will be billed the balancing charge per Mcf as set forth on Rider FBS on all volumes consumed by the Supplier's Pool.

- a) Target Supply Quantities must be delivered each day based on the Company's forecasted temperatures and the aggregate demand curve for each Customer pool, all as more fully described within the "Gas Supply Aggregation/Customer Pooling Agreement" between the Company and Supplier. Any Supplier which fails to deliver gas volumes in accordance with that agreement may be terminated from further participation in the program.
- b) Suppliers are subject to Operational Flow Orders issued by the Company as described below. The Company may suspend from this program any Supplier which does not comply with an Operational Flow Order.
- c) Suppliers shall have the ability to make daily/monthly inter-pool trades under the Company tariff Rate GTS, Gas Trading Service.

MEASUREMENT OF CONSUMED VOLUMES

The Company will electronically provide each Supplier with a listing of the monthly meter readings and usages for all Customers within the Supplier's pool. Such monthly meter reading and usage data will correspond to the consumption data which the Company based its bill for local delivery service. Monthly volumes billed to participating Customers shall be considered actual volumes consumed, whether the meter reading is actual or calculated.

ANNUAL RECONCILIATION

The Company will reconcile imbalances on an annual basis, for each Supplier, through determination of the difference between (1) the Supplier's deliveries for the previous year and (2) the actual consumption plus the Company's Unaccounted-for Percentage on the Supplier's aggregate Customer Pool, both calculated at city gate, adjusted for recognition of all adjustments applicable to the previous year.

Suppliers will eliminate the imbalance through the exchange of gas with Company via a storage inventory transfer, an adjustment to their Rider EFBS, bank balance, or delivery over the next 30 days or longer if mutually agreed by Supplier and Company.

OPERATIONAL FLOW ORDERS

Suppliers are subject to the Company's issuance of operational flow orders which will direct each Supplier to adjust scheduled volumes to match the Customer Pool's estimated usage. For Suppliers that have elected Rider EFBS as their balancing option, the difference between scheduled deliveries from the interstate pipeline companies and the estimated Pool usage will be met by the EFBS. In the event that the Company's storage service provider has restricted excess storage withdrawals/injections and a Supplier exceeds Rider EFBS's MDDQ or MDBQ such excess quantities will be considered a failure to comply with the Operational Flow Order (OFO). However, on days with projected temperatures colder than the design winter peak day temperature, the Supplier will have two options. The Supplier may: 1) deliver to Company the volume of gas equal to their Adjusted Target Supply Quantity; or 2) deliver to Company only that volume equal to their

OPERATIONAL FLOW ORDERS (Cont'd)

Adjusted MDQ and rely on Company to acquire the incremental volume i.e., the difference between their Adjusted Target Supply Quantity and their Adjusted MDQ. If the Supplier selects the second option, the Supplier will pay the Company for costs the Company incurs in obtaining the incremental supply and may meet the delivery requirement with both its flowing supply and MDDQ. Failure of the Supplier to deliver volumes in accordance with its selected option may result in suspension or termination from further participation in Company's firm transportation program.

Failure to comply with an Operational Flow Order, which is defined as the difference between the daily OFO volume and actual daily deliveries, will result in the action and/or billing of the following charges:

Under-deliveries

- 1) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance;
- 2) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any thirty day period; and
- 3) the payment of all other charges incurred by Company including but not limited to pipeline penalty charges on the date of the OFO shortfall.

Over-deliveries

- 1) any over-run delivered by Supplier will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier.
- 2) Company shall bill and Supplier shall pay all charges incurred by Company including but not limited to penalty charges from the interstate pipelines for such excess deliveries, provided such penalties can be attributed to Supplier's over-run.

SCHEDULING

Supplier must make all necessary arrangements for scheduling natural gas deliveries to Company.

Each morning, by 9:00 A.M. E.S.T., the Company will post on its electronic bulletin board (EBB) an "Adjusted Target Supply Quantity" that the Supplier will be required to deliver into the Company's designated city gate receipt points during the following gas day. For purposes of the Company's firm transportation program, the "Adjusted Target Supply Quantity" is defined as the Target Supply Quantity, plus or minus any adjustments that Supplier may be required to make to its daily deliveries, plus the daily firm requirements of all Customers being served by Supplier under both Rate IT and Rate FT, as specified within Supplier's Firm Transportation Service for Interruptible Transportation Customers contracts. The quantities so calculated will then be adjusted for Unaccounted-for Gas Loss back to the Company's city gate, and converted to Dth. By 1:00 P.M. E.S.T. each day, Supplier shall notify the Company through the EBB of its total city gate nominations for the next day, by Company Rate Schedule, for each pipeline company delivering gas into the Company's system.

SCHEDULING (Cont'd)

The Adjusted Target Supply Quantities that will be used to define the Supplier's next day delivery obligations shall also be the quantities against which the Supplier's pipeline confirmed daily deliveries into the Company's system combined with quantities to/from Supplier's Rider EFBS balancing service, if applicable, will be compared in order to determine Supplier's daily overrun/underrun volumes. Daily overrun/underrun volumes determined in this manner shall form the bases for daily "cash-outs," OFO charges, daily pipeline penalty charge flow throughs, and any other charges under any of the Company's applicable tariffs, that are levied based on Supplier's failure to deliver the Adjusted Target Supply Quantities of gas into the Company's system.

OTHER RULES AND REGULATIONS

Except to the extent superseded herein, the Company's Rules and Regulations Governing the Distribution and Sale of Gas and such other Commission rules as are applicable shall apply to all gas transportation service provided hereunder.

CONSEQUENCES OF SUPPLIER'S FAILURE TO PERFORM OR COMPLY

If a Supplier fails to deliver gas in accordance with the full service requirements of its Pool Customers, the Company shall supply gas temporarily to the affected Pool Customers and shall bill Supplier the higher of the following: 1) the fair market price for that period or 2) the highest incremental cost of gas for that period that the Company actually paid for gas supplies, including transportation and all other applicable charges. The Company shall have the right to immediately and unilaterally invoke Suppliers' letter of credit, parental guarantee, or any other collateral posted by the Supplier in order to enforce recovery from Supplier of the cost of these replacement supplies.

If a Supplier fails to deliver gas in accordance with the full service requirements of the Gas Supply Aggregation/Customer Pooling Agreement, or otherwise fails to comply with the provisions of this Tariff Sheet, including those specified in the Obligations to the Company section, the Company shall have the discretion to initiate the process to suspend temporarily or terminate such Supplier's further Program participation. To initiate the process, the Company shall serve a written notice of such failure in reasonable detail and with a proposed remedy to the Supplier and the Commission, as set forth in Rule 4901:1-27-12(J) of the OAC.

On or after the date said notice has been served, the Company may file with the Commission a written request for authorization to terminate or suspend the Supplier from participation in the Company's Program. Except for failure due to under-delivery or non-delivery, if the Commission, or any Attorney Examiner, does not issue an entry to suspend or reject the action proposed by the Company within ten (10) business days after receipt of the request, the Company's request to terminate or suspend shall be deemed authorized on the eleventh (11th) business day. If the Supplier's failure is due to under-delivery or non-delivery and, if the Commission, or an Attorney Examiner, does not act within five (5) business days after receipt of the request, the Company's request to terminate or suspend shall be deemed authorized on the sixth (6th) business day.

If the Supplier is suspended or terminated from the Program, Customers in such Pool shall revert to Company's Sales Service, unless and until said Customers join another Supplier's Pool. Any termination or suspension of the Gas Supply Aggregation/Customer Pooling Agreement pursuant to any provision of this section shall be without waiver of any remedy, whether at law or in equity, to which the party not in default otherwise may be entitled for breach of the Agreement.

ALTERNATIVE DISPUTE RESOLUTION

Alternative Dispute Resolution shall be offered to Suppliers and the Company as a means to address disputes and differences that may arise under this tariff. Alternative Dispute Resolution shall be conducted in accordance with the Commission rules or as agreed upon among the applicable parties. Nothing herein shall act to deprive any party of its legal rights in a jurisdictional forum.

FORCE MAJEURE

If either Supplier or Company is unable to fulfill its obligations under this Tariff Sheet due to an event or circumstance which is beyond the control of such party and which prevents such performance, such party shall be excused from and will not be liable for damages related to non-performance during the continuation of such impossibility of performance. Neither of the following shall be considered a force majeure condition: 1) changes in market conditions that affect the acquisition or transportation of natural gas, or 2) failure of Supplier to deliver or Pool Customers to consume scheduled gas volumes.

The party claiming force majeure will use due diligence to remove the cause of the force majeure condition and resume delivery or consumption of gas previously suspended. Gas withheld from the Supplier or Pool Customers during a force majeure condition will be delivered upon the end of such condition as soon as practicable.

COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES

In operation of its firm transportation program, the Company will adhere to the following Standards of Conduct for Marketing Affiliates:

- 1) Company must apply any tariff provision relating to transportation services in the same manner to the same or similarly situated persons if there is discretion in the application of the provision.
- 2) Company must strictly enforce a tariff provision for which there is no discretion in the application of the provision.
- 3) Company may not, through a tariff provision or otherwise, give any Supplier including its marketing affiliate or Customers of any Supplier including its affiliate, preference over any other gas Suppliers or their Customers in matters, rates, information, or charges relating to transportation service including, but not limited to, scheduling, balancing, metering, storage, standby service, or curtailment policy. For purposes of the Company's firm transportation program, any ancillary service provided by Company, e.g., billing and envelope service, that is not tariffed will be priced and made equally available to all.
- 4) Company must process all similar requests for transportation in the same manner and within the same approximate period of time.
- 5) Company shall not disclose to anyone other than a Company employee any information regarding an existing or proposed gas transportation arrangement, which Company receives from (i) a Customer or Supplier, (ii) a potential Customer or Supplier, (iii) any agent of such Customer or potential Customer, or (iv) a Supplier or other entity seeking to supply gas to a Customer or potential Customer, unless such Customer, agent, or Supplier authorizes disclosure of such information.

COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Cont'd)

- 6) If a customer requests information about Suppliers, Company shall provide a list of all Suppliers operating on its system, but shall not endorse any Supplier nor indicate that any Supplier will receive a preference because of a corporate relationship.
- 7) Before making Customer lists available to any Supplier, including any Company marketing affiliate, Company will post on its electronic bulletin board a notice of its intent to make such Customer list available. The notice shall describe the date the Customer list will be made available, and the method by which the Customer list will be made available to all Suppliers.
- 8) The Company will, to the extent practicable, separate the activities of its operating employees from its affiliate marketing employees in all areas where their failure to maintain independent operations may have the effect of harming Customers or unfairly disadvantaging unaffiliated Suppliers under the Company's transportation programs.
- 9) Company shall not condition or tie its agreements for gas supply or for the release of interstate pipeline capacity to any agreement by a gas Supplier, Customer or other third party in which its marketing affiliate is involved.
- 10) Company and its marketing affiliate shall keep separate books of accounts and records.
- 11) Neither the Company nor its marketing affiliate personnel shall communicate to any Customer, Supplier or third party the idea that any advantage might accrue for such Customer, Supplier or third party in the use of Company's service as a result of that Customer's, Supplier's or other third party's dealing with any Supplier including its marketing affiliate.
- 12) The Company's complaint procedure for issues concerning compliance with these standards of conduct is as follows. All complaints, whether written or verbal, shall be referred to the Company's designated attorney. The Company's designated attorney shall orally acknowledge the complaint within five (5) working days of receipt. The complainant party shall prepare a written statement of the complaint which shall contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and specific claim. The Company's designated attorney shall communicate the results of the preliminary investigation to the complainant in writing within thirty (30) days after the complaint was received including a description of any course of action which was taken. He or she shall keep a file with all such complaint statements for a period of not less than three years.
- 13) The Company shall not offer its affiliate Supplier a discount or fee waiver for transportation services, balancing, meters or meter installation, storage, standby service or any other service that would advantage the Company's affiliate Supplier.

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COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Cont'd)

- 14) The Company will not use its name and logo in its marketing affiliate's promotional material, unless the promotional material discloses in plain, legible or audible language, on the first page or at the first point where the Company's name and logo appear, that its marketing affiliate is not the same entity as the Company. The Company is also prohibited from participating in exclusive joint activities with any Supplier, including its affiliate, such as advertising, marketing, sales calls or joint proposals to any existing or potential Customers.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

Filed pursuant to an Order dated March 21, 2007 in Cases No. 05-732-EL-MER and 05-733-EL-AAM before the Public Utilities Commission of Ohio.

Issued: March 22, 2007

Effective: April 1, 2007

Issued by Sandra P. Meyer, President

**DUKE ENERGY OHIO, INC.
GAS SUPPLY AGGREGATION/CUSTOMER POOLING AGREEMENT
ASSOCIATED WITH FIRM TRANSPORTATION PROGRAM**

This Agreement is made and entered into this _____ day of _____, 2007, between Duke Energy Ohio, Inc., an Ohio corporation, 139 East Fourth Street, Cincinnati, Ohio 45202, hereinafter "Company", and _____ a(an) _____ corporation _____ hereinafter "Supplier."

WHEREAS, Supplier has secured firm supplies of natural gas which it intends to supply and sell on a firm, full gas requirements basis to gas Customers located on the Company's system, all within the parameters established by the Company for its Firm Gas Transportation Program (Rates FT and RFT).

WHEREAS, Company is willing and able, pursuant to the terms of this Agreement, to accept gas delivered into its city gate receipt points by Supplier and to redeliver such gas supplies to Supplier's aggregated pool of Customers, all of whom have elected firm transportation service from the Company under its firm gas transportation services tariffs, Rate FT and RFT.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, Company agrees to permit aggregations/pooling services and Supplier hereby agrees to aggregate natural gas supplies for all aggregations/pools served under this Agreement in accordance with the following terms and conditions:

ARTICLE I

Definitions

For purposes of interpreting this Agreement the following definitions shall apply:

1. Adjusted MDQ. "Adjusted MDQ" means the Supplier's MDQ less the Company's winter propane percentage, representing the Pool's allocation of the Company's propane peaking supplies.
2. Adjusted Target Supply Quantities. "Adjusted Target Supply Quantities", or "ATSQ", is defined as the Target Supply Quantities plus or minus any adjustments that the Company may require the Supplier to make to its daily deliveries (i.e., Annual Reconciliation volumes) plus the daily firm (Rate FT) requirements of all Customers being served by the Supplier under Rate IT.
3. Commission. "Commission" means the Public Utilities Commission of Ohio.
4. Company. "Company" means Duke Energy Ohio.
5. Customer(s). "Customer(s)" means a residential or non-mercantile recipient of transportation services provided by the Company under its Rates FT and RFT, which secures its supply of gas from Supplier.
6. Maximum Daily Quantities. "Maximum Daily Quantities", or "MDQ", means the expected natural gas usage for a Supplier's Pool of Customers on the Company's system design peak day.
7. Mercantile Customer. "Mercantile Customer" has the meaning set out in division (L) of section 4929.01 of the Ohio Revised Code. In summary, it means a Customer that consumes, other than for residential use: 1) more than 5,000 Ccf of natural gas per year at a single location or as part of an undertaking having more than 3 locations within or outside the state, and 2) that has not filed a declaration with the PUCO.

8. Negative Imbalance Volume. "Negative Imbalance Volume", or "Under-deliveries", is the amount by which the sum of all volumes actually delivered to the Pool Customers during the period exceeds the sum of the volumes available for redelivery by the Company to the Pool during the same period.
9. Operational Flow Order. "Operational Flow Orders", or "OFOs", are notices issued by the Company via its electronic bulletin board (EBB) or fax transmission requiring Suppliers to adjust their daily deliveries into the Company's system to match, match or be less than, or match or be more than their Adjusted Target Supply Quantity for the Supplier's Pool of Customers receiving service under Rates FT and RFT. Supplier shall be required to deliver natural gas, or cause natural gas to be delivered, into the Company's specified city gate receipt points, if it is determined by the Company to be necessary and the specified receipt points and amounts are identified in the OFO notice posted on the EBB.
10. Over-deliveries. "Over-deliveries", or "Positive Imbalance Volume", is the amount by which the sum of all volumes actually delivered to the Pool Customers during the period is less than the sum of the volumes available for redelivery by the Company to the Pool during the same period.
11. Pool Customer. "Pool Customer" means a recipient of Transportation Service provided by the Company under Tariff Sheet Nos. 33 or 52 who receives gas supply from a Supplier as a member of a Pool.
12. Pooling Program. "Pooling Program" refers to the services provided under Residential Firm Transportation Service (Rate RFT - Sheet No. 33), Firm Transportation Service (Rate FT - Sheet No. 52), and Full Requirements Aggregation Service (Rate FRAS - Sheet No. 44).
13. Pooling Service. "Pooling Service" is a service provided by the Company that allows Suppliers (marketers, Suppliers, brokers, and producers) to deliver to the Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the full firm requirements of the one, or more, firm transportation Customers that comprise the membership of the Supplier's "pool", all in accordance with rules that the Company has established regarding delivery requirements, advancing, banking, billing and payments, bonding, Supplier performance requirements, and other similar requirements for participation as a "Supplier" in the Rate FT and RFT, firm transportation programs.
14. Positive Imbalance Volume. "Positive Imbalance Volume", or "Over-deliveries", is the amount by which the sum of all volumes actually delivered to the Pool Customers during the period is less than the sum of the volumes available for redelivery by the Company to the Pool during the same period.
15. Program. "Program" means the Company's firm transportation/supply aggregation Customer choice program under Rate RFT and Rate FT, and Rate FRAS, respectively.
16. PUCO. "PUCO" means the Public Utilities Commission of Ohio.
17. Target Supply Quantities. "Target Supply Quantities", or "TSQ", are defined as daily city gate delivery quantities determined from statistical models used to estimate the daily gas usage of the full requirements firm Customers in Supplier's Pool. These daily gas usage estimates are adjusted for Unaccounted-for Gas Losses and converted from volumetric to thermal quantities.
18. The Pool. A group of one or more Customers, joined together by the Supplier for supply management purposes under this Agreement, which are receiving service pursuant to the Company's firm transportation tariffs.
19. Unaccounted-for Gas Loss. "Unaccounted-for Gas Loss" is the difference between the Company's total available gas commodity and the total gas commodity accounted for (metered) as sales and transported volumes. The difference is comprised of factors including but not limited to leakage, discrepancies due to meter inaccuracies, Company use and with the use of cycle billing, an amount of gas used but not billed.

20. Unaccounted-for Percentage. "Unaccounted-for Percentage" means a percentage calculated by dividing the difference between: 1) the aggregate volume of gas received into Company's system from the interstate pipelines plus the volume of vaporized propane, all converted to Mcf using the Btu content associated with such supply source and 2) the aggregate volume consumed by all of Company's gas Customers over that same period, by the Mcf volume calculated in item 1) above.
21. Under-deliveries. "Under-deliveries", or "Negative Imbalance Volume", is the amount by which the sum of all volumes actually delivered to the Pool Customers during the period exceeds the sum of the volumes available for redelivery by the Company to the Pool during the same period.

ARTICLE II

Term

The term of this Agreement shall commence on the first day of the month after execution hereof and, subject to Suppliers' continued compliance with the requirements outlined herein for participation in this program, shall continue in effect thereafter for a primary term of twenty-four (24) months. Thereafter, this Agreement shall continue from month to month, unless terminated by either party, upon at least ninety (90) days advance written notice. However, in no case shall this Agreement be terminated during a winter month (November through March), unless such winter period termination date is mutually agreed upon by both the Company and Supplier and/or except pursuant to the provisions of Articles III, VI, and X of this Agreement. Supplier shall be required to incorporate sufficient flexibility into its pooling agreements with its end-user Customers that it serves, so that the operation of this provision will not contravene end-user Customers' rights under those agreements. In the event this Agreement is terminated in accordance with the procedures contained herein, Supplier's Customers shall be given the option of either electing an alternate Supplier, or returning to the Company's system supply, in accordance with the procedures outlined in Case No. 85-800-GA-AIR, as modified by the Commission from time to time.

ARTICLE III

Requirements For Program Participation

The Company shall have the right to establish reasonable standards for participation in this Program, provided it does so on a non-discriminatory basis. Accordingly, in order to participate as a "Supplier" in the Company's Firm Transportation Program, Supplier shall upon request provide the Company, on a confidential basis, with balance sheet and other financial statements, and with appropriate trade and banking references. Supplier also agrees to allow the Company to conduct a credit investigation as to Supplier's credit worthiness and will pay a fee to the Company to cover the cost of a credit check, as set forth in Sheet No. 45 of the Company's P.U.C.O. Gas No. 18 tariff. Further, if the Company determines that it is necessary, Supplier agrees to maintain a cash deposit, an irrevocable letter of credit at a Company approved bank of the Supplier's choosing, or such other financial instrument, as the Company may require during the term of this agreement in order to assure Supplier's performance of its obligations under this Agreement. In order to assure that the value of such financial security instruments remains proportional to Supplier's potential liability under this Agreement, the required dollar amounts of such instruments shall be adjusted at the sole discretion of the Company, as Customers are added to, or deleted from, Supplier's pool. Supplier agrees that, in the event it defaults on its obligations under this Agreement and in order to satisfy Supplier's obligations under this Agreement, Company shall have the right to use such cash deposit, the proceeds from such irrevocable letter of credit, the proceeds from any other financial instrument agreed upon by the parties, and set-off against such obligations any revenue obtained through Company's billing on Supplier's behalf or any other revenues obtained by the Company as a result of any and all agreements and relationships between Company and Supplier. Such proceeds shall be used to secure additional gas supplies, including payment of the costs of the gas supplies themselves, the costs of transportation, storage, gathering and other related costs incurred in bringing those gas supplies into the Company's system. The proceeds from such instruments shall also be used to satisfy any outstanding claims that the Company may have against

Supplier, including imbalance charges, cash-out charges, pipeline penalty charges, annual reconciliation charges, and other amounts owed to the Company, and arising from, Supplier's participation in this pooling program.

In the event Supplier elects, or is forced, to terminate its participation in this Program in accordance with the provisions of this agreement, it shall continue its obligation to maintain its financial security instrument until it has satisfied all of its outstanding claims of the Company.

As security for the prompt and complete payment and performance of Supplier's obligations under this Agreement, Supplier hereby grants to Company a present and continuing security interest in and a general first priority lien upon and a right to setoff against any and all the interstate pipeline capacity and gas commodities held by the Supplier in connection with and in equal or greater value to its delivery obligations to the Company, including all products and proceeds thereof (the "Collateral"), unless a mutually agreeable alternative security or arrangement has been established to satisfy this requirement. *The security interest granted to the Company hereunder shall remain in full force and effect until such time as Supplier's obligations pursuant to this Agreement have been fully satisfied and performed and the Agreement has been terminated.* Supplier shall, at Supplier's expense, file all applicable U.C.C. financing statements, which may be prepared by Company and reviewed by Supplier, and perform all acts and execute all documents reasonably requested by Company, at any time and from time to time to evidence, perfect, maintain and enforce such first secured interest or title and interest of Company in such Collateral and the priority thereof.

Supplier hereby represents and warrants that no financing statement or security agreement covering any Collateral or any proceeds thereof is on file in any public office, except those which perfect the security interest of the Company in the Collateral. The Supplier will immediately notify the Company in writing of any change of address from that shown in this Agreement, or change in Supplier's place of incorporation and shall also, upon demand, furnish to the Company such further information as Company may at any time, and from time to time, reasonably request or may be necessary or appropriate to establish and maintain Company's perfected first security interest in the Collateral.

In addition to the above financial requirements, the Company may impose reasonable standards of conduct for Suppliers, as a prerequisite for their participation in the Program. Supplier acknowledges that in its capacity as a "Supplier" in this Program, it has a continuing responsibility to conduct its business in a legal and ethical manner. If, as a result of Customers' complaints, and/or from its own investigation, the Company determines, in its sole judgment, that Supplier is not operating under this Agreement in an ethical and/or legal manner, then the Company shall have the right to proceed as stated in the "Consequences of Supplier's Failure to Perform or Comply" section of P.U.C.O. Gas No. 18, Sheet No. 44 which may result in cancellation of this Agreement and denial of Supplier's further participation in this pooling program in accordance with the procedures described in Article X of this Agreement.

Company will maintain a list of Suppliers, who have met the pooling program's financial and performance requirements. This list will be made available to Customers upon request.

ARTICLE IV

Full Requirements Service

In exchange for the opportunity to participate in the Company's Firm Transportation Program, Supplier agrees to supply its pool Customers' full service requirements for natural gas on both a daily and monthly basis. Company's Firm Transportation Program requires that Supplier, as a participant in the Program,

accepts supply co-management responsibility, as defined hereinafter, as a quid pro quo for its participation in this pooling Agreement.

ARTICLE V

Supply Co-Management Defined

Supplier agrees to deliver gas supplies into the Company's designated city gate receipt points on a daily basis, in accordance with the aggregate usage requirements of all those Customers that comprise the Supplier's pool. However, inasmuch as it is economically and operationally impractical to install metering that will allow the Company to monitor each pool member's daily usage for aggregation and comparison with the gas supplies that are delivered to the Company's city gate receipt points, Supplier's gas supply co-management/balancing responsibilities under this Agreement shall be defined as follows:

1. The Company will maintain statistical models that will be used to estimate the daily gas usage of the full requirements firm Customers in Supplier's pool. These daily gas usage estimates, as adjusted for Unaccounted-for Gas Losses, and converted from volumetric to thermal quantities, will be identified as Supplier's "Target Supply Quantities" (Note: The Unaccounted-for Gas Loss adjustment will be based on the Company's system average Unaccounted-for Percentage.) A database will be created by the Company, which, at a minimum, will track daily usage estimates on an aggregated basis for all full requirements firm Customers in Supplier's pool.
2. A daily load forecast methodology, developed by the Company, will be used to form the daily Target Supply Quantity for each Supplier's pool. The daily estimates by revenue class in each Supplier's pool will be calculated using only the usage information of firm full requirements Customers. These daily estimates are then adjusted for Unaccounted-for Gas Losses, and converted to Dth. The revenue class estimates for each Supplier are then combined to form the Target Supply Quantity for the Supplier's overall pool. Suppliers are responsible for informing the Company when their Customer's load profiles deviate significantly from their historical load profiles. The Company will make the necessary adjustments to the Target Supply Quantity calculation to account for the new profiles.
3. Starting with the Supplier's daily Target Supply Quantity, the Company will each morning by 9:00 A.M. EST post, via its electronic bulletin board (EBB), an "Adjusted Target Supply Quantity" that Supplier will be required to deliver into the Company's designated city gate receipt points during the following day. The "Adjusted Target Supply Quantity" is defined as the Target Supply Quantity, plus or minus any adjustments that Supplier is required to make to its daily deliveries pursuant to Paragraph (5) of this Article V, plus FT requirements for IT Customers, consisting of daily deliveries for the firm requirements of Customers being served under both Rate IT and Rate FT, in quantities as specified in the "Gas Firm Transportation Service for Interruptible Transportation Customers Application/Contract Amendment," which are adjusted for Unaccounted-for Gas Losses, and converted to Dth. By 1:00 P.M. E.S.T. each day, Supplier shall notify the Company via its EBB of its total city gate nominations for the next day, by Company Rate Schedule, for each pipeline company delivering into the Company's system.
4. The Adjusted Target Supply Quantities that are used to define the Supplier's next day delivery obligations shall also be the quantities against which Supplier's pipeline confirmed daily deliveries into the Company's system combined with quantities to/from Supplier's Rider EFBS (Enhanced Firm Balancing Service) balancing service if applicable, are compared in order to determine Supplier's daily overrun/underrun volumes. Daily overrun/underrun volumes determined in this manner shall form the bases for daily "cash-outs", OFO charges, daily overrun/underrun charges, daily pipeline penalty charge flow throughs, and any other charges under this Agreement that are levied based on Supplier's failure to deliver the Adjusted Target Supply Quantities of gas into the Company's system.

