

PEOPLES NATURAL GAS COMPANY LLC

**RATES AND RULES
GOVERNING THE
FURNISHING OF
NATURAL GAS SERVICE
TO RETAIL
GAS CUSTOMERS**

April 1, 2017 Quarterly DSIC Charge

ISSUED: March 31, 2017
BY: Morgan K. O'Brien
President
375 North Shore Drive
Pittsburgh, PA 15212

EFFECTIVE: April 1, 2017

NOTICE

This tariff makes changes to existing rates.
(See page 2)

LIST OF CHANGES

Rider K – DSIC Charge – reset DSIC charge to 0%.

PEOPLES NATURAL GAS COMPANY, LLC

SUPPLEMENT NO. 81 TO GAS—PA PUC NO. 45
 SIXTY-FIFTH REVISED PAGE NO. 3
 CANCELLING SIXTY-FOURTH REVISED PAGE NO. 3

DSIC	Rider B - Gas Cost Charges				Base Rate Charges	Rider A STAS	Rider E MFC	Rider F USR	Rider G GPC	Rider H Rate Credit	Rider K DSIC Charge	Total Rate
	Capacity	AVC Capacity	GCA	Commodity								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12=SUM 1 to 11)
Residential Sales						-0.43%					0.00%	
Customer Charge					\$ 13.9500					\$ -	\$ -	\$ 13.9500
Capacity	\$ 1.0255	\$ 0.5583					\$ 0.0266					\$ 1.6104
Price to Compare - PTC			\$ (0.0647)	\$ 2.8099			\$ 0.0713		\$ 0.1055			\$ 2.9220
Delivery Charge					\$ 3.1330			\$ 0.4029		\$ -	\$ -	\$ 3.5359
State Tax Surcharge						\$ (0.0135)						\$ (0.0135)
Total per MCF							\$ 0.0979					\$ 8.0548
Commercial SGS												
Customer Charge												
0 to 499 MCF/Yr					\$ 14.8800					\$ -	\$ -	\$ 14.8800
500 to 999 MCF/Yr					\$ 27.0000					\$ -	\$ -	\$ 27.0000
1/ Capacity	\$ 0.3341	\$ 0.5583										\$ 0.8924
Price to Compare - PTC	\$ 0.6914		\$ (0.0647)	\$ 2.8099			\$ 0.0249		\$ 0.1055			\$ 3.5670
Delivery Charge					\$ 2.1939						\$ -	\$ 2.1939
State Tax Surcharge						\$ (0.0094)						\$ (0.0094)
Total per MCF	\$ 1.0255						\$ 0.0249					\$ 6.6439
Industrial SGS												
Customer Charge												
0 to 499 MCF/Yr					\$ 20.0000					\$ -	\$ -	\$ 20.0000
500 to 999 MCF/Yr					\$ 27.0000					\$ -	\$ -	\$ 27.0000
1/ Capacity	\$ 0.3341	\$ 0.5583										\$ 0.8924
Price to Compare - PTC	\$ 0.6914		\$ (0.0647)	\$ 2.8099			\$ 0.0249		\$ 0.1055			\$ 3.5670
Delivery Charge					\$ 1.7623						\$ -	\$ 1.7623
State Tax Surcharge						\$ (0.0076)						\$ (0.0076)
Total per MCF	\$ 1.0255						\$ 0.0249					\$ 6.2141
Commercial MGS												
Customer Charge												
1,000 to 2,499 MCF/Yr					\$ 50.0000					\$ -	\$ -	\$ 50.0000
2,500 to 24,999 MCF/Yr					\$ 77.0000					\$ -	\$ -	\$ 77.0000
1/ Capacity	\$ 0.3341	\$ 0.3078										\$ 0.6419
Price to Compare - PTC	\$ 0.6914		\$ (0.0647)	\$ 2.8099			\$ 0.0249		\$ 0.1055			\$ 3.5670
Delivery Charge					\$ 2.1904					\$ -	\$ -	\$ 2.1904
State Tax Surcharge						\$ (0.0094)						\$ (0.0094)
Total per MCF	\$ 1.0255						\$ 0.0249					\$ 6.3899

1/ The Price-to-Compare format as shown is applicable to a Non-Priority One customer; the Price-to-Compare Charge for a Priority One customer would not include the Capacity Charge. See the Residential - Sales section above as an example of Priority One.

ISSUED: March 31, 2017

EFFECTIVE: April 1, 2017

PEOPLES NATURAL GAS COMPANY, LLC

SUPPLEMENT NO. 81 TO GAS—PA PUC NO. 45
THIRTY-FOURTH REVISED PAGE NO. 3A
CANCELLING THIRTY-THIRD REVISED PAGE NO. 3A

DSIC	Rider B - Gas Cost Charges				Base Rate Charges	Rider A STAS	Rider E MFC	Rider F USR	Rider G GPC	Rider H Rate Credit	Rider K DSIC Charge	Total Rate
	Capacity (1)	AVC Capacity (2)	GCA (3)	Commodity (4)								
Industrial MGS						-0.43%					0.00%	
Customer Charge												
1,000 to 2,499 MCF/Yr					\$ 50.0000					\$ -	\$ -	\$ 50.0000
2,500 to 24,999 MCF/Yr					\$ 77.0000					\$ -	\$ -	\$ 77.0000
1/ Capacity	\$ 0.3341	\$ 0.3078										\$ 0.6419
Price to Compare - PTC	\$ 0.6914		\$ (0.0647)	\$ 2.8099			\$ 0.0249		\$ 0.1055			\$ 3.5670
Delivery Charge					\$ 1.5243					\$ -	\$ -	\$ 1.5243
State Tax Surcharge						\$ (0.0066)						\$ (0.0066)
Total per MCF	\$ 1.0255						\$ 0.0249					\$ 5.7266
Commercial LGS												
Customer Charge												
25,000 to 49,999 MCF/Yr					\$ 443.0000					\$ -	\$ -	\$ 443.0000
50,000 to 99,999 MCF/Yr					\$ 545.0000					\$ -	\$ -	\$ 545.0000
100,000 to 199,999 MCF/Yr					\$ 793.0000					\$ -	\$ -	\$ 793.0000
Over 200,000 MCF/Yr					\$ 1,215.0000					\$ -	\$ -	\$ 1,215.0000
1/ Capacity	\$ 0.0769	\$ 0.1368										\$ 0.2137
Price to Compare - PTC	\$ 0.9486		\$ (0.0647)	\$ 2.8099			\$ 0.0249		\$ 0.1055			\$ 3.8242
Delivery Charge					\$ 2.3913					\$ -	\$ -	\$ 2.3913
State Tax Surcharge						\$ (0.0103)						\$ (0.0103)
Total per MCF	\$ 1.0255						\$ 0.0249					\$ 6.4189
Industrial LGS												
Customer Charge												
25,000 to 49,999 MCF/Yr					\$ 443.0000					\$ -	\$ -	\$ 443.0000
50,000 to 99,999 MCF/Yr					\$ 545.0000					\$ -	\$ -	\$ 545.0000
100,000 to 199,999 MCF/Yr					\$ 1,144.0000					\$ -	\$ -	\$ 1,144.0000
Over 200,000 MCF/Yr					\$ 2,009.0000					\$ -	\$ -	\$ 2,009.0000
1/ Capacity	\$ 0.0769	\$ 0.1368										\$ 0.2137
Price to Compare - PTC	\$ 0.9486		\$ (0.0647)	\$ 2.8099			\$ 0.0249		\$ 0.1055			\$ 3.8242
Delivery Charge					\$ 1.7553					\$ -	\$ -	\$ 1.7553
State Tax Surcharge						\$ (0.0075)						\$ (0.0075)
Total per MCF	\$ 1.0255						\$ 0.0249					\$ 5.7857

1/ The Price-to-Compare format as shown is applicable to a Non-Priority One customer; the Price-to-Compare Charge for a Priority One customer would not include the Capacity Charge. See the Residential - Sales section above as an example of Priority One.

ISSUED: March 31, 2017

EFFECTIVE: April 1, 2017

PEOPLES NATURAL GAS COMPANY, LLC

SUPPLEMENT NO. 81 TO GAS—PA PUC NO. 45
 SIXTY-SIXTH REVISED PAGE NO. 4
 CANCELLING SIXTY-FIFTH REVISED PAGE NO. 4

DSIC	Base Rate Charges	Rider A STAS	Rider E MFC	Rider F USR	Rider B Capacity AVC Capacity		BB&A	Rider H Rate Credit	Rider K DSIC Charge	Total Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10=SUM 1 to 9)
Rate GS-T Residential		-0.43%							0.00%	
Customer Charge	\$ 13.9500							\$ -	\$ -	\$ 13.9500
Capacity			\$ 0.0266		\$ 1.0255	\$ 0.5583				\$ 1.6104
Delivery Charge	\$ 3.1330			\$ 0.4029				\$ -	\$ -	\$ 3.5359
State Tax Surcharge		\$ (0.0135)								\$ (0.0135)
Total per MCF										\$ 5.1328
Rate GS-T Commercial SGS										
Customer Charge										
0 to 499 MCF/Yr	\$ 14.8800							\$ -	\$ -	\$ 14.8800
500 to 999 MCF/Yr	\$ 27.0000							\$ -	\$ -	\$ 27.0000
1/ Capacity/BB&A					\$ 0.5583	\$ 0.3341			\$ -	\$ 0.8924
Delivery Charge	\$ 2.1939							\$ -	\$ -	\$ 2.1939
State Tax Surcharge		\$ (0.0094)								\$ (0.0094)
Total per MCF										\$ 3.0769
Rate GS-T Industrial SGS										
Customer Charge										
0 to 499 MCF/Yr	\$ 20.0000							\$ -	\$ -	\$ 20.0000
500 to 999 MCF/Yr	\$ 27.0000							\$ -	\$ -	\$ 27.0000
1/ Capacity/BB&A					\$ 0.5583	\$ 0.3341				\$ 0.8924
Delivery Charge	\$ 1.7623							\$ -	\$ -	\$ 1.7623
State Tax Surcharge		\$ (0.0076)								\$ (0.0076)
Total per MCF										\$ 2.6471
Rate GS-T Commercial MGS										
Customer Charge										
1,000 to 2,499 MCF/Yr	\$ 50.0000							\$ -	\$ -	\$ 50.0000
2,500 to 24,999 MCF/Yr	\$ 77.0000							\$ -	\$ -	\$ 77.0000
1/ Capacity/BB&A					\$ 0.3078	\$ 0.3341				\$ 0.6419
Delivery Charge	\$ 2.1904							\$ -	\$ -	\$ 2.1904
State Tax Surcharge		\$ (0.0094)								\$ (0.0094)
Total per MCF										\$ 2.8229

1/ The Capacity Charge applies to Priority 1 ratepayers when electing transport service. All other Ratepayers are billed the BB&A charge.

PEOPLES NATURAL GAS COMPANY, LLC

SUPPLEMENT NO. 81 TO GAS -- PA PUC NO. 45
 THIRTY-FOURTH REVISED PAGE NO. 4A
 CANCELLING THIRTY-THIRD REVISED PAGE NO. 4A

DSIC	Base Rate Charges	Rider A STAS	Rider E MFC	Rider F USR	Rider B Capacity AVC Capacity		BB&A	Rider H Rate Credit	Rider K DSIC Charge	Total Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10=SUM 1 to 9)
Rate GS-T Industrial MGS		-0.43%							0.00%	
Customer Charge										
1,000 to 2,499 MCF/Yr	\$ 50.0000							\$ -	\$ -	\$ 50.0000
2,500 to 24,999 MCF/Yr	\$ 77.0000							\$ -	\$ -	\$ 77.0000
1/ Capacity/BB&A					\$ 0.3078		\$ 0.3341			\$ 0.6419
Delivery Charge	\$ 1.5243							\$ -	\$ -	\$ 1.5243
State Tax Surcharge		\$ (0.0066)								\$ (0.0066)
Total per MCF										\$ 2.1596
Rate GS-T Commercial LGS										
Customer Charge										
25,000 to 49,999 MCF/Yr	\$ 443.0000							\$ -	\$ -	\$ 443.0000
50,000 to 99,999 MCF/Yr	\$ 545.0000							\$ -	\$ -	\$ 545.0000
100,000 to 199,999 MCF/Yr	\$ 793.0000							\$ -	\$ -	\$ 793.0000
Over 200,000 MCF/Yr	\$ 1,215.0000							\$ -	\$ -	\$ 1,215.0000
1/ Capacity/BB&A					\$ 0.1368		\$ 0.0769			\$ 0.2137
Delivery Charge	\$ 2.3913							\$ -	\$ -	\$ 2.3913
State Tax Surcharge		\$ (0.0103)								\$ (0.0103)
Total per MCF										\$ 2.5947
Rate GS-T Industrial LGS										
Customer Charge										
25,000 to 49,999 MCF/Yr	\$ 443.0000							\$ -	\$ -	\$ 443.0000
50,000 to 99,999 MCF/Yr	\$ 545.0000							\$ -	\$ -	\$ 545.0000
100,000 to 199,999 MCF/Yr	\$ 1,144.0000							\$ -	\$ -	\$ 1,144.0000
Over 200,000 MCF/Yr	\$ 2,009.0000							\$ -	\$ -	\$ 2,009.0000
1/ Capacity/BB&A					\$ 0.1368		\$ 0.0769			\$ 0.2137
Delivery Charge	\$ 1.7553							\$ -	\$ -	\$ 1.7553
State Tax Surcharge		\$ (0.0075)								\$ (0.0075)
Total per MCF										\$ 1.9615

1/ The Capacity Charge applies to Priority 1 ratepayers when electing transport service. All other Ratepayers are billed the BB&A charge.

