

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Joint Application of)	
Brainard Gas Corp., Northeast Ohio Gas)	18-1484-GA-UNC
Corp., Orwell Natural Gas Company, and)	
Spelman Pipeline Holdings, LLC for)	
Approval of Merger and Request for)	
Expedited Approval.)	
)	
In the Matter of the Joint Application of)	
Brainard Gas Corp., Northeast Ohio Gas)	18-1485-GA-ATA
Corp., Orwell Natural Gas Company, and)	
Spelman Pipeline Holdings, LLC for)	
Approval of Modified Tariffs)	

**VERIFIED JOINT APPLICATION OF BRAINARD GAS CORP., NORTHEAST OHIO
GAS CORP., ORWELL NATURAL GAS COMPANY AND SPELMAN PIPELINE
HOLDINGS, LLC FOR APPROVAL OF MERGER AND REQUEST FOR EXPEDITED
APPROVAL**

I. INTRODUCTION

Brainard Gas Corp. (“Brainard”), Orwell Natural Gas Company (“Orwell”), Spelman Pipeline Holdings, LLC (“Spelman”), and Northeast Ohio Natural Gas Corp. (“NEO”) (collectively referred to as the “Ohio Utilities”) respectfully request expedited approval by the Public Utilities Commission of Ohio (“PUCO” or “Commission”) of the proposed merger of Brainard, Orwell, and Spelman into NEO. The Ohio Utilities respectfully state the following:

II. BACKGROUND

1. Brainard, Orwell, and NEO are public utilities and natural gas companies as defined in R.C. §4905.02 and R.C. §4905.03(E), respectively, and are subject to the Commission’s jurisdiction.

2. Spelman is a public utility and pipeline company as defined in R.C. §4905.02 and R.C. §4905.03(F), respectively, and is subject to the PUCO’s jurisdiction.

3. The Ohio Utilities are all owned by the same parent company, PHC Utilities, Inc., a wholly owned subsidiary of Hearthstone Utilities Inc., f/k/a Gas Natural, Inc. (“Hearthstone”).¹

4. Hearthstone is a privately held company that is not regulated by the Commission or subject to its jurisdiction. Hearthstone’s organizational chart is attached hereto as **Exhibit A**.

III. COMMISSION JURISDICTION

5. The Commission has no express statutory authority to review mergers of gas utilities or gas pipeline companies.

6. Despite the lack of clear statutory authority, the Commission has previously asserted jurisdiction over mergers under its general supervisory authority pursuant to R.C. § 4905.04 through 4905.06.²

7. The Ohio Utilities do not concede that the Commission has jurisdiction over this proposed transaction. However, recognizing the Commission’s past decisions in other merger cases, the Ohio Utilities are submitting this Application and Request for Expedited Approval (“Application”) in good faith for the Commission’s review and approval. As explained in greater detail below, approval of this Application is in the public interest because the customers of the Ohio Utilities will not be adversely affected. To the contrary, Ohio customers will actually benefit

¹ Although Hearthstone is not subject to the jurisdiction of the Commission, the Ohio Utilities recently sought and obtained approval from the Commission for a merger between Hearthstone (then known as Gas Natural Inc.), the Ohio Utilities’ parent company, and FR Bison Merger Sub, Inc (“FR Merger Sub”). *See In the Matter of the Joint Application of Brainard Gas Corp., Northeast Ohio Natural Gas Corp., Orwell Natural Gas Company, and Spelman Pipeline Holdings, LLC for Approval of a Merger with FR Bison Holdings, Inc. and FR Bison Merger Sub, Inc.*, Case No. 16-2251-GA-UNC, Opinion and Order (June 21, 2017). After receiving Commission approval, Hearthstone eventually merged into FR Merger Sub with Hearthstone continuing as the surviving entity of such merger. *Id.* at ¶ 9.

² *See, e.g., id.; In the Matter of the Application of The East Ohio Gas Company and West Ohio Gas Company for Authority to Merge*, Case No. 96-991-GA-UNC, Order (Dec. 19, 1996), ¶ 6 (claiming the Commission has jurisdiction under these statutes to ensure the merger is in the public interest).

from the proposed merger. Therefore, the Ohio Utilities respectfully request that the Commission enter an Order approving the Application.

IV. AGREEMENT AND PLAN OF MERGER

8. Under the terms of the Agreement and Plan of Merger (“Merger Agreement”), a draft copy of which is attached hereto as **Exhibit B**, Brainard, Orwell, and Spelman will be merged into NEO, with the surviving corporation retaining the name and operating as NEO.