5. As the final element of its gas supply co-management obligation, Supplier shall be required to reconcile annually its gas deliveries into the Company's system with the actual billed transportation volumes delivered to end-user Customers within the Supplier's pool. Such reconciliation will normally be calculated during the summer months so that any differences between calendar month and billing cycle degree-day deficiencies are minimized. The actual billed transportation volumes for the reconciliation period will be determined by adding together the transportation quantities from the "Monthly Summary Billing Reports" for Supplier's pool. Such sum shall be adjusted for Unaccounted-for Gas Losses and converted from volumetric to thermal quantities.

Supplier's deliveries into the Company's system will be based on the actual pipeline delivery reports for the reconciliation period, as adjusted for recorded "cash-outs" between the Supplier and the Company and deliveries to/from the Supplier's Rider EFBS balancing service if applicable and other gas deliveries or exchanges.

Once the Company determines the extent of any imbalance for the reconciliation period, it will have the Supplier adjust its daily deliveries above or below the calculated Target Supply Quantities for some specified period of time until any imbalances are cured. However, in no case shall the Adjusted Target Supply Quantity be a negative number. Daily overrun/underrun calculations will be adjusted to take into account any such adjustments to Supplier's daily delivery requirements. The Company shall post any required daily delivery adjustment via the ZBB at least two (2) days prior to the date that Supplier is required to begin its daily delivery adjustment. This imbalance may also be reconciled through a storage inventory adjustment or an adjustment to the Supplier's Rider EFBS bank balance if applicable.

6. During the months of November through March, Company shall reserve a portion of its vaporized propane capacity for Supplier Pools, based on the product of each Pool's then-applicable Maximum Daily Quantity and the percentage of the Company's total system design day needs forecasted to be met by vaporized propane for the upcoming months of November through March. The percentage reserved shall be applied as a reduction to the Maximum Daily Quantity that will result in the Supplier's Adjusted MDQ.

When the Supplier Pool's Adjusted Target Supply Quantity exceeds the volume of Supplier's Adjusted MDQ and the Supplier elects not to deliver the incremental volume of natural gas in excess of its Adjusted MDQ, then the Company shall supply the Pool's gas needs in excess of the Supplier's Adjusted MDQ with vaporized propane or alternate peaking supplies. The fully allocated costs of the propane or alternate peaking supply provided by the Company hereunder shall be billed directly to Supplier.

By July 1st of each year, and when there is a material change in Company's propane peaking capacity, Company shall indicate the percentage of Supplier Pool's Maximum Daily Quantity that will be met with Company's vaporized propane, or alternate peaking supplies, allocated by Company to such Pool.

7. Company reserves the right to direct each Supplier to proportionally deliver, with respect to the Company's northern and southern interstate pipeline receipt points, the Supplier's daily pool requirements in addition to the quantities of gas intended for the Supplier's bank under Rider EFBS. For Suppliers who elect service under EFBS, the north/south split for volumes up to the TSQ shall be the same as the split for Suppliers who have elected FBS and system supply. Volumes in excess of the TSQ will be subject to north/south restrictions in accordance with the Company's ability to inject gas per its agreements with the storage service providers.

8. OFOs shall be issued by Company in those situations where it is necessary, in Company's sole judgement, for Supplier to deliver at specified receipt points and/or for Supplier to deliver at the Adjusted Target Supply Quantity in order for Company to: (a) protect the integrity of Company's gas system; (b) assure deliveries or gas supplies to all of Company's firm Customers; and/or (c) adhere to the various interstate pipeline companies' balancing requirements, as stated in their FERC approved gas tariffs under which Company is served. Suppliers who have elected Rider EFBS service shall be entitled to use such service, which shall be considered "on-system" deliveries to meet OFO requirements.

ARTICLE VI

Billing And Charges

The Company will provide Suppliers with individual pool Customers' actual billing cycle usage data as Customers are billed throughout the month by the Company for Rate FT, Firm Transportation Services and Rate RFT, Residential Firm Transportation Services.

Supplier's transportation quantities shall be determined from the Company's "Monthly Summary Billing Report," which reflects Customer's actual billed transport volumes, as generated within the Company's revenue reporting system.

Supplier shall be billed charges for services elected under the Rider FBS (Firm Balancing Service) or EFBS (Enhanced Firm Balancing Service) based on the balancing service(s) elected for its Program Pool(s). Should Supplier's daily deliveries combined with quantities to/from Supplier's Rider EFBS balancing service, if applicable not equal their Adjusted Target Quantities, then the Company will either buy-down Supplier's excess deliveries, or sell Supplier additional gas quantities until the daily Adjusted Target Supply Quantities are matched as further described below. However, if Supplier repeatedly and significantly fails to honor its delivery obligations within the tolerances established for this program, after adequate notice and opportunity to cure, Supplier shall be removed from the program, and the Customers that it serves will have the option of either returning to system supply or electing another Supplier.

On those days when Supplier delivers quantities of gas into the Company's system that are in excess of the Adjusted Target Supply Quantity, Company shall purchase the excess quantities as required in order for Supplier to match his daily Adjusted Target Supply Quantities except when Supplier has elected balancing service Company's Tariff Rider EFBS as further described below. These over-deliveries shall be cashed out to the Supplier at the first of the month index published in Inside F.E.R.C. Natural Gas Report, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Onshore Louisiana Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city gate plus Company's Rider ETR, Ohio Excise Tax Liability Rider.

On those days when Supplier delivers quantities of gas into the Company's system that are less than the Adjusted Target Supply Quantities, the Company shall sell, and Supplier shall buy, such quantities of gas as are required in order for Supplier to match his daily Adjusted Target Supply Quantities except when Supplier has elected balancing service under Company's Tariff Rider EFBS as further described below. These under-deliveries shall be cashed out to the Supplier at the first of the month index published in Inside F.E. R. C. Natural Gas Report, "Prices of Spot Gas Delivered to Pipelines", Columbia Gulf Transmission Co., Onshore Louisiana Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation cost, plus fuel, to the Company's city gate.

On days when OFOs are issued, any gas delivered by Supplier on these days in excess of Adjusted Target Supply Quantities will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier except when Supplier has elected balancing service under Company's Tariff Rider EFBS as further described below. In addition, Company shall flow through to Supplier any

penalty charges that it incurs from its pipelines for such excess deliveries, provided such penalties can be attributed to Supplier's over deliveries.

On days when OFOs are issued and Supplier delivers less than its Adjusted Target Supply Quantities, the Company shall sell, and Supplier shall buy, quantities of gas as are required for Supplier to match his daily Adjusted Target Supply Quantities except when Supplier has elected balancing service under Company's Tariff Rider EFBS as further described below. The price for such quantities shall be the higher of the "cash out" charge described above for under deliveries, or the Company's actual costs of replacement supplies. In addition, the Company shall flow through to Supplier any penalties that Company incurs from its suppliers, or transporters, that are attributable to Supplier's under deliveries.

The only exception to the above two paragraphs regarding OFO's shall be on those OFO days when the Company grants Supplier, authorization to make over/under deliveries. On these days, Company will waive the regular cash out charges described above, waive the confiscation of gas supplies, and waive the flow through of pipeline penalty charges on all authorized excess/under deliveries. The Company shall grant authorization for excess/under deliveries on a non-discriminatory basis.

If Supplier has elected balancing service under Company's Rider EFBS, Supplier is required to deliver gas under the terms of the Rider. Deliveries in excess or less than the Adjusted Target Supply Quantities will be increases or decreases to the Supplier's EFBS bank balance. When the Company's storage service provider is not authorizing over injections or over withdrawals Supplier will be held to their designated MDDQ (Maximum Daily Delivery Quantity) and MDBQ (Maximum Daily Bank Quantity) as determined by Rider EFBS. Deliveries to the Company in excess of the Supplier's Adjusted Target Supply Quantity plus their MDBQ will be confiscated by the Company and used for its general supply requirements, without compensation to Supplier. Deliveries to the Company combined with Supplier's MDDQ that are less than the Supplier's Adjusted Target Supply Quantity will be sold to the Supplier at the higher of the "cash out" charge described above for under deliveries, or the Company's actual costs of replacement supplies.

Suppliers shall have the right to make daily/monthly inter-pool trades under Rate GTS, Gas Trading Service.

The Company shall have the right to update all of its charges under this Agreement on the basis of its actual cost experience. All revenues collected from Supplier pursuant to the provisions of Article VI of this Agreement shall be flowed back to sales Customers through the Company's Gas Cost Recovery mechanism.

ARTICLE VII

Compensation For Gas Utilized by Company

In the event the Company, acting pursuant to regulations or guidelines then in effect of government agencies having jurisdiction over such matters, utilizes natural gas supplies of the Supplier in order to assure gas supply to human needs and public welfare Customers as defined in PUCO Case No. 85-800-GA-COI, the Company will reimburse Supplier for such usage upon the presentation of invoices by Supplier documenting its delivered cost for such natural gas.

ARTICLE VIII

Payment

On or about the tenth work day of the month, the Company shall render to Supplier a statement of the quantities delivered and amounts owed by Supplier for the prior billing month, including prior month's late payment charges. Suppliers shall have ten (10) days from the date of such statement to render payment to the Company. Invoices for under \$100,000 may be paid by check, but payment must be postmarked within ten (10) days of the invoice date. Invoices of over \$100,000 must be paid by Electronic Funds Transfer within ten (10) days of the invoice date. In any case, when the due date falls on a holiday or weekend, payment will be due on the following business day.

If payment is not made by Supplier by the due date, as described above, an additional cost will be added to the charges otherwise due, and determined by applying the daily equivalent of the currently effective prime rate, plus two (2) percent to the unpaid balance for each day until payment is received. When a bill has remained unpaid for a period of thirty (30) days after rendition by the Company, and no other financial arrangements have been agreed upon, the Company may, at its sole option, and without liability therefor, suspend or cancel such Agreement with Supplier after giving written notice of its intention to do so, but such suspension or cancellation shall not discharge Supplier from its obligation to pay such bill or from any other obligation under this Agreement, nor does such suspension or cancellation preclude the Company from any rights or remedies it does or may have at law or in equity to enforce any of the provision of this Agreement.

ARTICLE IX

Interstate Pipeline Capacity

As a prerequisite for its participation in this Program, Supplier agrees, as agent for its pool Customers, to acquire firm interstate pipeline capacity into the Company's system in amounts equal to the aggregate Adjusted MDQ of Supplier's Customer pools less the firm interstate pipeline capacity assigned to the Supplier by the Company, including the MDDQ associated with the EFBS program, as more fully described below. The Company shall have the right to periodically review the level and assignment of Supplier's capacity contracts in order to assure adequate Adjusted MDQ coverage.

On the effective date of this Agreement, Supplier shall provide to Company a first call or right of first refusal to the firm interstate capacity held by Supplier for its Customer Pool(s). Company shall, at Company's discretion, exercise the first call or right of first refusal only in the event of Supplier default of this Agreement. Nothing herein prevents the Supplier and Company from agreeing on an alternate method to secure firm interstate capacity sufficient to serve Supplier's Customer Pool(s) in the event of default of this Agreement. Supplier shall also convey a first secured interest to Company in the firm interstate capacity held by Supplier for its Customer Pool(s).

Due to the physical configuration of the Company's system, and certain upstream interstate pipeline facilities, and to enable the Company to comply with lawful interstate pipeline tariffs and/or to maintain the Company's system integrity. The Company reserves the right to direct each Supplier to proportionally deliver, with respect to the Company's northern

and southern interstate pipeline receipt points, the Supplier's daily pool requirements, which shall include any use by Supplier of its EFBS bank so that Supplier's total deliveries, including flowing supply and EFBS bank withdraw, need not exceed Supplier's Adjusted MDQ. Specific delivery requirements will be electronically posted by the Company.

If Supplier's aggregate Pools' MDQ exceeds 6,000 Dth/day and Supplier adds 3,000 Dth/day of additional MDQ, Supplier shall be assigned a proportionate amount of Company's interstate pipeline firm transportation capacity by Company. Additionally, Company will recall proportionately some capacity from

Supplier if Supplier's aggregate Pools' MDQ is reduced by 3,000 Dth/day. This MDQ criterion will be reviewed by the Company semi-annually based on the MDQ as of September 30th with any release/recall becoming effective the following November 1st, and on the MDQ as of February 28th, with any release/recall becoming effective the following April 1st.

1. Supplier will be notified of any change to its released capacity by October 15th for winter capacity and by March 15th for summer capacity.
2. The assignment shall be structured as a release of capacity. The posted rate will be the rate for which the Company has contracted with the interstate pipeline. Any capacity with a discounted rate will be posted open to bids, with Supplier being the prearranged bidder. All other capacity will be posted at the pipeline's maximum rate with Supplier being the prearranged shipper.
3. The term of the release shall be on a seasonal basis, from November 1st through March 31st or April 1st through October 31st. Any incremental capacity changes will be handled by recalling the previously released capacity and re-releasing at the new amount.
4. Company shall assign interstate pipeline firm transportation capacity consistent with its delivery north/south allocation percentages and on a pro-rata basis to Company's total capacity for the designated pipelines or the parties may choose a mutually agreed-upon assigned capacity portfolio.
5. Capacity will be assigned to Supplier on a "recall and reput" basis. Company shall release this capacity utilizing the appropriate pipeline company's electronic bulletin board and Supplier shall execute the service agreements so generated by the pipelines five (5) days prior to the end of the month to enable Supplier to nominate gas suppliers under the service agreements for the following month. If Supplier fails to execute the service agreements the charges for the released capacity will be added to the Supplier's Pool Invoice for the month.
6. Prior to the capacity release process, Supplier shall comply with the appropriate pipeline's credit review and establish itself on the pipeline's Approved Bidders List (as defined in the interstate pipeline company's tariff).
7. Company, as releasing shipper under a recallable release, remains liable to the pipeline for reservation charges, and any applicable surcharges. Supplier will provide sufficient financial guaranty to the Company of its ability to pay such pipeline charges.
8. Company reserves the right to change the type of information required as well as the nomination deadline to comply with the requirements of the interstate pipeline companies.
9. There will be no restrictions on Supplier's use of the released capacity at such times that it is not required to deliver gas to Company's system.
10. Supplier may re-release all or a portion of the capacity to a Replacement Shipper who meets all the requirements to which the Supplier is subject including but not limited to, Company's right of recall. A re-release shall not relieve Supplier of its obligation under the provisions of the capacity release.
11. Supplier, after receiving such assignment shall pay the pipeline(s) directly for all charges associated with the use of released capacity, including (without limitation) demand charges, commodity charges, taxes, surcharges, fuel allowances, imbalance and overrun charges, and penalties.

12. Supplier shall not revise receipt and delivery points of the interstate pipeline company firm transportation capacity released by Company, without written consent from Company. Supplier will be responsible for operating the assigned capacity consistent with all the terms and conditions set forth in the tariffs of Company and the applicable pipeline companies.

Example Agreement

ARTICLE X

Remedies

1. Defaults. In addition to other rights to terminate or cancel that appear elsewhere in this Contract, if Company or Supplier fails to perform, to a material extent, any of the obligations imposed upon either under this Agreement, then the other party may, at its option, terminate or cancel this Agreement by causing written notice thereof to be served on the party in default, stating specifically the cause for terminating or canceling this Agreement and declaring it to be the intention of the party giving the notice to terminate or cancel the same. In the event a party receives notice of termination or cancellation made pursuant to this Article XII, the party in default shall have thirty (30) days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating or canceling this Agreement, and if within said period of thirty (30) days, the party in default does so remedy or remove said causes then such notice shall be deemed to have been withdrawn and this Agreement shall continue in full force and effect. If the party in default does not so remedy or remove the cause or causes within said period of thirty (30) days, then, at the option of the party giving notice, this Agreement shall terminate or cancel as of the expiration of said 30-day period. Any termination or cancellation of this Contract, pursuant to this Article XII shall be without waiver of any remedy, whether at law or in equity, to which the party not in default otherwise may be entitled for breach of this Agreement.
2. Sole and Exclusive Remedies. The liquidated damages, termination rights, cancellation rights, and interest payments outlined in this Agreement for non-performance herein shall be Company and Suppliers' respective sole and exclusive remedies for such non-performance. In no event shall either party be liable for special, incidental, exemplary, punitive, indirect or consequential damages including, but not limited to, loss of profit or revenue, cost of capital, cost of substitute products, downtime costs, or claims for damages by third parties upon Company or Supplier. This applies whether claims are based upon contract, warranty, tort, (including negligence and strict liability), or other theories of liability.

ARTICLE XI

Force Majeure

If either Supplier or Company is unable to fulfill its obligations under this Agreement due to an event or circumstance which is beyond the control of such party and which prevents such performance, such party shall be excused from and will not be liable for damages related to non-performance during the continuation of such impossibility of performance. Neither of the following shall be considered a force majeure condition: 1) changes in market conditions that affect the acquisition or transportation of natural gas, or 2) failure of Supplier to deliver or Pool Customers to consume scheduled gas volumes.

The party claiming force majeure will use due diligence to remove the cause of the force majeure condition and resume delivery or consumption of gas previously suspended. Gas withheld from the Supplier or Pool Customers during a force majeure condition will be delivered upon the end of such condition as soon as practicable.

ARTICLE XII

Title to Gas

Supplier warrants that it will have good title to all natural gas delivered to the Company hereunder, and that such gas will be free and clear of all liens, encumbrances, and claims whatsoever, and that it will indemnify the Company, and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of a breach of such warranty. Supplier shall convey a first secured interest to the Company in the natural gas delivered to the city gate on behalf of the Customer Pool(s).

ARTICLE XIII

Limitation of Third Party Rights

This Agreement is entered into solely for the benefit of Duke Energy Ohio and the Supplier and is not intended and should not be deemed to vest any rights, privileges or interests of any kind or nature to any third party, including, but not limited to the Customer group that Supplier establishes under this Agreement.

ARTICLE XIV

Succession and Assignment

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. However, no assignment of this Agreement, in whole or in part, will be made without the prior written approval of the non-assignee party. The written consent to assignment shall not be unreasonably withheld.

ARTICLE XV

Applicable Law and Regulations

This Agreement shall be construed under the laws of the State of Ohio and shall be subject to all valid applicable State, Federal and local laws, rules, orders, and regulations. Nothing herein shall be construed as

divesting or attempting to divest any regulatory body of any of its rights, jurisdiction, powers or authority conferred by law.

ARTICLE XVI

Notices and Correspondence

Written notice and correspondence to the Company shall be addressed as follows:

Duke Energy Ohio, Inc.
P. O. Box 960
Cincinnati, Ohio 45201-0960
Attention: Manager, Gas Commercial Operations

Telephone notices and correspondence to the Company shall be directed to (513) 287-4078. Operational notices to the Company shall be directed to the above address, Attention: Gas Control, telephone (513) 287-3590. Fax notices to the Company shall be directed to (513) 287-2938.

Written notices and correspondence to the Supplier shall be addressed as follows:

Telephone notices to the Supplier shall be directed to () _____.
Fax notices to the Supplier shall be directed to () _____.

Either party may change its address for receiving notices effective upon receipt, by written notice to the other party.

IN WITNESS WHEREOF, the parties hereto executed this Agreement
on the day and year first above written.

WITNESS:

Duke Energy Ohio, Inc.

By _____

WITNESS:

SUPPLIER

By _____

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
Sheet No. 45.1
Cancels and Supersedes
Sheet No. 45
Page 1 of 1

(C)

**RATE SAC
RETAIL NATURAL GAS SUPPLIER AND AGGREGATOR CHARGES**

APPLICABILITY

These Charges apply to Retail Natural Gas Suppliers and Aggregators providing Competitive Retail Natural Gas Service to Customers located in the Company's service territory.

TYPES OF CHARGES

General Fees

Registration Fee	\$ 145.00
Retail Natural Gas Supplier and Aggregator Financial Evaluation Fee	\$ 50.00/Evaluation
Retail Natural Gas Supplier Customer Information List Fee	\$ 150.00/List
Governmental Aggregator Eligible Customer List Fee (based on zip codes only)	\$ 400.00/List
Governmental Aggregator Eligible Customer List Fee (includes best efforts verification of governmental boundaries)	\$1,200.00/List
Returned Check Charge	\$ 13.50/Check

Bill Preparation and Request Charges

Consolidated Bill Preparation

Hourly charge for administrative and technical support to institute program modifications associated with the implementation of consolidated billing on non-standard rates requested by the Retail Natural Gas Supplier or Aggregator	\$ 75.00/Hour
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Other Bill Preparation Requests

Request by Retail Natural Gas Supplier or Aggregator for a one page Duplicate Bill	\$ 0.26/Bill
Fee for Providing Commission Mandated Abandonment Notices as Bill Messages	\$ 0.225/Bill

PURCHASE OF ACCOUNTS RECEIVABLE

The Company will negotiate a discount rate for purchase of supplier accounts receivable with each individual Retail Natural Gas Supplier or Aggregator, consistent with the guidelines approved by the Commission.

BILLING TERMS AND CONDITIONS

The billing terms and conditions for the above stated charges shall be in conformance with those specified in Rate FRAS.

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

Issued: March 31, 2006

Issued by Sandra P. Meyer, President

Effective: April 3, 2006

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(R)

RIDER EFBS

ENHANCED FIRM BALANCING SERVICE

APPLICABILITY

Applicable to pools served by gas suppliers/aggregators who secure their own total upstream pipeline capacity necessary to meet the aggregated peak day requirements as more fully described under the Assignment of Capacity provision contained in Rate FRAS, Full Requirements Aggregation Service, Sheet No. 44, and who elect to receive service for such pools under Rider EFBS rather than Rider FBS (Firm Balancing Service).

SERVICE

- a) Service provided under Enhanced Firm Balancing Service ("EFBS") shall be subject to the limitations set forth below. Such service shall be provided on a firm basis and shall apply to all gas delivered to the Company for the Supplier and provided pursuant to this tariff, up to the Bank Contract Quantity ("BCQ") set forth herein. Supplier's Maximum Daily Delivery Quantity ("MDDQ") shall be that specified herein.
- b) Initial allocation of EFBS shall be as follows:
 - 1. Any Supplier whose FRAS Pool Maximum Daily Quantity ("MDQ") exceeds 1,000 Dth/day, shall be allocated EFBS with an MDDQ equal to the proportion of the Company's no-notice balancing service quantity to its firm system design day times the Supplier's MDQ adjusted up to the nearest factor of 3,000.
- c) Suppliers with a FRAS Pool MDQ less than 1,000 Dth/day shall continue under the Company's Rate FBS. Suppliers with a FRAS Pool MDQ greater than 1,000 Dth/day shall have the option of receiving balancing service under EFBS or continuing under the Company's Rate FBS. This annual election shall be made on or before January 15 of each year to become effective on April 1 of each year.

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SERVICE (Contd.)

d) Incremental allocation/reduction of EFBS shall be as follows:

1. Any Supplier whose MDQ crosses a factor of 3,000 Dth/day (herein, "threshold") shall receive an allocation/reduction of its EFBS with an MDDQ equal to the proportion of the Company's no-notice balancing service quantity to its firm system design day times the Supplier's threshold (3,000 Dth/day), which will remain effective from the first of the following month in which the threshold was reached until such time as another threshold is reached.
2. For purposes of determining increases to the EFBS bank and MDDQ, the supplier's MDQ must exceed the next threshold by at least 500 dth per day or exceed the threshold by a lower amount for 3 consecutive months. For purposes of determining decreases to the EFBS bank and MDDQ, the supplier's MDQ must be at least 500 dth per day lower than the previous threshold or remain under the previous threshold by a smaller amount for 3 consecutive months. For situations where the threshold has been either exceeded or decreased as stated in the previous two sentences, measurements shall occur on the 25th day of each month, unless such day is not a business day, in which case such measurement shall occur on the next following business day.

- e) The Supplier's BCQ ratio to its allocated MDDQ will be equal to the Company's ratio of daily no-notice balancing service quantity to its annual no-notice storage quantity with its storage service provider. The Company's ratio shall be determined on an annual basis. Both the Company's no-notice balancing service quantity and its annual no-notice storage quantity with its storage service providers will be established prior to the notification deadline for selecting EFBS service, and will not be changed *within the associated gas year*. The Company may adjust those percentages to reflect changes in the Agreement with its storage service provider, which may also necessitate changes in pricing with respect to the service. Any changes to the percentages or prices will be communicated to Suppliers on or before January 1 each year and will become effective to coincide with the Supplier's opportunity to select either FBS or EFBS service as outlined in Rate FRAS.
- f) When initial or incremental EFBS is allocated to a Supplier, or recalled from a Supplier effective on the first day of any month, and the adjusted BCQ causes the Supplier's percent of EFBS bank to BCQ to be outside of the range specified below, then the Supplier must purchase, sell or transfer the required amount of bank so that the percent of EFBS bank to BCQ is within the specified range, within 3 business days of the first day of the month such change is to become effective.