ISSUED: March 31, 2017

EFFECTIVE: April 1, 2017

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DEFINITIONS OF TERMS

Applicant - Any person, corporation or other entity that (i) desires to receive from the Company natural gas or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining natural gas or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not yet actually receiving from the Company any service provided for in this Tariff. An Applicant shall become a ratepayer for purposes of this Tariff only after it actually starts receiving the applicable service(s) from the Company under this Tariff. Applicants for residential service shall be further defined as a natural person not currently receiving service who applies for residential service provided by a public utility or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested.

Capacity Charge – A charge designed to recover the costs that the Company incurs to reserve capacity on interstate pipelines.

Chapter 56 – The Commission regulations that govern, among other things, metering, billing and collections for residential gas and electricity service.

City Gate – The point where interstate pipelines deliver gas into natural gas distribution company facilities.

Commission – The Pennsylvania Public Utility Commission or any lawful successor thereto that provides oversight, policy, guidance and direction to public utilities and NGSS.

Commodity Charge – A charge designed to recover the cost of producing or procuring natural gas.

Commodity Service – Service provided by the Company or a natural gas supplier which involves the purchase of gas commodity by the ratepayer.

Company – The entity doing business as Peoples Natural Gas Company LLC.

Customer Charge – A monthly charge to cover such natural gas distribution company costs as maintaining the gas lines, meter reading and billing.

Daily Available Volume – The total volume of gas actually delivered to the Company for the ratepayer's account on a particular day, less an appropriate retainage percentage plus any adjustments associated with the reconciliation of monthly volumes as set forth in Rate GS-T and Rate T.

Daily Consumption Volume – The quantity of gas estimated by the Company to be consumed by the ratepayer on any day.

Day – A 24-hour period beginning at 10 a.m. and ending at 10 a.m. or as subsequently defined by natural gas industry standards promulgated by FERC.

Delivery Charge – A charge designed to recover the costs the Company incurs in using its distribution system or local pipelines to deliver natural gas to a ratepayer.

Distribution Charges – Various natural gas distribution charges that may include the Delivery Charge, Capacity Charge and Gas Cost Adjustment Charge.

Distribution Service – Service provided by the Company involving the delivery of gas to the ratepayer.

Gas Cost Adjustment Charge – The amount billed or credited each month to account for differences between projected and actual gas supply costs of the Company.

Mcf – 1,000 cubic feet of gas. This is a measure of gas usage.

DEFINITIONS OF TERMS

Natural Gas Distribution Company - A public utility that provides natural gas distribution services and which may provide natural gas supply services and other services.

Natural Gas Supplier (NGS) – An entity that has received a license from the Commission and that sells natural gas to customers that is delivered through the distribution lines of the Company.

Ratepayer – Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the customer for any premises, building, structure, etc, (iii) is primarily responsible for payment of bills, or (iv) any adult occupant whose name appears on the mortgage, deed or lease of the property. A Ratepayer includes anyone taking Supplier of Last Resort Service and/or Distribution Service under this Tariff.

Small Business Ratepayer – Any commercial or industrial ratepayer with annual consumption of less than 300 Mcf.

Storage – Placing natural gas into an underground facility for removal and use at a later date.

Supplier of Last Resort – The Company or another entity that provides natural gas supply services to ratepayers that do not elect another supplier or choose to be served by the supplier of last resort, ratepayers that are refused service from another natural gas supplier, or ratepayers whose natural gas supplier fails to deliver the required gas supplies. Currently, the Company is the supplier of last resort for all Priority-One ratepayers under the terms of this tariff. Each ratepayer may only have one supplier of last resort.

Supplier of Last Resort Service – Service that includes both Distribution Service and Commodity Service provided by the Company in its role as Supplier of Last Resort.

(C) – Indicates change.

(D) – Indicates decrease.

(I) – Indicates increase.

**CLASSIFICATION OF RATEPAYERS
TO WHOM SERVICE IS MADE AVAILABLE**

Gas service is made available under the rules, regulations, and terms and at the rates contained in this tariff, based upon the use to which such gas is put and not upon volumes consumed (except where indicated), to the following classes of ratepayers:

RESIDENTIAL RATEPAYERS

Residential ratepayers are ratepayers who use gas for household purposes, including single-family dwellings, boarding and rooming houses, duplex houses, private garages appurtenant to private homes or dwellings, apartments, apartment buildings, and governmental housing in which the units are individually metered. Master-metered multi-family dwelling that fit the following criteria will be considered residential when: 1) the structure (or multi-family dwelling) at which the ratepayer/landlord receives natural gas service from the Company originally was built and used as a single family residence; and 2) the ratepayer/landlord lives in the structure and has one or more tenants. In this class the element of human welfare and comfort in a residential setting is the distinguishing test of the ratepayer's use of gas. Each meter represents one ratepayer.

COMMERCIAL RATEPAYERS

Commercial ratepayers include ratepayers who use gas in establishments of a commercial or service nature for purposes other than manufacturing and ratepayers who do not use gas for large-volume power or process steam generation. In this class are included, among others, hotels, restaurants, cafeterias, tea rooms, bars, grills, delicatessens, butchers, grocers, beauty parlors, barber shops, wearing apparel shops, department stores, garages not appurtenant to dwelling houses, gasoline stations, tailors, neighborhood pressing shops and small laundries, small bakeries, dairies, warehouses, office buildings, clubs, fraternities, sororities, lodges, associations, cooperatives, theaters, auditoriums, professional offices, printing shops, mercantile establishments, schools, colleges, churches, charitable institutions, libraries, hospitals, public buildings, governmental entities, and multi-family dwellings that are master-metered. Master-metered multi-family dwellings include those structures in which gas measured by one meter is used to operate at least one appliance that serves more than one household (except as noted under residential). In the case of master-metered multi-family dwellings, the owner of the property must be the ratepayer. If the ratepayer's predominant usage is for natural gas-powered vehicle service, then the ratepayer will be classified as a Commercial Ratepayer.

INDUSTRIAL RATEPAYERS

Industrial ratepayers include ratepayers who use gas for manufacturing or industrial purposes; ratepayers who use gas for large-volume power; ratepayers who use gas for process steam generation; and ratepayers who use gas for any other purpose not predominantly residential or commercial.

**CLASSIFICATION OF RATEPAYERS
TO WHOM SERVICE IS MADE AVAILABLE**

NATURAL GAS DISTRIBUTION COMPANY (NGDC) RATEPAYERS

NGDC ratepayers are companies regulated by the Commission. Within this classification the NGDC can be acting on either its own or its end user's behalf.

CHANGE IN CLASSIFICATION

Any ratepayer who believes that, as a result of a change in the use of the premises served, his classification ought to be changed must contact the Company. All changes will be determined by the Company, on a prospective basis, after it has been notified of the change; however, the Company reserves the right to make changes in classification on its own initiative. The decision of the Company as to classification shall be final.

Eligibility for a particular rate schedule under this tariff and application of the appropriate monthly customer charge shall be based on a review of the ratepayer's annual usage. This review shall not be conducted more frequently than once per year. All changes in rate schedule classification and monthly customer charges as a result of this usage review shall be implemented on a prospective basis. Rate schedule classification and the appropriate customer charge for new ratepayers, shall be determined by the Company based on an estimate of annual usage. The Company also reserves the right to establish the appropriate rate schedule classification and monthly customer charge based on anticipated ratepayer usage.

RATES AVAILABLE UNDER THIS TARIFF

Rate RS - Residential Service

This rate is available to residential ratepayers throughout the territory served by the Company.

Rate CAP

This is available to residential ratepayers who meet the criteria as detailed in this Rate Schedule.

Rate SGS – Small General Service–

This rate is available to commercial and industrial ratepayers and NGDCs consuming less than 1,000 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial ratepayers qualifying under Rate NGPV.

Rate MGS – Medium General Service

This rate is available to commercial and industrial ratepayers and NGDCs consuming between 1,000 and 24,999 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial ratepayers qualifying under Rate NGPV.

Rate LGS – Large General Service

This rate is available to commercial and industrial ratepayers and NGDC's consuming more than 25,000 Mcf annually throughout the territory served by the Company with the exception of commercial ratepayers qualifying under Rate NGPV.

Rate CER - Competitive Energy Rate

This rate is available to all ratepayers throughout the territory served by the Company who, in the determination of the Company, meet the criteria set forth under Rate Schedule CER.

Rate GS-T - General Service Transportation

This rate offers firm transportation service for residential, commercial, industrial, and NGDC ratepayers. Commercial, industrial, and NGDC ratepayers that consume less than 1,000 Mcf per year are classified as Small General Service ratepayers under this tariff. Commercial, industrial, and NGDC ratepayers that consume between 1,000 and 24,999 Mcf per year are classified as Medium General Service ratepayers under this tariff. Commercial, industrial, and NGDC ratepayers that consume more than 25,000 Mcf per year are classified as Large General Service ratepayers under this tariff.

Rate GS-SB - General Standby Service

This rate offers standby service for residential, commercial, and industrial transportation ratepayers.

Rate NGPV

This rate offers service for natural gas powered vehicles.

Pilot Rate MLX

This delivery rate is offered to new Residential and Commercial consumers who are replacing service from an alternate fuel with natural gas.

(C)

(C) Indicates Change.

DESCRIPTION OF TERRITORY

The Company serves as a natural gas public Company in the following cities, boroughs, and townships, all of which are in Pennsylvania:

ALLEGHENY COUNTY**Cities and Boroughs**

(C)

Bethel Park
Braddock Hills
Bridgeville
Carnegie
Chalfant
Cheswick
Churchill
Clairton
Coraopolis
East McKeesport
East Pittsburgh
Edgewood
Elizabeth

Etna
Forest Hills
Fox Chapel
Glassport
Heidelberg
Jefferson Hills
Lincoln
McKeesport
Millvale
Monroeville
Pittsburgh
Pleasant Hills
Plum

Rankin
Sharpsburg
Springdale
Swissvale
Turtle Creek
Versailles
West Elizabeth
West Mifflin
White Oak
Wilkinsburg
Wilmerding

Townships

Collier
Crescent
East Deer
Elizabeth
Fawn
Findlay
Forward
Frazier
Hampton
Harmar
Harrison

Indiana
McCandless
Moon
Mt. Lebanon
North Fayette
North Versailles
O' Hara
Penn Hills
Pine
Reserve
Richland

Ross
Scott
Shaler
South Fayette
South Park
Springdale
Upper St. Clair
Versailles
West Deer
Wilkins

ARMSTRONG COUNTY**Boroughs**

Apollo
Applewold
Atwood
Dayton

Ford City
Ford Cliff
Kittanning
Leechburg

Manorville
North Apollo
Rural Valley
West Kittanning

(continued)

DESCRIPTION OF TERRITORY

ARMSTRONG COUNTY (continued)

Townships

Bethel	Kittanning	South Buffalo
Boggs	Mahoning	Sugarcreek
Burrell	Manor	Valley
Cowanshannock	North Buffalo	Washington
East Franklin	Parks	Wayne
Gilpin	Plumcreek	West Franklin
Kiskiminetas	Rayburn	
	Redbank	
	South Bend	

BEAVER COUNTY

Cities & Boroughs (C)

Aliquippa	Monaca	Shippingport
Beaver		
Industry	Ohioville	South Heights
Midland		

Townships (C)

Brighton	Franklin	New Sewickley
Center	Hopewell	Potter
Chippewa	Independence	Raccoon
Darlington	Marion	South Beaver
		Vanport

BLAIR COUNTY

Cities and Boroughs

Altoona	Duncansville	Tyrone
Bellwood	Hollidaysburg	

Townships

Allegheny	Frankstown	Logan
Antis	Greenfield	Snyder
Blair		

(continued)

DESCRIPTION OF TERRITORY

BUTLER COUNTY

Boroughs

Callery
Evans City
Harmony
Mars

Portersville
Prospect
Saxonburg
Seven Fields

Slippery Rock
Valencia
Zelienople

Townships

Adams
Buffalo
Cherry
Clinton
Connoquenessing
Cranberry

Forward
Franklin
Jackson
Jefferson
Lancaster
Marion

Middlesex
Muddycreek
Slippery Rock
Winfield
Worth

CAMBRIA COUNTY

Cities and Boroughs

Brownstown
Cresson
Dale
Ebensburg
Ferndale

Franklin
Geistown
Johnstown
Lorain
Loretto

Nanty-Glo
Portage
Sankertown
Southmont
Westmont

Townships

(C)