9. Under the terms of the proposed merger, NEO will succeed to and possess and enjoy the rights, privileges, power, and franchises of the individual Ohio Utilities. NEO shall also become subject to all the restrictions, liabilities, duties, and obligations of the individual Ohio Utilities.

10. Except for the changes due to the proposed merger, Hearthstone will remain as currently structured.

11. During the period between the merger and the Ohio Utilities next distribution rate case, NEO will maintain separate books and records for each former utility. During that period, customers will see no change in customer charges and distribution service rates as a result of the merger, and will continue to be billed under their current tariff distribution service rate charges.

12. Each Ohio Utility will be administratively billed consistent with past practice in order to properly account for intra-company services. The Ohio Utilities will also continue to track investment and expenses by area until rates are reset by a rate case.

13. Each Ohio Utility will continue to comply with and report individually based on the requirements of the most recent financing case, Case No. 16-354-GA-AIS, and with the merger case of the Ohio Utilities with FR Bison Holdings, Case No. 16-2251-GA-UNC, until such reporting may be changed at the conclusion of NEO’s next rate case.

V. IMPACT OF THE MERGER ON OHIO CUSTOMERS

14. The Merger Agreement will have little immediate impact on customers in Ohio since the operation of the Ohio Utilities is not expected to materially change. There will be no interruption of service to customers, and the Ohio Utilities will continue to provide safe and reliable service to all of their customers. To the extent there are any impacts from the proposed merger, the potential impacts will be long term and beneficial to customers.

15. The proposed merger will provide benefits to customers through the efficiencies and economies that can be achieved through a merger, and through the availability of the Ohio Utilities' collective gas supply management, delivery, and transportation experience and expertise.

16. The proposed merger will also facilitate regulatory efficiencies by eliminating multiple regulatory filings. Combining the four companies' regulatory filings will reduce litigation time and expense, both for the Ohio Utilities individually and for the Commission.

17. As a result of eliminating these administrative and regulatory inefficiencies, the Ohio Utilities are expected to experience additional management focus on operational improvements and customer service, which will further benefit customers.

18. Further, with the Ohio Utilities merging into one entity, NEO will be able to further expand service to unserved customers and new service territories where economically feasible and pursue necessary system upgrades in a more expeditious and streamlined manner as the merger will ultimately improve the financial standing of the individual entities by combining them into one.

19. The efficiencies that attend mergers, and the combined expertise available to the Ohio Utilities' customers after the proposed merger, will actualize the full advantages of the increasingly competitive natural gas market to customers.

20. Ohio customers will experience no immediate changes as a result of this transaction. The Ohio Utilities do not anticipate any material, immediate changes to the rate base, operations, or customer service associated with this Merger Agreement. Instead, once the merger is completed, customers of the Ohio Utilities will be served under the existing tariff for NEO with certain minor changes. Specifically, to ensure that customers do not experience any changes to their service, NEO will insert separate area rates for each Brainard, Orwell, and NEO territory in the NEO tariff. Those area rates will be the same as those previously paid by the customer to their respective utility. The proposed revised NEO tariffs with the area rates are attached hereto as **Exhibit C**.

21. NEO will be standardizing all customers under NEO's tariffs. Some of those tariffs include some minor miscellaneous charges for things other than distribution service rates (returned check fees, service charges, etc.). In the interests of uniformity, all non-rate charges will be applied to customers using the lowest rate among the Ohio Utilities for those charges. By using this methodology, no customer will face any rate increase in these charges as a result of this application.

22. Gas costs will be combined into one calculation. The same GCR charge will be assessed to all customers regardless of area.

23. Spelman's tariffs will be added to NEO's revised tariff without any changes and Spelman will continue to bill based on its current tariffs until the commission rules on the use of its system and recovery of its costs in the company's next rate case.

24. The Ohio Utilities also anticipate minimal changes to employees in Ohio. Much of the actual operations of these utilities are currently performed by the existing workforce with the assignment of costs being billed to the utility that receives the service.

25. The Ohio Utilities further expect continued compliance with all rules, regulations, and applicable Commission orders.

VI. OHIO UTILITIES REQUEST FOR EXPEDITED APPROVAL

26. The Ohio Utilities do not believe that the proposed merger is within the jurisdiction of the Commission. However, out of an abundance of caution, the Ohio Utilities are filing this Application to prevent disagreement over jurisdictional issues from delaying the proposed merger.