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SERVICE (Cont'd)

	<u>Minimum</u>	<u>Maximum</u>
April	0%	25%
May	0%	60%
June	14%	60%
July	34%	60%
August	54%	85%
September	75%	85%
October	88%	98%
November	95%	98%
December	78%	98%
January	59%	98%
February	36%	65%
March	18%	45%

1. This designation may require the Supplier to purchase, sell or transfer a specified volume of gas for the Supplier's EFBS bank in one of four ways (as determined by the Supplier, *unless Supplier fails to purchase, sell or transfer specified volumes of gas, in which case option A shall be employed*): (A) The Supplier may purchase natural gas from the Company, or sell to the Company, a portion of the Company's then current inventory with its storage service provider. The price for the gas purchased or sold by the Supplier for its bank volume shall equal the Company's inventory weighted average cost of gas with its storage service provider. The Company shall communicate the current inventory weighted average cost of gas to Suppliers. (B) The Supplier can purchase or sell the specified volume of gas from/to another Supplier who receives service under the EFBS, by transferring volumes of gas, provided that the transfer does not increase a Suppliers Bank above the maximum levels as defined in the EFBS tariff or decrease a Suppliers Bank below the minimum for the month. Each supplier involved in the transfer must notify the Company in writing of the amount to be transferred and the date on which the transfer is to be effective. (C) The Supplier can transfer the gas to/from its own or a third parties storage account directly into the Company's storage account through an inter-company storage inventory transfer executed through the storage service provider. (D) The Supplier can transfer the gas to/from its IT Pool.
2. Suppliers will be required to pay for or transfer such gas designated for Supplier's BCQ in advance of the third business day of the month in which service is effective unless other arrangements, acceptable to the Company, have been completed.

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- g) Except as specified in h) below, Supplier's EFBS bank shall be increased or decreased by the daily difference between actual natural gas volumes received by the Company at its city gate and Supplier's back-cast Targeted Supply Quantity ("TSQ"), adjusted for fuel retainage in the following manner:
1. If the Supplier delivers more natural gas than the back-casted TSQ, then the Suppliers EFBS bank shall be increased by the amount of the over delivery, calculated at the Company's City Gate, plus the current KO Transmission fuel retainage and minus the current Columbia Gas Transmission SST and FSS fuel retainage.
 2. If the Supplier delivers less natural gas than the back-casted TSQ, then the Supplier EFBS bank shall be decreased by the amount of the under delivery, calculated at the Company's City Gate, plus the current Columbia Gas Transmission SST fuel retainage.
- h) On a day when Supplier's TSQ is greater than or equal to the MDQ, supplier shall have full access to the total MDDQ as specified in the EFBS tariff. The Supplier will not be required to make total deliveries, including the back-casted MDDQ, above the MDQ.
- i) The Company may, at its option, recall EFBS from a Supplier if that Supplier subsequently ceases its participation in the Company's Customer Choice program for any reason. The Company may also recall a proportional amount of the Supplier's gas bank if the Supplier's MDQ decreases below a 3,000 dth increment (as detailed in d) 1. and d) 2. above) and the Supplier's gas bank is above the maximum quantity for that month, to become effective on the first day of the following month.
1. If the Company recalls EFBS, or the Supplier's MDQ decreases below a 3,000 dth increment and Supplier does not elect to proceed under subparagraph i) 2., then the Company shall buy all or a portion of Supplier's gas bank. The price of the gas in the Supplier's bank purchased by the Company shall be the Company's inventory weighted average cost of gas with its storage service provider.
 2. Alternatively, the Supplier can sell or transfer the specified volume of gas as described in Section f(1).
 3. In circumstances other than those described above, if a Supplier requests termination of EFBS other than at the time of the annual election, the Company may agree to termination at its sole discretion, and will elect to purchase any gas volumes remaining in the Supplier's bank at the above price options.

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- j) The Maximum Monthly Bank Quantities ("MMBQ") shall be limited to the following percentages of Supplier's BCQ:

April	15%	August	20%	December	10%
May	20%	September	13%	January	10%
June	20%	October	7%	February	10%
July	20%	November	5%	March	10%

- k) Supplier's Maximum Daily Bank Quantities ("MDBQ") shall equal 1/25th of the Supplier's then current MMBQ, except during the months of November and December when the MDBQ shall equal 1/30th of the Supplier's then current MMBQ.
- l) A Supplier may have no more than 60% of its BCQ in bank as of June 30, and no more than 85% of its BCQ in bank as of August 31.
- m) The Company shall deliver Supplier's BCQ throughout the year, subject to the limitations set forth. Supplier's MDDQ shall be based upon and limited by Supplier's BCQ inventory remaining in bank determined in accordance with the Company's best estimates as follows:

% of banked gas in BCQ	% of MDDQ
100% to 30%	100%
less than 30% to 20%	80%
less than 20% to 10%	65%
less than 10% to 0%	50%

- n) The minimum and maximum monthly net withdrawal quantities for the months November through March shall be as follows:

<u>Month</u>	<u>Minimum % of BCQ</u>	<u>Maximum % of BCQ</u>
November	No minimum	40%
December	No minimum	40%
January	No minimum	40%
February	10%	30%
March	10%	20%

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SERVICE (Cont'd)

- o) If Supplier exceeds the maximum monthly net withdrawal limit during any of the months November through March, Supplier's maximum monthly net withdrawal quantity for the succeeding month shall be reduced by an amount equal to the excess quantities withdrawn during the excess withdrawal month. Supplier's withdrawals during the months April through October shall not be subject to maximum or minimum withdrawal limits; provided, however, that Supplier's withdrawals during that period shall be subject to the limitations of Supplier's BCQ levels.
- p) Supplier's maximum bank inventory on April 1 shall not exceed 25% of its BCQ. Supplier's maximum bank inventory on February 1 shall not exceed 65% of its BCQ. Quantities in excess of 25% of Supplier's BCQ shall not be carried over beyond April 1.

BANK TRANSFERS

- a) Suppliers may transfer volumes of gas held in their banks under the EFBS with other Suppliers receiving service under EFBS. Each supplier involved in the transfer must notify the Company in writing of the amount to be transferred and the date on which the transfer is to be effective.
- b) The transfer must not increase a Suppliers Bank above the maximum levels as defined in the EFBS tariff. Likewise, the transfer must not decrease a Suppliers Bank below the MBQ for the month.

DELIVERY POINTS

- a) The point of delivery for all gas tendered to the Company shall be the Company's City Gate for EFBS service and, in accordance with the Supplier's FRAS Agreement with the Company, based upon a percentage north/south split. The north/south split for volumes up to the TSQ shall be the same as the split for Suppliers who have elected FBS and system supply. Volumes in excess of the TSQ will be subject to north/south restrictions in accordance with the Company's ability to inject gas per its agreements with the storage service providers.

WAIVER REQUESTS

- a) In regard to the above percentage limitations on withdrawals and injections, the Company shall allow deviations from these limitations to the extent that additional flexibility has been granted to the Company by its storage service providers. Waivers shall be granted by the Company on a non-discriminatory basis.

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RATE

- a) For all services rendered pursuant to this tariff, Supplier each month shall pay the Company the charges set forth below:
 - 1. Demand Charge: \$5.94, assessed each month on each Mcf of the Supplier's MDDQ; (C)
 - 2. Commodity Charge: \$0.015, assessed daily on each Mcf of TSQ. (D)
- b) Rates will be reviewed quarterly and adjusted based on current charges from the Company's storage service providers.

NON-COMPLIANCE

- a) If Supplier's EFBS bank is less than zero on any day then the Supplier shall purchase a quantity of natural gas from the Company sufficient to bring the Suppliers EFBS bank up to the minimum percent listed in Service, section (f) for the month in which the bank became less than zero. The price shall be 110% of the higher of the inventory weighted average cost of gas with its storage service provider or the highest price at which the company purchased gas for that month plus interstate pipeline fuel, commodity and daily reservation charges.
- b) Except in instances when the Suppliers BCQ has been reduced due to a lower MDQ, if Supplier's EFBS bank is greater than 102% of their BCQ on any day, then the amount in excess of the maximum percent listed in Service section (f) for the month in which the bank exceeded 102% shall be purchased by the Company for a price equal to 90% of the lower of the inventory weighted average cost of gas with its storage service provider or the lowest price at which the company purchased gas for that month plus interstate pipeline fuel, commodity and daily reservation charges.
- c) Supplier must pay any penalties incurred by the Company from one of its storage service providers that can be attributed to actions by the supplier that do not comply with the EFBS tariff.
- d) The Company may recall EFBS from a supplier for Non Compliance with the EFBS tariff. The Supplier will revert to the FBS at the beginning of the revenue month.

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(C)

RATE IT

INTERRUPTIBLE TRANSPORTATION SERVICE

AVAILABILITY

Curtaillable natural gas local delivery service available to any customer who: (1) signs a contract with the Company for service under Rate IT; (2) utilizes a minimum of 10,000 CCF per month during each of the seven consecutive billing periods commencing with customer's first meter reading taken on or after April 1; (3) has arranged for the delivery of gas into the Company's system, for customer's sole use at one point of delivery where distribution mains are adjacent to the premise to be served; and (4) has become a member of a pool under Rate AS and elected Interruptible Monthly Balancing Service Under Rate IMBS. Any service hereunder shall be provided by displacement and on a best efforts basis. The Company reserves the right to decline requests to initiate or continue such service whenever, in the Company's judgment, rendering this service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, Rate FT, Rate RFT, Rate DGS, and Rate SS. This tariff schedule shall not preclude the Company from entering into special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder shall be interruptible transportation service from the Company's city gate receipt points to the outlet side of Customer's meter. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, Rate FT, Rate RFT, Rate DGS and Rate SS, shall have the right for operational, but not economic reasons, to designate the city gate receipt points where the customer is required to deliver its gas.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:

All gas consumed is billed in units of 100 cubic feet (CCF).

Administrative Charge

\$595.86

Commodity Charge:

Company will deliver the arranged-for gas, less shrinkage which is equal to the Company's system average unaccounted for percentage, at a rate of

\$ 0.04916 per CCF

(I)

Plus the throughput charge for the service level selected under Rate IMBS, Interruptible Monthly Balancing Service.

Plus the applicable charge per CCF as set forth on Sheet No. 65, Rider AMRP, Accelerated Main Replacement Program

Plus, if applicable, balancing related charges pursuant to Rate IMBS if customer has elected to operate as its own pool for supply management purposes.

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NET MONTHLY BILL (Contd.)

In addition, customer's net monthly bill, excluding gas costs and related taxes that are billed to the customer on suppliers' behalf, shall be adjusted by application of the percent specified on Sheet No. 64, Rider ETR, Ohio Excise Tax Liability Rider, except that finance charges are excluded in the computation of the net bill.

Effective July 1, 2001, all gas delivered is subject to the provisions of Sheet No. 68, Rider STR, State Tax Rider.

Minimum: Customer will be subject to a monthly minimum bill requirement equivalent to the monthly Administrative Charge shown above, plus the Excise Tax Rider described below and State Tax Rider, and in addition thereto during the seven consecutive billing periods beginning in April, a 10,000 CCF per month throughput volume minimum.

If customer fails to take delivery of 10,000 CCF per month during the months of April through October, customer will be charged, in addition to the Administrative Charge and the charges for the delivered volume and the applicable Excise Tax Rider and State Tax Rider, an amount equal to the difference between 10,000 CCF and the delivered volume billed at Rate GS, including all applicable Riders.

In the event that Customer repeatedly and significantly fails to meet the minimum throughput requirement of this tariff, Customer may at the Company's option be removed from this tariff and denied further service, or at the Company's option, may be switched to either Rate GS, or Rate FT.

COMPETITIVE FLEXIBILITY

The Company may on an individual customer basis, charge a rate lower than that specified in the "Net Monthly Bill" provision, but not less than \$0.030 per CCF, in order to meet competition from alternative fuels or other energy sources. The decision to charge a lower rate will be made by the Company based on its interpretation of competitive conditions.

(T)

UNAUTHORIZED DELIVERIES

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow through of pipeline penalty charges to the extent that they are incurred by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate schedule. The charges for such unauthorized deliveries shall be billed directly to the customer in lieu of its "pool operator," if applicable. However, Company shall not be precluded from physically discontinuing service to the customer if customer refuses to interrupt service when requested by Company.

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CHARGES FOR UNAUTHORIZED DELIVERIES

Any customer taking unauthorized deliveries shall be billed an amount reflective of the general service rate, Rate GS, Sheet No. 32, including the expected gas cost component of the gas cost recovery rate or Company's highest cost gas, and one month's demand charges on the volume difference (this charge shall not be imposed more frequently than once in any 30 day period) and/or the cost of operating the Company's propane peak shaving plant, and/or, if so required to effectuate compliance with the interruptible provisions of this schedule, the cost incurred by the Company to valve-off the service. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries.

ELECTION OF MONTHLY BALANCING OPTION

A "pool" can be a single Rate IT customer acting on its own behalf, or a group of Rate IT customers who join, or are joined, together for purposes of gas supply management under this tariff. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all of the Rate IT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities.

Monthly throughput charges under Rate IMBS, shall be billed directly to the end-use customer. All other balancing charges, including "cash out" charges, penalties and other like charges billed under the provisions of Rate IMBS shall be billed directly to the pool operator, regardless of whether the pool operator is an individual customer acting as its own pool, or an aggregated customer pool operator. For purposes of calculating these charges, the usages of all customers within a pool will be combined into a single pool usage number, which will be matched against the pool operator's total deliveries to its IT pool.

LATE PAYMENT CHARGE

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

TERMS AND CONDITIONS

The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided as well as the level of firm gas required by customer and any other circumstances relating to the individual customer.

The Company's "best efforts" is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company, such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

Pool operator agrees upon request by Company to produce, in a timely manner, proof of the purchase of the natural gas to be transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool gas' supplies.

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TERMS AND CONDITIONS (Contd.)

Company will not be liable for any costs and/or penalties charged by pipelines, or suppliers, because of pool operator's over or under deliveries into the pipeline, or pool customers' failure to take deliveries through customer's meters that in the aggregate match the amount of gas transported by the pool operator to the Company's city gate.

In order to qualify for Rate IT service, customers who satisfy the definition of human needs and public welfare customers and primary and secondary schools must purchase standby service, or have alternative fuel capability, or have a combination thereof sufficient to maintain minimal operations.

A human needs and public welfare customer is a customer whose facilities are used for residential dwelling on either a permanent or temporary basis; commercial customers of a residential nature; other customers whose service locations are places of the kind, where the element of human welfare is the predominant factor; and civil and governmental customers whose facilities are required in the performance of protecting and preserving the public health, safety, and welfare. Such facilities shall include, but are not limited to, houses, apartment buildings, correctional institutions, hospitals, nursing homes, and charitable institutions. Specifically excluded are hotels and motels used for temporary lodging and not used as a principal place of residence on a monthly or yearly basis.

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on a daily basis. Daily operational information shall include information on daily gas flows provided by Automatic Meter Reading (AMR), equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator with its best estimate of daily gas deliveries for individual customer's and the pool's combined accounts.

In order to administer the provisions of this tariff and monitor customer's daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such telemetric equipment, either through a lump sum payment, or at the Company's option, *through a monthly facilities charge designed to reimburse the Company for the costs of such equipment.* Customer will also be responsible for providing the Company with access to a telephone service at customer's metering site, or such other equipment or utilities which may be necessary, and shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

The primary term of contract shall be a minimum of one (1) year. After completion of the primary term, such contract shall continue month to month unless cancelled by either party by giving thirty (30) days written notice. In the event customer re-applies for service under this tariff within one year of having this contract terminated at customer's request, customer shall pay the minimum charges specified in the Net Monthly Bill provision for the number of months customer's service was inactive.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

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RATE FT

FIRM TRANSPORTATION SERVICE

AVAILABILITY

Firm full requirements transportation service, which is provided from the Company's city gate receipt points to the outlet side of Company's meter used to serve the customer. This service is available within the Company's entire service territory, and at the customer's option, to serve the firm service requirements of interruptible transportation customers in combination with service under Rate IT to all non-residential customers except for those customers whose utility service accounts are past due at the time customer desires to utilize this service. The Company may terminate a customer's supplier contract for non-payment and return the customer to the Company's service only if: (1) the Supplier has made an affirmative request for the Company to act as its agent to terminate customer contracts for non-payment; and (2) the Supplier has included in its customer contracts, a notice that the Company can terminate such contracts for non-payment. Where the Supplier is performing its own billing of the gas supply, termination of the agreement will be at the discretion of the Supplier, as specified in the Supplier contracts for service. The Supplier or the Company shall give no less than 30 days written notice that the customer will be switched from the Supplier and revert to the Company unless the past due amount is paid by the customer's next scheduled bill due date. If the past due amount is paid by the next scheduled bill due date, the customer will not revert to the Company and will remain with the Supplier. If the Company provides the late payment notice to the customer, it will send a copy of the notice to the customer's Supplier. Service shall be provided on demand from the Company's city gate receipt points to the outlet side of Company's meter used to serve the customer. Customer must enter into a "pooling" agreement with a Supplier that meets the Company's requirements for participation in this pooling program, and must arrange for the delivery of gas into Company's system.

Customers who believe that they will significantly increase throughput, from their historic firm service levels, shall so inform the Company.

Gas transported under this tariff shall be for customer's sole use at one point of delivery where distribution mains are adjacent to the premise to be served. Any gas provided hereunder shall be provided by displacement.

DEFINITIONS

Terms used in this tariff are defined in the same manner as set forth in Rate FRAS, Sheet No. 44.

CHANGES IN CUSTOMERS' SERVICE ELECTIONS

Customers, who elect service under this tariff and later return to Company's sales service may do so only in accordance with the requirements of the Company's tariffs and applicable regulations of the Public Utilities Commission of Ohio. If a customer voluntarily elects to return to the Company's sales service, all incremental gas procurement, upstream transportation, and storage costs incurred by Company in order to return customer to sales service shall be borne by customer pursuant to the Commission's Gas Transportation Program Guidelines adopted in Case No. 85-800-GA-COI.

Filed pursuant to an entry dated May 16, 2007 in Case No. 07-522-GA-ATA before the Public Utilities Commission of Ohio.

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TRANSFER OF SERVICE

Customers may transfer from one Supplier's pool to any other Supplier's pool or revert to the Company's sales service upon payment of a \$4.00 switching fee. If the Company's firm transportation program terminates, or if the Company terminates a customer's Supplier's participation in the Company's transportation program, the customer may revert to the Company's sales service without paying the switching fee.

After the Company installs additional information system capability on or before September 1, 2007, a customer participating in a governmental aggregation will not be subject to the switching fee, regardless of whether the customer returns to the Company's sales service from the governmental aggregation or the governmental aggregator chooses to switch its aggregation to a different Supplier.

CHARACTER OF SERVICE

Service provided under this schedule shall be firm service.

NET MONTHLY BILL

The Net Monthly Bill shall be determined in accordance with the following rates and charges:

Administrative Charge	<u>\$21.00</u>	(I)
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Plus the applicable charge per month as set forth on Sheet No. 65,
Rider AMRP, Accelerated Main Replacement Program.

Plus a charge per CCF for each CCF of gas transported for customer from
Company's city-gate measuring stations to the outlet side of Company's meter
used to measure deliveries to customer:

First 1,000 CCF transported at	<u>\$0.1630</u> per CCF	(C)
Next 4,000 CCF transported at	<u>\$0.1570</u> per CCF	(C)
Additional CCF transported at	<u>\$0.1540</u> per CCF	(C)

Plus, all transported gas shall be subject to an adjustment per CCF as set forth on:

Sheet No. 63, Rider PIPP, Percentage of Income Payment Plan.

Sheet No. 66, Rider GSR, Gas Surcredit Rider

Sheet No. 67, Rider UE-G, Uncollectible Expense Rider

Sheet No. 68, Rider STR, State Tax Rider.

Sheet No. 69, Rider MSR-G, Merger Savings Credit Rider - Gas

Sheet No. 76, Rider CCCR, Contract Commitment Cost Recovery Rider.

Plus, or minus, rate adjustments which may occur as a result of changes in the rates of interstate pipelines, or of rulings of the Public Utilities Commission of Ohio and/or the Federal Energy Regulatory Commission, and for which it is determined that all customers should be allocated some portion of the corresponding costs or refunds.

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Issued: May 17, 2007

Issued by Sandra P. Meyer, President

Effective: May 31, 2007

NET MONTHLY BILL (Cont'd)

In addition, the net monthly bill, as calculated above, shall be adjusted by application of the percent specified on Sheet No. 64, Rider ETR, Ohio Excise Tax Liability Rider, except that finance charges are excluded in the computation of the net bill.

Customer and/or its Suppliers shall be responsible for the collection and payment of excise taxes, revenue taxes, or similar taxes on the gas supplies that customer purchases from its Supplier.

MINIMUM BILL

The monthly minimum bill shall be the Administrative Charge and applicable charge under Rider AMRP shown above, plus the percentage specified in Rider ETR, Sheet No. 64, Ohio Excise Tax Liability Rider.

LATE PAYMENT CHARGE

Payment of the total amount due must be received in Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance of the bill is due and payable. However, this provision is not applicable to the unpaid account balances of those customers being backbilled in accordance with Section 4933.28 Ohio Revised Code, or to the unpaid gas commodity portion of account balances of those customers served by a Supplier participating in the Company's Choice Program where Company has not agreed to purchase the Supplier's accounts receivable.

GENERAL TERMS AND CONDITIONS

1. Approved Supplier List

Company shall maintain a list of qualified Suppliers from which customer can choose. Such list shall include Suppliers who sign a Gas Supply Aggregation/Customer Pooling Agreement in which Supplier agrees to participate in, and abide by Company's requirements for, its pooling program. This list shall be available to customer upon request.

2. Applications and Service Date

A customer who desires service under this tariff shall apply through its chosen Supplier. Unless the Company determines that the customer is not eligible to become a transportation customer of the Supplier, the Company shall transfer the customer to the Supplier's pool on the customer's next regularly scheduled meter reading date that is twelve (12) or more calendar days from the date the Company receives the transfer request from the Supplier. The Company shall notify the Supplier of the actual transfer date.

A customer may request termination of service under this tariff and return to the Company's sales service by notifying the Company, and the request will become effective on the customer's next regularly scheduled meter reading date that is twelve (12) or more calendar days from the receipt of such notification. In the event that a customer is returned to sales service for non-payment, the Supplier shall provide the Company with notice of termination and shall comply with any notice requirements of the Suppliers' Code of Conduct set forth in Rate FRAS, Sheet No. 44.

Filed pursuant to an entry dated May 16, 2007 in Case No. 07-522-GA-ATA before the Public Utilities Commission of Ohio.

GENERAL TERMS AND CONDITIONS (Cont'd)

3. Delivery Pressure and Gas Composition

Gas service under this tariff shall be at the pressure that is currently available at customer's premise. During severe weather periods, the Company must sometimes supplement its flowing gas supplies with propane-air gas produced at peaking plants located at various points on the Company's system. While the Company attempts to manufacture such gas at a heating value roughly equivalent to the heating value of its flowing gas supplies, it is not always able to do so.

A customer whose operations are affected by swings in the composition of the Company's gas is required to notify the Company of that fact so that the Company can give the customer advance notice when the propane plants are going to be in operation.

4. Service Term

Except customers returned for non-payment or for good cause shown, a customer who elects service under this tariff, other than a small commercial customer, shall not be permitted to return to Company's sales service for at least one (1) year.

5. Regulatory Approvals

Customer's Supplier shall be responsible for making all necessary arrangements and securing all requisite regulatory or governmental approvals, certificates or permits to enable gas to be delivered to the Company's system.

AUTOMATIC METER READING EQUIPMENT

If the customer requests the Company to install remote meter reading equipment at customer's meter location in order to monitor the customer's usage on a daily basis, customer shall be responsible for the cost of such equipment either through a lump-sum payment or monthly facilities charges, at the Company's option, designed to reimburse the Company for the cost of such equipment.

In the event customer, in co-operation with its Supplier, wishes to install telemetering devices or related equipment in order to monitor consumption, the Company shall provide the necessary interface with its meters. Customer shall be responsible for the costs of providing such interface, including the cost of electric and or telephone services, if required. Customer shall pay the Company, either through a lump-sum payment or monthly facilities charges, at the Company's option, designed to reimburse Company for the cost of providing such interface. Customer shall be solely responsible for installing, maintaining, and operating devices that it installs. Customer, or its agent, shall provide the Company with daily usage data if requested by the Company. In the event of disagreement between the parties, the Company's metered consumption data shall be used for all billings to the customer.

RATE SS

STANDBY SERVICE

APPLICABILITY

Available to any human needs and public welfare customer requiring standby service where Company has adequate peak day and annual contractual arrangements. If contractual arrangements are inadequate to accommodate customer, Company shall decline to initiate such service until adequate arrangements can be completed.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:

The monthly contract volume, specified in the written agreement multiplied by the standby service charge is due and payable, except at such time as the standby volumes are required by customer. In that instance, customer shall be billed according to the provisions of customer's applicable general service tariff, plus the net monthly bill for standby service, which has been reduced to reflect, actual gas consumed.

The standby service charge is a monthly charge per MCF designed to recover pipeline demand costs, gas inventory charges, and similar charges the Company incurs as a result of arranging standby service.

LATE PAYMENT CHARGE

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

TERMS AND CONDITIONS

The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements concerning the volumes to be reserved for customer and the resulting monthly amount to be paid by customer, as well as any other circumstances relating to the individual customer.

A human needs and public welfare customer is a customer whose facilities are used for residential dwelling on either a permanent or temporary basis; commercial customers of a residential nature; other customers whose service locations are places of the kind where the element of human welfare is the predominant factor; and civil and governmental customers whose facilities are required in the performance of protecting and preserving the public health, safety, and welfare. Such facilities shall include, but are not limited to, houses, apartment buildings, correctional institutions, hospitals, primary and secondary schools, nursing homes, and charitable institutions.