Adams
Allegheny
Blacklick
Cambria
Conemaugh
Cresson
Croyle

East Taylor
Jackson
Lower Yoder
Middle Taylor
Munster
Portage

Richland
Stonycreek
Susquehanna
Upper Yoder
Washington
West Carroll
West Taylor

CLARION COUNTY

Townships

Clarion
Limestone

Monroe
Porter

Redbank

(continued)

DESCRIPTION OF TERRITORY

FAYETTE COUNTY

Boroughs

Belle Vernon	Fayette City	Point Marion
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Townships (C)

Franklin	Menallen	Saltlick
German	North Union	Springhill
Luzerne	Perry	Stewart
		Washington
		Wharton

GREENE COUNTY

Townships

Aleppo	Gilmore	Richhill
Center	Greene	Springhill
Dunkard	Jackson	Wayne
Franklin	Morgan	Whiteley
Freeport	Perry	

INDIANA COUNTY

Boroughs (C)

Blairsville	Homer City	Saltsburg
Creekside	Indiana	Shelocta

Townships

Armstrong	Conemaugh	Washington
Black Lick	East Mahoning	West Mahoning
Burrell	Grant	West Wheatfield
Center	Rayne	White
Cherryhill	South Mahoning	Young

LAWRENCE COUNTY

Boroughs

Enon Valley	New Wilmington	Volant
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(continued)

DESCRIPTION OF TERRITORY

LAWRENCE COUNTY (continued)

Townships

Hickory
Little Beaver

Neshannock
Pulaski
Scott

Washington
Wilmington

MERCER COUNTY

Boroughs

Grove City

Sandy Lake

Stoneboro

Townships

East Lackawannock
Findley
Lake

Liberty
Pine
Sandy Lake

Shenango
Springfield
Wilmington
Wolf Creek

SOMERSET COUNTY

Boroughs

Boswell

Seven Springs

Townships

Conemaugh
Jefferson

Jenner
Middlecreek

Somerset

VENANGO COUNTY

Townships

Clinton

Irwin

DESCRIPTION OF TERRITORYWASHINGTON COUNTYCities and Boroughs

(C)

Bealsville
Bentleyville
Burgettstown
CaliforniaCenterville
Deemston
DonoraFinleyville
Monongahela
New EagleTownships

(C)

Carroll
Cecil
Chartiers
Cross Creek
FallowfieldHanover
Jefferson
Monongahela
Mt. Pleasant
North Strabane
NottinghamPeters
Robinson
Somerset
Smith
Union
West Pike RunWESTMORELAND COUNTYCities and BoroughsAdamsburg
Arnold
Avonmore
Bolivar
Delmont
Derry
East Vandergrift
Export
Greensburg
Hunker
Hyde ParkIrwin
Jeannette
Latrobe
Ligonier
Lower Burrell
Manor
Monessen
Murrysville
New Alexandria
New FlorenceNew Kensington
North Belle Vernon
North Irwin
Oklahoma
South Greensburg
Southwest Greensburg
Vandergrift
West Leechburg
Youngstown
YoungwoodTownshipsAllegheny
Bell
Derry
Donegal
East Huntingdon
Fairfield
HempfieldLigonier
Loyalhanna
Mt. Pleasant
North Huntingdon
Penn
RostraverSt. Clair
Salem
South Huntingdon
Unity
Upper Burrell
Washington

The above-listed cities, boroughs, and townships in Pennsylvania in which the Company provides natural gas public utility service are not the only cities, boroughs, and townships in which the Company is entitled, either by charter or certificate, to provide such natural gas public utility service.

RULES AND REGULATIONS**1. APPLICATION FOR SERVICE**

All Applicants desiring any type of service from the Company under this Tariff shall contact the Company and specifically request the type and nature of service. Upon request, the Company will inform the ratepayer of the identity of those NGSs offering retail service in its service territory and either provide a list of licensed suppliers or refer the ratepayer to the Commission for further information. In any circumstance where an application to the Company for any service under this Tariff involves or is related to an NGS, such application cannot and shall not be processed by the Company unless the Applicant and/or the Applicant's NGS provides the necessary information relating to service.

A non-residential Applicant for any service under this Tariff will be required to sign an application for natural gas service, unless the Company, in its sole discretion, accepts an oral application from a non-residential Applicant. The Company shall accept an oral application from a residential Applicant except that the Company may require a written application from a residential Applicant if the Company determines positive identification or other documentation is necessary. The Company may request driver's license information as positive identification. The Company will also review Company records and may also require additional documentation, as described in Commission regulations, to determine the applicant's liability for unpaid previously furnished service.

Upon the receipt of natural gas service, the Applicant shall become a ratepayer of the Company.

The ratepayer shall inform the Company in advance of any proposed additions to (or decreases in) the ratepayer's connected natural gas load.

The Company shall charge a transfer fee of \$25 to residential and commercial applicants when natural gas service is not being initiated or reinstated but is continuing from a prior ratepayer who is not the builder of a residence or commercial building. The Company shall charge a connection fee of \$74 for residential applicants and a connection fee of \$98 for commercial applicants when natural gas service is being initiated for the first time or had been previously discontinued at the location. In no case shall a connection fee or transfer fee be charged to a residential ratepayer whose income does not exceed 150 percent of the Federal Poverty Level and/or who is eligible to receive a LIHEAP award; or to the builder of a residence or commercial building who is using natural gas during the construction process; or to a ratepayer in a competitive posture, as determined in the sole discretion of the Company. The initial occupant of newly constructed residences or commercial buildings will be charged the \$74 or \$98 connection fee. Separate connection fees for reinstatement of service after termination by the Company are set forth in Rule 5.

2. CHARACTER OF SERVICE

The Company offers firm service, unless otherwise provided in this tariff.

3. RULES FOR DEPOSIT

A deposit from a ratepayer shall conform to the Commission's regulations and applicable statutory requirements. Deposits required by the Company for Tariff regulated charges shall not be based on unpaid supplier charges.

Residential Applicant/Ratepayer

- a. The Company will provide service without requiring a deposit when the applicant provides adequate identification and satisfies the following requirements:
 - i. Has not failed to pay an undisputed delinquent account.
 - ii. Has not failed to complete payment of a deposit, provide a guarantee or establish credit.
 - iii. Has not failed to provide access to meters, service connections, or other property of the public utility for the purpose of replacement, maintenance, repair or meter reading.
 - iv. Has not engaged in unauthorized use of the utility service delivered on or about the affected dwelling.
 - v. Has not failed to comply with the material terms or conditions of a settlement or payment agreement.
 - vi. Has not engaged in fraud or material misrepresentation of identity for the purpose of obtaining utility service.
 - vii. Has not tampered with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other public utility equipment.

RULES AND REGULATIONS3. RULES FOR DEPOSIT (continued)

- viii. Has not violated tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the delivery system of the public utility.
- ix. Provides information demonstrating to the satisfaction of the Company that the applicant is not an unsatisfactory credit risk though the use of a generally accepted credit scoring methodology. This methodology includes providing positive identification for the last two known addresses, review of data specific to payment history of other utility services, and review of credit history established previously with the Company. The Company will not find that an applicant is a bad credit risk simply because he does not have a prior credit history.

- b. If an applicant does not establish credit under the methods outlined above, the Company may require that the applicant post a cash deposit. Instead of posting a cash deposit, the applicant may:
 - i. Furnish a written guarantee from one who can establish credit to the Company's satisfaction that states terms to secure payment. The guarantor shall be responsible for all missed payments owed to the Company.

The cash deposit or guarantee, if required, is payable during a 90-day period in accordance with Commission regulations. (C)

- c. The Company may require an existing ratepayer to post a deposit to reestablish credit:
 - i. If the ratepayer has been delinquent in payment of any two consecutive bills or three or more bills within the preceding 12 months, after having notified the ratepayer of its intention in accordance with prevailing Commission regulations.
 - ii. If the ratepayer's service has been terminated and the ratepayer desires reconnection.
 - iii. When a ratepayer fails to comply with a material term or condition of a settlement or payment agreement.
- d. An existing ratepayer whose service has been terminated and desires a reconnection of service may be permitted to pay any required deposit during a 90-day period in accordance with Commission regulations. (C)

A cash deposit will be required in an amount equal to one-sixth of the applicant's or ratepayer's estimated annual bill at the time the Company determines that a deposit is required. This estimate shall be based upon prior consumption for like service at the affected premises, wherever available. Should the character or degree of the ratepayer's usage materially change, or if it can clearly be established that either will materially change in the immediate future, the amount of the cash deposit may be adjusted at the request of either the Company or the ratepayer.

All residential deposits shall bear interest at the simple annual interest rate determined by the Secretary of Revenue for interest on the underpayment of tax under section 806 of the act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code, and such interest shall be returned with the deposit. (C)

RULES AND REGULATIONS**3. RULES FOR DEPOSIT (continued)**

The Company may refund or apply to a ratepayer's account any security deposit held, plus accrued interest, under the following conditions: (C)

- i. Upon discontinuance or termination of service.
- ii. When a ratepayer establishes credit pursuant to the Commission's regulations.
- iii. When a ratepayer substitutes a third-party guarantor, as defined in Commission's regulations, but the refund shall not exceed the guarantee.
- iv. After a ratepayer has established a timely payment history. A timely payment history is established when a ratepayer has paid its account balance in full and on time for 12 consecutive months.
- v. At the option of the Company, a cash deposit, including accrued interest, may be refunded in whole or in part at any time earlier than the time stated in i. through v. above.

The Company shall deduct the outstanding balance on the ratepayer's account from the deposit and return or credit any positive difference to the ratepayer. The ratepayer may direct to whom a refunded deposit, together with accrued interest, shall be paid.

Commercial and Industrial Applicant/Ratepayer

The Company reserves the right to require a deposit or guaranty for all services to be supplied, or an increase in said deposit if there is an increase in the monthly bill for services rendered; also the right to apply such deposit to bills previously incurred by the applicant under the existing or any previous contract with the Company.

A deposit may be required from an applicant in an estimated amount equal to twice the average of the three highest monthly bills anticipated during the next 12 months. Such estimate shall be made from the record of services rendered to the same premises during the last 12 months of use, whether by applicant or a prior occupant of the premises, adjusted to recognize the extent of the proposed use as compared with the use in the past. If there is no prior record of services rendered to the premises, the estimate shall be based upon the purposes for which services will be provided.

All commercial and industrial ratepayer deposits shall bear interest at the rate of six (6) per centum per annum, without deduction for any taxes thereon; such interest will be credited at the end of each year, from the date of the deposit, to the ratepayer's account and applied against the oldest unpaid bill.

Upon final discontinuance of service and if such cash deposit has not been theretofore refunded, the principal of and interest thereon will be applied against the final bill, or if all bills are paid in full or if the deposit and interest shall be more than sufficient to cover the same, will be refunded to the ratepayer, in whole or in part, as the case may be, by cash or check.

To accommodate the applicant in case he cannot furnish a cash deposit, a written guaranty of a third person who is the owner of real estate receiving service from the Company will be accepted, but such form of security is discouraged. To limit the guaranty to the lowest terms consistent with security, such guarantor is required to agree that upon default of the ratepayer, the guarantor will make prompt payment of the charges for services rendered to the ratepayer for a period not exceeding sixty days. In case the guarantor is required to pay, the ratepayer then must either make a cash deposit or secure a renewal of the guaranty in order to have service maintained.

RULES AND REGULATIONS**4. CONNECTIONS FOR SERVICE - EXTENSION OF FACILITIES****(C)**

The applicant hereby undertakes to furnish, be responsible for, and pay the necessary costs of service pipe, fixtures, fittings, valves, regulators, and appliances to make the necessary connections between the Company's lines and the place of consumption or the agreed upon delivery point to the applicant and keep the same in good repair, in a skillful and workmanlike manner, furnishing at his own expense said materials, and the labor, care, and supervision necessary and proper to safely conduct and burn the gas, but the applicant shall not otherwise make changes in or interfere with said pipes and appliances and material. The arrangement and location of all piping and appliances (including meters) shall be subject to the approval of the Company, but the Company shall not be responsible in any manner for the selection, maintenance, or use of said pipes and appliances, or for said labor, care, or supervisions, and shall have no duty or obligation with respect to the same. To facilitate this process, the Company makes available a manual entitled "Service Line Installation Standards'."

The Company shall make the necessary connections between its curb cock or shutoff valve and the applicant's service pipe, provide a meter and the necessary fittings, and connect the meter.

The meter and all pipe fittings and appliances furnished by the Company on the premises shall remain the property of the Company, and the Company shall have the right at all reasonable times to enter in and upon the premises for reading and change of meters, inspection, and reclaiming of its property.

The Company will extend its facilities to a new point of delivery within its service territory if, in its judgment and consistent with Commission regulations, the service to such new point of delivery will have no adverse effect upon the availability of gas to meet the present and reasonably foreseeable volume and pressure needs of existing customers. The Company may condition the extension of facilities upon the applicant's providing a contribution in aid of construction (CIAC), the amount of which will be determined by the Company and consistent with any parameters approved or required by the Commission. At the company's discretion, all applicants for an extension may be offered service under Pilot Rate MLX as an alternative to a CIAC. **(C)**

If the Company requests a CIAC from an applicant where service is not rendered under Pilot Rate MLX, and additional **(C)** customers are added to the extended facilities financed by the applicant's CIAC within three years of the date of completion of the facilities, the applicant who paid the CIAC will be entitled to a pro rata refund during the three-year period immediately following completion of the extension.