27. The Ohio Utilities request that the Commission approve the proposed merger without a hearing. Nothing in Title 49 requires the Commission to conduct a hearing in this circumstance, and there is no reason for a hearing in this case. The proposed merger will not result in any material changes to the services provided to customers. Accordingly, there is no reason to delay this proposed merger with an unnecessary hearing. In fact, the Commission has previously determined that hearings are unnecessary when such transactions will not affect customers' service rates and will not adversely affect the utilities' service or reliability for customers.³ The Ohio Utilities request similar treatment of this Application, and respectfully request that the Commission set this Application for comments and reply comments in lieu of a hearing.

28. In setting a procedural schedule for filing comments, the Ohio Utilities also respectfully request that the Commission anticipate issuing a ruling no later than December 1, 2018, so that the proposed merger can be completed in a timely manner.

³ See, e.g., *In the Matter of the Joint Application of Brainard Gas Corp., Northeast Ohio Natural Gas Corp., Orwell Natural Gas Company, and Spelman Pipeline Holdings, LLC for Approval of a Merger with FR Bison Holdings, Inc. and FR Bison Merger Sub, Inc.*, Case No. 16-2251-GA-UNC, Opinion and Order (June 21, 2017), ¶ 19; *In the Matter of the Application of Ohio Power Co. & Columbus Southern Power Co. for Auth. to Merge and Related Approvals.*, No. 10-2376-EL-UNC, Entry at ¶ 37 (May 7, 2012); Case No. 96-991-GA-UNC, *In the Matter of the Application of The East Ohio Gas Company and West Ohio Gas Company for Authority to Merge*, Order dated December 19, 1996, ¶ 19 (finding that hearing was not required since Staff and interested parties had been given the opportunity to file written comments).

29. Approval of this proposed merger on an expedited basis is in the public interest, as it will provide the Ohio Utilities with more efficient use of existing financial resources, improve their existing services, facilitate additional management focus on operational improvements and customer service, and maintain competitive and affordable gas rates for their Ohio customers. It will also provide benefits to the operations of this commission by reducing workload needed to review regulatory requirements and filings for each individual utility.

VII. CONCLUSION

30. Pursuant to R.C. §4905.04, §4905.05, and §4905.06, the Commission has the power to regulate and generally supervise public utilities and to approve on an expedited basis the proposed merger of Brainard, Orwell, and Spelman into NEO.

31. Although the Ohio Utilities do not need express approval from the Commission to approve the proposed merger, the Ohio Utilities, out of an abundance of caution, submit this Application in good faith for the review and approval of the Commission.

32. The Merger Agreement is not projected to have a material impact on customers.

33. The Ohio Utilities respectfully request that the Commission waive hearing and instead establish a comment period which would enable the Commission to issue a decision approving the proposed merger by December 1, 2018, permitting the implementation of the merger within 60 days of the date of the order, and grant any and all authority it deems necessary to consummate and fully implement the proposed merger as set forth in this Application.

Respectfully submitted,

/s/ N. Trevor Alexander

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STATE OF MONTANA)
)
COUNTY OF CASCADE)

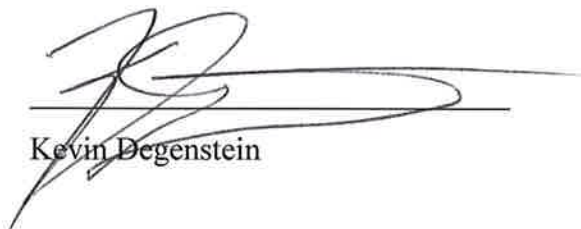
VERIFICATION

I, Kevin Degenstein, declare:

I am the President of Brainard Gas Corp., Orwell Natural Gas Company, Spelman Pipeline Holdings, LLC, and Northeast Ohio Natural Gas Corp., and I have been authorized to make this verification on behalf of those entities.

I have read the foregoing Verified Joint Application ("Application") and have personal knowledge of the contents thereof. The facts stated in the Application are true, to the best of my knowledge and information and belief.