The primary term of contract shall be a minimum of one (1) year with a renewal or termination date of October 31 of each year. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice preceding October 31 of each year.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

Issued: March 31, 2006

Issued by Sandra P. Meyer, President

Effective: April 3, 2006

RATE SSIT

SPARK SPREAD INTERRUPTIBLE TRANSPORTATION RATE

AVAILABILITY

Interruptible local delivery service for natural gas to be used in commercial gas fired electric generators and available to any customer who: (1) signs a contract with the Company for service under this Rate SSIT; (2) arranges for the delivery of gas into the Company's system for customer's sole use at one point of delivery where distribution mains are adjacent to the premise to be served; and (3) utilizes natural gas transported under this tariff as its primary fuel source in a combustion gas turbine unit(s) or combined cycle unit(s) for the purpose of generating electricity. Service under this tariff will be provided by displacement and on a best efforts basis. The Company reserves the right to decline requests to initiate or continue service hereunder whenever, in the Company's sole judgment, rendering service will be detrimental to the operation of the Company's system or impair its ability to supply gas to customers receiving service under the provisions of Rate RS, Rate GS, Rate RFT, Rate FT, Rate DGS, Rate IT, or other special contract arrangements. This tariff schedule shall not preclude the Company from entering into special arrangements with Commission approval, which are designed to meet unique circumstances.

The service provided hereunder will be interruptible local gas delivery service provided on a best efforts basis from the Company's city gate receipt points to the outlet side of Customer's meter. The Company, to insure its ability to reliably supply gas to customers receiving service under the provisions of Rate RS, Rate GS, Rate RFT, Rate FT, Rate DGS, and Rate IT, as well as under interruptible special contract arrangements, shall have the right for operational reasons to designate the city gate receipt points where the customer is required to deliver gas into the Company's system.

In order to receive service under this tariff, Customer must have in place throughout the term of this agreement a gas storage/balancing service agreement with an upstream supplier under which that supplier will balance customer's hourly and daily usage with deliveries into the Company's system. The Company will install at Customer's expense metering equipment that will allow it to monitor customer's hourly and daily usage

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:

All gas delivered is billed in units of 1000 cubic feet (MCF).

Administrative Charge per month:

\$595.86

Facilities Charge per month:

Monthly amount required to amortize the incremental costs that the Company incurs in order to construct facilities to bring service to Customer, including the costs of such facilities as mains and service installations, metering and regulating equipment, and telemetric and flow control equipment.

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139 East Fourth Street
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NET MONTHLY BILL (Contd.)

Delivery Charge:

Company will deliver the arranged-for gas, less shrinkage, which is equal to the Company's system average unaccounted-for percentage, at a variable Spark Spread Rate determined as follows:

The transportation rate (\$ per MCF) shall be the greater of (Heat Rate / 1,000) x 0.0204 or (Spark Spread - 10.00) x (51.4 / Heat Rate)

Where:

Spark Spread = Electric Price - (Gas Price x Heat Rate / 1,000)

Heat Rate = Average heat rate at High Heating Value (HHV), subject to annual audit.

Electric Price = Weighted Average Index in \$/MWh for "Into Cinergy" as listed in Megawatt Daily.

Gas Price = Columbia Gas Appalachian midpoint in \$/MMBtu as listed in Gas Daily.

Examples (Heat Rate = 8000):

Electric Price \$/MWH	Gas Price \$MMBTU	Spark Spread \$/MWH	Transportation Rate \$/MCF
\$ 25.00	\$4.000	\$ (7.00)	\$0.1632
\$ 50.00	\$4.000	\$ 18.00	\$0.1632
\$ 75.00	\$4.000	\$ 43.00	\$0.2120
\$100.00	\$4.000	\$ 68.00	\$0.3727
\$125.00	\$4.000	\$ 93.00	\$0.5333
\$150.00	\$4.000	\$118.00	\$0.6939
\$175.00	\$4.000	\$143.00	\$0.8545
\$200.00	\$4.000	\$168.00	\$1.0152
\$225.00	\$4.000	\$193.00	\$1.1758

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on Sheet No. 65, Rider AMRP, Accelerated Main Replacement Program, and the adjustment as set forth on Sheet No. 68, Rider STR, State Tax Rider.

EXCISE TAX RIDER

The net monthly bill shall be adjusted by application of the percent specified on Sheet No. 64, Rider ETR, Ohio Excise Tax Liability Rider, except that finance charges are excluded from the computation of the net bill.

MINIMUM BILL PROVISION

Customer will be subject to a monthly "minimum bill" equal to the Monthly Administrative Charge and Facilities Charge, as noted above, plus the percentage specified in Rider ETR, Sheet No. 64, Ohio Excise Tax Liability Rider.

Issued pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

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Issued by Sandra P. Meyer, President

such plan, the company shall offer the customer, if eligible pursuant to paragraph (A) of rule 4901:1-18-04 of the Administrative Code, another payment plan to maintain both services. *The company shall give the customer the opportunity to retain only one service by paying the defaulted payment plan portion attributable to that service and by continuing payment on the portion of the extended payment plan attributable to that service subject to paragraph (B) of rule 4901:1-18-05 of the Administrative Code.*

- (E) If both the gas and electric service of a residential customer of a combination utility have been discontinued for nonpayment, the company shall reconnect both services, or either service, as designated by the customer, pursuant to rule 4901:1-18-06 of the Administrative Code.
- (F) The combination utility company shall in its disconnection of service notice, as provided for in Chapter 4901:1-18 of the Administrative Code, advise combination residential customers of their rights to select the service(s) for retention or reconnection as provided for in paragraphs (C), (D), and (E) of this rule. The notice shall state with specificity the conditions under which customers may exercise their rights and shall state the telephone number and business address of a company representative to be contacted to inquire about those rights.
- (G) For a customer who has received a disconnection of service notice and who contacts the combination utility company, the company shall inform the customer of the total past due amount for each service, and with respect to the extended payment plans available under this rule, the monthly payment due on the past due amount for each service.

4901:1-18-11 Insufficient reasons for refusing or disconnecting service.

The company shall not refuse service to or disconnect service to any applicant/customer for any of the following reasons:

- (A) Failure to pay for service furnished to a former customer unless the former customer and the new applicant for service continue to be members of the same household.
- (B) Failure to pay a nonresidential account.
- (C) Failure to pay any amount which is in bona fide dispute. Where the customer has registered a complaint with the commission's public interest center or filed a formal complaint with the commission which reasonably asserts a bona fide dispute, the company shall not disconnect service if the customer pays either the undisputed portion of the bill, if known or can reasonably be determined, or the amount billed for the same billing period in the previous year.
- (D) Failure to pay any non-regulated service charges.

4901:1-18-12 Restrictive language prohibition.

Except as provided in rules 4901:5-37 and 4901:5-25-06 of the Administrative Code or other commission-approved curtailment provisions, no natural gas company or electric distribution utility shall deny service to a prospective customer or discontinue service to a present customer because the company would be or is providing only auxiliary, stand-by or emergency service as an alternative energy source.

Upon application to and approval by the commission, a natural gas company or electric distribution utility may file a separate applicable tariff containing rates which reflect the costs incurred by that company to provide such services.

UNAUTHORIZED DELIVERIES

In the event customer fails to interrupt transportation deliveries at Company's request, any excess deliveries through customer's meter will be considered unauthorized deliveries that are subject to the flow through of pipeline penalty charges to the extent that they are incurred by the Company, and in addition thereto, shall be paid for as specified under the "Charges For Unauthorized Deliveries" provision of this rate schedule. The charges for such unauthorized deliveries shall be billed directly to the customer. However, Company may at its sole discretion physically discontinue service to the customer if customer refuses to interrupt service when requested by Company. Further, Company may temporarily or permanently discontinue service if customer fails to operate in accordance with the Company's directives and limitations regarding service under this tariff.

CHARGES FOR UNAUTHORIZED DELIVERIES

Any customer taking unauthorized deliveries shall be billed an amount reflective of the general service rate, Rate GS, Sheet No. 32, including the expected gas cost component of the gas cost recovery rate or Company's highest cost gas, and one month's pipeline and supplier related demand charges on the volume difference (this charge shall not be imposed more frequently than once in any 30 day period) and/or the cost of operating the Company's propane peak shaving plant, and/or, if so required to effectuate compliance with the interruptible provisions of this schedule, the cost incurred by the Company to valve-off the service. In any event, customer shall reimburse the Company for any interstate pipeline penalty charges resulting from such unauthorized deliveries.

BALANCING

For purposes of this tariff a "pool" shall be defined as one or more customers taking service under Rate SSIT that are joined together for supply management purposes. A "pool operator" has a contractual responsibility to manage the aggregated gas supply requirements of all Rate SSIT customers that comprise its pool. All supply management responsibilities of individual customers are transferred to the pool operator once a customer becomes a part of a pool, as the aggregated balancing requirements of all pool members are treated under this tariff as though they were a single customer with its own supply management responsibilities. Because of the large hourly and daily usage likely to flow under this tariff, pool operator is required to contract with the pipelines designated by the Company for hourly and daily deliveries that correspond with their actual burn of gas delivered under this tariff.

LATE PAYMENT CHARGE

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to five percent (5%) of the unpaid balance is due and payable.

TERMS AND CONDITIONS

The customer shall enter into a written agreement with the Company. Such agreement shall set forth specific arrangements as to the transportation services provided as well as the level of firm gas required by customer and any other circumstances relating to the individual customer.

The Company's best efforts is defined as the right, at any time, to curtail or interrupt the delivery or transportation of gas under this tariff when, in the judgment of the Company, such curtailment or interruption is necessary to enable the Company to maintain deliveries to higher priority customers or to respond to any emergency.

Issued pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

TERMS AND CONDITIONS (Contd.)

Pool operator agrees upon request by Company to produce, in a timely manner, proof of the purchase of the natural gas transported, any necessary regulatory approvals, and any and all transportation arrangements with all interstate pipelines, intrastate pipelines, or others involved in transporting the pool gas' supplies.

Company will not be liable for any costs and/or penalties charged by pipelines, or suppliers, because of pool operator's over or under deliveries into the pipeline, or pool customers' failure to take deliveries through customer's meters that in the aggregate match the amount of gas transported by the pool operator to the Company's city gate.

The Company will provide customer, and/or its designated pool operator by electronic or other available means of communication, its best available operating data on gas deliveries to individual customers and for the combined pool on an hourly and daily basis. Hourly/daily operational information shall include information on hourly/daily gas flows provided by Automatic Meter Reading (AMR), equipment, telemetry, or any other means the Company has available to provide the customer, or its designated pool operator with its best estimate of hourly/daily gas deliveries for individual customer's and the pool's combined accounts.

In order to administer the provisions of this tariff and monitor customer's hourly/daily usage, the Company will install remote metering equipment on customer's meter site. Customer will be responsible for payment of the cost of such telemetric equipment, either through a lump sum payment, or at the Company's option, through a monthly facilities charge designed to reimburse the Company for the costs of such equipment. Customer will also be responsible for providing the Company with access to a telephone service at customer's metering site, or such other equipment or utilities which may be necessary, and shall also be responsible for the monthly charges for such telephone service or other necessary equipment or utilities.

The primary term of contract shall be a minimum of ten (10) years. After completion of the primary term, such contract shall continue unless cancelled by either party upon thirty (30) days written notice.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

Issued pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

Issued: March 31, 2006

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Issued by Sandra P. Meyer, President

RATE AS

POOLING SERVICE FOR INTERRUPTIBLE TRANSPORTATION

AVAILABILITY

Pooling service available to (1) customers receiving interruptible gas transportation service under Rate IT who are acting as their own pool operator for supply management purposes, and (2) pool operators designated by Rate IT customers to manage gas supplies on their behalf and as a part of an aggregated customer pool. For purposes of administering this tariff, the usages of all customers within a pool will be combined into a single pool usage number, which will be matched against the pool operator's total deliveries to its interruptible transportation pool.

CHARACTER OF SERVICE

Customers must elect whether they will operate as their own pool operator or choose a pool operator from a list of approved gas pool operators that have signed "Interruptible Transportation Pooling Agreements" with the Company. Such elections will be assumed to carryover from month to month unless the customer or pool operator notifies the Company to the contrary at least ten (10) days prior to the start of a new month. In such agreements, pool operators accept responsibility for meeting the aggregated daily and monthly gas delivery requirements of those interruptible transportation customers comprising their customer pool. Included among the aggregated gas supply and delivery obligations assumed by designated pool operators are requirements for responding to operational flow orders, daily, or monthly, balancing, monthly "cash outs", and payment of penalty charges exclusive of those arising from customers' failure to interrupt or curtail deliveries when ordered to do so by the Company.

Pool operators shall have access to Company-offered services including balancing services, and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

POOL OPERATOR REQUIREMENTS

Customers will not be permitted to join pools, nor shall pool operators be permitted to disband their pools, until all outstanding imbalances with the Company have been eliminated.

NET MONTHLY BILL

The Net Monthly Bill shall be rendered to the pool operator by the tenth day of the calendar month for services rendered during the preceding month, and shall consist of the following charges, or credits, calculated on an aggregated basis for the entire customer pool:

- (1) In those instances where gas supplies are purchased from, or sold to, the Company under the monthly "cash-out" provision of Rate IDBS or Rate IMBS, Company shall bill pool operator for the cost of such "cash-outs" based on the aggregated imbalance of the pool and the "cash-out" pricing provision of those tariff schedules.

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NET MONTHLY BILL (Contd.)

- (2) In those instances where the pool operator has failed to respond to operational flow orders ("OFOs"), pool operator will be billed unauthorized overrun/underrun charges, in addition to the flow-through of penalty charges from pipeline and gas suppliers, that can be attributed to pool operator's failure to respond.

LATE PAYMENT CHARGES

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable.

TERMS AND CONDITIONS

Pool operators must enter written service agreements with the Company. Such service agreements shall set forth specific covenants and obligations undertaken by the Company and pool operators under this tariff on behalf of the customers that they serve.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

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Issued by Sandra P. Meyer, President

Duke Energy Ohio
139 East Fourth Street
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P.U.C.O. Gas No. 18
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RATE GTS

GAS TRADING SERVICE

AVAILABILITY

Daily/monthly inter-pool imbalance trading services, available to (1) customers receiving interruptible gas transportation service under Rate IT who are acting as their own pool operator for supply management purposes, (2) pool operators designated by Rate IT customers to manage their gas supplies on their behalf and as a part of an aggregated customer pool and (3) pool operators designated by Rate RFT and Rate FT customers to manage their gas supplies under Rate FRAS.

CHARACTER OF SERVICE

The Company will operate an electronic bulletin board (EBB) through which eligible pool operators can notice offers of gas supplies for purchase, sale, or trade. The pool operator offering to purchase, sell, or trade gas supplies must provide the following information for publication on the EBB:

- A) the pool operator's name,
- B) contact person and telephone number,
- C) quantities of gas available for purchase, sale or trade,
- D) other general text trade terms.

Daily imbalance trades or transfers must be made within four (4) business days from the date that the trade or transfer applies. Monthly imbalance trades or transfers must be completed within four (4) business days following the end of the month. If a pool operator has elected service under Rider EFBS, daily imbalance trades or transfers must be made within three (3) business days from the date that the pool operator is notified of the back-casted TSQ.

Transactions will be completed when the pool operator(s) on both sides of a transaction, key their acceptance into the EBB. When that occurs, all other would-be acceptors of the offer are locked out. The Company will adjust the daily/monthly accounts of both parties to a transaction in order to record the volume transfer embodied in the transaction. Any dollar payments, receipts, or exchanges of other consideration agreed upon between the parties to a transaction are outside the scope of this tariff and must be completed between the parties themselves.

BILLING

The Company will bill the receiving party to a transfer under this tariff a \$5.00 fee for each transaction. For purposes of this tariff, a transaction is each transfer of gas supplies from one pool to another on a specific gas day pursuant to an arrangement by, or between, pool operator(s) to purchase, sell, or trade gas supplies. For purposes of this tariff, the receiving party of a transfer is the purchaser or the party to whom gas supplies are transferred on a specific gas day.

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P.U.C.O. Gas No. 18
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(C)

RATE IMBS

INTERRUPTIBLE MONTHLY BALANCING SERVICE

AVAILABILITY

Interruptible transportation monthly gas balancing service available (1) to customers receiving service under Rate IT who are acting as their own pool for supply management purposes, and (2) to pool operators designated by customers to manage their gas supplies on their behalf, and as a part of an aggregated customer pool. For purposes of this tariff, a pool shall aggregate the requirements of all pool member customers and be treated as a single customer for supply management purposes.

CHARACTER OF SERVICE

The service provided under this tariff is a "best efforts," interruptible, monthly gas balancing service that requires only a general obligation to balance daily pool usage with pool deliveries into the Company's city gate stations and provides that no daily imbalance charges or penalties will be levied on the pool operators, except on those days when operational flow orders (OFO) have been issued. However, pool operators are under a continuing obligation to work with the Company in a good faith manner to respond to both formal and informal system management requests, and to strive to maintain relative daily balancing on the system throughout the course of the month (i.e., avoid zero nominations, flat nominations and make weekend nominations.) For purposes of this tariff an "Operational Flow Order" shall be defined as "a directive issued by the Company to a pool operator requiring such pool operator to deliver daily gas quantities into the Company's designated receipt points in quantities that match their pool's actual daily measured usage, or in quantities consistent with those requested by the Company." OFO's shall be issued for operational reasons only, and not for economic considerations. In the event a pool operator violates this tariff or the aggregation agreement, the Company may assess such a violator for all direct incremental gas supply, capacity, or storage costs incurred due to the violation. In addition, if the violations are part of a pattern of non compliance or of a magnitude that merits additional action be taken, the Company may take steps to suspend or permanently remove a pool operator from participation upon notice. The Company shall have the right to limit or terminate the availability of this service to pool operators guilty of excessive abuse of the system; i.e., engaging in extreme and/or continued violations of the tariff terms and conditions including this general balancing requirement. For purposes of administering this tariff, the daily and monthly usages of all customers within a pool will be combined into single daily/monthly pool usage number, which will be matched against the pool operator's total daily/monthly deliveries to its interruptible transportation pool.

SERVICE DESCRIPTION

Interruptible transportation customers who avail themselves of the service under this rate schedule must select monthly imbalance carry over tolerance levels from among the following options:

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SERVICE DESCRIPTION (Contd.)

	Allowed Monthly Under-Run %	Allowed Seasonal Monthly Over-Run		Charge on All Throughput
		May Through November %	December Through April %	
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

Pool operators who select the balancing service contemplated under this Rate IMBS shall be held to a monthly balancing requirement within the monthly imbalance carry over tolerance level selected. Pool operators shall be subject to only a general obligation to balance pool requirements and deliveries on a daily basis unless an OFO has been issued.

On days when OFO's have been issued for operational purposes other than to simply affect receipt point changes, pool operators are required to operate on a "gas-in equals gas-out" basis. Any net imbalances on these OFO days may result in unauthorized overrun/underrun charges, or penalty charges being levied against the responsible pool operator. Such charges shall be calculated in accordance with the "Charges for Unauthorized Deliveries" provision of Rate IT, Interruptible Transportation Service. In order to minimize daily imbalance charges and penalties on OFO days, as well as end of month imbalance "cash outs," pool operators are encouraged to participate in the Company's inter-pool imbalance trading/transfer opportunities and related electronic bulletin board (EBB) services. Daily imbalance trades/transfer made through the Company's EBB must be completed within four (4) business days from the date that the trade or transfer applies. Monthly imbalance trades to comply with the monthly balancing requirements of Rate IMBS must be made within four (4) business days after the end of the month. The pool or pool operator receiving gas that has been traded or transferred will be billed a fee in accordance with Rate GTS for each transaction.

NET MONTHLY BILL

Net monthly imbalances will be calculated for billing purposes as the net of:

- a) actual deliveries,
- b) plus or minus imbalance trades,
- c) plus or minus unauthorized daily or monthly OFO overrun/underrun volumes,
- d) plus monthly imbalance carryover,
- e) minus actual metered usage on an aggregated pool basis, as adjusted for unaccounted for losses.

The Net Monthly Imbalance percentage will be determined by dividing the net monthly imbalance as measured at the burner tip by the burner tip equivalent total aggregated pool deliveries for the month.

NET MONTHLY BILL (Contd.)

Pool operators receiving balancing services under this rate schedule shall be subject to the following charges:

- (1) *Unauthorized overrun/underrun charges as described above and resulting from pool operator's failure to comply with daily operational flow orders except as provided above.*
- (2) *End of month "cash out" charges for volumes over/under delivered outside of pool operator's selected Option tolerance levels, as follows:*
 - (a) *Over-deliveries are defined as monthly deliveries into the Company's city gate stations, plus the prior month's carryover volumes that exceed the pool's aggregated customer's metered usage for the month as adjusted for shrinkage back to the city gate, and as adjusted for the pool's elected monthly carry over tolerance percentage. Over-deliveries beyond the pool's elected monthly carry over tolerance percentage shall be cashed out to the pool operator at the first of the month index published in *Inside F.E.R.C. Natural Gas Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Onshore Louisiana Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city gate. (Note: For actual billing purposes a burner tip rate equivalent to that described above will be applied to the volumes delivered in excess of the elected monthly carry over tolerance percentage, as measured at the burner tip.)*
 - (b) *Under-deliveries are defined as monthly deliveries into the Company's city gate stations, plus the prior month's carryover volumes, that are less than the pool's aggregated customers' metered usage for the month, as adjusted for shrinkage back to the city gate). Under deliveries shall be cashed out at the first of the month index published in *Inside F.E.R.C. Natural Gas Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Onshore Louisiana Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city gate. (Note: For actual billing purposes a burner tip rate equivalent to that described above will be applied to the under-delivery volumes, as measured at the burner tip.)*

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.

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RATE DGS

DISTRIBUTED GENERATION SERVICE

AVAILABILITY

Available in the Company's entire service territory to customers who enter into a service agreement that identifies, among other provisions, facilities that are required to serve distributed generation installations. The facilities contemplated hereunder include, but are not limited to, the equipment necessary to accommodate non-standard system pressure. The Company reserves the right to decline requests to initiate or continue service whenever, in the Company's judgment, rendering the service would be detrimental to the operation of the Company's system or its ability to supply gas to customers receiving service under the provisions of Rates RS, RFT, GS, and FT.

CHARACTER OF SERVICE

The service provided under this tariff schedule is *firm, on-demand, delivery service*.

NET MONTHLY BILL

In addition to the provisions of the applicable firm transportation tariff, the following monthly charges shall apply for billing purposes.

Administrative Charge \$25.00

Plus the applicable charge per month as set forth on Sheet No. 65, Rider AMRP,
Accelerated Main Replacement Program

Monthly Capacity Reservation Charge

The customer shall pay, except when the installation is operating according to the service agreement, a monthly amount equal to the level of contract capacity stated in the service agreement, times the capacity reservation charge per CCF. The level of contract capacity is the customer's estimate of the maximum hourly load in CCF that the installation will require when operating as intended. The capacity reservation charge equals the delivery charge stated in the applicable firm transportation service tariff.

The minimum monthly capacity reservation charge per installation shall be \$2.00

Facilities Charge

The customer shall pay the amount specified in the service agreement.

Delivery Charge

All deliveries, as determined by the Company, shall be billed under the provisions of the applicable firm transportation service tariff.

EXCISE TAX RIDER

The net monthly bill shall be adjusted by application of the percent specified on Sheet No. 64, Rider ETR, Ohio Excise tax Liability Rider, except that finance charges are excluded from the computation of the net bill.

Issued pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

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Duke Energy Ohio
139 East Fourth Street
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LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly bill, which is the Net Monthly Bill plus five percent (5%), is due and payable.

TERMS AND CONDITIONS

The customer shall enter into a written service agreement with the Company which specifies the type of service(s) required, operational requirements, the facilities necessary to accommodate the type of service, and the level of capacity required by customer. The customer and the Company will mutually agree upon the level of contract capacity.

An additional meter shall be installed to separately measure the service hereunder.

The cost of facilities, as described in the service agreement, shall be paid by the customer.

The customer shall have contracted for such interstate pipeline services, including, but not limited to, firm transportation and no-notice delivery services, that are sufficient to satisfy the installation's planned operating schedule.

Changes in the level of contract capacity may be requested annually by the customer, on the anniversary date of the service agreement. Such requests shall be made at least thirty (30) days in advance of the anniversary date.

The term of contract shall be five years.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio as provided by law.

Issued pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

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Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
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RIDER DRR

DEFAULT RECOVERY RIDER

APPLICABILITY

Applicable to all firm sales and firm transportation customers.

DESCRIPTION

To be Determined

MONTHLY CHARGE

A charge per CCF shall be applied to all gas volumes delivered to customers within the customer class(es) served by the defaulting supplier, as shown below, to be adjusted pursuant to this tariff and R. C. 4929.20, as follows:

Residential	\$0.00000 per CCF
Commercial	\$0.00000per CCF
Industrial	\$0.00000 per CCF
Other Public Authority	\$0.00000 per CCF

SERVICE REGULATIONS

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

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RIDER X

MAIN EXTENSION POLICY

APPLICABILITY

Applicable to gas service supplied in accordance with provisions of the appropriate rate currently in effect, from the nearest available distribution main when, in the opinion of the Company, it is necessary to extend such main.

EXTENSION PLAN

1. Normal Extensions.

An extension of one hundred (100) feet or less shall be made by the Company to an existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one year or more.

2. Other Extensions.

(a) Individual Customer.

The Company may extend a main in excess of one hundred (100) feet without charge to an individual customer whose monthly volume shall be in excess of the minimum use as specified within the applicable tariff under which service will be provided and the Company has existing adequate peak demand capabilities, as required by the customer. In the event the Company's applicable tariff does not contain a minimum use volume, then the monthly minimum bill, exclusive of customer charges and the cost of purchased gas, shall be one and one-half percent (1.5%) of the cost of the main extension. The customer will be obligated to receive service for a minimum term which will allow the Company to recover the cost of the main extension. The customer shall be billed the minimum amount or volume for each month during the minimum term as specified in the agreement. In the event the customer terminates service prior to the expiration of the minimum term of service, the Company may charge the difference between the cost of the main extension and revenue received from the customer, exclusive of customer charges and the cost of purchased gas, as a termination charge.

(b) Multiple Customer Extensions.

(i) Existing Subdivisions and New Non-Joint Trench Subdivisions.

When an extension of the Company's main to serve an applicant, amounts to more than one hundred (100) feet per customer, the Company may require the total cost of the footage in excess of one hundred (100) feet per customer to be deposited with the Company by the applicant based on the estimated cost per foot for main extensions.

The applicant will be reimbursed under the following plan:

Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer, who paid for the excess footage, the cost of the one hundred (100) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed, but in no case shall the total amount refunded exceed the amount paid the Company. There shall be no refunds after the end of the said ten (10) year period.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

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Issued by Sandra P. Meyer, President

EXTENSION PLAN (Contd.)

