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November 12, 2004

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

Re: Northeast Ohio Natural Gas Corp.
Case No. 03-2170-GA-AIR
Case No. 04-964-GA-UEx

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Dear Ms. Jenkins:

Pursuant to the Commission's November 10, 2004 opinion and order in the above-captioned proceedings, Northeast Ohio Natural Gas Corp. files herewith four complete, printed copies of its revised tariff sheets consistent with the opinion and order and hereby cancels and withdraws the superceded tariff sheets. One copy of the tariff sheets is to be included in these consolidated dockets, one copy is to be included in NEONG's TRF docket, and two copies are to be distributed to Staff.

As provided in the opinion and order, these tariff sheets are effective this date.

Thank you for your attention to this matter.

Sincerely,


Barth E. Royer

Attorney for
Northeast Ohio Natural Gas Corp.

Enclosure

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

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

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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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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- (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.

19. 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, but may be read more or less frequently at Company's option; provided, however, that Company shall read each Customer's meter at least once annually. The Company is authorized to request the Customer to read the Customer's meter at a reasonable frequency established by the Company.

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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

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

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

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

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

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

(D) Options.

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

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

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

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

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- 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

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 \$.01 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.

Filed under Authority of the Public Utilities Commission of Ohio in Case No. 01-675-GA-UNC issued March 29, 2001, and Case No. 04-964-GA-UXX

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