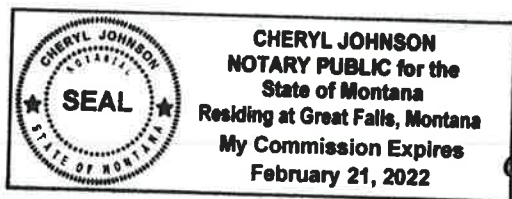
I declare under the penalty of perjury under the laws of the State of Ohio that the factual allegations in the Application are true and correct.


Kevin Degenstein

STATE OF MONTANA
COUNTY OF CASCADE

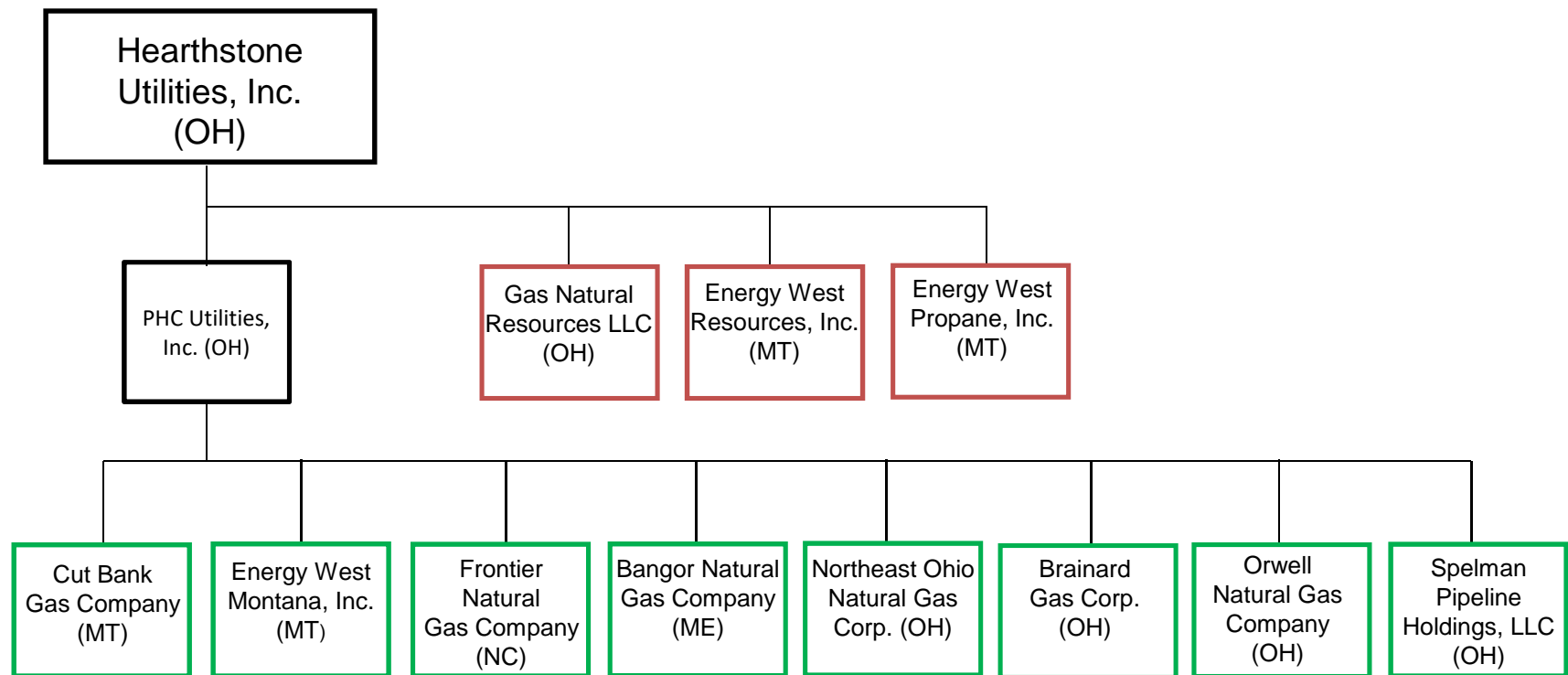
I, Cheryl Johnson, a Notary Public of Cascade County in the State of Montana, do hereby certify that Kevin Degenstein, appeared before me this day and acknowledged that he is the President of Brainard Gas Corp., Orwell Natural Gas Company, Spelman Pipeline Holdings, LLC, and Northeast Ohio Natural Gas Corp. and has sworn to and subscribed in my presence the foregoing.

WITNESS my hand and official seal or stamp, this 27 day of September, 2018.