Any CIAC, ratepayer advance, or other like amounts received from the ratepayer which shall constitute taxable income as defined by the Internal Revenue Service may include a gross up for federal income taxes. To the extent that federal taxes are not included in the CIAC, they shall be segregated in a deferred account for inclusion in rate base in a future rate case proceeding.

Where evidence is found that Company facilities or service lines, meters, or other appurtenances on the ratepayer's premises have been tampered with, the ratepayer shall be required to bear all costs incurred by the Company for investigations and inspections and for such protective equipment as, in the judgment of the Company, may be necessary. In addition, where the tampering has resulted in improper measurement of the service supplied, the ratepayer shall be required to pay for such natural gas service, including interest at the late-payment charge rate, based on the Company's estimate, from available information, of the amount of gas used but not registered by the Company's meters.

(C) Indicates Change.

RULES AND REGULATIONS**4. CONNECTIONS FOR SERVICE - EXTENSION OF FACILITIES (continued)**

The ratepayer shall pay the Company for any repairs to or any loss of the Company's property on the premises when such repairs are necessitated, or loss occasioned, by negligence on the part of the ratepayer or failure to comply with the rules and regulations under which service is furnished.

5. DISCONTINUANCE AND TERMINATION OF SERVICE

The authorized agents of the Company shall at all reasonable times have free access to the premises of the ratepayer with the right to shut off the gas and remove its property from the premises for any of the following reasons: failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading; nonpayment of any undisputed delinquent bills due for existing or any previous service; tampering with the meter or connections; fraudulent representation in relation to the consumption of gas; removal of applicant from the premises; selling or delivering gas to other occupants of the premises without application to the Company; failure to make or increase any deposit; failure to provide a guarantee of payment or establish credit; want of supply or waste of gas from ratepayer's lines or appliances; failure to comply with amortization or settlement agreements; and failure to comply with or violation of Tariff Rules and Regulations. However, service may not be discontinued or terminated under any circumstances except under Commission Regulations or PA Statute in effect and applicable at the time of such contemplated discontinuance.

The Company may immediately terminate service for any of the following actions by the customer: unauthorized use of the service delivered on or about the affected dwelling; fraud or material misrepresentation of the customer's identity for the purpose of obtaining service; tampering with meters or other public utility's equipment; or violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the public utility's delivery system. Upon termination for such reasons, the Company will make a good faith attempt to provide a post termination notice to the customer or a responsible person at the affected premises, and, in the case of a single meter, multiunit dwelling, the Company will conspicuously post the notice at the dwelling, including in common areas when possible.

Unless otherwise authorized by the Commission, after November 30 and before April 1, the Company will not terminate service to customers with household incomes at or below the qualifying level as determined by Commission regulation of PA Statute

The Company may terminate service for nonpayment of billings for service provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

If service is terminated, the same ratepayer, whether an applicant or ratepayer as defined in the Commission's regulations or PA Statutes, shall pay a reasonable turn-on fee for resumption of service at the same address after termination. The turn-on fee for Residential ratepayers is \$50. The turn-on fee for Commercial ratepayers is \$80. The turn-on fee for Industrial ratepayers shall be an amount equal to the customer charge for each month of the intervening period since service was terminated.

For requests for discontinuance of service the Company shall determine whether the ratepayer is requesting discontinuance of service at their current location or discontinuance of supply from their current NGS. If the ratepayer requests to discontinue supply service, the Company shall refer the ratepayer to such NGS.

6. TERMINATION OF RATEPAYER'S CONTRACT

In case an execution shall be issued against a ratepayer, or in case the premises described or referred to in the contract as the place at which gas is to be delivered or consumed, or the personal property upon said premises shall be levied upon under execution, or in case of any acts of assignment, filing of involuntary or voluntary petitions in bankruptcy, or any action in court for the reorganization of any corporation, partnership, or other ratepayer, the contract, at the option of the Company, shall cease and terminate, and all claims for retail or transportation service previously provided or amounts purchased from a NGS through the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff shall become forthwith due and payable without notice from said Company to the extent permissible under applicable bankruptcy statutes and Commission regulations.

RULES AND REGULATIONS**7. LEAKS AND WASTE**

The ratepayer shall use all due care to prevent a waste of gas. It is the responsibility of the ratepayer to exercise all due care in the detection of defects and leaks, and in case of failure or deficiency of gas, leakage, excess pressure, or other dangerous developments incident to the handling of gas under pressure, the ratepayer agrees to give immediate notice thereof to the Company, and his failure to do so, should loss follow, shall be conclusive evidence of his contributory or comparative negligence.

8. NONLIABILITY OF COMPANY

The Company shall not be liable for failure to furnish a sufficient supply of gas or for failure to transport the ratepayer's gas to the ratepayer arising from any cause whatsoever, nor shall the Company be liable for any injury to person or property arising from the use of gas by or the supply of gas to the ratepayer which is not the result of negligence on the part of the Company. The liability of the Company for damages for failure to furnish a sufficient supply of gas or for failure to transport ratepayer's gas to him shall be limited to an amount equivalent to the ratepayer's proportionate monthly ratepayer customer charge for the period of service during which a supply failure occurs. In no event shall the Company be liable for extraordinary or consequential damages arising in any manner whatever as a result of supply failure. For the purposes of this Rule, all pipe, fittings, and appliance on the ratepayer's side of the curb cock or shutoff valve of the service pipes which connects with the Company's main line are the property and responsibility of the ratepayer, and in no event shall the Company be liable for any injury to person or property arising there from.

9. MEASUREMENT OF GAS

All gas delivered shall be measured by meter. The term "Mcf," as used in the Company's schedule of rates, shall mean 1,000 cubic feet of gas at no more than 8 ounces above an assumed atmospheric pressure of 14.4 pounds at whatever temperature the gas may be during the period of measurement. If gas is supplied from a low-pressure distribution system in which the pressure of the gas is regulated not to exceed 8 ounces, the measurement will be at whatever pressure the gas may be during the period of measurement. If gas is delivered from a high-pressure system, measurement will be corrected to a pressure base of 14.73 psia. If measurement is corrected for temperature, measurement will be corrected to 60°F.

All meters shall be owned by the Company, and said meters and any regulators in connection therewith shall be at all times open to inspection by both the Company and the ratepayer for the purpose of seeing that they are in condition of good repair.

The measurement of gas by meter shall be conclusive on the ratepayer and the Company, excepting that from the time the meter is found to be defective or ceases to register, until the meter is repaired, the gas delivered shall be estimated by the average of another meter, or by the amount delivered by meter during a previous corresponding period under similar conditions. In the event of the ratepayer's dissatisfaction with the registration of the meter, the Company will, upon written application, accompanied by the fee specified in the rules of the Commission, have the same removed, sealed, and tested and a certificate of test given the ratepayer. If the meter so tested shall be found to be inaccurate within the limits specified in the Rules of the Commission, the Company shall refund the charge for such test.

10. BILLING AND PAYMENT

No entity providing billing may share or use information concerning individually negotiated rates of a ratepayer, which has been acquired only through the entity's role as a billing agent, with another ratepayer or any third party without the prior written authorization of the Company. The Company shall offer a separate payment option for residential ratepayers to equalize monthly payment amounts.

Billing Options

The Company will offer two billing options: (1) the issuance of a bill by the Company which contains the NGS charges; or (2) the issuance of a bill that contains only the Company's charges, in which case the NGS will bill the ratepayer separately for NGS charges. The right of a ratepayer to receive a separate bill from his/her NGS for the NGS' charges is subject to the ability of the NGS to provide a separate bill and the terms under which the NGS may offer to provide a separate bill.

RULES AND REGULATIONS**10. BILLING AND PAYMENT (continued)**Allocation of Payments

Under billing option (1), the following order for the application of partial payments shall apply to all residential ratepayers and to non-residential ratepayers unless the contract between the non-residential ratepayer and the NGS provides for a different method:

- a. Payment agreement for pre-existing balance or pre-existing balance;
- b. Current Company charges;
- c. NGS charges;
- d. Non-basic service charges;
- e. Hardship energy fund contribution.

Residential and Commercial Ratepayers

Bills will be rendered and be payable once each month. The Company may read any meter once each month, but ordinarily it will read meters of residential and commercial ratepayers once every two months. As to any ratepayer whose meter is read once every two months, the volumes consumed for the first month of each bimonthly meter reading period shall be determined by estimation, on the basis of the ratepayer's previous service, adjusted for weather conditions, and the volumes consumed for the second month of each bimonthly meter reading period shall be determined by subtracting the first month's estimated volumes from the total actual volumes consumed or delivered for the bimonthly period as shown by the meter. The bill for each month shall be the result of applying to the volumes consumed or delivered, the applicable rates, charges, and penalties (if any) set forth in this tariff.

Upon request, the Company will supply any ratepayer with a card form upon which he may record his meter reading at the end of the first month of each bimonthly meter reading period, and if such card is received by the Company within two days after the close of such month, the bill for such month will be computed from the meter reading shown on the card instead of by estimate. The Company will adjust estimates of bills for changes in conditions of which it has been notified in advance by a ratepayer.

A bill will be rendered to each residential and commercial ratepayer on account of each meter. Bills will be rendered as nearly as possible on the same day of every month and shall be payable upon presentation. A bill shall be deemed delinquent if it is not paid by the due date. The due date for residential and commercial ratepayers shall be twenty (20) days after the date of mailing the bill unless the Company agrees to an extension. Delinquent residential accounts shall be subject to a late-payment charge of one and one-half percent (1 ½%) per month for bills not paid within five days after the due date. Delinquent commercial accounts shall be subject to a late-payment charge of one and one-half percent (1 ½%) per month. Late-payment charges will be based on delinquent charges for services provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff. Payment of bills may be made at authorized collection offices or agencies of the Company during the regular business hours thereof. Payment may be deemed to have been made on the date it is received at any such office or, if remittance is made by mail, on the date of the official U.S. Postal Service postmark.

RULES AND REGULATIONS**10. BILLING AND PAYMENT (continued)****Industrial Ratepayers**

Bills will be rendered and be payable once each month. A bill will be rendered to each industrial account. Bills will be rendered as nearly as possible on the same day of every month and shall be payable monthly upon presentation. An industrial ratepayer's bill shall be deemed delinquent when it remains unpaid after the payment due date specified on the bill. A payment received from a ratepayer owing a previous balance shall be applied first to the previous balance and only after such previous balance has been fully paid shall any balance of the payment be applied to the current bill. Industrial accounts shall be subject to a late-payment charge of two percent (2%) per month if the bill is not paid in its entirety on or before the payment due date specified on the bill, which shall be fifteen (15) days after the date of mailing the bill. Late-payment charges will be based on delinquency charges for services provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

Final Bill

At the time the Company receives a notice to discontinue service or transfer service from one customer to another, the Company will provide customers with the option to either have the Company read the meter or to have the disconnecting and reconnecting customer read the meter. The Company will read the meter if the two customer readings are significantly different. The Company will inform the customer that if they elect the customer meter reading and the customer fails to provide the Company with an acceptable reading in a timely manner, the Company may estimate the final meter reading. The Company will make reasonable efforts to obtain actual meter readings: (a) when the Company has insufficient data to estimate the Customer's usage; (b) when, in the case of a transfer of service, disconnect and reconnect orders are executed on different days; and (c) when the customer, at least seven days prior to the disconnect order date, specifically requests that the meter be read. The Company reserves the right to establish a Customer's usage for a final bill whenever the Company is unable to gain access to its meter on the disconnect order date. The Company will accept meter readings from customers for final bills if the customer reading is provided in a timely manner and if, upon review, the Company finds the customer reading to be reasonable and consistent with prior usage levels. Notwithstanding the foregoing, the Company may not discontinue service unless in compliance with the Rules, Regulations or Orders of the Pennsylvania Public Utility Commission pertaining thereto and in effect at the time of such discontinuation.

11. AUTHORITY OF AGENTS

No agent or employee of the Company has authority to make any promise, agreement, or representation not incorporated in its rules and regulations, and no promise, agreement, or representation shall bind the Company unless in writing, signed by an officer of the Company.