(ii) **New Joint Trench Subdivisions.**

When an extension of the Company's approach and/or internal mains is necessary to serve a new subdivision, the Company will perform a net present value (NPV) analysis of the construction costs and the revenue to be received from each customer to be connected to the new mains. For purposes of the NPV calculation, the Company will assume that a complete build-out of the subdivision will occur in five years. If the NPV is positive, no deposit will be required for the new subdivision and the NPV will be credited toward the calculation of the deposit requirement for any approach main that may be required. If the NPV is negative, the amount of the NPV must be deposited for construction of the mains to serve the new subdivision. Any deposit made when the NPV is negative is eligible for a refund due to subsequent connections or extensions under the following plan:

Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension contract, the Company shall refund to the customer who paid for the excess footage an amount reflecting the positive impact of subsequent connections or extensions to the main extension. The Company will determine the positive impact of a subsequent connection or extension by analyzing the estimated cost and corresponding revenues resulting from the subsequent connection or extension. This amount will be paid when the first customer is connected to the subsequent connection or extension.

3. Nothing contained herein shall be construed to prohibit the Company from making extensions under different arrangements provided such arrangements have been approved by the Public Utilities Commission of Ohio.
4. Nothing contained herein shall be construed as to prohibit the Company from making, at its expense, greater extensions than herein prescribed, should its judgment so dictate, provided like free extensions are made to other customers under similar conditions.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of The Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with The Public Utilities Commission of Ohio, as provided by law.

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**INTERIM EMERGENCY AND TEMPORARY
RIDER PIPP
PERCENTAGE OF INCOME PAYMENT PLAN**

The current amount of Percentage of Income Payment Plan arrearages for recovery is a plus \$0.0169 per 100 cubic feet.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

Issued: March 31, 2006

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Issued by Sandra P. Meyer, President

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
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Cancels and Supersedes
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RIDER ETR

OHIO EXCISE TAX LIABILITY RIDER

APPLICABILITY

Applicable to all sales and transportation services provided by the Company on behalf of customers served under any of its prevailing rate schedules or lawful and valid contracts.

This Rider is also applicable to Rider STR, State Tax Rider.

EFFECTIVE RATE

The rider, stated in terms of a specific percent, to be applied to customers bills is 4.890%.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

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Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
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Cancels and Supersedes
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RIDER AMRP

ACCELERATED MAIN REPLACEMENT PROGRAM RIDER

APPLICABILITY

Applicable to all customers receiving service under the Company's sales and transportation rate schedules.

ACCELERATED MAIN REPLACEMENT PROGRAM FACTORS

All customers receiving service under Rate RS, Rate RFT, Rate GS, Rate FT and Rate DGS shall be assessed a monthly charge in addition to the Customer Charge component of their applicable rate schedule that will enable the Company to complete the bare steel/cast iron main replacement program. Customers receiving service under Rate IT and Rate SSIT will be assessed a throughput charge in addition to their commodity delivery charge, for that purpose. The maximum monthly Rider AMRP charge for any customers' Rate IT throughput, shall be \$500.00 per account.

Rider AMRP will be updated annually, in order to reflect the impact on the Company's revenue requirements of net plant additions as offset by operations and maintenance expense reductions during the most recent twelve months ended December. Such adjustments to the Rider will become effective with the first billing cycle of May, and during the first year will reflect the allocation of the required revenue increase based on the revenue distribution approved in the Company's last rate proceeding. In subsequent years, the allocation will be made on the basis of the actual base revenues excluding Rider AMRP revenues by rate class for the just completed calendar year. New allocations will be contained within the Company's annual filings.

The charges for the respective gas service schedules are:

Rate RS, Residential Service	\$ 5.77/month
Rate RFT, Residential Firm Transportation Service	\$ 5.77/month
Rate GS, General Service	\$30.44/month
Rate DGS, Distributed Generation Service	\$30.44/month
Rate FT, Firm Transportation Service	\$30.44/month
Rate IT, Interruptible Transportation Service	\$ 0.003/CCF
Rate SSIT, Spark Spread Interruptible Transportation Rate	\$ 0.003/CCF

These monthly charges shall remain in effect until changed by order of the Public Utilities Commission of Ohio.

Issued pursuant to an Order dated April 18, 2007 in Case Nos. 01-1228-GA-AIR and 01-1539-GA-AAM before the Public Utilities Commission of Ohio.

Issued: April 20, 2007

Issued by Sandra P. Meyer, President

Effective: May 1, 2007

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Duke Energy Ohio
139 East Fourth Street
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RIDER GSR

GAS SURCREDIT RIDER

APPLICABILITY

Amended Substitute House Bill No. 9 (HB9) requires the Company to remove from the Company's base rates, the amount of the assessments for the Public Utilities Commission of Ohio and the Office of Consumers' Counselor that is attributable to commodity sales service for those customers that do not purchase that service from the Company. This rider is applicable to all customers who receive their gas supply from a Competitive Retail Natural Gas Service (CRNGS) provider.

This rider will remain in effect until such time as the Company establishes new base rates and this rider is recalculated.

SURCREDIT AMOUNT

All customers who receive their gas supply from a CRNGS shall have the following surcredit rate applied to the gas distribution charge rendered by the Company:

\$0.0009999 per 100 cubic feet

(I)

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

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139 East Fourth Street
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RIDER UE-G

UNCOLLECTIBLE EXPENSE RIDER

APPLICABILITY

Applicable to all sales service and transportation customers.

DESCRIPTION

This rider enables the recovery of costs associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. The Company shall file an application with the Public Utilities Commission of Ohio if the Company determines that an adjustment of more than plus or minus ten (10) percent is needed to adjust for prior period over or under-collections.

MONTHLY CHARGE

A charge of \$0.00000 per CCF shall be applied to all gas volumes delivered to customers in the customer classes noted above.

SERVICE REGULATIONS

The supplying and billing for service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission Ohio.

Issued: March 31, 2006

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Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
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Cancels and Supersedes
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RIDER STR
STATE TAX RIDER

APPLICABILITY

Applicable to all sales and transportation services provided by the Company on behalf of customers served under any of its prevailing rate schedules or lawful and valid contracts unless the customer qualifies as a "flex" customer.

EFFECTIVE RATE

This rider shall be applied to all units of 100 cubic feet (CCF) as follows:

First 1,000 CCF	\$0.01593 per CCF
Next 19,000 CCF	\$0.00877 per CCF
Additional CCF	\$0.00411 per CCF

FLEX CUSTOMER

A "flex" customer is an industrial or commercial facility that has consumed more than one billion cubic feet (ten million CCF) of gas per year at a single location during any of the previous five (5) years, or an industrial or commercial end user of natural gas that purchases natural gas distribution services from a natural gas distribution company at discounted rates or charges established in any of the following:

1. a special arrangement subject to review and regulation by the PUCO under Section 4905:31 of the Revised Code;
2. a special arrangement with a natural gas distribution company pursuant to a municipal ordinance;
3. a variable rate schedule that permits rates to vary between defined amounts, provided that the schedule is on file with the PUCO.

A customer who meets this definition on January 1, 2000, or thereafter is a "flex" customer for the purposes of determining the rate of taxation under Division (D) of Section 5727.811 of the Revised Code.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

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Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
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Cancels and Supersedes
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Rider MSR-G

MERGER SAVINGS CREDIT RIDER - GAS

(D)

APPLICABILITY

Applicable to all customers receiving gas service under the Company's sales service and transportation schedules excluding Interdepartmental sales.

MERGER SAVINGS CREDIT RIDER FACTORS

The applicable commodity charges for gas service shall be decreased monthly on a volumetric basis to reflect the sharing of the merger savings, net of merger costs, per the merger savings sharing plan approved by the Commission in Case Nos. 05-0732-EL-MER, 05-0733-EL-AAM and 05-0974-GA-AAM. This Rider shall remain in effect for the period of March 1, 2007 through March 29, 2007.

<u>Rate Group</u>	<u>Rate</u>
	<u>\$/CCF</u>
<u>Rate RS, Residential Service</u>	<u>0.0101</u>
<u>Rate RFT, Residential Firm Transportation Service</u>	<u>0.0101</u>
<u>Rate GS, General Service</u>	<u>0.0038</u>
<u>Rate DGS, Distributed Generation Service</u>	<u>0.0000</u>
<u>Rate FT, Firm Transportation Service</u>	<u>0.0038</u>
<u>Rate IT, Interruptible Transportation Service</u>	<u>0.0017</u>
<u>Rate SSIT, Spark Spread Interruptible Transportation Rate</u>	<u>0.0000</u>

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio and to the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

Issued by authority of an Order of the Public Utilities Commission of Ohio dated December 21, 2005 in Case Nos. 05-0732-EL-MER, 05-0733-EL-AAM and 05-0974-GA-AAM.

Issued: February 28, 2007

Effective: March 1, 2007

Issued by Sandra P. Meyer, President

RIDER GCR

GAS COST RECOVERY

The Gas Cost Recovery Rate (G.C.R.) to be charged under these tariffs shall be determined in accordance with Chapter 4901:1-14 of the Ohio Administrative Code, which, in pertinent part, reads as follows:

APPLICABILITY

The provisions of this chapter shall apply to all gas and natural gas companies subject to the jurisdiction of the Commission, with respect to all schedules of rates established or approved by the Commission, including, but not limited to rate schedules approved or established under Sections 4905.31, 4909.19, and 4909.39 of the Revised Code. The provisions of this chapter shall not apply to municipal ordinance rates established under Section 743.26 or 4909.34 of the Revised Code or Article XVIII, Section 4 of the Ohio Constitution, except in instances where a municipal ordinance adopts, by reference or otherwise, rates established by the Commission.

GAS COST RECOVERY RATE

(A) The Gas Cost Recovery Rate equals:

- (1) The gas or natural gas company's expected gas cost for the upcoming quarter; plus or minus
- (2) The supplier refund and reconciliation adjustment, which reflects:
 - (a) Refunds received from the gas or natural gas company's interstate pipeline suppliers plus ten percent annual interest, except the jurisdictional portion of refunds applicable to the period prior to January 1, 1980, which are ultimately determined to be payable for sales to nonexempt industrial users which shall be paid in a lump-sum payment as approved by the Commission; and
 - (b) Adjustments ordered by the Commission following hearings held under Rule 4901:1-14-08 of the Administrative Code, plus ten percent annual interest; plus or minus
- (3) The actual adjustment which compensates for differences between the previous quarter's expected gas cost and the actual cost of gas during that quarter; plus or minus
- (4) The balance adjustment, which compensates for any under or over collections which have occurred as a result of prior adjustments.

(B) The gas cost recovery rate shall be calculated on Company wide basis.

(C) The final gas cost recovery rate shall be determined in accordance with Rule 4901:1-14-05(A).

REPORTS

(A) The Company shall submit quarterly gas cost recovery reports to the Commission, in such form as the Commission requires. The filing date for each such report shall be established by the Commission.

Filed pursuant to Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

Issued: March 31, 2006

Effective: April 3, 2006

Issued by Sandra P. Meyer, President

REPORTS (Contd.)

(B) Each quarterly report shall contain:

- (1) An updated gas cost recovery rate, determined in accordance with Rule 4901:1-14-05 and Appendix A of the Administrative Code;
- (2) The data and calculations used to determine the updated gas cost recovery rate; and
- (3) Such other information as the Commission requires.

CUSTOMER BILLING

- (A) Unless otherwise ordered by the Commission the quarterly updated gas cost recovery rate filed in accordance with Rule 4901:1-14-04 of the Administrative Code shall become effective and shall be applied to customer bills for service rendered on or after the thirtieth day following the filing date established by the Commission, or, at the option of the gas or natural gas company, on/or after the first day of the month following the thirtieth day after filing date established by the Commission. The Commission may at any time order a reconciliation adjustment as a result of errors or erroneous reporting.
- (B) Except as provided in paragraphs (C) and (D) of this rule, if the gas cost recovery rate changes during the customer's billing cycle, the gas or natural gas company shall apply a weighted average gas cost recovery rate to its customer bills. The weighted average gas cost recovery rate shall be determined in accordance with "Appendix B" to this chapter.
- (C) If the gas cost recovery rate changes during a customer's billing cycle, and if the customer's actual daily consumption is known by the gas or natural gas company, the company may, instead of applying a weighted average gas cost recovery rate, apply each gas cost recovery rate which was effective during the billing cycle to the volumes actually consumed when that rate was in effect.
- (D) The Commission may, upon request of the Company, and for good cause shown, exempt the Company from the requirement that it apply weighted average gas cost recovery rates to its customer bills. In determining whether to grant such requests, the Commission shall consider:
- (1) The number of customers served by the Company;
 - (2) The cost to the Company and its customer of determining weighted average gas cost recovery rates; and
 - (3) Such other factors as the Commission considers important.
- (E) The Company shall indicate on each customer's bill:
- (1) The gas cost recovery rate expressed in dollars and cents per MCF or CCF; and
 - (2) The total charge attributable to the gas cost recovery rate expressed in dollars and cents.

HEARINGS

At least thirty days after the filing of each audit report required under Paragraph (D) of Rule 4901:1-14-07 of the Administrative Code, the Commission shall hold a public hearing to review:

- (1) The audit findings, conclusions, and recommendations; and
- (2) Such other matters relating to the gas or natural gas company's gas cost recovery rates as the Commission considers appropriate.

AUDITS

The Commission shall conduct, or cause to be conducted, periodic financial and management/performance audits of each gas or natural gas company subject to the provisions of this chapter. Unless otherwise ordered by the Commission, the audits shall be conducted annually. Unless otherwise ordered by the Commission, each audit shall be conducted by a qualified independent auditing firm selected according to paragraphs (C) and (D) of Rule 4901:1-14-07. The cost of each such audit shall be paid by the gas or natural gas company.

DEFINITIONS

For purposes of this chapter:

- (A) "Commission" means the public utilities commission.
- (B) "Gas company" and "natural gas company" have the meanings set forth in Section 4905.03 of the Revised Code.
- (C) "Purchased gas adjustment clause" has the meaning set forth in Section 4905.302 of the Revised Code.
- (D) "Gas" means any vaporized fuel transported or supplied to consumers by a gas or natural gas company, including, but not limited to natural gas, synthetic gas, liquefied natural gas, and propane.
- (E) "Synthetic gas" means gas formed from feedstocks other than natural gas, including but not limited to coal, oil, or naphtha.
- (F) "Gas cost recovery rate" means the quarterly updated gas cost adjustment determined in accordance with Rule 4901:1-14-05 of the Administrative Code and "Appendix A" to this chapter.
- (G) "Mcf" means a unit of gas equal to one thousand cubic feet.
- (H) "Ccf" means a unit of gas equal to one hundred cubic feet.
- (I) "Gas costs" or "cost of gas" means the cost to a gas or natural gas company of obtaining the gas which it sells to its customers. The cost of gas shall include the transportation and storage charges of interstate pipeline suppliers to the extent that those charges are incorporated in the commodity rates or demand charges. The cost of gas does not include the cost of utility storage.
- (J) "Customer" means each billing account of a gas or natural gas company.

Filed pursuant to Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

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Issued by Sandra P. Meyer, President

DEFINITIONS (Contd.)

- (K) "Special purchase" has the meaning set forth in Section 4905.302 of the Revised Code.
- (L) "Self-help arrangement" means an arrangement between a gas or natural gas company and a customer providing for the transportation of gas owned by the customer from the point of production to the point of consumption.
- (M) "Includable gas supplies" means:
- (1) Primary gas supplies;
 - (2) Includable propane; and
 - (3) Utility production volumes.
- (N) "Primary gas supplies" means:
- (1) Supplies of natural gas or liquefied natural gas obtained from interstate pipeline suppliers, except short term supplies.
 - (2) Supplies of synthetic gas purchased under agreements approved by the commission under Section 4905.303 of the Revised Code, and other supplies of synthetic gas, except short term supplies, purchased under contracts approved by the commission;
 - (3) Supplies of gas obtained from other gas or natural gas companies;
 - (4) Supplies of gas, other than utility production volumes from old wells, obtained from Ohio producers;
 - (5) Supplies of gas made available to a gas or natural gas company under self-help arrangements;
 - (6) Special purchases of natural gas not included in short term supplies; and
 - (7) Utility production volumes from new wells provided that such volumes are priced at the lower of either: (a) the price currently being paid by the utility to independent Ohio producers for gas from like wells or (b) the lowest commodity rate currently being paid by the utility to any of its interstate pipeline suppliers.
- (O) "Includable propane" means:
- (1) Propane used for peak shaving purposes;
 - (2) Propane used for volumetric purposes at the end of a supply period to avoid monetary penalties, provided that the company promptly notifies the commission in writing of such usage; and
 - (3) Base Loading of Propane.

DEFINITIONS (Contd.)

- (P) "Utility production volumes" means all volumes of gas, other than synthetic gas, produced by a gas or natural gas company, or by a subsidiary or affiliate of a gas or natural gas company, unless the rates or charges for such production are subject to the jurisdiction of the Federal Energy Regulatory Commission.
- (Q) "Current direct cost of production" means the production and gathering expenses associated with utility production volumes from old wells which are included in accounts 750 through 769 of the "Uniform System of Accounts for Class A and B Gas Utilities," and accounts 710, 711, 713, 714, 715, 716, 717, and 719 of the "Uniform System of Accounts for Class C and D Gas Utilities."
- (R) "Production unit cost" means the current direct cost of production expressed in dollars and cents per Mcf.
- (S) "Short term supplies" means all special purchases of gas, to the extent that those purchases decrease the level of curtailment to any customer or class of customers, except special purchases approved by the commission under Section 4905.303 of the Revised Code. For purposes of this chapter, a special purchase decreases curtailment to a class of customers if curtailment of that class is reduced, maintained at the same level, or increased to a lesser degree as a result of the special purchase.
- (T) "Total sales" means all sales of includable gas supplies to retail customers. "Total sales" does not include volumes transported to consumers under self-help arrangements.
- (U) "Jurisdictional sales" means total sales, less sales to customers under municipal ordinance rates, except sales under municipal ordinances which have adopted, by reference or otherwise, rates established by the commission.
- (V) "Unit book cost" means the cost of total sales expressed in dollars and cents per Mcf as calculated using standard accounting methods acceptable to the commission and the gas or natural gas company's independent auditors submitting the certificate of accountability as required under paragraph (C) of Rule 4901:1-14-07 of the Administrative Code.
- (W) "Commodity rate" means the commodity portion of gas costs billed by a gas or natural gas company's suppliers expressed in dollars and cents per Mcf. For purposes of the calculations required under Rule 4901:1-14-05 of the Administrative Code, "commodity rate" means the commodity rate which is expected to be in effect on the fifth day after the effective date of the new gas cost recovery rate to be determined under that Rule.
- (X) "Monthly demand charge" means the monthly demand portion of gas costs billed by a gas or natural gas company's suppliers expressed in dollars and cents per Mcf. For purposes of the calculations required under Rule 4901:1-14-05 of the Administrative Code, "monthly demand charge" means the monthly demand charge which is expected to be in effect on the fifth day after the effective date of the new gas cost recovery rate to be determined under that Rule.

DEFINITIONS (Contd.)

- (Y) "Utility storage" means storage facilities operated and maintained by a gas or natural gas company, or by a subsidiary or affiliate of a gas or natural gas company, unless the charges for such facilities are incorporated in commodity rates or monthly demand charges filed with or approved by the Federal Energy Regulatory Commission.
- (Z) "Reconciliation adjustment" means a positive or negative adjustment to future gas cost recovery rates ordered by the commission pursuant to Rule 4901:1-14-06 or 4901:1-14-08 of the Administrative Code.
- (AA) "Supplier refund" means a refund from an interstate pipeline company ordered by the Federal Energy Regulatory Commission, including interest where ordered, where such refund is received as one lump sum payment or credit.
- (BB) "Expected gas cost" means the weighted average cost of primary gas supplies, utility production from old wells, and includable propane expressed in dollars and cents per Mcf and determined in accordance with "Appendix A" to this chapter.
- (CC) "Base Loading of Propane": Pursuant to the Public Utilities Commission of Ohio's February 16, 1983 Entry in Case No. 83-147-GA-UNC, "includable propane" for purposes of this tariff, includes the cost of propane vaporized for base load purposes provided that:
1. The cost of such propane is less per MCF than the marginal price of natural gas which would be consumed absent the use of such propane; and,
 2. The expected replacement price of such propane is equal to or less than the marginal price of natural gas which would be consumed absent the use of such propane.

The expected replacement price of propane is to be determined at the time the Company desires to vaporize and base load propane.

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
Sheet No. 71.126
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RIDER GCRR
GAS COST RECOVERY RATE

The Gas Cost Recovery Rate (GCRR) shall be determined in accordance with Chapter 4901:1-14 of the Ohio Administrative Code, which is substantially cited in its entirety on Sheet No. 70 of this Tariff, P.U.C.O. Gas No. 18.

The GCRR to be charged during the revenue month of June 2007 is \$0.9615 per 100 cubic feet.

Filed pursuant to an Order dated March 11, 2004 in Case No. 03-1384-GA-ORD before the Public Utilities Commission of Ohio.

Issued: May 11, 2007

Issued by Sandra P. Meyer, President

Effective: May 31, 2007

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
Sheet No. 75.2
Cancels and Supersedes
Sheet No. 75.1
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(c)

RIDER FBS

FIRM BALANCING SERVICE

APPLICABILITY

Applicable to pools served by gas suppliers/aggregators who secure their own total upstream pipeline capacity necessary to meet the aggregated peak day requirements as more fully described under the Assignment of Capacity provision contained in Rate FRAS, Full Requirements Aggregation Service, Sheet No. 44, and who elect to receive service for such pools under Rider FBS rather than Rider EFBS (Enhanced Firm Balancing Service).

BALANCING SERVICE CHARGE

The FBS charge, which will be applied to all monthly consumption of the supplier's aggregate FT and RFT services not included in a pool receiving service under Rider EFBS, is \$0.155 per Mcf.

Filed pursuant to an Order dated March 21, 2007 in Case Nos. 05-732-EL-MER and 05-733-EL-AAM
before the Public Utilities Commission of Ohio.

Issued: March 22, 2007

Issued by Sandra P. Meyer, President

Effective: April 1, 2007

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
Sheet No. 76.40
Cancels Sheet No. 76.39
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(C)

RIDER CCCR

CONTRACT COMMITMENT COST RECOVERY RIDER

APPLICABILITY

Applicable to all firm sales and firm transportation customers.

CONTRACT COMMITMENT COST RECOVERY RIDER

All firm customers served pursuant to Rates RS, GS, FT and RFT shall be assessed a surcharge to enable the Company to fully recover all costs of upstream pipeline contract commitments, propane costs, GSF contract costs, and Rate X-4 and X-5 costs which were incurred to supply gas to firm sales service customers who have elected to switch to gas transportation service.

The rate shall be in effect during the months of June 2007 through August 2007 and shall be updated quarterly, concurrent with the Company's Gas Cost Recovery filings, to reflect the cost of unneeded capacity, net of any costs that the Company is able to recover via its mitigation efforts, including, but not limited to, capacity release transactions. The charge for all CCF delivered for the respective gas schedules is as follows:

<u>Tariff Sheet</u>	<u>CCR Charge</u> (per CCF)
Rate RS, Residential Service	\$0.00000
Rate GS, General Service	\$0.00000
Rate RFT, Residential Firm Transportation Service	\$0.00390
Rate FT, Firm Transportation Service	\$0.00390

Filed pursuant to an Order dated November 28, 2000 in Case No. 00-1853-GA-ATA before the Public Utilities Commission of Ohio.

Issued: May 11, 2007

Effective: May 31, 2007

Issued by Sandra P. Meyer, President

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
Sheet No. 80.1
Cancels and Supersedes
Sheet No. 80
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RATE RCS

RESIDENTIAL CONSERVATION SERVICE PROGRAM

RESIDENTIAL CONSERVATION SERVICE PROGRAM

Upon request of an "eligible customer" as defined by Section 456-105(d), the Company shall provide certain services as prescribed by the National Energy Conservation Policy Act of 1978 (Public Law 95-619); 10 CFR Part 456 as amended by the Energy Security Act of 1980 (Section 544, Public Law 96-294); and the Ohio State Plan as approved by the United States Department of Energy. Prior to the Company providing requested services, the customer shall remit the amounts corresponding to the specific service(s):

<u>Class A Energy Audit</u>	<u>\$15.00</u>
<u>Class B Energy Audit</u>	<u>No Charge</u>
<u>Arrangement of Financing</u>	<u>\$ 7.50</u>
<u>Arrangement of Installation</u>	<u>\$ 7.50</u>

The maximum charge for all service(s) shall not exceed \$15.00.

Company will provide only one (1) Energy Audit in accordance with this Tariff for an "eligible customer" or successor for the same premises.

In the case of duplicate audits, the customer shall be provided an estimate of those direct costs which the utility intends to assess, and shall pay the total direct costs.

If the service(s) requested by the customer is (are) not performed, all moneys remitted by the customer for any RCS Program service shall be refunded to such customers.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

Issued: March 31, 2006

Effective: April 3, 2006

Issued by Sandra P. Meyer, President

(D)

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
Sheet No. 81.4
Cancels and Supersedes
Sheet No. 81.3
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RETURNED CHECK CHARGE

APPLICABILITY

Applicable to all customers in the Company's gas service area.

CHARGE

The Company may charge and collect a fee of \$20.00 to cover the cost of handling a check, tendered by a customer in payment of an account, which upon deposit by the Company is returned by the bank. Upon customer request, the Company will cancel the charge if the check was returned due to bank error.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

Filed pursuant to an Order dated April 10, 2006 in Case No. 05-1596-GA-UNC before the Public Utilities Commission of Ohio.

Issued: April 24, 2006

Effective: May 1, 2006

Issued by Sandra P. Meyer, President

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
Sheet No. 82.4
Cancels and Supersedes
Sheet No. 82.3
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CHARGE FOR RECONNECTION OF SERVICE

CHARGE FOR RECONNECTION OF SERVICE

The Company may charge and collect in advance a reconnection charge of seventeen dollars (\$17.00) in the following situations:

- A. For gas service which has been disconnected due to enforcement of the provisions specified on Sheet No. 20, Paragraph 3(g) or 3(h) of the Company's Gas Service Regulations;

In the event Sheet No. 20, Paragraph 3(d) of the Company's Gas Service Regulations is violated to the extent the customer is responsible for the unsafe or dangerous condition.