NOTARY PUBLIC

Exhibit A



AGREEMENT AND PLAN OF MERGER OF

BRAINARD GAS CORP.
(An Ohio Corporation)

ORWELL NATURAL GAS COMPANY
(An Ohio Corporation)
&

SPELMAN PIPELINE HOLDINGS, LLC
(An Ohio Limited Liability Company)

WITH AND INTO

NORTHEAST OHIO NATURAL GAS CORP.
(An Ohio Corporation)

THIS AGREEMENT AND PLAN OF MERGER (“*Agreement*”) is made as of _____, 2018 by and among BRAINARD GAS CORP., an Ohio corporation (“**Brainard**”), ORWELL NATURAL GAS COMPANY, an Ohio corporation (“**Orwell**”), SPELMAN PIPELINE HOLDINGS, LLC, an Ohio limited liability company (“**Spelman**” and together with Orwell and Brainard the “**Merging Companies**”), and NORTHEAST OHIO NATURAL GAS CORP., an Ohio corporation (the “**Surviving Company**” and together with the Merging Companies, the “**Constituent Companies**”).

WHEREAS, the Merging Companies desire to merge with and into the Surviving Company;

WHEREAS, PHC Utilities, Inc., an Ohio corporation (“**PHC**”), is the sole owner of the Constituent Companies, owning all of the issued and outstanding membership units of Spelman and all of the issued and outstanding shares of stock of the Surviving Company, Brainard and Orwell; and

WHEREAS, the respective boards of directors of the Surviving Company, Brainard and Orwell, PHC as the managing member of Spelman, and PHC as the sole owner of each of the Merging Companies have respectively determined that it is advisable and in the best interests of their respective companies, members, and shareholders for the Merging Companies to merge with and into the Surviving Company, upon the terms and subject to the conditions set forth herein, in accordance with the applicable provisions of the Ohio General Corporation Law (the “**OGCL**”) and the Ohio Limited Liability Act (the “**LLC Act**”).

NOW, THEREFORE, in consideration of the foregoing and of the mutual agreements and promises set forth in this Agreement, the Constituent Companies do hereby agree as follows:

ARTICLE 1. PLAN OF MERGER

- 1.1 The Merger.** As of the Effective Date (as defined in Section 1.2) and upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the OGCL and the LLC Act, the Merging Companies shall be merged with and into the Surviving Company (the “***Merger***”). As a result of the Merger, the separate existence of the Merging Companies shall cease and the Surviving Company shall continue as the surviving entity of the Merger.
- 1.2 Effective Date.** As promptly as practicable, the parties hereto shall cause the Merger to be consummated by filing a Certificate of Merger with the Ohio Secretary of State in such forms as required by, and executed in accordance with, the relevant provisions of the OGCL and the LLC Act. In accordance with the OGCL and the LLC Act, the Certificate of Merger shall be effective upon the date it is filed with the Ohio Secretary of State (the “***Effective Date***”).
- 1.3 Effect of the Merger.** On the Effective Date, the effect of the Merger shall be as provided in the applicable provisions of the OGCL and the LLC Act, without regard to otherwise governing principles of conflicts of law. Without limiting the generality of the foregoing, and subject thereto, on the Effective Date, all the property, rights, privileges, immunities, powers, franchises, and authority of the Merging Companies shall vest in the Surviving Company, and all debts, liabilities, obligations, restrictions, disabilities and duties of the Merging Companies shall become the debts, liabilities, obligations, restrictions, disabilities and duties of the Surviving Company.

ARTICLE 2. CANCELLATION OF UNITS & SHARES

- 2.1 Cancellation of Units and Shares.** On the Effective Date, all issued and outstanding membership units of Spelman, and all the issued and outstanding shares of stock of Brainard and Orwell, shall, by virtue of the Merger and without any action on the part of the Surviving Company or its shareholders, cease to exist and all certificates representing such interests, if any, shall be cancelled.

ARTICLE 3. SURVIVING CORPORATION

- 3.1 Name of Surviving Company.** After the Effective Date, the name of the Surviving Company shall remain Northeast Ohio Natural Gas Corp.
- 3.2 Articles of Incorporation of Surviving Company.** The articles of incorporation of the Surviving Company, existing on the Effective Date, shall continue in full force as the articles of incorporation of the Surviving Company until altered, amended, or repealed as provided therein or as otherwise provided by the OGCL.
- 3.3 Board of Directors.** From and after the Effective Date, the board of directors of the Surviving Company shall be the current board of directors of the Surviving Company and

will hold office from the Effective Date and shall continue to hold office as provided in the code of regulations of the Surviving Company (the “**Code**”).