RULES AND REGULATIONS**ADDITIONAL RULES FOR RETAIL RATEPAYERS ON LINES
OUTSIDE OF DISTRIBUTION SYSTEMS (RULES 12-14)****12. CONDITIONS UNDER WHICH SERVICE WILL BE RENDERED**

Applications for service from a transmission, gathering, or storage line outside of the Company's distribution system will not be accepted unless such line is being operated in a manner which will permit gas to be served to the applicant without interference with the Company's operation. Applications will be accepted only with the understanding that the use or manner of use of the Company's line from which gas is to be supplied is not permanent and that service to the applicant is subject to temporary or absolute change or discontinuance at the sole discretion of the Company which may at any time remove, repair, or change the use or manner of operating said line after having first canceled the service contract with the applicant by thirty days written notice to him. The ratepayer agrees that the Company shall have the right to discontinue service for any such reason or in accordance with any other published rule or regulation of the Company, and the ratepayer further agrees that during the term of service the Company shall not be liable for any deficiency in the supply of gas caused by the use of compressing stations, breakage of lines, or other causes or for any claim for damages on account of any matters set forth in this paragraph. Every applicant must obtain adequate and suitable written rights-of-way and regulator sites, and permit copies thereof to be made before the Company will make any tap or connection for service or install any regulating apparatus for applicant.

13. CONNECTION FOR SERVICE AND RESPONSIBILITY THEREFOR

The Company will furnish gas service from a transmission, gathering, or storage line, subject to the conditions of Rule 12, Rule 14, and its other rules and regulations, at the varying pressures at which the line is operated from time to time. The applicant assumes all risks from variation in pressure, defects in pipe, connections, and appliances, from the escape and leakage of gas, from the sticking of valves and regulators, and from the burning of gas on his premises and like causes incident to the use of gas. The applicant shall provide at his own expense and risk the necessary service line from the place of consumption or other mutually agreed upon delivery point to a point designated by the Company near the Company's pipe line from which gas is to be supplied for safely conducting the gas from the stop or shutoff valve on the connection which the Company will make with its pipe line to the place of consumption or other mutually agreed upon delivery point.

14. COST OF CONNECTION

The Company will at its own cost tap its line and furnish and lay a service line terminating with a stop or shutoff valve at or near the point designated by it under Rule 13. Connection for service will be made under Rule 4.

SPECIAL RULES APPLICABLE TO INDUSTRIAL RATEPAYERS (RULE 15-16)

All service to industrial ratepayers is made subject to the following special rules. The foregoing rules are also applicable to such service unless inconsistent with the following rules.

15. METERS AND REGULATORS

All gas delivered to the ratepayer shall be delivered at and measured by a standard meter to be placed by the Company at a mutually agreed upon point upon the ratepayer's premises or at another mutually agreeable delivery point for gas usage on the ratepayer's premises. The said meter or meters and any necessary regulators shall be owned by the Company, and the Company shall pay the cost of keeping the meters and regulators in repair; ratepayer will furnish and maintain suitable building or buildings for same; the said meter or meters shall be read at least once every month, but said meters and regulators shall be at all times open to inspection of both the Company and the ratepayer for the purpose of seeing that they are in a condition of good repair.

RULES AND REGULATIONS**16. RESPONSIBILITY FOR FIRE, EXPLOSIONS, AND FAILURE OF SUPPLY**

The Company shall not be responsible for any lines laid beyond the meter; shall not be held liable for any damage or loss to person or property resulting from explosions or fire or from use of gas in the works of the ratepayer; and shall not be liable for failure to furnish a sufficient supply of gas or for failure to transport the ratepayer's gas to the ratepayer for his purpose arising from any cause not the result of negligence of the Company.

17. PRIORITY OF SERVICE AND CURTAILMENT FOR RETAIL RATEPAYERS

This rule has been adopted pursuant to regulations of the Commission set forth at Pa. Code §§59.71 – 59.75 entitled 'Gas Emergency Plans'.

Discontinuance of Service and Curtailment

When the evidence available to the Company reasonably indicates that a ratepayer is using gas in violation of this rule or an order of the Commission, the Company will discontinue all service to such ratepayer unless the use causing such violation is discontinued within ten days after written notice from the Company. This provision shall not affect the Company's right or obligation to discontinue service under other provisions of this tariff, the rules and regulations of the Pennsylvania Commission, or for any other lawful right or reason. The Company will inform the Commission of any termination pursuant to this rule.

Priority of Service

The available gas supplies to the Company shall be allocated among its ratepayers in accordance with the priorities of use listed below. Ratepayers in higher priority will not be curtailed until all ratepayers falling into the lower classifications have been completely curtailed; where only partial curtailment of any one classification is required, the implementation of curtailment shall be prorated. The ability to curtail a Priority-One ratepayer is not affected by whether the ratepayer pays for standby service under Rate GS-SB. Following are the priority categories and subcategories listed in descending order. Small commercial and industrial ratepayers as described below are those ratepayers that use less than (C) 25,000 Mcf per year. Large commercial and industrial ratepayers as described below are those ratepayers that use 25,000 Mcf per year or more:

1. a. Residential.
1. b. Firm critical commercial essential human needs.
2. a. Firm small commercial requirements, excluding critical essential human needs requirements in category 1., and firm large commercial and industrial requirements for plant protection.
- 2.b. Firm small industrial requirements.
- 2.c. Firm large critical commercial and industrial requirements, excluding firm critical commercial essential human needs requirements in category 1 and excluding firm large commercial and industrial requirements for plant protection in category 2.
- 2.d. Firm large noncritical commercial and industrial requirements other than requirements for boiler fuel use.
- 2.e. Firm large noncritical commercial and industrial requirements for boiler fuel use.
- 2.f. Contractually interruptible use.

RULES AND REGULATIONS**17. PRIORITY OF SERVICE AND CURTAILMENT FOR RETAIL RATEPAYERS (continued)**

The definitions for terms used in the priority of service categories shall be shown in Appendix A hereto.

Gas Shortage Curtailment Related to Long-Term Supplies

When, in the Company's judgment, its supply of gas is insufficient to meet the full requirements of all the Company's ratepayers on a continuing basis, or when continued delivery of gas would prevent the injection of gas into storage (C) for the protection of subsequent winters' supplies, the Company may require each ratepayer to restrict his monthly consumption to a volume authorized by the Company.

A gas shortage curtailment shall be made only after a minimum 96-hour written notice to the ratepayer given by certified mail and specifying its authorized monthly consumption to which such curtailment applies. The Company will authorize monthly consumption levels from the Company's supplies only to ratepayers then currently purchasing commodity or standby service from the Company. Ratepayers that acquire their own gas supplies and that do not purchase standby service will be entitled to consume only the volumes they have delivered to the Company, less any gas that the Company is authorized to seize for consumption by other ratepayers.

If a ratepayer exceeds its authorized consumption during a period of gas shortage curtailment, then the ratepayer shall be subject to penalties as set forth under this Rule 17.

Actual consumption in any month in excess of the volume authorized in the notice of gas shortage curtailment shall operate to reduce the volume authorized for the second succeeding month by the amount of such excess; during the first month following the month of excess consumption a ratepayer may use less than the volume authorized for that month and receive a credit up to but not exceeding the amount of such reduction, to be applied to the reduced volume authorized for the second month.

RULES AND REGULATIONS**17. PRIORITY OF SERVICE AND CURTAILMENT FOR RETAIL RATEPAYERS (continued)**Excess Consumption Penalty Related to Gas Shortage Curtailment

As used herein, the term “excess consumption” means the volume by which a ratepayer’s actual consumption: (a) in any month during a gas shortage curtailment exceeds his authorized monthly volume specified in a notice of curtailment or as reduced pursuant to this Rule 17; or (b) in an emergency curtailment period, exceeds his authorized volume for the emergency period pursuant to this Rule 17.

Excess consumption shall be billed at the rates prescribed by this tariff plus a penalty according to the following schedule:

<u>Actual Usage as a Percentage of Total Authorized Volumes</u>	<u>Penalty For Excess Consumption</u>
Greater than 103% but not in excess of 110%	\$10 per Mcf
Greater than 110% but not in excess of 125%	\$20 per Mcf
Greater than 125%	\$50 per Mcf

The Company shall have the right to waive any penalty for unauthorized use of gas.

There shall be excluded from the volumes subject to penalty under a gas shortage curtailment volumes for which the ratepayer has previously been penalized pursuant to overruns during emergency curtailment.

A penalty paid by a ratepayer for excess consumption in any month in connection with a gas shortage curtailment shall be refunded to that ratepayer if: (a) the ratepayer’s actual consumption in either the first or the second month thereafter is less than his authorized monthly volume by an amount equal to the volume of such excess consumption or (b) the ratepayer’s combined actual consumption in the first and second months thereafter does not exceed his combined authorized monthly volume for both months. Excess consumption penalties resulting from emergency curtailment overruns are not subject to refund.

As of December 31 of each year, the Company shall subtract the total of all overrun penalties paid that year to the Company’s suppliers from excess consumption penalties collected from ratepayers during the year which are not subject to gas payback refund provisions set forth above. The Company will then distribute among its curtailed ratepayers who did not incur overruns all penalties collected in excess of those paid by the gas Company to its suppliers.

The amount of reimbursement due a ratepayer shall be determined by dividing the total amount to be redistributed by the total volume of sales during the twelve-month period to all ratepayers eligible for reimbursement. This quotient shall represent the factor which, when multiplied by an eligible ratepayer’s total purchase volume during the twelve-month period, will equal the amount to be credited to that ratepayer’s gas account. However, no reimbursement shall be made to ratepayers who have terminated service during the year.

The Company will compute the reimbursement credit for each eligible ratepayer to the nearest one cent. If the total amount credited to eligible ratepayer’s gas accounts, as calculated above, is more or less than the total amount to be redistributed, the difference shall be retained as a debit or credit in the excess consumption penalty account, and shall be subtracted from or added to the next ensuing excess consumption penalty redistribution amount.

At least ten (10) days prior to the billing month in which each eligible ratepayer’s account shall be credited, the Company will file with the Commission a detailed report itemizing the penalties paid, penalties received, and the computation of the redistribution credit, if any.

RULES AND REGULATIONS**17. PRIORITY OF SERVICE AND CURTAILMENT FOR RETAIL RATEPAYERS (continued)**Allocation of Excess Gas

If, in the Company's judgment, sufficient gas supply is available to permit deliveries in addition to the monthly authorized entitlement in any month, the Company will provide all ratepayers with as much advance notice as possible of the amount of such additional gas anticipated to be available. Such gas shall be apportioned by the Company to all ratepayers of the highest priority being curtailed.

To the extent that a ratepayer has exceeded the sum of its authorized entitlements for any period, penalties shall not be assessed for any excess volumes authorized pursuant to the provisions of this sections.

Emergency Curtailment

When the Company is unable to fulfill the daily requirements of all its ratepayers because of reasons unrelated to long-range supplies, the Company may require each commercial and industrial ratepayer to reduce its consumption of gas. The reduction required shall be determined by the Company without regard to priorities of use; however, the authorized volume shall provide only the minimum volume necessary for the prevention of damage to plant equipment.

The Company will specify in a notice of emergency curtailment the authorized daily consumption until further notice. An emergency curtailment may be made after oral notice to the ratepayer effective when so given and confirmed in writing within 48 hours thereafter.

If a ratepayer exceeds its authorized consumption during a period of emergency curtailment, then a ratepayer shall be subject to penalties as set forth below:

<u>Actual Usage as a Percentage of Emergency Authorized Consumption</u>	<u>Penalty for Excess Takes(in Dollars Per Mcf)</u>
Greater than 103% but not in excess of 110%	10
Greater than 110%	25

The Company shall have the right to waive any penalty for unauthorized use of gas.

The number of days of emergency curtailment multiplied by the authorized daily consumption volume shall be the ratepayer's authorized consumption for the emergency curtailment period. The Company will determine actual consumption during the emergency curtailment period by actual measurement at the beginning and end of the emergency curtailment

RULES AND REGULATIONS**17. PRIORITY OF SERVICE AND CURTAILMENT FOR RETAIL RATEPAYERS (continued)**Appendix A to Rule 17DEFINITIONS FOR TERMS USED IN THE PRIORITY OF SERVICE CATEGORIES

1. Alternate Fuel: Any fuel other than natural gas.
2. Alternate Fuel Capability: The ability to use an alternate fuel whether or not the facilities for such use have actually been installed. For purposes of this definition, alternate fuel means any fuel other than natural gas.
3. Commercial Use: Gas usage by ratepayers engaged primarily in the sale of goods or services including but not limited to consumption by office buildings, institutions, and governmental agencies. Commercial use shall not include use of gas for manufacturing or electric power generation.
4. Critical Uses: Gas usage where natural gas is the only feasible form of energy due to its combustion characteristics, controllability, or chemical properties.
5. Essential Human Needs Use: Gas usage by ratepayers for service to any buildings where persons normally dwell, including but not limited to residences, apartment houses, dormitories, hotels, hospitals, and nursing homes.
6. Firm Service: Natural gas service offered to consumers under tariffs or contracts that anticipate no interruption.
7. Industrial Use: Gas usage by ratepayers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power.
8. Interruptible Service: Natural gas services that can be temporarily discontinued under terms and conditions specified by tariff or contract.
9. NGDC: Natural gas distribution company.
10. NGS: Natural gas supplier.
11. Noncritical Use: Gas usage where natural gas is not the only feasible form of energy, that is, where the user has alternate fuel capability.
12. Plant Protection Use: Minimum usage of natural gas required to prevent physical harm to an industrial or commercial consumer's facility, or danger to personnel at the facility when such protection cannot be afforded through the use of an alternate fuel. Plant protection use includes usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.
13. Residential Use: Gas usage in a residential dwelling or unit for space heating, air-conditioning, cooking, water heating, or other domestic purposes.