- B. For gas service which has been disconnected within the preceding twelve months at the request of the customer pursuant to Sheet No. 20, Paragraph 3(a).

- C. For gas service which has been disconnected for nonpayment of bills when due or when service is disconnected because of unauthorized or fraudulent use, tampering with Company equipment, or denial of access to the premises as set out in Section II Paragraph 9, Access to Premises, of these Gas Service Regulations.

And, if both the gas service and the electric service have been disconnected, the reconnection charge shall be the sum of the electric charge set forth in the applicable electric tariff plus the applicable charge for gas service, as set forth above, except that such charge shall not exceed thirty-eight (\$38.00).

Also, if service is discontinued because of unauthorized or fraudulent use thereof, the Company may charge and collect, in addition to the applicable charges as stated above, the expense incurred by the Company by reason of such unauthorized or fraudulent use, plus an estimated bill for gas used, prior to the reconnection of service.

CHARGE FOR FIELD COLLECTION

The Company may charge and collect the sum of fifteen dollars (\$15.00) if payment is made to a Company employee, whose authorized purpose was to disconnect service but is authorized to accept such payment, or to an employee dispatched by the Company to the premises to accept payment. The charge may be assessed on each visit, and shall be payable at the time of such visit. The charge may be assessed no more often than once per month.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

Issued: March 31, 2006

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Issued by Sandra P. Meyer, President

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
Sheet No. 83.1
Cancels and Supersedes
Sheet No. 83
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**RIDER SBS
OPTIONAL SUMMARY BILLING SERVICE PILOT**

APPLICABILITY

Applicable to non-residential jurisdictional customers having multiple electric and/or gas accounts with the Company, and who request that the billings for such accounts be summarized on a single statement. Summary Billing provides customers the convenience of receiving and paying one billing statement for their gas and electric utility accounts. The Company and customer shall enter into a service agreement specifying the applicable terms and conditions under which customer agrees to accept Summary Billing. The service agreement shall also identify the individual electric and gas accounts to be included in the Summary Bill, as agreed to by the Company and the customer.

SUMMARY BILLING STATEMENT

The Company will render one Summary Billing Statement each month that will summarize the customer's accounts. Additionally, customers may elect to receive a report that provides details of the associated accounts. Individual detail statements will not be provided, however, customers may elect to access detailed billing information regarding their accounts electronically.

SUMMARY BILL DUE DATE

The amount shown as owed on the Summary Billing Statement shall be due by the Summary Billing due date. The Company shall derive the due date by applying Generally Accepted Accounting Principles and incorporating the Time Value of Money. The Company will review this date in conjunction with any major changes to the Summary Billing Account, i.e., the removal or addition of accounts. Customers agree to waive their rights to the normal grace period between the rendering of the Summary Billing Statement and the due date, as specified in this Tariff. The period of time covered by the Summary Billing Statement shall be a uniform time period as agreed to by the parties prior to billing. Should such time period require revision due to changed circumstances, the Company will inform the customer prior to any such revision.

APPLICATION OF PAYMENT

Payment to the Company in full amount shall satisfy the bill rendered for services and all underlying accounts.

Payment will be considered delinquent if not received by the Company on or before the established Summary Bill due date. After an account becomes sixty (60) days past due, the summary billing agreement may be terminated without further notice.

Underpayments will be used to satisfy the oldest utility balance due first, based on billing date. These payments will then be paid out on the priority order established by the Company. Overpayments will reside on the master account, and be applied to the next billing.

BILLING ERRORS

Customers agree to pay the amount of the "summary total" indicated on the Summary Billing Statement. Adjustments to correct any billing errors will be made by the Company to the detail accounts and will be reflected in the following month's summary total.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

Issued: March 31, 2006

Effective: April 3, 2006

Issued by Sandra P. Meyer, President

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
Sheet No. 83.1
Cancels and Supersedes
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LATE PAYMENT CHARGE

Payment of the total amount due must be received in the Company's office by the due date shown on the bill. When not so paid, an additional amount equal to one and one-half percent (1.5%) of the unpaid balance is due and payable. The late payment charge is not applicable to unpaid account balances for services received from a Certified Supplier.

BILL INSERTS AND NOTICES

The Company will meet all statutory and regulatory requirements regarding bill inserts and notices by mailing a copy of such information to only the Summary Account.

ADDITIONAL TERMS AND CONDITIONS

There is no additional charge for Summary Billing Services.

Customers wishing to access their detail bills electronically should call the telephone number shown on their summary bill to receive confidential access to their billing information.

The customer may cancel summary billing for any reason upon thirty (30) days written notification to the Company. In the event of termination, the covered accounts will return to the normal billing and collection procedures of the Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

Issued: March 31, 2006

Effective: April 3, 2006

Issued by Sandra P. Meyer, President

Duke Energy Ohio
139 East Fourth Street
Cincinnati, Ohio 45202

P.U.C.O. Gas No. 18
Sheet No. 85.1
Cancels and Supersedes
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RATE ARM

ACCOUNTS RECEIVABLE MANAGEMENT SERVICE

AVAILABILITY

This service is available to all Suppliers who have been approved for participation in the Company's customer choice gas transportation program.

CHARACTER OF SERVICE

The Company will provide accounts receivable management service to the Supplier at a negotiated rate. Accounts receivable management service entails billing the Supplier's customers for gas commodity supplies and assuming the risk of collection for the billed amounts. Specifically, the Company will invoice the Supplier's customers for the non-regulated gas commodity and pay the Supplier the amount that Supplier authorizes Company to bill less the negotiated rate. For purposes of this service, "the amount that Supplier authorizes Company to bill", means the product of the metered usage in hundreds of cubic feet times the Supplier's price per hundred cubic feet.

Payment will be made by Company to Supplier by the twentieth (20th) of the month following the billing month.

TERMS AND CONDITIONS

The term of service is one (1) year, after which the negotiated rate may be renegotiated.

The Supplier and the Company will enter into a written agreement for this service.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-704-GE-ATA before the Public Utilities Commission of Ohio.

Issued: March 31, 2006

Effective: April 3, 2006

Issued by Sandra P. Meyer, President

RIDER FTDC

FIRM TRANSPORTATION DEVELOPMENT COST RIDER

APPLICABILITY

Applicable to all customers served under Rate RS, RFT, GS and FT.

FIRM TRANSPORTATION DEVELOPMENT COST RIDER

All customers served pursuant to the Company's firm sales and transportation tariffs, Rate RS, RFT, GS and FT shall be assessed a surcharge of 0.00 cents per 100 cubic feet for system development, informational and educational advertising expenses, program roll out expenses, and incremental regulatory and administrative expenses which the Company has incurred to establish and promote its Customer Choice firm transportation programs. This surcharge shall remain in effect until the Company has fully recovered all such costs, including carrying costs.

PERIODIC RECONCILIATION OF COSTS RECOVERED THROUGH THE RIDER

At least annually, the costs to be recovered through this Rider shall be subject to review and reconciliation with the revenues recovered through this Rider. Such review and reconciliation shall be conducted by the Company, the Commission's Staff, and the Ohio Consumers' Counsel. Based on such review and reconciliation, the amount of the charge (or credit) shall be adjusted until the Company has fully recovered, but not over-recovered, the costs. Thereafter, the Rider shall be cancelled.

Filed pursuant to an Order dated March 21, 2007 in Case Nos. 05-732-EL-MER and 05-733-EL-AAM before the Public Utilities Commission of Ohio.

Issued: March 22, 2007

Effective: March 30, 2007

Issued by Sandra P. Meyer, President

PFN EXHIBIT 4 – TYPICAL BILL COMPARISON

DUKE ENERGY OHIO
CASE NO. 07-0589-GA-AIR
TYPICAL BILL COMPARISON

(GAS SERVICE - YEAR 1)

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL, UPDATED, REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE E-6
PAGE 1 OF 3
WITNESS:
J. E. ZIOLKOWSKI

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA INCL ALL RIDERS LESS COST of GAS (1)							TOTAL CURRENT BILL (C + G) (H)	TOTAL PROPOSED BILL (D + G) (I)	PERCENT INCREASE (I-H)/H (J)
				CURRENT BILL & XTAX (C)	PROPOSED BILL & XTAX (D)	DOLLAR INCREASE (D - C) (E)	PERCENT INCREASE (E / C) (F)	GAS COST (2) & XTAX (G)					
1	(RS)	Not Applicable	1	14.64	18.47	3.83	26.2	9.32	23.98	27.79	18.0		
2	RESIDENTIAL	Applicable	3	19.23	23.94	4.71	24.5	27.95	47.18	51.89	10.0		
3			6	26.11	32.16	6.04	23.1	65.90	82.01	88.05	7.4		
4			8	30.70	37.62	6.92	22.5	74.54	106.24	112.16	6.6		
5			10	36.29	43.09	7.80	22.1	93.17	128.46	136.26	6.1		
6			12	39.88	48.56	8.68	21.8	111.81	151.69	160.37	5.7		
7			16	49.06	59.50	10.44	21.3	148.08	198.14	208.56	5.3		
8			20	58.23	70.44	12.21	21.0	186.35	244.58	256.79	5.0		
9			30	81.18	97.80	16.62	20.5	279.52	360.70	377.32	4.6		
10			40	104.12	125.15	21.03	20.2	372.70	476.82	497.85	4.4		
11			50	127.06	152.50	25.44	20.0	465.87	592.93	618.37	4.3		
12	60	150.01	179.86	29.85	19.9	559.04	709.05	738.90	4.2				
13	80	195.89	234.57	38.68	19.7	745.39	941.28	979.96	4.1				
14	100	241.78	289.28	47.50	19.6	931.74	1173.52	1221.02	4.0				
15	(RFT)		1	14.64	18.47	3.83	26.2	0.00	14.64	18.47	26.2		
16	RESIDENTIAL FIRM TRANSPORTATION		3	19.23	23.94	4.71	24.5	0.00	19.23	23.94	24.5		
17			6	26.11	32.15	6.04	23.1	0.00	26.11	32.15	23.1		
18			8	30.70	37.62	6.92	22.5	0.00	30.70	37.62	22.5		
19			10	35.29	43.09	7.80	22.1	0.00	35.29	43.09	22.1		
20			12	39.88	48.56	8.68	21.8	0.00	39.88	48.56	21.8		
21			16	49.08	59.50	10.44	21.3	0.00	49.08	59.50	21.3		
22			20	58.23	70.44	12.21	21.0	0.00	58.23	70.44	21.0		
23			30	81.18	97.80	16.62	20.5	0.00	81.18	97.80	20.5		
24			40	104.12	125.15	21.03	20.2	0.00	104.12	125.15	20.2		
25			50	127.06	152.50	25.44	20.0	0.00	127.06	152.50	20.0		
26	60	150.01	179.86	29.85	19.9	0.00	150.01	179.86	19.9				
27	80	195.89	234.57	38.68	19.7	0.00	195.89	234.57	19.7				
28	100	241.78	289.28	47.50	19.6	0.00	241.78	289.28	19.6				

(1) INCLUDES RIDERS FTMC, STR, AND PIP PLUS EXCISE TAX.
(2) EXPECTED GAS COST RATE EQUALS \$8.863/MCF.

DUKE ENERGY OHIO
CASE NO. 07-0589-GA-AIR
TYPICAL BILL COMPARISON
(GAS SERVICE - YEAR 1)

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVERSED
WORK PAPER REFERENCE NO(S):

SCHEDULE E-6
PAGE 2 OF 3
WITNESS:
J. E. ZIOLKOWSKI

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA INCL ALL RIDERS LESS COST OF GAS (1)					GAS COST (2)	TOTAL		TOTAL		PERCENT INCREASE (I-H) / H
				CURRENT BILL & XTAX (C)	PROPOSED BILL & XTAX (D)	DOLLAR INCREASE (D - C) (E)	PERCENT INCREASE (E / C) (F)			CURRENT BILL (C + G) (H)	PROPOSED BILL (D + G) (I)			
			(MCF)	(\$)	(\$)	(\$)	(%)		(\$)	(\$)	(\$)		(%)	
1	(GS)	Not	5	64.23	63.89	(10.34)	(16.1)		46.59	110.82	100.48	(9.3)		
2	NON-RESIDENTIAL	Applicable	10	74.50	66.83	(8.67)	(11.6)		93.17	167.67	169.00	(6.2)		
3			20	95.04	89.70	(5.34)	(5.6)		186.36	281.39	276.06	(1.9)		
4			40	136.12	137.44	1.32	1.0		372.70	808.82	610.14	0.3		
5			60	158.66	161.31	2.65	3.0		466.87	622.53	627.18	0.7		
6			100	269.36	280.66	11.30	8.2		931.74	1,191.10	1,212.38	1.8		
7			300	642.57	728.34	85.77	13.3		2,796.21	3,437.78	3,623.56	2.5		
8			600	1,026.78	1,176.03	149.25	14.5		4,668.09	5,684.47	6,834.72	2.6		
9			700	1,402.69	1,616.31	213.62	15.2		6,622.17	7,924.86	8,137.46	2.7		
10			860	1,586.37	1,944.77	358.40	16.4		7,919.77	9,506.14	9,864.64	2.7		
11			1,000	1,968.06	2,274.23	306.18	15.6		9,317.38	11,285.43	11,581.61	2.7		
12			2,000	3,862.61	4,470.63	608.02	15.0		18,634.76	22,467.37	23,106.39	2.7		
13			3,000	5,588.29	6,618.16	1,029.86	16.3		27,982.14	33,640.43	34,670.29	2.8		
14	(FT)		6	64.23	63.89	(10.34)	(16.1)		0.00	64.23	63.89	(16.1)		
15	NON-RESIDENTIAL		10	74.50	66.83	(8.67)	(11.6)		0.00	74.50	66.83	(11.6)		
16	FIRM TRANSPORTATION		20	95.04	89.70	(5.34)	(5.6)		0.00	95.04	89.70	(5.6)		
17			40	136.12	137.44	1.32	1.0		0.00	136.12	137.44	1.0		
18			60	158.66	161.31	2.65	3.0		0.00	158.66	161.31	3.0		
19			100	269.36	280.66	11.30	8.2		0.00	269.36	280.66	8.2		
20			300	642.57	728.34	85.77	13.3		0.00	642.57	728.34	13.3		
21			600	1,026.78	1,176.03	149.25	14.5		0.00	1,026.78	1,176.03	14.5		
22			700	1,402.69	1,616.31	213.62	15.2		0.00	1,402.69	1,616.31	15.2		
23			860	1,586.37	1,944.77	358.40	16.4		0.00	1,586.37	1,944.77	16.4		
24			1,000	1,968.06	2,274.23	306.18	15.6		0.00	1,968.06	2,274.23	15.6		
25			2,000	3,862.61	4,470.63	608.02	16.0		0.00	3,862.61	4,470.63	16.0		
26			3,000	5,588.29	6,618.16	1,029.86	16.3		0.00	5,588.29	6,618.16	16.3		

(1) INCLUDES RIDERS FTMC, STR, AND PIPP PLUS EXCISE TAX.
(2) EXPECTED GAS COST RATE EQUALS \$8.683/MCF.

DUKE ENERGY OHIO
CASE NO. 07-0689-GA-AIR
TYPICAL BILL COMPARISON
(GAS SERVICE - YEAR 1)

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE E-5
PAGE 3 OF 3
WITNESS:
J. E. ZIOLKOWSKI

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA INCL ALL RIDERS LESS COST OF GAS (1)				GAS COST (2)				TOTAL				PERCENT INCREASE			
				CURRENT BILL (C)	PROPOSED BILL (D)	DOLLAR INCREASE (D - C) (E)	PERCENT INCREASE (E / C) (F)	COST (G)	CURRENT BILL (C + G) (H)	PROPOSED BILL (D + G) (I)	PERCENT INCREASE (I - H) / H (J)								
1	(17)	Not	100,000	59,751.87	68,730.45	8,978.58	15.0		59,751.87	68,730.45	15.0								
2	INTERRUPTIBLE	Applicable	200,000	118,773.47	136,730.64	17,957.17	15.1		118,773.47	136,730.64	15.1								
3	TRANSPORTATION		300,000	177,795.07	204,730.83	26,935.76	15.1		177,795.07	204,730.83	15.1								
4			400,000	236,816.68	272,731.01	35,914.33	15.2		236,816.68	272,731.01	15.2								
5			500,000	295,838.28	340,731.20	44,892.92	15.2		295,838.28	340,731.20	15.2								
6			800,000	472,903.09	544,731.76	71,828.67	15.2		472,903.09	544,731.76	15.2								
7			1,000,000	590,946.30	680,732.14	89,785.84	15.2		590,946.30	680,732.14	15.2								
8			1,200,000	708,989.50	816,732.51	107,743.01	15.2		708,989.50	816,732.51	15.2								
9			1,500,000	886,054.31	1,020,733.07	134,678.76	15.2		886,054.31	1,020,733.07	15.2								
10			1,800,000	1,063,119.12	1,224,733.63	161,614.51	15.2		1,063,119.12	1,224,733.63	15.2								
11			2,000,000	1,181,162.33	1,360,734.01	179,571.68	15.2		1,181,162.33	1,360,734.01	15.2								
12			2,500,000	1,476,270.34	1,700,734.94	224,464.60	15.2		1,476,270.34	1,700,734.94	15.2								

(1) INCLUDES RIDERS FTMC, STR, AND PIPP PLUS EXCISE TAX.
(2) EXPECTED GAS COST RATE EQUALS \$8.883/MCF.

DUKE ENERGY OHIO
CASE NO. 07-0588-GA-AIR
TYPICAL BILL COMPARISON
(GAS SERVICE - YEAR 2)

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE E-9
PAGE 1 OF 3
WITNESS:
J. E. ZIOLOKOWSKI

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA INCL. ALL RIDERS LESS COST OF GAS (1)					GAS COST (2)	TOTAL CURRENT BILL (C + G)	TOTAL PROPOSED BILL (D + G)	PERCENT INCREASE (I-H) / H
				CURRENT BILL & XTAX (C)	PROPOSED BILL & XTAX (D)	DOLLAR INCREASE (D - C)	PERCENT INCREASE (E / C)					
								(\$)				
1	(RS)	Not	1	14.64	18.67	4.03	27.5	9.32	23.98	27.99	16.8	
2	RESIDENTIAL	Applicable	3	19.23	24.54	5.31	27.6	27.96	47.18	62.48	11.3	
8			26.11	33.36	7.24	27.7	56.90	82.01	89.26	8.8		
8			30.70	39.23	8.63	27.8	74.64	105.24	113.77	8.1		
10			36.29	45.10	9.81	27.8	83.17	128.46	138.27	7.6		
12			39.88	50.97	11.09	27.8	111.81	162.78	162.78	7.3		
16			49.06	62.72	13.66	27.8	149.08	198.14	211.80	6.9		
20			58.23	74.47	16.24	27.9	186.35	244.58	260.82	6.6		
30			81.18	103.83	22.65	27.9	278.52	360.70	383.35	6.3		
40			104.12	133.20	29.08	27.9	372.70	505.90	476.82	6.1		
50			127.06	162.66	36.50	27.9	468.87	592.93	628.43	6.0		
11			60	150.01	191.83	41.92	27.9	559.04	709.05	5.9		
12			80	195.89	250.66	54.77	28.0	745.38	941.28	5.8		
13			100	241.78	309.39	67.61	28.0	931.74	1173.62	5.8		
14												
15	(RFT)		1	14.64	18.67	4.03	27.5	0.00	14.64	18.67	27.6	
16	RESIDENTIAL FIRM TRANSPORTATION		3	19.23	24.54	5.31	27.6	0.00	19.23	24.54	27.6	
17			6	26.11	33.36	7.24	27.7	0.00	26.11	33.36	27.7	
18			8	30.70	39.23	8.63	27.8	0.00	30.70	39.23	27.8	
19			10	36.29	45.10	9.81	27.8	0.00	36.29	45.10	27.8	
20			12	39.88	50.97	11.09	27.8	0.00	39.88	50.97	27.8	
21			16	49.06	62.72	13.66	27.8	0.00	49.06	62.72	27.8	
22			20	58.23	74.47	16.24	27.9	0.00	58.23	74.47	27.9	
23			30	81.18	103.83	22.66	27.9	0.00	81.18	103.83	27.9	
24			40	104.12	133.20	29.08	27.9	0.00	104.12	133.20	27.9	
25			60	127.06	162.66	36.50	27.9	0.00	127.06	162.66	27.9	
26		80	150.01	191.83	41.92	27.8	0.00	150.01	191.93	27.9		
27		100	185.89	250.66	64.77	28.0	0.00	185.89	250.66	28.0		
28			100	241.78	309.39	67.61	28.0	0.00	241.78	309.39	28.0	

(1) INCLUDES RIDERS FTMC, STR, AND PIP PLUS EXCISE TAX.
(2) EXPECTED GAS COST RATE EQUALS \$8.883/MCF.

DUKE ENERGY OHIO
CASE NO. 07-0688-GA-AIR
TYPICAL BILL COMPARISON
(GAS SERVICE - YEAR 2)

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL, UPDATED, REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE E-6
PAGE 2 OF 3
WITNESS:
J. E. ZOLKOWSKI

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA INCL ALL RIDERS LESS COST OF GAS (1)		GAS COST (2)	TOTAL		TOTAL		PERCENT INCREASE (I-H) / H
				CURRENT BILL (C)	PROPOSED BILL (D)		CURRENT BILL (C + G)	PROPOSED BILL (D + G)			
				(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)	
1	(GS)	Not	5	64.23	52.58	46.89	110.82	99.17	10.65	(10.6)	
2	NON-RESIDENTIAL	Applicable	10	74.50	63.21	93.17	167.67	166.38	(6.7)		
3			20	96.04	84.46	186.36	281.39	270.81	(3.8)		
4			40	136.12	126.97	372.70	508.82	493.67	(1.8)		
5			60	166.66	148.23	466.87	622.53	614.10	(1.4)		
6			100	259.36	254.49	831.74	1,191.10	1,186.23	(0.4)		
7			300	642.67	649.86	2,796.21	3,437.78	3,446.07	0.2		
8			500	1,026.78	1,045.23	4,668.68	6,684.47	6,703.92	0.3		
9			700	1,402.69	1,432.21	6,522.17	7,924.86	7,954.38	0.4		
10			860	1,586.37	1,722.46	7,919.77	9,506.14	9,642.22	0.4		
11			1,000	1,988.05	2,012.69	9,317.38	11,286.43	11,330.07	0.4		
12			2,000	3,862.61	3,947.60	18,634.76	22,487.37	22,582.36	0.4		
13			3,000	5,688.29	5,833.63	27,952.14	33,640.43	33,786.77	0.4		
14	(FT)		5	64.23	52.58	0.00	64.23	52.58	(18.1)		
15	NON-RESIDENTIAL		10	74.50	63.21	0.00	74.50	63.21	(15.2)		
16	FIRM TRANSPORTATION		20	96.04	84.46	0.00	96.04	84.46	(11.1)		
17			40	136.12	126.97	0.00	136.12	126.97	(6.7)		
18			60	166.66	148.23	0.00	166.66	148.23	(8.4)		
19			100	259.36	254.49	0.00	259.36	254.49	(1.9)		
20			300	642.67	649.86	0.00	642.67	649.86	1.1		
21			500	1,026.78	1,045.23	0.00	1,026.78	1,045.23	1.9		
22			700	1,402.69	1,432.21	0.00	1,402.69	1,432.21	2.1		
23			860	1,586.37	1,722.46	0.00	1,586.37	1,722.46	2.2		
24			1,000	1,988.05	2,012.69	0.00	1,988.05	2,012.69	2.3		
25			2,000	3,862.61	3,947.60	0.00	3,862.61	3,947.60	2.3		
26			3,000	5,688.29	5,833.63	0.00	5,688.29	5,833.63	2.6		

(1) INCLUDES RIDERS FTWC, STR, AND PIPP PLUS EXCISE TAX.
(2) EXPECTED GAS COST RATE EQUALS \$8.883/MCF.

DUKE ENERGY OHIO
CASE NO. 07-0589-GA-AIR
TYPICAL BILL COMPARISON

(GAS SERVICE - YEAR 2)

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE E-6
PAGE 3 OF 3
WITNESS:
J. E. ZOLKOWSKI

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA INCL ALL RIDERS LESS COST of GAS (1)				GAS COST (2)	TOTAL		PERCENT INCREASE (I-H)/H
				CURRENT BILL & XTAX (C)	PROPOSED BILL & XTAX (D)	DOLLAR INCREASE (D - C) (E)	PERCENT INCREASE (E/C) (F)		CURRENT BILL (C + G) (H)	PROPOSED BILL (D + G) (I)	
1	(IT)	Not	100,000	69,751.87	66,328.47	6,576.60	11.0		69,751.87	66,328.47	11.0
2	INTERRUPTIBLE	Applicable	200,000	118,773.47	131,926.68	13,153.21	11.1		118,773.47	131,926.68	11.1
3	TRANSPORTATION		300,000	177,795.07	197,524.88	19,729.81	11.1		177,795.07	197,524.88	11.1
4			400,000	236,816.68	263,123.09	26,306.41	11.1		236,816.68	263,123.09	11.1
5			500,000	295,838.28	328,721.30	32,883.02	11.1		295,838.28	328,721.30	11.1
6			800,000	472,903.09	526,515.91	52,612.82	11.1		472,903.09	526,515.91	11.1
7			1,000,000	690,946.30	666,712.33	66,766.03	11.1		690,946.30	666,712.33	11.1
8			1,200,000	708,989.60	787,906.74	78,919.24	11.1		708,989.60	787,906.74	11.1
9			1,500,000	886,054.31	984,703.36	98,649.05	11.1		886,054.31	984,703.36	11.1
10			1,800,000	1,063,119.12	1,181,497.97	118,378.85	11.1		1,063,119.12	1,181,497.97	11.1
11			2,000,000	1,181,162.33	1,312,694.39	131,532.06	11.1		1,181,162.33	1,312,694.39	11.1
12			2,500,000	1,476,270.34	1,640,686.42	164,416.08	11.1		1,476,270.34	1,640,686.42	11.1

(1) INCLUDES RIDERS FTWC, STR, AND PIPP PLUS EXCISE TAX.

(2) EXPECTED GAS COST RATE EQUALS \$8.83/MCF.