3.4 Code of Regulations. The Code of the Surviving Company, existing on the Effective Date, shall continue in full force as the Code of the Surviving Company until altered, amended, or repealed as provided therein or as otherwise provided by the OGCL.

3.5 Officers. From and after the Effective Date, the officers of the Surviving Company shall be the current officers of the Surviving Company and will hold office from the Effective Date until their successors are duly elected or appointed and qualified in the manner provided in the Code or as otherwise provided by the OGCL.

ARTICLE 4. MISCELLANEOUS

4.1 Entire Agreement. This Agreement constitutes the entire agreement between the Constituent Companies pertaining to the subject matter hereof and fully supersedes any and all prior or contemporaneous agreements or understandings between the Constituent Companies pertaining to the subject matter hereof.

4.2 Governing Law. This Agreement, including its existence, validity, construction and operating effect, and the rights of each of the Constituent Companies, shall be governed by and construed in accordance with the laws of the State of Ohio without regard to otherwise governing principles of conflicts of law.

4.3 Counterparts. This Agreement may be executed in any number of counterparts, including by facsimile or electronic signature included in an Adobe PDF file, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Agreement shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that the parties need not sign the same counterpart.

4.4 Severability. The provisions of this Agreement are severable, and in the event that any provision hereof is determined to be invalid or unenforceable, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining provisions hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned parties have executed and delivered this Agreement as of the date first set forth above.

“SURVIVING COMPANY”

NORTHEAST OHIO NATURAL GAS CORP., an Ohio corporation

By: _____
Name: _____
Its: _____

“MERGING COMPANIES”

BRAINARD GAS CORP., an Ohio corporation

By: _____
Name: _____
Its: _____

ORWELL NATURAL GAS COMPANY, an Ohio corporation

By: _____
Name: _____
Its: _____

SPELMAN PIPELINE HOLDINGS, LLC, an Ohio limited liability company

By: _____
Name: _____
Its: _____

NORTHEAST OHIO NATURAL GAS CORPORATION

A ~~MARBEL ENERGY~~ HEARTHSTONE UTILITIES, INC. COMPANY

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

Filed With The
Public Utilities Commission of Ohio

Communication Concerning
This Tariff Should Be Sent To:

~~Lawrence P. Haren~~ Kevin Degenstein, President

Northeast Ohio Natural Gas Corp.
~~PO Box 430~~ 5640 Lancaster-Newark Road
Pleasantville ~~Lancaster~~, Ohio 431 ~~4830-0430~~

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

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

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

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

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

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

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

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Filed under Authority of the Public Utilities Commission of Ohio in Case No. 03-2170-GA-AIR

ISSUED: November 12, 2004 EFFECTIVE: For Bills Rendered on or after November 12, 2004

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

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

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

ISSUED: _____ EFFECTIVE: For Bills Rendered on or after _____

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

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

SECTION I - SERVICE

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

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

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

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

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

ISSUED: March 5, 1999

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Property Owner's/Agent's Disconnection Notice

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

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

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

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SECTION II - METERING AND BILLING

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

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

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

20. METER READING AND BILLING PERIODS.

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

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

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

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

- 22. ~~NO LONGER USED~~ AREA RATES.** Billing of charges based on monthly consumption and service are determined by the customer's area of service. Customers in areas formerly served by Brainard Gas Corporation, Orwell

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Kevin Degenstein ~~Lawrence P. Haren~~, President

NORTHEAST OHIO NATURAL GAS CORP ~~SECOND~~THIRD REVISED SHEET
NO. 8

Natural Gas Corporation and Northeast Ohio Gas Corporation will be served under the Area Rates listed herein. Area Rates for Brainard are show in Part 74 beginning on Sheet 58. Area Rates for Orwell are shown in Part 75 beginning on Sheet 60.

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

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

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SECTION III - PHYSICAL PROPERTY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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SECTION IV – DISTRIBUTION SERVICES

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

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

36. SMALL GENERAL SERVICE (SGS).

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

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

(C) **General Sales Rate.**

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

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

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

37. GENERAL SERVICE (GS).

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

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

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

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

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

38. LARGE GENERAL SERVICE (LGS).

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

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2. Customer's consumption during one of the two most recent Annual Periods (November through October billing cycles) was at least 10,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 10,000 Mcf per year during future Annual Periods. In addition, at least 50% of Customer's annual consumption must be consumed in the seven billing months of April through October.
3. Company may, at its option, waive the requirement that 50% of the annual consumption occur during the seven months of April through October where such waiver is necessary in order to serve a load which would not otherwise be served by Company, provided that at least 30% of Customer's annual consumption occurs during the months of April through October.