RULES AND REGULATIONS**18. SALES OF GAS FOR RESALE**

All gas sales to residential ratepayers are to the ultimate purchaser and are not to be resold for profit.

**SPECIAL RULES APPLICABLE TO ALTOONA
AND JOHNSTOWN AND VICINITY (Rules 19 and 20)****19. CONNECTION FOR SERVICE**

In the city of Altoona, Blair County, and the city of Johnstown, boroughs of Ferndale, Westmont, Lorain, Dale, Southmont, and townships of Lower Yoder, Upper Yoder, and Stony creek, and vicinity in Cambria County, and not elsewhere, the following rule has been adopted and is applicable in place of Rule 4 above: The meter and all pipes, fittings, and stop cocks furnished by the Company on the premises shall remain the property of the Company which shall have the free right and privilege of ingress and egress at all reasonable times, to lay, maintain, inspect, operate, repair, and finally reclaim its property and for reading and change of meters.

20. LEAKS AND WASTE

In the city of Altoona, Blair County, and the city of Johnstown, boroughs of Ferndale, Westmont, Lorain, Dale, Southmont, and townships of Lower Yoder, Upper Yoder, and Stonycreek, and vicinity in Cambria County, and not elsewhere, the following rule has been adopted and is applicable in place of Rule 7 above: The ratepayer shall use all due care to prevent waste of gas. It is the responsibility of the ratepayer to exercise all due care in the detection of leaks and defects in the service pipes, meter, fittings, and stop cocks on the ratepayer's premises and in case of failure or deficiency of gas, leakage, excess pressure, or other dangerous developments incident to the handling of gas, the ratepayer agrees to give immediate notice thereof to the Company at its office and to take the necessary precaution to prevent explosion and fire, and the failure of the ratepayer to do so, should loss or injury follow, shall be evidence of the ratepayer's negligence and shall relieve the Company from liability for such loss or injury.

21. ORDER OF GAS DELIVERIES THROUGH THE METER FOR BILLING PURPOSES

(C)

For purposes of billing more than one type of service provided by the Company to a ratepayer through one meter, the following order of application of rates shall be used:

- a. Rate GS-T
- b. Firm Retail or Standby
- c. Rate CER

22. OPERATIONAL FLOW ORDERS

To the extent the Company issues an operational flow order (OFO) pursuant to Rule 4 of its Supplier Tariff, a transportation ratepayer shall comply (or direct its NGS to comply) with the same OFO conditions, including the penalty provisions, outlined in the Company's Supplier Tariff Rule 4. The Company may waive the penalties applicable under the Company's Supplier Tariff Rule 4, for transportation ratepayers.

RULES AND REGULATIONS**23. SELECTION OF NGS**

- a. When the Company receives notice that a ratepayer has elected to switch NGSs or to return to the Company's Supplier of Last Resort service, the Company shall initiate the confirmation procedure described herein. Such changes shall coincide with the start of ratepayer's billing cycle.
- b. Ratepayers can obtain information at any time on the ability to select an NGS other than the Company by contacting the Company via letter, phone, e-mail, or by visiting the Company's internet web site. The Company will also periodically mail to ratepayers information on the opportunity to choose an alternate supplier.
- c. Disclosure Requirements: If a ratepayer selects an NGS, the ratepayer should note that the NGS is required pursuant to the Commission's Customer Information Disclosure Guidelines at Docket No. M-00991249F0005, to disclose certain information to the ratepayer, including but not limited to, agreed-upon pricing in the Company's standard pricing unit, conditions of pricing availability, the length of the agreement, cancellation provisions, and the three-day right of rescission.
- d. Selection and Set-up: The ratepayer, or person or entity that is authorized to act on the ratepayer's behalf, should contact their chosen NGS to initiate the request. When a ratepayer, person or entity authorized to act on the ratepayer's behalf contacts the Company with a request, the Company will inform such party to contact the NGS directly. After the Company has received notification from the NGS of the ratepayer's request, the Company shall mail out a confirmation letter to the ratepayer by the end of the next business day after the date the Company receives notification by the NGS of the new ratepayer, asking the ratepayer to notify the Company if information in the confirmation letter is inaccurate. Such confirmation letter shall include the ratepayer's NGS, the applicable billing option, the approximate date when service from the new NGS will begin and the date that the first bill will be mailed, and notification that service may be terminated for failure to pay NGS supply charges. The confirmation letter also shall include the notice of a five (5) (C) day waiting period in which the request may be cancelled by the ratepayer before the change of the NGS takes place. The five (5) day waiting period shall start on the day the confirmation letter is mailed. (C)

Should the Company receive notification from ratepayer within the five (5) calendar days required under (C) the confirmation letter that ratepayer's gas service or gas supply election as described by the NGS is in error, the Company shall so notify the NGS. In case of notification by ratepayer of such error, the Company shall continue billing ratepayer under ratepayer's current billing arrangement. Should the Company receive notification from ratepayer that ratepayer's gas service or gas supply election as described by the NGS is in error, but not receive such notification within the five (5) calendar days period, the Company shall advise (C) the ratepayer to contact the NGS to request cancellation and if requested by ratepayer the Company will treat this as an alleged slamming complaint under Rule 24.

Should the Company receive notification by more than one NGS within a one-month period that the ratepayer has elected said NGS to supply ratepayer's natural gas, the Company shall proceed with the confirmation process using the first NGS which notifies the Company, unless the ratepayer informs the Company such NGS is in error.

RULES AND REGULATIONS**24. COMPLAINT PROCEDURES**

- a. General Complaints - Inquiries and complaints from any ratepayer will be received and processed in a timely manner. Residential ratepayer inquiries and complaints will be handled in conformance with Chapter 56 of the Commission's Rules. When a ratepayer inquiry or complaint relates to services provided by an NGS, the Company will refer the ratepayer to the NGS for a response. If a ratepayer inquiry or complaint involves issues or services provided by both the Company and the ratepayer's NGS, the Company will coordinate the response to the ratepayer inquiry or complaint from both parties. If a ratepayer is dissatisfied with the Company's response, or indicates dissatisfaction with the NGS's response to the ratepayer with respect to the NGS's services, the Company will inform the ratepayer of the right to file an informal appeal with the Bureau of Consumer Services (BCS) at the Commission and provide the ratepayer with the toll-free telephone number and mailing address of the Commission.
- b. Alleged Slamming Complaints – To the extent a ratepayer contacts the Company and alleges that its Supplier has been changed without the ratepayer's consent, the Company shall:
- i. Consider the matter a ratepayer registered dispute;
 - ii. Investigate and respond to the dispute consistent with the requirements found in §§56.151 and 56.152 (relating to utility company dispute procedures) of the Commission's regulations.
 - iii. Within 10 days of notification or mailing of a utility company report, ratepayer may file an informal complaint with BCS at the Commission.
 - iv. Potential Remedies Available to Ratepayer:
 1. If the ratepayer's dispute has been registered within the first two billing periods since the ratepayer should reasonably have known of a change of suppliers and the dispute investigation establishes that the change occurred without the ratepayer's consent, the Company shall return the ratepayer to the previous commodity provider. Further, the ratepayer will not be responsible for any supplier charges rendered during that period and the Company responsible for initiating the change of supplier shall issue a complete refund within 30 days of the close of the dispute. The refund or credit provision shall only apply to the supplier.
 2. Further, the BCS or the Commission may direct that a ratepayer who has had a supplier changed without having consented to that change may be switched back to the original supplier for no additional fee. Any charges involved in the switch back to the prior supplier shall be the responsibility of the Company that initiated the change without the ratepayer's consent.

In addition to ratepayer-specific remedies, the Commission may, after investigation and decision, assess fines pursuant to Chapter 33 of the Public Utility Code, 66 Pa. C.S. §§3301, et seq., and initiate proceedings to revoke the license of any supplier that demonstrates a pattern of violating the Commission regulations. The Commission may order a particular supplier that has a pattern of violating the Commission regulations to obtain written authorization from every new ratepayer as a condition of providing service in this Commonwealth.

RULES AND REGULATIONS**25. REQUEST FOR INFORMATION**

- a. Upon ratepayer request, the Company shall provide to its residential and small business ratepayers appliance energy efficiency information that is readily available to the Company.
- b. Upon request, the Company shall provide to a residential or small business ratepayer or the ratepayer's designee, historical billing data, to the extent such information is readily available on Company's billing system. Historical billing data shall be conveyed in Mcf, and associated charges for the current billing period, and for the year preceding the current billing period. The initial request per year shall be provided at no charge to ratepayer.

26. RELEASE OF RATEPAYER INFORMATION

- a. The Company shall notify residential and small business ratepayers of its intent to release private ratepayer information before it releases such information to a third party. The notification to ratepayer shall provide a convenient method of notifying the Company of the ratepayer's desire to restrict the release of the private information. Ratepayer shall be permitted to restrict information as specified in this section by returning a signed form, orally or electronically. If the ratepayer changes its election on the restriction of the release of information, the ratepayer must inform the Company in a signed form. The Company shall use its best efforts to ensure that any request or a change in request for restricted information be processed in a timely and expeditious manner.

For all other ratepayers, the Company will not disclose ratepayer information to a third party without the consent of the ratepayer except to the extent necessary to comply with a Commission or court order.

- b. Residential and small business ratepayers may request that the release of its private information be restricted based on one of the following two restrictions:
 - i. Restrict the release of only the ratepayer's historical billing data in the Company's standard pricing unit, or
 - ii. Restrict the release of all private ratepayer information including name, billing address, service address, rate class, rate sub-class, account number and historical billing data in the Company's standard pricing unit.

If ratepayer does not choose to restrict the release of information based on one of the two restrictions above, then all of the ratepayer's private information may be released to a third party except for the telephone number. Telephone numbers may not be released to third parties under any circumstances.

 - iii. Nothing in this section prohibits the Company from performing its mandatory obligations to provide natural gas service as specified in the disclosure statement and in the Public Utility Code.

27. AUTHORIZATION

A ratepayer may identify persons authorized to make changes to the ratepayer's account. To accomplish this, the ratepayer must provide the Company with a signed document identifying, by name, those persons who have the authority to initiate any change to the ratepayer's account, including a change of the ratepayer's NGS.

28. RULES PART OF CONTRACT

These rules (1 to 28, inclusive), insofar as applicable, are hereby made a part of any contract for public utility service provided by the Company.

RULES AND REGULATIONS**29. GAS QUALITY**

Gas delivered into the Company's system should be free from oil, water, salt, gum, dust, and other foreign substances that might interfere with the marketability of the gas. Unless otherwise agreed to by the Company, the gas delivered shall contain not less than 967 Btu per cubic foot and shall not exceed 1,100 Btu per cubic foot (as determined by (C) calorimeter test @ 60 degrees Fahrenheit and saturated with water vapor). Gas accepted by the Company that contains less than 967 Btu per cubic foot will be enhanced to ensure that gas delivered by the Company to customers (C) shall meet Commission heating value requirements and the Company may charge for this.

30. OTHER FEES AND SERVICES

The following customer requested services will require a fee as defined below:

Temporary Customer Service Line Installation – If service to a premises would be discontinued due to a customer service line leak and gas service is required to serve essential human needs, the customer or occupant may request the installation of a temporary customer service line. If the Company is able to install such a line, at the occupant's or customer's request, the fee is \$300.

Remote Meter Reading Devices –A remote meter reading device and associated meter can be installed at a customer's premise upon request for the fee of \$80.

Split Load -- If operationally appropriate, a single metered multi-consumer premises can be converted to separate meters attached to a single manifold. This modification is by customer request and will be charged a fee of \$91.

Field Visit Fee – If the customer or their representative schedules a non-emergency field visit and fails to prepare for the Company's arrival, a fee of \$30 may be charged.

RATE RS
RESIDENTIAL SERVICE**AVAILABILITY**

This rate is available to residential ratepayers (other than those that the Company determines shall acquire service under Rate GS-SB) located throughout the territory described in the "Description of Territory" in this tariff and shall be applied to consumption for each month determined in accordance with Rule 10.

This rate will be used for provision of supplier of last resort service to residential ratepayers.

RATE TABLE

Customer Charge per meter per month	\$13.95	
Delivery Charge per Mcf	\$3.1330	(D)

The currently effective gas cost charges under Rider B and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per ratepayer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a ratepayer pursuant to Rule 17, or complete or partial suspension of operation by the ratepayer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month will be made for failure to make payment in full, for all charges billed by the Company, within five days after the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when such waiver may occur is when the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the ratepayer's load characteristics.

CUSTOMER ASSISTANCE PROGRAM (CAP)**AVAILABILITY**

Rate CAP is a program designed to enroll residential ratepayers who satisfy the criteria set forth below. (C) Please refer to the People's Universal Service and Energy Conservation Plan on file with the PA PUC for a full description of the CAP program terms and conditions.