DUKE ENERGY OHIO
CASE NO. 07-0589-GA-AIR
TYPICAL BILL COMPARISON
(GAS SERVICE - YEAR 3 AND BEYOND)

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVERSED
WORK PAPER REFERENCE NO(S):

SCHEDULE B-6
PAGE 1 OF 3
WITNESS:
J. E. ZIOLKOWSKI

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA INCL ALL RIDERS LESS COST OF GAS (1)		GAS COST (2)	TOTAL		TOTAL	PERCENT INCREASE (I-H) / H
				CURRENT BILL & TAX (C)	PROPOSED BILL & TAX (D)		CURRENT BILL (C+G)	PROPOSED BILL (D+G)		
				(\$)	(\$)	(\$)	(\$)	(\$)		(%)
1	(RS)	Not	1	14.64	18.87	9.32	23.96	28.19	17.7	
2	RESIDENTIAL	Applicable	3	19.23	28.13	27.96	47.18	53.08	12.5	
3			6	26.11	34.52	55.90	82.01	90.42	10.3	
4			8	30.70	40.79	74.54	105.24	116.33	9.6	
5			10	35.29	47.05	93.17	128.46	140.22	9.2	
6			12	39.88	53.32	111.81	151.69	165.13	8.9	
7			18	49.06	65.84	149.08	198.14	214.92	8.5	
8			20	58.23	78.37	186.35	244.58	264.72	8.2	
9			30	81.18	109.69	279.52	360.70	389.21	7.9	
10			40	104.12	141.01	372.70	476.82	513.71	7.7	
11			50	127.06	172.32	465.87	592.93	638.19	7.6	
12			60	150.01	203.64	559.04	709.05	762.68	7.6	
13			80	195.89	266.28	745.39	941.28	1011.67	7.5	
14			100	241.78	328.91	931.74	1173.62	1280.65	7.4	
15	(RFT)		1	14.64	18.87	0.00	14.64	18.87	28.9	
16	RESIDENTIAL FIRM		3	19.23	28.13	0.00	19.23	25.13	30.7	
17	TRANSPORTATION		6	26.11	34.52	0.00	26.11	34.52	32.2	
18			8	30.70	40.79	0.00	30.70	40.79	32.9	
19			10	35.29	47.05	0.00	35.29	47.05	33.3	
20			12	39.88	53.32	0.00	39.88	53.32	33.7	
21			16	49.06	65.84	0.00	49.06	65.84	34.2	
22			20	58.23	78.37	0.00	58.23	78.37	34.6	
23			30	81.18	109.69	0.00	81.18	109.69	35.1	
24			40	104.12	141.01	0.00	104.12	141.01	35.4	
25			50	127.06	172.32	0.00	127.06	172.32	35.6	
26			60	150.01	203.64	0.00	150.01	203.64	35.8	
27			80	195.89	266.28	0.00	195.89	266.28	35.9	
28			100	241.78	328.91	0.00	241.78	328.91	36.0	

(1) INCLUDES RIDERS FTMC, STR, AND PIPE PLUS EXCISE TAX.
(2) EXPECTED GAS COST RATE EQUALS \$8.89/MCF.

DUKE ENERGY OHIO
CASE NO. 07-0889-GA-AIR
TYPICAL BILL COMPARISON

(GAS SERVICE - YEAR 3 AND BEYOND)

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE E-6
PAGE 2 OF 3
WITNESS:
J. E. ZOLKOWSKI

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA INCL ALL RIDERS LESS COST of GAS (1)							
				CURRENT BILL & XTAX (C)	PROPOSED BILL & XTAX (D)	DOLLAR INCREASE (D - C) (E)	PERCENT INCREASE (E / C) (F)	GAS COST (2) & XTAX (G)	TOTAL CURRENT BILL (C + G) (H)	TOTAL PROPOSED BILL (D + G) (I)	PERCENT INCREASE (I-H) / H (J)
1	(GS)	Not	5	64.23	61.31	(12.92)	(20.1)	46.68	110.82	97.90	(11.7)
2	NON-RESIDENTIAL	Applicable	10	74.60	60.67	(13.83)	(18.6)	93.17	167.67	163.84	(2.2)
3			20	95.04	79.39	(15.65)	(16.6)	186.36	281.39	266.74	(5.6)
4			40	136.12	116.82	(19.30)	(14.2)	372.70	608.82	498.62	(13.8)
5			60	166.66	136.63	(21.13)	(13.5)	466.87	622.63	601.40	(13.4)
6			100	256.36	229.11	(30.26)	(11.7)	931.74	1,191.10	1,160.86	(2.5)
7			300	642.67	673.72	(68.96)	(10.7)	2,796.21	3,437.78	3,368.93	(2.0)
8			600	1,026.78	918.33	(107.46)	(10.5)	4,668.89	5,684.47	5,677.02	(1.9)
9			700	1,402.69	1,254.61	(148.08)	(10.6)	6,622.17	7,924.86	7,776.78	(1.9)
10			860	1,686.37	1,606.82	(178.56)	(10.6)	7,919.77	9,606.14	9,426.69	(1.9)
11			1,000	1,968.06	1,759.03	(209.02)	(10.6)	9,317.38	11,286.43	11,076.41	(1.9)
12			2,000	3,862.61	3,440.42	(412.19)	(10.7)	18,634.76	22,487.37	22,076.18	(1.8)
13			3,000	5,688.29	5,072.93	(615.36)	(10.8)	27,962.14	33,640.43	33,026.07	(1.8)
14	(FT)		5	64.23	61.31	(12.92)	(20.1)	0.00	64.23	61.31	(28.1)
15	NON-RESIDENTIAL		10	74.60	60.67	(13.83)	(18.6)	0.00	74.60	60.67	(18.6)
16	FIRM TRANSPORTATION		20	95.04	79.39	(15.65)	(16.6)	0.00	96.04	79.39	(16.6)
17			40	136.12	116.82	(19.30)	(14.2)	0.00	136.12	116.82	(14.2)
18			60	166.66	136.63	(21.13)	(13.5)	0.00	166.66	136.63	(13.6)
19			100	266.36	229.11	(30.26)	(11.7)	0.00	269.36	229.11	(11.7)
20			300	642.67	673.72	(68.96)	(10.7)	0.00	642.67	673.72	(10.7)
21			600	1,026.78	918.33	(107.46)	(10.5)	0.00	1,026.78	918.33	(10.5)
22			700	1,402.69	1,254.61	(148.08)	(10.6)	0.00	1,402.69	1,254.61	(10.6)
23			860	1,686.37	1,606.82	(178.56)	(10.6)	0.00	1,686.37	1,606.82	(10.6)
24			1,000	1,968.06	1,759.03	(209.02)	(10.6)	0.00	1,968.06	1,759.03	(10.6)
25			2,000	3,862.61	3,440.42	(412.19)	(10.7)	0.00	3,862.61	3,440.42	(10.7)
26			3,000	5,688.29	5,072.93	(615.36)	(10.8)	0.00	5,688.29	5,072.93	(10.8)

(1) INCLUDES RIDERS FTMC, STR, AND PIPP PLUS EXCISE TAX.
(2) EXPECTED GAS COST RATE EQUALS \$8.883/MCF.

DUKE ENERGY OHIO
CASE NO. 07-0589-GA-AIR
TYPICAL BILL COMPARISON

(GAS SERVICE - YEAR 3 AND BEYOND)

DATA: 3 MONTHS ACTUAL & 9 MONTHS ESTIMATED
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED
WORK PAPER REFERENCE NO(S):

SCHEDULE E-6
PAGE 3 OF 3
WITNESS:
J. E. ZIOLKOWSKI

LINE NO.	RATE CODE	LEVEL of DEMAND (A)	LEVEL of USE (B)	BILL DATA INCL ALL RIDERS LESS COST of GAS (1)								
				CURRENT BILL (C)	PROPOSED BILL (D)	DOLLAR INCREASE (D - C) (E)	PERCENT INCREASE (E / C) (F)	GAS COST (2) & XTAX (G)	TOTAL CURRENT BILL (C + G) (H)	TOTAL PROPOSED BILL (D + G) (I)	PERCENT INCREASE (I-H) / H (J)	
				(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(%)	
1	(IT)	Not	100,000	59,751.87	63,989.42	4,237.55	7.1		59,751.87	63,989.42	7.1	
2	INTERRUPTIBLE	Applicable	200,000	118,773.47	127,248.58	8,475.11	7.1		118,773.47	127,248.58	7.1	
3	TRANSPORTATION		300,000	177,796.07	190,507.74	12,712.67	7.2		177,796.07	190,507.74	7.2	
4			400,000	236,816.68	253,766.90	16,950.22	7.2		236,816.68	253,766.90	7.2	
5			500,000	295,838.28	317,026.06	21,187.78	7.2		295,838.28	317,026.06	7.2	
6			800,000	472,903.09	506,803.64	33,900.45	7.2		472,903.09	506,803.64	7.2	
7			1,000,000	590,946.30	633,321.86	42,375.56	7.2		590,946.30	633,321.86	7.2	
8			1,200,000	708,989.50	759,840.17	50,850.67	7.2		708,989.50	759,840.17	7.2	
9			1,500,000	886,054.31	949,617.65	63,563.34	7.2		886,054.31	949,617.65	7.2	
10			1,800,000	1,063,119.12	1,139,396.13	76,276.01	7.2		1,063,119.12	1,139,396.13	7.2	
11			2,000,000	1,181,162.33	1,265,913.45	84,751.12	7.2		1,181,162.33	1,265,913.45	7.2	
12			2,500,000	1,476,270.34	1,582,209.24	105,938.90	7.2		1,476,270.34	1,582,209.24	7.2	

(1) INCLUDES RIDERS FTMC, STR, AND PIPP PLUS EXCISE TAX.
(2) EXPECTED GAS COST RATE EQUALS \$8.883/MCF.

EXPLANATION OF METHODOLOGY FOR CHANGING RATES AND ILLUSTRATION OF EFFECT ON RATES

Under its alternative rate plan for gas distribution service, DE-Ohio will complete its remaining Accelerated Main Replacement Program ("AMRP") during a nine-year period from 2007 through 2015. DE-Ohio will continue in effect its Rider AMRP to collect the incremental costs related to the AMRP program. If the Company files a general gas rate case prior to completing the AMRP, the costs recovered through Rider AMRP will be transferred to the Company's base rates, the Rider AMRP rates will be re-set at zero, and Rider AMRP will remain in effect. Rider AMRP will be terminated when the Company files its first general gas rate case after 2015. At that time, all the costs related to the AMRP will be rolled into the Company's base rates.

Additionally, the Company proposes to expand Rider AMRP to recover costs through this rate mechanism for replacement of service head adapter-style risers. As part of these changes to Rider AMRP, the Company also proposes to take ownership of the curb-to-meter portion of the service line, which is currently owned by customers. These changes to Rider AMRP are discussed in more detail below. Finally, DE-Ohio proposes to introduce a new tracking mechanism to track and recover costs related to the Company's Utility of the Future initiative, also discussed in more detail below.

As currently designed, Rider AMRP is a rate mechanism that assesses a monthly charge to all customers receiving service under the Company's sales and transportation rate schedules. The purpose of the monthly charge is to charge, or credit, customers for the net change in revenue requirements attributable to the Company's accelerated main replacement program. For most customers, this monthly charge is in addition to the customer charge component of the customer's applicable rate schedule.

Customers receiving service under Rate IT and Rate SSIT are assessed a throughput charge in addition to their commodity delivery charge, to fund their allocated share of the accelerated main replacement program.

The proposed revenue requirement calculation and the estimated revenue requirement for the remaining life of this rate mechanism, including risers and Company ownership of curb-to-meter service lines, are attached hereto as PFN Tab 5 – Attachment 1. The proposed methodology computes the revenue requirement effect of both the return on, and return of, the net change in plant investment attributable to the accelerated main replacement program and converts such amount into an annual revenue requirement according to traditional practice and financial data as approved by the Commission in Case No. 01-1228-GA-AIR.

The accelerated main replacement program has resulted, and will continue to result, in a reduction in the annual costs to repair and maintain cast iron and bare steel mains and related service lines. The Company will continue to update the rate

mechanism annually in order to reflect the impact on the Company's revenue requirements of net plant additions, as offset by: (1) reducing operation and maintenance expense; and (2) eliminating depreciation expense for the plant removed from service, during the prior twelve months ending each December 31.

Such adjustments to the rate mechanism will continue to become effective annually with the first billing cycle of May. The Company will make a preliminary filing under Rider AMRP after the Commission approves continuation of Rider AMRP, then will file an application to recover plant investment incurred beginning with the March 31, 2007, date certain in this proceeding through December 31, 2007. The first three Rider AMRP filings will reflect the allocation of the required revenue increase based on the revenue distribution for each of the first three years of the new base rates, as approved in the Company's current rate proceeding. In subsequent years, the allocation will be made based on actual base revenues collected by rate class during the preceding calendar year, as has been the practice in previous Rider AMRP filings. For annual Rider AMRP filings after 2007, DE-Ohio will make a preliminary filing in November of each year and an application the following February to recover AMRP-related costs incurred during the prior calendar year.

Line 40 of PFN Tab 5 – Attachment 1 illustrates how customers will receive a pass-through of the net reduction in approved maintenance costs that will result from the accelerated main replacement program. The total annual revenue requirement is identified by summing the capital and operating revenue requirement amounts. DE-Ohio proposes that Rider AMRP not contain any rate caps, so that each customer class pays its allocable share of the Rider AMRP revenue requirement.

In order to efficiently and economically replace existing mains, certain sections of plastic main, main-to-curb service lines and curb-to-meter service lines may also be replaced when economically warranted, such as short sections of plastic main previously-installed to replace cast iron or bare steel main during a leak repair. The annual revenue requirement mechanism will reflect the depreciation expense on all of the new mains and service lines that DE-Ohio installs to replace the cast iron and bare steel pipe, as well as all plastic pipe previously installed to repair prior main leaks. Conversely, customers will receive the benefit of a reduction in depreciation expense attributable to the cast iron, bare steel and plastic mains, main-to-curb service lines and curb-to-meter service lines that are removed from service.

The Company proposes to expand Rider AMRP to recover costs related to replacement of service head adapter-style risers. DE-Ohio's Rider AMRP revenue requirement calculation will also reflect the net plant additions attributable to riser replacements during the prior twelve months ending each December 31. Riser-related investment, and associated costs, such as depreciation expense, will be detailed in the annual Rider AMRP revenue requirement calculation.

DE-Ohio also proposes to assume ownership of the curb-to-meter portion of the service line, which includes risers. The Company currently expenses the curb-to-meter

services it replaces under Rider AMRP. If DE-Ohio owns this portion of the service, it will allow DE-Ohio to capitalize the replacement cost of the curb-to-meter portion of the service, allowing the Company to recover its costs over the life of the service, and thus increase its rates more gradually. Risers are a component of the curb-to-meter service line. The Company's proposal to assume ownership of the curb-to-meter service line includes assuming ownership of risers.

In the present proceeding, the Company will request that the Commission place into base rates the revenue requirement that the Company is currently recovering under the rate mechanism. The Rider AMRP rate mechanism will then be re-set to zero. The Company will complete the accelerated main replacement program by 2015, during which time the Company will replace cast iron and bare steel pipe at an estimated remaining total cost of approximately \$599 million. The Company will continue filing applications under the rate mechanism until new rates are approved in the Company's first general gas rate case filed after 2015. If the Company files a general rate case before 2015, the revenue requirement associated with the AMRP and Riser Replacement Program will be included in the base rate calculation at that time and Rider AMRP will again be re-set to zero.

The following percentage increases for Rider AMRP are calculated based on the amounts of DE-Ohio's proposed base rate increase, which will become effective in spring 2008. These calculations assume approval of the Company's request to modify Rider AMRP as discussed above, and include the cost of: (1) cast iron and bare steel main replacement; (2) replacing risers; and (3) assuming ownership of the curb-to-meter portion of the service line. Rider AMRP will result in an increase in gas revenues estimated at \$10.4 million, annually, for nine years (the projected Rider AMRP in the ninth year is approximately 15% greater than the revenue requirement requested in this case). The estimated average annual amount of this increase per customer class is as follows: Rate RS – Residential Service and Rate RFT – Residential Firm Transportation Service: \$7,159,170 or 1.7%, annually, for nine years (nine-year total: \$64,432,532 or 15.4%); Rate GS – General Service and Rate FT – Firm Transportation Service: \$3,035,746 or 1.6%, annually, for nine years (nine-year total: \$27,321,710 or 14.0%); Rate IT – Interruptible Transportation service: \$183,702 or 1.6%, annually, for nine years (nine-year total: \$1,653,314 or 14.0%).

Rider AMRP will increase revenue by approximately 1.7%, annually, over the remaining nine-year life of the accelerated main replacement program, based on the revenue requirement requested in this case. Customers' monthly bills are projected to increase annually by \$1.53 for Rate RS and Rate RFT, by \$8.23 for Rate GS and Rate FT, and by \$104.85 for the average customer on Rate IT.

Finally, DE-Ohio proposes to introduce a new tracker to allow cost recovery for installing infrastructure for the Company's Utility of the Future initiative. When DE-Ohio finalizes its anticipated costs for deploying this initiative, DE-Ohio will file an application for cost recovery as part of new Rider Advanced Utility. At that time, the Company will explain its plan for deploying the Utility of the Future infrastructure and

the expected costs and benefits. The filing will include a plan for providing various improved customer services enabled by the Utility of the Future infrastructure. DE-Ohio's proposed annual tracker update will also reflect the impact on the Company's revenue requirements of net plant additions due to Utility of the Future, as offset by: (1) reducing operations and maintenance expense; and (2) eliminating depreciation expense for the plant taken out of service due to Utility of the Future. The Commission Staff and other stakeholders will have an opportunity to investigate the Company's proposal during a discovery process, to raise objections, and ultimately to have a hearing at which DE-Ohio will bear the burden of proof to establish that its proposal related to recovery of Utility of the Future costs is just and reasonable.

DE-Ohio also seeks approval for a decoupling mechanism to recover the difference between DE-Ohio's actual, weather-normalized, usage sensitive base rate revenue and the usage sensitive base rate revenue approved by the Commission in the Company's most recent general gas rate case. DE-Ohio also requests approval of such accounting authority necessary to allow it to defer such expenses and revenues for subsequent recovery.

DE-Ohio proposes to decouple actual sales from revenue recovery through the following mechanism:

- "Actual Base Revenues" are DE-Ohio's weather normalized monthly base revenues for each Rate Schedule covered by the decoupling mechanism (Rate Schedules RS, GS, RFT, and FT) prior to the Decoupling Sales adjustments.
- "Adjusted Order-Granted Base Revenues" are the monthly base revenues for each Rate Schedule covered by the decoupling mechanism as approved by the Commission's Order in DE-Ohio's most recent general gas rate case, adjusted to reflect the change in number of customers as compared to the number of customers approved in such Order. DE-Ohio will reflect the change in number of customers by multiplying Order-granted base revenue per customer times the net change in number of customers since the like month of the test year, with the product being added to the Order-granted base revenues for such month.

DE-Ohio will use the Decoupled Sales Component to recover the difference between the Actual Base Revenues and the Adjusted Order-Granted Base Revenues. DE-Ohio will defer this calculated difference prior to recovery through the Decoupled Sales Component. DE-Ohio will reconcile the projected and the actual recoveries under the Decoupled Sales Component. Any under- or over-recovery will be recovered/returned in a future period.

DUKE ENERGY OHIO
AMRP Estimated Revenue Requirement Calculation

PUCO Case No. 07-0559-GA-AIR
PUCO Case No. 07-0580-GA-ALT
PFN Tab 5
Attachment 1
Page 1 of 1

Line No.		Estimate At 12/31/2007	Estimate At 12/31/2008	Estimate At 12/31/2009	Estimate At 12/31/2010	Estimate At 12/31/2011	Estimate At 12/31/2012	Estimate At 12/31/2013	Estimate At 12/31/2014	Estimate At 12/31/2015
1	Return on Investment									
2	Plant In-Service									
3	Additions:									
4	Mains	47,489,324	94,878,648	142,467,972	189,957,296	237,446,620	284,935,944	332,425,268	379,914,592	417,481,806
5	M-C Services	9,045,585	18,091,170	27,136,755	36,182,340	45,227,925	54,273,510	63,319,095	72,364,680	79,520,302
6	C-M Services	6,340,735	13,378,951	20,417,167	27,465,383	34,493,588	41,531,815	48,570,031	55,608,247	61,175,914
7	Risers	522,000	5,564,517	10,607,024	15,649,551	20,692,068	25,734,585	30,777,102	35,819,619	40,862,136
8	Total Additions	63,397,644	132,013,286	200,628,928	269,244,570	337,860,212	406,475,854	475,091,486	543,707,138	598,039,958
9	Original Cost Retired:									
10	Mains	(994,023)	(1,986,046)	(2,982,069)	(3,976,092)	(4,970,115)	(5,964,138)	(6,958,161)	(7,952,184)	(8,946,207)
11	M-C Services	(3,091,569)	(6,962,949)	(10,721,438)	(14,367,364)	(17,905,708)	(21,341,826)	(24,680,550)	(27,921,880)	(28,986,862)
12	Total Original Cost Retired	(4,085,592)	(8,950,995)	(13,703,507)	(18,343,456)	(22,875,823)	(27,305,964)	(31,638,711)	(35,874,064)	(37,933,069)
13	Total Plant In-Service	59,312,052	123,062,291	186,925,421	250,901,114	314,984,389	379,169,890	443,452,785	507,833,074	561,106,889
14	Less: Accumulation Provision for Depreciation									
15	Depreciation Expense	820,510	2,559,627	4,396,841	6,234,057	8,071,271	9,906,487	11,745,703	13,582,917	15,248,008
16	Cost of Removal	(367,702)	(805,588)	(1,233,314)	(1,650,809)	(2,058,822)	(2,467,534)	(2,847,481)	(3,228,663)	(3,413,973)
17	Original Cost Retired	(4,085,592)	(8,950,995)	(13,703,507)	(18,343,456)	(22,875,823)	(27,305,964)	(31,638,711)	(35,874,064)	(37,933,069)
18	Total Accumulated Provision for Depreciation	(3,632,784)	(7,196,956)	(10,539,980)	(13,760,308)	(16,863,374)	(19,855,011)	(22,740,489)	(25,519,810)	(28,099,034)
19	Net Regulatory Asset--Post In-Service Carrying Cost	1,860,722	3,864,483	5,772,242	7,648,077	9,469,980	11,237,981	12,952,049	14,612,195	15,828,569
20	Net Deferred Tax Balance--PISCC	(651,253)	(1,344,869)	(2,020,285)	(2,676,827)	(3,314,487)	(3,933,294)	(4,533,218)	(5,114,269)	(5,540,000)
21	Deferred Taxes on Liberalized Depreciation	(544,916)	(2,151,464)	(4,728,388)	(8,154,874)	(12,318,802)	(17,116,739)	(22,452,777)	(28,238,454)	(34,339,677)
22	Net Rate Base	63,609,389	130,605,397	196,488,960	261,477,798	325,684,454	389,212,849	452,159,328	514,612,356	563,154,815
23	Proposed Pre-tax Rate of Return	12.18%	12.18%	12.18%	12.18%	12.18%	12.18%	12.18%	12.18%	12.18%
24	Annualized Return on Rate Base	7,747,624	15,907,737	23,932,355	31,847,998	39,668,366	47,406,125	55,073,006	62,679,785	68,592,256
25	Operating Expenses									
26	Annualized Provision for Depreciation For Additions									
27	Mains	1,042,866	2,086,731	3,128,597	4,171,462	5,214,326	6,257,193	7,300,059	8,342,924	9,167,896
28	M-C Services	340,114	680,228	1,020,342	1,360,456	1,700,570	2,040,684	2,380,798	2,720,912	2,989,963
29	C-M Services	238,412	503,049	767,685	1,032,322	1,296,959	1,561,596	1,826,233	2,090,870	2,300,214
30	Risers	19,627	209,226	398,824	588,423	778,022	967,620	1,157,219	1,346,818	1,536,416
31	Current Year Provision	1,641,019	3,478,234	5,315,448	7,152,663	8,989,879	10,827,083	12,664,308	14,501,524	15,994,489
32	Annualized Reduction in Depreciation For Retirements									
33	Mains	(22,547)	(45,094)	(67,641)	(90,188)	(112,735)	(136,282)	(157,829)	(180,376)	(202,923)
34	M-C Services	(104,133)	(234,536)	(361,138)	(483,947)	(603,132)	(718,875)	(831,335)	(940,516)	(976,398)
35	Total	(126,680)	(279,630)	(428,779)	(574,135)	(715,867)	(854,157)	(988,164)	(1,120,892)	(1,179,311)
36	Annualized Amortization of PISCC	48,163	102,085	156,007	209,929	263,851	317,773	371,695	425,617	469,436
37	Meter Relocation Service Line Expense	130,000	136,500	143,325	150,491	158,016	165,917	174,213	182,924	192,070
38	Customer Owned Service Line Expense									
39	Annualized Property Tax Expense	1,291,491	2,636,300	3,937,718	5,188,373	6,391,454	7,547,004	8,653,582	9,712,473	10,476,394
40	Achieved Reduction in Mains--Maintenance Expense	-	(266,667)	(497,778)	(683,333)	(853,334)	(977,778)	(1,066,667)	(1,120,000)	(1,137,778)
	Annualized Revenue Requirement	10,731,617	21,716,559	32,558,296	43,281,984	53,902,365	64,431,977	74,880,984	85,261,431	93,407,556

SUMMARY OF DUKE ENERGY OHIO'S PROPOSED
ALTERNATIVE RATE PLAN
FOR GAS DISTRIBUTION SERVICE

Pursuant to R.C. Chapter 4929, DE-Ohio proposes an alternative regulation plan for its gas distribution service. This alternative regulation plan consists of a rate recovery mechanism that will allow DE-Ohio to track and recover, on an annual basis, the costs of completing its AMRP program. Rider AMRP will be expanded to allow recovery of costs for replacing service head adapter-style risers. As part of these changes to Rider AMRP, the Company also proposes to recover costs for replacing risers and to take ownership of the curb-to-meter portion of the service line, which is currently owned by customers. DE-Ohio also seeks approval of a new tracker to recover Utility of the Future costs. DE-Ohio also proposes to use a revenue decoupling mechanism as described in more detail below.