(C) General Sales Rate.

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

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

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

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

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Lawrence P. Haren, President

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

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

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SECTION V – TRANSPORTATION SERVICES

40. DEFINITIONS. (As used herein)

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

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

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

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

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41. REQUIREMENTS FOR TRANSPORTATION SERVICE.

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

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

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

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

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

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

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

44. MEASUREMENT.

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

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

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

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

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

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

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

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

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

45. QUALITY OF GAS DELIVERED TO COMPANY.

- (A) Quality of Gas at Point(s) of Receipt with an Interstate Pipeline.** Gas delivered by or on behalf of Customer to Company at point(s) of receipt with an interstate pipeline shall conform to the interstate pipeline's gas quality standards.
- (B) Quality of Gas at Other Point(s) of Receipt.** Gas delivered by or on behalf of Customer to Company at point(s) of receipt other than an interstate pipeline shall be commercially free from oil, water, air, salt, dust, gum, gum-forming constituents, harmful or noxious vapors, or other solid or liquid matter which might interfere with its merchantability or cause interference to or with, proper operation of the pipelines, regulators, meters, and other equipment of Company or its customers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

48. VOLUME BANKING AND BALANCING.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

63. GENERAL TRANSPORTATION SERVICE (GTS).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

64. LARGE GENERAL TRANSPORTATION SERVICE (LGTS).

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

Available to any non-residential customer, provided that:

1. Service can be rendered within the limits of the Company's operating conditions and facilities.
2. Customer's consumption during one of the two most recent Annual Periods (November through October billing cycles) was at least 10,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 10,000 Mcf per year during future Annual Periods. In addition, at least 50% of Customer's annual consumption must be consumed in the seven billing months of April through October.
3. Company may, at its option, waive the requirement that 50% of the annual consumption occur during the seven months of April through October where such waiver is necessary in order to serve a load which would not otherwise be served by Company.

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

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

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

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

Firm Service. Company shall allocate and reserve pipeline capacity of Company's facilities on behalf of Customer for redelivery of Customer's supply for consumption by Customer.

On any day, Company shall deliver Customer's Authorized Daily Volume of gas (as defined in Part 46 hereof) on a firm basis, with no planned interruption. However, Customer's Authorized Daily Volume is interruptible when such interruption is necessary due to force majeure conditions, or where service to human needs customers is threatened.

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1999

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force majeure conditions, or where service to human needs customers is threatened.

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

(D) Options.

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

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

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

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

Filed under Authority of the Public Utilities Commission of Ohio in Case No. 03-2170-GA-AIR

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Lawrence P. Haren, President

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Standby Service Charges.

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

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**RULES, REGULATIONS AND RATES GOVERNING
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Transportation Service by the sum of the weighted average demand cost underlying the Company's effective GCR rate, plus applicable excise taxes.

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

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SECTION VI - UNIFORM PURCHASED GAS ADJUSTMENT

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

SECTION VII - GENERAL

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

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

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

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

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Lawrence P. Haren, President

**RULES, REGULATIONS AND RATES GOVERNING
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68. RESIDENTIAL TERMINATION PROCEDURE FOR NONPAYMENT.

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

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

(A) Reconnection Trip Charge and Additional Inspection Charge.

1. If a service is reconnected after disconnection, or an additional inspection is required, a charge of ~~twenty-five~~^{thirty-five} dollars (\$~~25~~³⁵.00) shall be assessed if performed during normal working hours.
2. If service is reconnected after disconnection or an additional inspection is required after Company's normal business hours, a charge of ~~thirty~~^{forty} dollars (\$~~30~~⁴⁰.00) shall be assessed.

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

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

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

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Lawrence P. Haren, President

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

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

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

- (F) **Meter Test Charge.** If a meter is tested at the request of a customer and said test result demonstrates the meter was operating within accepted tolerances, a charge of ~~twenty~~thirty-five dollars (\$~~23~~5.00) shall be assessed. If the test result demonstrates the meter was not operating within accepted tolerance, there shall be no charge for the test or removal. This charge shall not be assessed for the first such test performed in any 36-month period.