1. Processing and verification by authorized agencies upon referral by the Company's offices, Customer Assistance Referral Evaluation Service (CARES) representatives, other agencies, or BCS.
2. Ratepayer of the Company and using natural gas for space heating.
3. Annual income no greater than 150 percent of the federal poverty level. The Company will accept a ratepayer's (C) participation in an electric CAP program as verification of income, if the Company is satisfied that the electric company verifies income. For payment purposes, the ratepayers will be defined as follows:
 - a. Group A - Ratepayers whose annual income has been verified as being from 0 to 50 percent of poverty.
 - b. Group B - Ratepayers whose annual income has been verified as being from 51 to 100 percent of poverty.
 - c. Group C - Ratepayers whose annual income has been verified as being from 101 to 150 percent of poverty.
4. A ratepayer who meets the eligibility criteria for the Low Income Home Energy Assistance Program-LIHEAP should complete an application for a LIHEAP grant when available.
5. The company will monitor the usage of CAP ratepayers on an ongoing basis. Any unjustified excess CAP usage or unjustified CAP credit (designed as the difference between the CAP payment amount, including CAP Plus, and the current charges as billed under Rate RS) that exceeds a maximum of \$1,000 per year will be billed to the CAP ratepayer. An increase in CAP usage or annual CAP credit over \$1,000 may be justified if the CAP ratepayer can demonstrate the household has experienced the addition of a family member; a member of the household experienced a serious illness; energy consumption was beyond the ability of the household to control; or the household is located in housing that is or has been condemned or has housing code violations that negatively affect energy consumption. Before responsibility for the excess CAP usage is imposed on the household, the Company shall notify the customer of the grounds for exemption and assure that the customer has received and understands the grounds for exemption.
6. Agreement by ratepayer to apply for any other energy assistance programs, if available, as referred to by the Company.
7. Ratepayers will automatically be enrolled in CAP if:
 - a. the ratepayer has defaulted on a payment arrangement, and
 - b. the ratepayer has received a LIHEAP payment within the past two years.

CUSTOMER ASSISTANCE PROGRAM (CAP)**RATE TABLE**

Ratepayers will pay a specified percentage of their monthly income or \$21/month, whichever is greater. The applicable percentage by Group follows:

<u>Group</u> ¹	<u>Percentage</u>
A	8%
B	9%
C	10%

If the ratepayer's monthly CAP payment, as calculated above, exceeds the otherwise applicable monthly budget payment amount, the monthly budget payment amount will be accepted as the CAP payment. The Company will review any ratepayer account where usage exceeds 125% of the ratepayer's annual usage. In cases where the Company determines that the increase in a CAP ratepayer's usage is unjustified, the Company will provide the ratepayer with conservation information, refer the ratepayer to a usage reduction program, and bill the ratepayer for excess usage.

CAP Plus

Effective November 1, 2011, LIHEAP receipts for customers participating in the CAP program for the previous LIHEAP heating season will be divided by the total of (1) current active CAP participants; and (2) the projected average number of CAP participants to be added for the projected quarter to arrive at a CAP Plus amount which will be added to the calculated monthly CAP payment described above for all participating CAP customers.

PAYMENTS TOWARD ARREARAGE

In addition to the ratepayer's obligation under the Rate Table above, the ratepayer also shall make payments of \$2 per month toward any pre-program arrearage.

SURCHARGES

All riders to this tariff, as would otherwise be applicable to Rate RS with the exception of Rider F.

LATE-PAYMENT CHARGES

No late-payment charges shall be applied to arrearages existing at the time the ratepayer begins receiving service under Rate Schedule CAP. Late-payment charges will not be applied during participation in the CAP program.

1/ Defined under Availability Criteria 3.

CUSTOMER ASSISTANCE PROGRAM (CAP)**RULES AND REGULATIONS**

1. Ratepayer must recertify income eligibility annually.
2. If, at any time after acceptance into CAP, a ratepayer's family size or income changes, the ratepayer must notify the Company of the change within 30 days of the change. Failure to do so may result in the Company ending the ratepayer's opportunity to receive service under CAP.
3. If a ratepayer no longer satisfies the criteria set forth under Availability, with the exception of Item 4, the ratepayer will no longer be eligible to receive service under CAP.
4. At the time of application for CAP, the ratepayer will be advised of the importance of timely payments and energy conservation. The CAP screening administrator will review relevant assistance programs and offer help in applying for programs such as weatherization or energy assistance as appropriate. Energy saving tips will be provided and all participants will be advised that usage will be reviewed on an ongoing basis. Unjustified excess CAP usage will be billed to the CAP ratepayer.
5. If a ratepayer fails to allow access to the Company's meter or fails to provide meter readings in four consecutive months, the ratepayer will no longer receive service under CAP.
6. Failure to make payments will result in the Company returning the participant to the regular collection cycle and may lead to termination of service. To avoid termination, the participant must pay the amount set forth in the termination notice prior to the scheduled termination date.
7. A ratepayer whose service has been terminated pursuant to Rule 6 will be required to pay all CAP arrearages prior to reinstatement and will be advised of appropriate energy assistance programs, including LIHEAP, LIHEAP Crisis and Dollar Energy Fund, that are available to assist in restoration of service.
8. Ratepayers who have been dropped from CAP for the reasons outlined above will be subject to normal termination procedures. The ratepayer will receive a telephone call and/or a warning letter providing an opportunity to correct the problem before being removed from CAP.

PILOT EXTENDED CUSTOMER ASSISTANCE PROGRAM (E-CAP)

This Rate is established as a Pilot and will close for new participation three years after this rate is approved by the Commission. All provisions of Rate CAP will additionally apply to participants of E-CAP.

AVAILABILITY

Rate E-CAP is a program designed to enroll residential ratepayers who satisfy the criteria set forth below.

- a. Ratepayer of the Company, using natural gas for space heating, who has a significant delinquent balance, broken payment arrangement, termination notice or lack of utility service.
- b. Annual income verified annually as being between 151 and 200 percent of the federal poverty level..
- c. Agreement by ratepayer to apply for any other energy assistance programs, if available, as referred to by the Company and before enrolling in E-CAP.

RATE TABLE

Ratepayers will pay 11% of their monthly income as their E-CAP Payment. If the ratepayer's monthly E-CAP payment exceeds the otherwise applicable monthly budget payment amount, the monthly budget payment amount will be accepted as the E-CAP payment.

CAP Plus

Effective November 1, 2011, LIHEAP receipts for customers participating in the CAP program for the previous LIHEAP heating season will be divided by the total of (1) current active CAP and E-CAP participants; and (2) the projected average number of CAP and E-CAP participants to be added for the projected quarter to arrive at a CAP Plus amount which will be added to the calculated monthly E-CAP payment described above for all participating E-CAP customers.

PAYMENTS TOWARD ARREARAGE

In addition to the ratepayer's obligation under the Rate Table above, the ratepayer also shall make payments of \$5 per month toward any pre-program arrearage.

SURCHARGES

All riders are applicable to this tariff, as would otherwise be applicable to Rate RS, with the exception of Rider F.

LATE-PAYMENT CHARGES

No late-payment charges shall be applied to arrearages existing at the time the ratepayer begins receiving service under Rate Schedule E-CAP. Late-payment charges will not be applied during participation in the E-CAP program.

RATE SGS
SMALL GENERAL SERVICE**AVAILABILITY**

This rate is available to commercial, industrial, and NGDC ratepayers consuming less than 1,000 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff and shall be applied to consumption for each month determined in accordance with Rule 10.

This rate will be used for provision of supplier of last resort service to all commercial, industrial and NGDC ratepayers.

RATE TABLE

Customer Charge per meter per month:

For Commercial ratepayers with annual consumption less than 500 Mcf	\$14.88	
For Industrial ratepayers with annual consumption less than 500 Mcf	\$20.00	
For ratepayers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf	\$27.00	
Delivery Charge per Mcf – Commercial Ratepayers	\$2.1939	(D)
Delivery Charge per Mcf – Industrial Ratepayers	\$1.7623	(D)

The currently effective gas cost charges under Rider B and all charges under other applicable tariff riders are set forth on the Summary of Rates on page No. 3 of this tariff.

MARKET BASED COMMODITY CHARGE ADJUSTMENT (CCA)

This adjustment will be applicable to Non-Priority One ratepayers that previously had been receiving transportation service from the Company for at least twelve consecutive months and transfers to service under this rate schedule. Once applied, the CCA will be applicable for twelve consecutive months of service under this rate schedule. The Gas Cost Adjustment Charge shall not be applicable if the CCA is being charged.

The CCA shall be determined monthly and shall equal the difference between the Company's city gate price and the currently effective commodity charge under this rate schedule. The CCA shall never be less than zero. The Company's city gate price shall be based on the first of the month Dominion Transmission Inc. Appalachia Index price as published in *Inside FERC's Gas Market Report* plus applicable Dominion Transmission, Inc. transportation charges and retainage.

RATE SGS
SMALL GENERAL SERVICE (C)**MINIMUM MONTHLY BILL**

The minimum monthly bill per meter shall be the customer charge per ratepayer per month. In the event of an emergency, curtailment in the delivery of gas by the Company to a ratepayer pursuant to Rule 17, or complete or partial suspension of operation by the ratepayer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for commercial ratepayers and 2.00 percent per month for industrial (C) ratepayers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when such waiver may occur is when the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the ratepayer's load characteristics.

RATE MGS
MEDIUM GENERAL SERVICE**AVAILABILITY**

This rate is available to commercial, industrial, and NGDC ratepayers consuming between 1,000 and 24,999 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff, and shall be applied to consumption for each month determined in accordance with Rule 10.

The Company shall determine the annual consumption of each MGS ratepayer in order to assess the appropriate customer charge. This rate will be used for provision of supplier of last resort service to commercial, industrial, and NGDC ratepayers.

RATE TABLE**Customer Charges:**

For commercial and NGDC ratepayers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf, the charge per meter per month is

\$50.00

For commercial ratepayers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf the charge, per meter per month is

\$77.00

For industrial ratepayers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf, the charge, per ratepayer per month is

\$50.00

For industrial ratepayers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf, the charge per ratepayer per month

\$77.00

Delivery Charge per Mcf – Commercial Ratepayers \$2.1904 (D)

Delivery Charge per Mcf – Industrial Ratepayers \$1.5243 (D)

The currently effective gas cost charges under Rider B and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

MARKET BASED COMMODITY CHARGE ADJUSTMENT (CCA)

This adjustment will be applicable to Non-Priority One ratepayers that previously had been receiving transportation service from the Company for at least twelve consecutive months and transfers to service under this rate schedule. Once applied, the CCA will be applicable for twelve consecutive months of service under this rate schedule. The Gas Cost Adjustment Charge shall not be applicable if the CCA is being charged.

The CCA shall be determined monthly and shall equal the difference between the Company's city gate price and the currently effective commodity charge under this rate schedule. The CCA shall never be less than zero. The Company's city gate price shall be based on the first of the month Dominion Transmission Inc. Appalachia Index price as published in *Inside FERC's Gas Market Report* plus applicable Dominion Transmission, Inc. transportation charges and retainage.

RATE MGS
MEDIUM GENERAL SERVICE**(C)****MINIMUM MONTHLY BILL**

The minimum monthly bill per meter shall be the customer charge per ratepayer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a ratepayer pursuant to Rule 17, or complete or partial suspension of operation by the ratepayer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for commercial ratepayers and 2.00 percent per month for industrial (C) ratepayers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the ratepayer customer charge per meter for additional meters. An example of when this charge may be waived is if the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the load characteristics of the ratepayer.

RATE LGS
LARGE GENERAL SERVICE

AVAILABILITY

This rate is available to commercial, industrial, and NGDC ratepayers consuming greater than 25,000 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff, and shall be applied to consumption for each month determined in accordance with Rule 10.

The Company shall determine the annual consumption of each LGS ratepayer in order to assess the appropriate customer charge. This rate will be used for provision of supplier of last resort service to commercial, industrial, and NGDC ratepayers.

RATE TABLE

Commercial Ratepayers: Customer Charge per meter per month:

For ratepayers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	\$443.00	
For ratepayers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	\$545.00	
For ratepayers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	\$793.00	
For ratepayers with annual consumption equal to or greater than 200,000 Mcf	\$1,215.00	
Delivery Charge per Mcf	\$2.3913	(D)

Industrial Ratepayers: Customer Charge per ratepayer per month

For ratepayers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	\$443.00	
For ratepayers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	\$545.00	
For ratepayers with annual consumption equal to or greater than 100,000 Mcf by less than 200,000 Mcf	\$1,144.00	
For ratepayers with annual consumption equal to or greater than 200,000 Mcf	\$2,009.00	
Delivery Charge per Mcf	\$1.7553	(D)

The currently effective gas cost charges under Rider B and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

MARKET BASED COMMODITY CHARGE ADJUSTMENT (CCA)

This adjustment will be applicable to Non-Priority One ratepayers that previously had been receiving transportation service from the Company for at least twelve consecutive months and transfers to service under this rate schedule. Once applied, the CCA will be applicable for twelve consecutive months of service under this rate schedule. The Gas Cost Adjustment Charge shall not be applicable if the CCA is being charged.