DE-Ohio initiated a construction program in 2001 to replace the cast iron and bare steel pipe of 12-inch or less diameter in its distribution system. If DE-Ohio would have continued to follow the replacement schedule that has been in effect prior to 2001, which was consistent with the generally accepted industry practice, it would have taken DE-Ohio a substantially longer time to replace its cast iron and bare steel facilities. Since the inception of the AMRP program, DE-Ohio planned to replace approximately: (1) 1,020 miles of cast iron mains, some as old as 1873; and (2) an aged 192-mile bare steel portion of its distribution system. DE-Ohio operated this pipe at low pressure due to its deteriorated condition. This allowed water to seep into the pipe and cause outages. DE-Ohio often cannot detect leaks in this pipe until the surrounding soil is disturbed during construction. These mains are susceptible to corrosion and graphitization, which are chemical reactions between the acid in the soil and the iron in the pipe. This makes the pipe more brittle and increases the possibility of breaks.

DE-Ohio also replaces the connecting customer-owned curb-to-meter metallic service lines. DE-Ohio formerly expensed this cost, but will now capitalize this cost because DE-Ohio is assuming ownership of the curb-to-meter portion of the service line.

This program has produced, and will continue to produce, substantial benefits by enhancing pipeline safety and reliability. Between 2001 and 2006, DE-Ohio replaced 559 miles of cast iron and bare steel mains, and 45,029 services. The Company's annual leak rate has steadily trended downward, and will continue to do so. In 2002, DE-Ohio repaired 6,223 leaks, while in 2006, DE-Ohio repaired 4,913 leaks.

The expenses to operate and maintain the cast iron and bare steel mains will continue to decrease. DE-Ohio will continue tracking this O&M decrease and will continue offsetting it against the main replacement costs. Customers therefore will continue to realize this cost savings on a current basis. To date, customers have realized approximately \$8.5 million in maintenance savings through Rider AMRP.

Rider AMRP is a rate adjustment mechanism that tracks the costs of the main replacement program on an annual basis. This tracking mechanism allows DE-Ohio to recover the cost of the system improvement effort in a manner consistent with the traditional ratemaking process, but without the need for annual base rate cases. Specifically, beginning with a pre-filing notice in November and an updated actual filing in February each year, the Company provides the Commission: (1) the proposed construction plans for the coming year; (2) the actual construction results and corresponding costs for the prior year; and (3) a calculation to derive a monthly firm service customer charge and a monthly interruptible service throughput charge. DE-Ohio applies these charges to customers' bills until the charges are updated the following May, after the Commission approves the charges. Rider AMRP will not contain any rate caps, so that each customer class pays its allocable share of the Rider AMRP revenue requirement.

This rate mechanism enables DE-Ohio to reduce the regulatory lag involved in recovering these capital expenditures. DE-Ohio's only alternative is to recover these costs through a series of "pancaked" base rate cases over the next nine years, filed as often as yearly. This would be an inefficient use of all parties' time and resources.

DE-Ohio proposes to expand Rider AMRP to include recovery for costs related to replacing service head adapter-style risers. DE-Ohio currently follows a Riser Optimization Program to identify when to replace these risers. The Company developed the Riser Optimization Program in response to a gas pipeline safety incident located on McGuffey Lane in Batavia Township in 2000, which gave rise to Case No. 00-681-GA-GPS. Under the Riser Optimization Program, the Company assesses past riser leak experience on various risk factors, such as year installed, type of material, geographic location, *etc.*, to determine riser replacement activity during the current period. Under the current rate of replacement, the Company would replace all service head adapter risers within approximately 20 years.

In Case No. 00-681-GA-GPS, the Commission Staff recommended that the Commission open a statewide investigation into riser leaks. The Commission initiated such an investigation in Case No. 05-463-GA-COI. The Staff Report concluded that certain types of service head adapter risers are more prone to failure under certain conditions. DE-Ohio has therefore decided to accelerate its rate of replacing these risers, to coincide with the remaining nine years of the AMRP. This will allow DE-Ohio to balance out the main replacement work with the riser replacement work to maximize operating and cost efficiencies. Customers will benefit through greater safety, reliability and less disruption.

DE-Ohio also proposes to assume ownership of the curb-to-meter portion of the service line, which is currently owned by customers. DE-Ohio will assume ownership of the curb-to-meter portion of the service line whenever it installs a new service, renews an existing service, or replaces the riser. This will allow DE-Ohio to schedule replacement of this portion of the service. In most cases, DE-Ohio will be able to schedule the work

proactively, before a leak occurs. Additionally, DE-Ohio will be able to replace all the services in a geographic location at the same time, leading to operating efficiencies and cost savings. Finally, DE-Ohio will be able to capitalize this cost and recover it over the life of the service, thus mitigating the rate impacts.

The Company also requests approval for a new tracker to allow for recovery of Utility of the Future costs. Duke Energy has started Utility of the Future deployment in Ohio and the other states where Duke Energy has public utility operating company subsidiaries.

The objectives of the Utility of the Future initiative for gas customers are to: (1) measure gas usage either in real-time or other time-measured increments; (2) provide a centralized system to validate, edit, and estimate the data. There is strategic and tactical value in having daily and/or hourly information regarding our distribution system beyond the monthly read for billing purposes. To achieve these objectives, it is important to use a technology or a blend of technologies to install advanced metering capabilities that include advanced communication systems between the meter and the utility.

The Utility of the Future initiative will enable automatic meter reading that can provide hourly data on a daily basis for all customers. After full deployment of Utility of the Future, DE-Ohio will realize savings due to fewer monthly meter reads and costs associated with succession orders that our meter readers currently perform. We expect to have fewer billing estimates and have less occasion to access inside meters due to improved accessibility. The Call Center will resolve more billing inquiries on a first-call basis, by having the customer's hourly/daily data and by reviewing the customer's load profile and usage activity. The Company will also use the tracking mechanism to flow through to customers the savings related to the Utility of the Future initiative.

By providing advanced metering, the communication infrastructure, and a meter data management system, DE-Ohio can isolate metering from data storage, which makes it easier and less risky to change meter functions, such as introducing time-of-use rates.

After Utility of the Future is fully deployed, customers will be able to receive more detailed usage information, to help them manage their gas usage during times of rising costs. This system will provide enhanced detection of tampering and theft of utility service. This additional capability and information should enhance customer satisfaction.

Finally, DE-Ohio's decoupling mechanism will change the Company's rate design from a structure where the Company's opportunity to earn its allowed return is dependent on sales volumes. The decoupling mechanism would adjust DE-Ohio's rates based on the difference between actual revenues and the revenues approved in the Company's most recent general gas rate case.

DE-Ohio's alternative rate plan meets several of the state policy goals set forth in R.C. § 4929.02 in that the plan: (1) promotes the availability to consumers of adequate,

reliable and reasonably priced service (R.C. § 4929.02 (A)(1)); (2) is an innovative program and provides cost-effective supply services (R.C. § 4929.02 (A)(4)); (3) will enable DE-Ohio to support distributed generation, thus recognizing the continuing emergence of competitive natural gas markets through the development of and implementation of flexible regulatory treatment (R.C. § 4929.02 (A)(6)); (4) by allowing DE-Ohio to upgrade its distribution system in an efficient manner, it will enhance the state's competitiveness in the global economy (R.C. § 4929.02 (A)(10)); (5) will tend to minimize the costs and time involved in the regulatory process (R.C. § 4929.01(A)(6)); (6) tends to assess the cost of natural gas service to the customers who cause the costs to be incurred (R.C. § 4929.01(A)); (7) will help DE-Ohio continue to provide efficient, high quality service, while avoiding costs of failure to maintain the distribution system (R.C. § 4929.01(A)); and (8) by providing for timely recovery of costs, it offers incentives to DE-Ohio to enhance the quality of its distribution service.

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In The Matter of the Application)	
of Duke Energy Ohio, Inc.)	Case No. 07-589-GA-AIR
for an Increase in Gas Rates)	
)	
In the Matter of the Application of)	
Duke Energy Ohio, Inc. for Approval)	Case No. 07-590-GA-ALT
of an Alternative Rate Plan for its)	
Gas Distribution Service)	
)	
In the Matter of the Application of)	
Duke Energy Ohio, Inc. for Approval)	Case No. 07-591-GA-AAM
to Change Accounting Methods)	

**MOTION OF
DUKE ENERGY OHIO, INC.
TO SET TEST PERIOD UNDER R. C. 4909.15(C) AND
FOR WAIVER OF CERTAIN FILING REQUIREMENTS
UNDER OAC 4901-7-01**

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

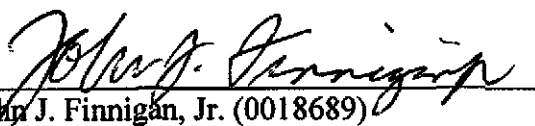
In The Matter of the Application of)	
Duke Energy Ohio, Inc. for an)	Case No. 07-589-GA-AIR
Increase in Gas Rates)	
)	
In the Matter of the Application of)	
Duke Energy Ohio, Inc. for Approval)	Case No. 07-590-GA-ALT
of an Alternative Rate Plan for its)	
Gas Distribution Service)	
)	
In the Matter of the Application of)	
Duke Energy Ohio, Inc. for Approval)	Case No. 07-591-GA-AAM
to Change Accounting Methods)	

**MOTION OF
DUKE ENERGY OHIO, INC.
TO SET TEST PERIOD UNDER R. C. 4909.15(C) AND
FOR WAIVER OF CERTAIN FILING REQUIREMENTS
UNDER OAC 4901-7-01**

Now comes Duke Energy Ohio, Inc. ("DE-Ohio"), Applicant herein, and states that it plans to file an application for approval of an increase in its natural gas distribution rates on or about July 18, 2007. In connection with such application, DE-Ohio moves that the Commission: (1) issue an order allowing DE-Ohio, pursuant to R. C. 4909.15(C), to use a test period from January 1, 2007 through December 31, 2007; and (2) grant DE-Ohio a waiver, pursuant to OAC 4901-7-01 from certain filing requirements under OAC 4901-7-01, Appendix A, as discussed in more detail in the accompanying memorandum.

Respectfully submitted,

DUKE ENERGY OHIO, INC.



John J. Finnigan, Jr. (0018689)
Associate General Counsel
Duke Energy Shared Services, Inc.
Room 2500 Atrium II
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Phone: (513) 287-3601
e-mail: john.finnigan@duke-energy.com

MEMORANDUM IN SUPPORT

A. Test Period

DE-Ohio plans to file an application for an increase in rates for its natural gas distribution service on or about July 18, 2007. DE-Ohio wishes to use the twelve months ending December 31, 2007 as the test year for the filing because DE-Ohio uses a calendar year reporting period for its financial results, and DE-Ohio prepares detailed quarterly financial reports. When DE-Ohio files the three months of actual financial data in connection with its application for a rate increase, it will be simpler and more practical for DE-Ohio to submit this data if the three-month period coincides with the end of a quarterly reporting period. Quarterly financial data is subject to more rigorous internal review because it is used for various reporting purposes, and therefore is a better basis for establishing rates. The quarterly financial data that DE-Ohio would use for a July 18, 2007 application filing date is the data for the quarter ending March 31, 2007.

Under R. C. 4909.15(C), the test period shall be the six months prior to the filing date and the six months after the filing date, unless otherwise ordered by the Commission. DE-Ohio requests that the Commission issue an order providing that, if DE-Ohio files an application for an increase in rates for its electric transmission and distribution service on or around July 18, 2007, the test period will be the twelve months ending December 31, 2007. This would coincide with DE-Ohio using three months of actual quarterly financial data for the three months ending March 31, 2007.

B. Waivers Under OAC 4901-7-01

Under OAC 4901-7-01, the Commission may grant a utility a waiver from the filing requirements for an application for an increase in rates. DE-Ohio requests that the Commission grant DE-Ohio a waiver, pursuant to OAC 4901-7-01 from certain filing requirements under OAC 4901-7-01, Appendix A, relating to: (1) system maps; and (2) income tax returns.

The specific reasons for the waiver are discussed below.

The Commission's standard for reviewing requests for waivers from its standard filing requirements is as follows:

(c) A request for waiver of any of the provisions of the standard filing requirements must set forth the specific reasons in support of the request. The commission shall grant the request for a waiver upon good cause shown by the utility. In determining whether good cause has been shown, the commission shall give due regard, among other things to:

(i) Whether other information, which the utility would provide if the waiver is granted, is sufficient so that the commission staff can effectively and efficiently review the rate application.

(ii) Whether the information, which is the subject of the waiver request, is normally maintained by the utility or reasonably available to it from the information which it maintains.

(iii) The expense to the utility in providing the information, which is the subject of the waiver request.

OAC 4901-7-01, Appendix A, Chapter II(A)(4)(c).

(1) System Maps

DE-Ohio requests a waiver of the standard filing requirements under OAC 4901-7-01, Appendix A, Chapter II(C)(13) relating to system maps. This filing requirement provides that DE-Ohio must file maps of its natural gas distribution system with the application. DE-Ohio requests a waiver from the requirement to file the maps with its application. Instead, DE-Ohio commits that it will make the maps available for inspection at its offices during normal business hours, subject to an appropriate confidentiality agreement. Filing the maps with the application would make the maps public documents. Allowing DE-Ohio to avoid filing the maps will eliminate this security concern.

(2) Copy of Yearly kwh Generated

DE-Ohio requests a waiver of the standard filing requirements under OAC 4901-7-01, Appendix A, Chapter II(C)(13) relating to yearly kwh generated. This information pertains to electric distribution utility rate cases, and is not relevant to this case.

(3) Monthly Fuel Expense

DE-Ohio requests a waiver of the standard filing requirements under OAC 4901-7-01, Appendix A, Chapter II(C)(13) relating to monthly fuel expense. This information pertains to electric distribution utility rate cases, and is not relevant to this case.

(4) Income Tax Returns

DE-Ohio requests a waiver of the standard filing requirements under OAC 4901-7-01, Appendix A, Chapter II(C)(37) and (44) relating to income tax returns. These income tax returns contain confidential information and, like the system maps, filing the tax returns with the application would effectively make them public documents.


DE-Ohio commits that it will make the income tax returns available for inspection at its offices during normal business hours, subject to an appropriate confidentiality agreement.

CONCLUSION

Based on the foregoing, DE-Ohio respectfully requests that the Commission grant its request to set the test period for the twelve months ending December 31, 2007, and issue an order granting DE-Ohio a waiver from the standard filing requirements under OAC 4901-7-01 as requested herein.

Respectfully submitted,

DUKE ENERGY OHIO, INC.


John J. Finnigan, Jr. (0018689)
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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Motion of Duke Energy Ohio, Inc. to Set Test Period Under R. C. 4909.15(C) and for Waiver of Certain Filing Requirements Under OAC 4901-7-01 was served on the following by first class U.S. mail, postage prepaid, this 15th day of June, 2007:

Larry S. Sauer, Esq.
Ohio Consumers' Counsel
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Columbus, OH 43215-3485

Gretchen Hummel, Esq.
IEU-Ohio
McNees, Wallace & Nurick
21 East State St., 7th Floor
Columbus, OH 43215

David C. Rinebolt, Esq.
Ohio Partners for Affordable Energy
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4th Floor – Suite 5
Findlay, OH 45840

M. Howard Petricoff, Esq.
The New Power Company
Vorys, Sater, Seymour & Pease
52 East Gay Street
P. O. Box 1008
Columbus, OH 43216-1008

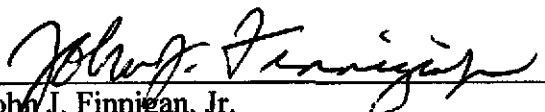
Charles Harak, Esq./Jerrold Oppenheim, Esq.
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Lisa G. McAlister
The Ohio Home Builders Association
McNees, Wallace & Nurick LLC
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Columbus, OH 43215-4228


John J. Finnigan, Jr.

Honorable _____

This letter is to inform you of Duke Energy Ohio's ("DE-Ohio") intent to file, with the Public Utilities Commission of Ohio, an application relating to our gas service. The application will propose an increase in the current rates and charges for natural gas service. The application will also propose an alternative rate plan for our natural gas service, seeking the same provisions discussed below.

DE-Ohio will make this filing in approximately 30 days and will seek a 5.8% increase in rates, approximately \$34 million dollars. Our last base rate increase occurred in 2002. We anticipate that the new rates will become effective in the spring of 2008, following public hearings conducted by the Commission. In the application, DE-Ohio will propose to continue a capital expenditures "tracker," known as Rider AMRP – Accelerated Main Replacement Program – to allow DE-Ohio to continue to make filings to annually update charges to recover the cost of replacing its cast iron and bare steel gas main lines, and related service lines, as more fully described below. DE-Ohio proposes that Rider AMRP not contain any rate caps, so that each customer class can pay its allocable share of the Rider AMRP revenue requirement.

In 2001, DE-Ohio started a significant construction program to improve customer safety and system reliability, and to capture operational efficiencies, reduce operation and maintenance expenses, and prepare the distribution system to accommodate new markets and emerging technologies. The goal of this project is to replace cast iron and bare steel distribution mains of 12-inch diameter or less, and related service lines. DE-Ohio expects to complete the program in nine more years, in 2015.

The bare steel gas mains, consisting of 192 miles of DE-Ohio's gas main distribution system as of 2001, are significantly aged. These mains operate at very low pressure, which increases the potential for outages. DE-Ohio will also replace approximately 1,020 miles of cast iron mains, some dating to circa 1873. These gas mains are more susceptible to breaks than coated steel and plastic gas mains.

DE-Ohio's main replacement program has been quite successful to date. During the period from 2001 through 2006, the Company replaced 492 miles of cast iron and 67 miles of bare steel gas mains. In 2002, DE-Ohio repaired 6,223 leaks, while in 2006, DE-Ohio repaired 4,913 leaks. The lower leak rate has improved public safety and led to a decrease in DE-Ohio's maintenance expense. Since 2001, DE-Ohio has used Rider

AMRP to credit customers with approximately \$8.5 million in maintenance savings resulting from this program.

DE-Ohio seeks to expand Rider AMRP to allow it to recover costs for replacing service head adapter-style risers. The riser connects the service line to the meter. The Public Utilities Commission of Ohio Staff recently conducted a statewide investigation into these risers and concluded that, under certain circumstances, these risers are more prone to leaks than other types of risers. DE-Ohio plans to accelerate its replacement of these risers and to recover the costs through Rider AMRP.

DE-Ohio also seeks to introduce a new tracker to recover costs for the Company's Utility of the Future initiative, which will provide DE-Ohio and customers with better information about usage. We will also be able to reduce our costs for reading meters. Customers will benefit because this will allow us to reduce our operation and maintenance expenses. The Company will also use the tracking mechanism to flow through to customers the savings related to the Utility of the Future initiative.

DE-Ohio's total cost to complete the main replacement and riser replacement program during the next nine years is estimated at approximately \$599 million. For residential customers, this will result in an additional charge of approximately \$1.53 per month during the first year of the program, beginning in the spring of 2008. DE-Ohio will provide additional information on the Utility of the Future costs and savings at a later date.

Finally, DE-Ohio also proposes a new rate structure for delivery service that is not based upon the volume of gas delivered. Rather than allowing our annual delivery revenues to fluctuate with volumes flowed, we will compare our sales each year to a benchmark, which is the weather normalized level of sales approved by the Public Utilities Commission of Ohio in our most recent general gas rate case, adjusted for new customers added since that time. We will then compare our actual sales to this baseline, and provide customers a credit or charge to account for the difference.

These new rates are applicable to all of DE-Ohio's gas customers. Enclosed is a list of the proposed new rates. These rates are subject to change after the Commission holds public evidentiary hearings. While this letter is a formal notice to you, in accordance with applicable utility laws, we also have representatives available to discuss our rate proposals in more detail. To discuss any specific questions you may have, please call Paul Smith at (513) 419-5180.

Very truly yours,

Sandra P. Meyer
President

DUKE ENERGY OHIO, INC.

NOTICE OF INTENT TO FILE

This document constitutes DE-Ohio's Notice of Intent to file for an increase in gas rates and DE-Ohio's Notice of Intent to file an application for approval of an alternative rate plan for its gas distribution service.

SERVICE AREA INCLUDED

The entire gas service area of DE-Ohio will be included in the application for an increase in gas rates and the application for approval of an alternative rate plan for its gas distribution service.

THE PROPOSED TEST YEAR AND DATE CERTAIN

Test Year – Twelve Months ended December 31, 2007

Date Certain – March 31, 2007

DUKE ENERGY OHIO, INC.

CASE NO. 07-589-GA-AIR

CASE NO. 07-590-GA-ALT

CASE NO. 07-591-GA-AAM

SUMMARY OF PROPOSED RATES

Duke Energy Ohio
CASE NO. 07-0589-GA-AIR
CASE NO. 07-0590-GA-ALT
CASE NO. 07-0591-GA-AAM
SUMMARY OF PROPOSED RATES

CASE NO. 07-0589-GA-AIR
CASE NO. 07-0590-GA-ALT
CASE NO. 07-0591-GA-AAM
Tab 8 to Filing Notice
June 18, 2007

	<u>CURRENT</u>	<u>PROPOSED</u>
<u>Rate RS</u>		
Customer Charge	\$6.00	\$15.00 / Month
Commodity Charge	\$0.18591	/ CCF
Year 1		\$0.22796 / CCF
Year 2		\$0.24714 / CCF
Year 3 and Beyond		\$0.26575 / CCF
<u>Rate GS</u>		
Customer Charge	\$21.00	\$40.00 / Month
Commodity Charge		/ CCF
First 1000	\$0.1630	/ CCF
Year 1		\$0.19474 / CCF
Year 2		\$0.18774 / CCF
Year 3 and Beyond		\$0.18373 / CCF
Next 4000	\$0.1570	/ CCF
Year 1		\$0.16980 / CCF
Year 2		\$0.16280 / CCF
Year 3 and Beyond		\$0.15880 / CCF
All Additional	\$0.1540	/ CCF
Year 1		\$0.14560 / CCF
Year 2		\$0.13860 / CCF
Year 3 and Beyond		\$0.13463 / CCF
<u>Rate RFT</u>		
Customer Charge	\$6.00	\$15.00 / Month
Commodity Charge	\$0.18591	/ CCF
Year 1		\$0.22796 / CCF
Year 2		\$0.24714 / CCF
Year 3 and Beyond		\$0.26575 / CCF
<u>Rate FT</u>		
Customer Charge	\$21.00	\$40.00 / Month
Commodity Charge		/ CCF
First 1000	\$0.1630	/ CCF
Year 1		\$0.19474 / CCF
Year 2		\$0.18774 / CCF
Year 3 and Beyond		\$0.18373 / CCF
Next 4000	\$0.1570	/ CCF
Year 1		\$0.16980 / CCF
Year 2		\$0.16280 / CCF
Year 3 and Beyond		\$0.15880 / CCF

	<u>CURRENT</u>	<u>PROPOSED</u>
All Additional	\$0.1540	/ CCF
Year 1		\$0.14560 / CCF
Year 2		\$0.13860 / CCF
Year 3 and Beyond		\$0.13463 / CCF

Rate IT

Administrative Charge	\$595.86	\$595.86 / Month
Commodity Charge	\$0.04916	/ CCF
Year 1		\$0.06072 / CCF
Year 2		\$0.05843 / CCF
Year 3 and Beyond		\$0.05620 / CCF

Rate DGS

Administrative Charge	\$25.00	\$25.00
Monthly Capacity Reservation Charge		
(Variable based on the level of contract capacity established by service agreement)		
Facility Charge		
(Variable as established by service agreement)		
Delivery Charge		
(Per firm transportation tariff)		

Rate FRAS

Contains no charges. States terms and conditions for DE Ohio to provide service to suppliers to deliver gas on behalf of customers receiving firm transportation service under Rate RFT and Rate FT.

Rate SSIT

Administrative Charge	\$595.86	\$595.86
Facility Charge		
(Variable as established by service agreement)		
Delivery Charge	See Formula Below	See Formula Below

Formula for Rate SSIT Delivery Charge

The transportation rate (\$ per MCF) shall be greater of (Heat Rate/ 1,000) X 0.0204 or (Spark Spread - 10.00) X (51.4/ Heat Rate)

Where

Spark Spread = Electric Price - (Gas Price X Heat Rate / 1,000)

Heat Rate = Average heat rate as High Heating Value (HHV), subject to annual audit

Electric Price = Weighted Average Index in \$ / MWh for "Into Cinergy" as listed in Megawatt Daily

Gas Price = Columbia Gas Appalachian midpoint in \$ / MMBtu as listed in Gas Daily

Rate IMBS (No Change Proposed In This Filing)

Throughput Charge

This charge is based on the option selected by the customer/supplier for monthly overrun carry-over tolerance percentages. The three options available result in charges of \$0.015 per Mcf, \$0.020 per Mcf to \$0.025 per Mcf on all deliveries to customer during the month.

End of Month Cash-Out Charge

Over-deliveries above the allowed monthly carry-over percentage are cashed out at the first of the month index published in *Inside F.E.R.C Natural Gas Report*, "Prices of Spot Gas Delivers to Pipelines," Columbia Gulf Transmission Co., Onshore Louisiana Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city gate. Any under-deliveries for the month shall be cashed-out at the same rate.

Rider AMRP

All customers who receive service under Rates RS, RFT, GS, DGE, and FT shall be assessed a monthly charge, in addition to the Customer Charge or Administrative Charge component of their applicable rate schedule, that will enable the Company to recover the costs of the Company's cast iron, bare steel and its riser replacement program. Customers receiving service under Rates IT and SSIT will be assessed a throughput charge in addition to their commodity delivery charge, also to fund the cast iron, bare steel, and riser replacement program. Rider AMRP will be updated annually in order to reflect the impact to the Company's revenue requirements of the plant additions, as offset by: (1) operation and maintenance expense reductions; and (2) eliminating depreciation expense for the plant taken out of service during the prior twelve months ending December 31. Such adjustments to the Rider will become effective with the first billing cycle of May and in the first three years, will reflect the allocation of the required revenue increase based on the phased-in revenue distribution approved in the Company's current rate proceeding. In subsequent years, the allocation will be made based on actual base revenues collected by rate class during the preceding calendar year.

Rider AMRP will be zero when the Commission approves the tariff. Current Rider AMRP revenues will be included in the Company's new base rates for gas delivery. The Company will complete the cast iron, bare steel and riser replacement program over a nine-year period, during which the Company will replace cast iron, bare steel, and risers at an estimate total cost of approximately \$599 million dollars.

Note: None of the Company's other riders applicable to the above rate schedules will be changed as a result of the Company's filing.