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

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Lawrence P. Haren, President

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

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

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

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

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

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

ISSUED: October 13, 2017

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October 13, 2017

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

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

74. BRAINARD GAS CORP. AREA RATES

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

Sales Service:

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

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

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

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

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

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

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

ISSUED: _____ EFFECTIVE: For Bills Rendered on or after _____

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Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

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

BRAINARD GAS CORP. AREA RATES

Transportation Service:

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

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

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

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

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

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

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

ISSUED: _____ EFFECTIVE: For Bills Rendered on or after _____

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Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

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

75. ORWELL NATURAL GAS COMPANY AREA RATES

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

SMALL GENERAL SERVICE (SGS).

(A). Base Rates.

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

Rates:

Monthly Customer Charge: \$9.00

Volumetric Rates per Mcf:

For first 100 Mcf: \$3.33

From 101 to 400 Mcf: \$3.10

Over 400 Mcf: \$3.00

(B) Adjustments to Base Rates

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

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

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

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Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

**RULES, REGULATIONS AND RATES GOVERNING
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ORWELL NATURAL GAS COMPANY AREA RATES

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

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

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

ISSUED: _____ EFFECTIVE: For Bills Rendered on or after _____

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Northeast Ohio Natural Gas Corp.
Kevin Degenstein, President

**RULES, REGULATIONS AND RATES GOVERNING
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ORWELL NATURAL GAS COMPANY AREA RATES

GENERAL SERVICE (GS).

(A) Base Rates

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

Rates:

Monthly Customer Charge: \$50.00

Volumetric Rates per Mcf:

For first 500 Mcf: \$3.00

Over 500 Mcf: \$2.50

(B) Adjustments to Base Rates

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

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

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

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

ISSUED: _____ EFFECTIVE: For Bills Rendered on or after _____

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

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

ORWELL NATURAL GAS COMPANY AREA RATES

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

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**RULES, REGULATIONS AND RATES GOVERNING
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ORWELL NATURAL GAS COMPANY AREA RATES

LARGE GENERAL SERVICE (LGS).

(A). Base Rates.

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

- (a) Service can be rendered within the limits of the Company's operating conditions and facilities.
- (b) Customer's consumption at the service location during one of the two most recent Annual Periods (November through October billing cycles) was at least 10,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 10,000 Mcf per year during future Annual Periods. In addition, at least 50% of Customer's annual consumption must be consumed in the seven billing months of April through October.

Company may, at its option, waive the requirement that 50% of the annual consumption occur during the seven months of April through October where such waiver is necessary in order to serve a load which would not otherwise be served by Company.

Rates:

Monthly Customer Charge: \$ 100.00 per meter.

Volumetric Rates per Mcf:

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

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

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

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

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ORWELL NATURAL GAS COMPANY AREA RATES

(B) Adjustments to Base Rates

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

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

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

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

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GENERAL TRANSPORTATION SERVICE (GTS)

(A). Base Rates.

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

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

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

Over 500 Mcf Delivered: \$2.50 per Mcf

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

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

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ORWELL NATURAL GAS COMPANY AREA RATES

(B). Adjustments to Base Rates

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

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

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

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ORWELL NATURAL GAS COMPANY AREA RATES

LARGE GENERAL TRANSPORTATION SERVICE (LGTS).

(A). Base Rates.

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

Customer's consumption during one of the two most recent Annual Periods (November through October billing cycles) was at least 10,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 10,000 Mcf per year during future Annual Periods. In addition, at least 50% of Customer's annual consumption must be consumed in the seven billing months of April through October.

Company may, at its option, waive the requirement that 50% of the annual consumption occur during the seven months of April through October where such waiver is necessary in order to serve a load, which would not otherwise be served by Company.

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

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

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

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

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

(B) Adjustments to Base Rates

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

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

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

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Case No(s). 18-1484-GA-UNC, 18-1485-GA-ATA

Summary: Application Verified Joint Application of Brainard Gas Corp., Northeast Ohio Gas Corp., Orwell Natural Gas Company and Spelman Pipeline Holdings, LLC for Approval of Merger and Request for Expedited Approval. electronically filed by Mr. Trevor Alexander on behalf of Northeast Ohio Natural Gas Corp. and Brainard Gas Corp. and Orwell Natural Gas Company and Spelman Pipeline Holdings, LLC