The CCA shall be determined monthly and shall equal the difference between the Company's city gate price and the currently effective commodity charge under this rate schedule. The CCA shall never be less than zero. The Company's city gate price shall be based on the first of the month Dominion Transmission Inc. Appalachia Index price as published in *Inside FERC's Gas Market Report* plus applicable Dominion Transmission, Inc. transportation charges and retainage.

ISSUED: December 17, 2013

EFFECTIVE: December 18, 2013

RATE LGS
LARGE GENERAL SERVICE

(C)

MINIMUM MONTHLY BILL

The minimum monthly bill per meter shall be the customer charge per ratepayer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a ratepayer pursuant to Rule 17, or complete or partial suspension of operation by the ratepayer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for commercial and NGDC ratepayers and 2.00 percent per month for industrial ratepayers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

WAIVER

The Company reserves the right to waive the ratepayer customer charge per meter for additional meters. An example of when this charge may be waived is if the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the load characteristics of the ratepayer.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

AVAILABILITY

This service is available to provide for the delivery of transportation volumes to residential, commercial, (other than those that use natural gas as a motor vehicle fuel), industrial, and natural gas distribution company ratepayers regulated by the Commission. Priority-one customers (as defined in Rule 17), must purchase standby service in accordance with the terms and conditions of GS-SB.

RULES AND DELIVERY TERMS

- (1) The entity to whom the Company delivers the transported gas shall be considered the ratepayer under this rate schedule. The ratepayer is responsible for paying the Company's bill unless the Company agrees to receive payment from a third party.
- (2) Any ratepayer consuming less than 500 Mcf per year who wishes to acquire transportation service may do so as long as the ratepayer agrees to collectively pool supplies for balancing purposes on the Company's System, in order to make provision of transportation service to these small consumers administratively feasible.
- (3) A single-entity ratepayer is a ratepayer with multiple meters and/or multiple locations within the Company's service territory which, in the sole determination of the Company, shall be recognized as one ratepayer for administrative purposes. Any retail or standby service shall be billed as if an equal amount of gas passed through each meter of the single-entity ratepayer each month. Only one bill will be issued each month to a single-entity ratepayer.
- (4) The ratepayer will pay for any investment costs required to receive the ratepayer's gas into the Company's system at agreed-upon transportation gas receipt points. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.
- (5) A Transportation Agreement, as prepared by the Company, must be executed by the ratepayer(s) with competitive alternatives to whom Rate GS-T is made available at less than maximum rate. This Agreement shall be for a minimum term of one year, unless the Company agrees otherwise. This Agreement may set forth the maximum daily volumes that may be transported and other negotiated conditions of service.
- (6) This service will be provided by the Company only if the ratepayer provides gas of reasonable quality to the Company. The volumes, pressures, and receipt points will be agreed upon by the parties in advance and set forth in the Transportation Agreement or in the Company's pooling agreement with the NGS providing gas supply service to the ratepayer.
- (7) Unless otherwise agreed, the ratepayer is responsible for all arrangements required to acquire and to deliver the ratepayer's gas to the receipt points set forth in the Transportation Agreement.
- (8) On those days when the transportation gas of an individual industrial ratepayer who uses at least 50,000 Mcf annually is not received into the Company's system at its nominated level, or if the said transportation ratepayer has failed to arrange for deliveries to be made into the Company's system on its behalf, and the Company determines that it may not be able to satisfy all the demands of its firm retail and transportation ratepayers without exceeding its pipeline contract level, then the Company may declare an "upset day."

On an upset day, those ratepayers described in this subparagraph No. 8, whose transportation volumes are not received at all or at the nominated level into the Company's system shall be restricted to the following consumption levels:

- 1) Transportation gas volumes received by the Company on the ratepayer's behalf on that day; and (C)

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

- 2) All standby volumes contracted for the month by the ratepayer.

Transportation ratepayers whose nominated daily volume are received in whole by the Company shall not be affected by the provisions in this subparagraph No. 8.

At least six hours prior to the beginning of an "upset day," the utility will provide notice to any one of three persons designated by the ratepayer. After contact is attempted by the Company with the three persons designated by the ratepayer, the Company will be deemed to have satisfied its notice obligations.

- (9) Unless otherwise agreed under paragraph (17) below, the Company will arrange its utilization of available capacity by endeavoring to fairly accommodate, to the extent practicable, the interests of its retail and transportation ratepayers.
- a. Available System Capacity for Transportation Service: Capacity for the transportation of ratepayer-owned gas is available on the Company's system to the same extent as capacity is available for the general system supplies that the Company acquires for its retail ratepayers, except where operational constraints may require otherwise. Those operational constraints can include the safety of persons or property and the displacement of locally produced or purchased retail gas supplies.
 - b. Actual Unavailability of or Restrictions on Capacity: In the event that capacity on the Company's system either is unavailable for the transportation of ratepayer-owned gas or is available but restricted, the Company will provide its transportation ratepayer or the ratepayer's designated representative with a written explanation of why capacity is unavailable or restricted and the steps examined by the Company to alleviate the unavailability or restriction. Where capacity is restricted, the Company will allocate capacity to its transportation ratepayers without regard to the sources of the ratepayers' natural gas supplies.
 - c. Anticipated Unavailability of or Restrictions on Capacity: Whenever the Company anticipates that an extraordinary activity or occurrence will make capacity either unavailable or available but restricted, the Company will provide written notice to Pennsylvania producers, as early as possible, of the specific portions of the Company's system on which capacity may be unavailable or available but restricted and of the length of time that the unavailability or restriction likely will last.
- (10) As soon as practical after the ratepayer learns of any disruption or interruption in its supply of gas, the ratepayer shall notify the Company.
- (11) The measurements at the point of receipt and delivery shall be the responsibility of the Company. All quantities of gas received, transported, and delivered shall be expressed in terms of "Mcf." A ratepayer's gas received by the Company in Btus will be converted to Mcf using the current applicable conversion factor as determined annually in the Company's 1307(f) proceeding.
- (12) The Company shall retain 5.25 percent of the total volume of gas received into its system on behalf of all (l) ratepayers as gas used in Company operations and for unaccounted-for gas under Transportation Agreements that have been or are entered into pursuant to this rate, except in the following circumstances, where the Company may exercise its discretion to waive retainage in conjunction with a positive cost/benefit analysis:

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

- 1) If ratepayer can obtain alternate transportation service via direct bypass;
- 2) If ratepayer receives transportation service through Company-owned facilities which do not produce the retainage percentage set forth in this rate schedule;
- 3) If ratepayer has a competitive offer from a non-PUC-jurisdictional entity;
- 4) If ratepayer can demonstrate economic development or job retention considerations are present; or
- 5) If ratepayer has a bona fide competitive offer from an alternative energy source.

As used in this rate schedule, "alternative energy source" shall not include natural gas service from other Natural Gas Distribution Companies.

- (13) Ratepayer-owned locally produced gas received into the Company's system will be available as nominated by the (C) ratepayer or his agent in the current month. Nominations will be accepted if determined to be reasonable by the Company. Reconciliation of the actual volumes delivered to the Company's system to nominated volumes will be (C) made in the first month available.

(14) Monthly Balancing Provisions Applicable to Rate GS-T Customers Not Served by a Pool (C)

The Company will bank for one month following the month that the ratepayer's gas is available for the ratepayer's use, up to 3.5 percent of the volumes delivered on the ratepayer's behalf (net of the payback of advanced gas). Banked gas shall precede current deliveries of gas through the ratepayer's meter during the month following the banking period. The Company will balance ratepayer's daily deliveries with ratepayer's actual daily consumption during the month. The Company will advance up to 3.5 percent of the volumes received on the ratepayer's behalf in any month. The first gas received on the ratepayer's behalf in the succeeding month will be deemed the payback of advanced gas. Any (C) difference between the ratepayer's consumption and deliveries shall be subject to the following charges:
Negative Monthly Imbalance - A negative imbalance fee will be assessed on consumption by the ratepayer in excess of gas deliveries plus gas advanced and any contracted for standby service. The negative imbalance volume will be sold by the Company at the highest Midpoint price published in Platts, Gas Daily publication, under the heading (C) Appalachia, Dominion, South Point for the month multiplied by 115%. Volumes sold by the Company are subject to applicable taxes.

Positive Monthly Imbalance - If the ratepayer fails to use at least 96.5 percent of the volumes delivered to the Company on ratepayer's account in any month, then the Company may buy the gas which has remained in the bank longer than the banking period or in excess of the amount used and banked in the month from the ratepayer. The positive imbalance volume will be purchased by the Company at the lowest Midpoint price published in Platts, Gas Daily (C) publication, under the heading Appalachia, Dominion, South Point for the month multiplied by 85%.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

A balancing charge will be assessed against each Mcf of gas transported at \$0.3341 per Mcf for small and (D) medium general service ratepayers and \$0.0769 per Mcf for large general service ratepayers. This rate will be (D) recalculated in each of the Company's annual 1307(f) gas cost proceedings.

The balancing charge will not be assessed if (1) the ratepayer is already paying the standby charge under Rate Schedule GS-SB on the same volumes or (2) if the ratepayer or pool can match its supply and actual consumption on a daily basis in a manner satisfactory to the Company.

- (15) Backup service is available to ratepayers under this rate schedule only under Rate GS-SB, unless the ratepayer qualifies for service under Rate CER or unless otherwise agreed under paragraph (17) below.
- (16) The Company reserves the right, as a condition of service under this rate schedule, to require any ratepayer requesting service under this rate schedule to install and bear the costs of enhanced metering capability. The Company also reserves the right to require installation of such metering capability, at the ratepayer's expense, as a condition of continuation of service under this rate schedule.
- (17) When the ratepayer purchasing service under this rate is using natural gas for generating power or steam for use by third parties, ratepayer and the Company shall enter into a separate (operating) agreement by which the ratepayer and the Company will agree to, among other things, set limits on hourly or daily consumption; require provision of notice of ratepayer's specific plans concerning intent to consume natural gas, the volume that will be used, the time period of which such consumption will occur, and when usage will end; establish criteria for interruption of all or part of ratepayer's planned consumption, whether through transportation or retail service; establish penalties for failure of ratepayer to adhere to agreed-upon usage levels or to interrupt consumption as agreed upon by the parties; and agree upon the availability of retail service. In negotiating the rate for provision of transportation service under Rate GS-T with a ratepayer using natural gas to generate power or steam, the parties may agree to establish fixed levels of minimum daily, monthly, or annual consumption for which ratepayer shall pay the negotiated rate regardless of actual consumption.
- (18) The Company will from time to time make pipeline capacity available for release to transportation ratepayers. Each release transaction will be made in accordance with and subject to applicable pipeline tariff requirements and necessary regulatory requirements.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RATE TABLE

Customer Charge - The Company shall determine the annual consumption of each General Service ratepayer in order to assess the appropriate customer charge.

\$13.95	Customer Charge per month per meter for all Residential ratepayers.	(I)
\$14.88	Customer Charge per month per meter for all Commercial or NGDC ratepayers consuming less than 500 Mcf annually.	(I)
\$20.00	Customer Charge per month per ratepayer for Industrial ratepayers consuming less than 500 Mcf annually.	(D)
\$27.00	Customer Charge per month per meter for Commercial or NGDC ratepayers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf.	(I)
\$27.00	Customer Charge per month per ratepayer for Industrial ratepayers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf.	(D)
\$50.00	Customer Charge per month per meter for Commercial or NGDC ratepayers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf.	(I)
\$50.00	Customer Charge per month per ratepayer for Industrial ratepayers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf.	(D)
\$77.00	Customer Charge per month per meter for Commercial Service - Large or NGDC ratepayers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf.	(I)
\$77.00	Customer Charge per month per ratepayer for Industrial ratepayers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf.	(I)
\$443.00	Customer Charge per month per meter for Commercial, or NGDC ratepayers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf.	
\$443.00	Customer Charge per month per ratepayer for Industrial ratepayers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf.	
\$545.00	Customer Charge per month per meter for Commercial or NGDC ratepayers with annual consumption equal to or greater than 50,000 but less than 100,000 Mcf	(I)
\$545.00	Customer Charge per month per ratepayer for Industrial ratepayers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf.	
\$793.00	Customer Charge per month per meter for Commercial or NGDC ratepayers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf.	(I)
\$1,144.00	Customer Charge per month per ratepayer for Industrial ratepayers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf.	

ISSUED: September 28, 2012**EFFECTIVE: October 1, 2012**

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

(Continued)

\$1,215.00	Customer Charge per month per meter for Commercial or NGDC ratepayers with annual consumption greater than 200,000 Mcf annually.
\$2,009.00	Customer Charge per month per ratepayer for Industrial ratepayers with annual consumption equal to or greater than 200,000 Mcf.

Delivery Charge, Per Mcf - the delivery charge will be negotiated by the Company and the ratepayer and expressed in the Transportation Agreement.

The following is the maximum charge per Mcf for transportation service:

For Residential Service Ratepayers	\$3.1330	(D)
For Small General Service Commercial and NGDC Ratepayers	\$2.1939	
For Small General Service Industrial Ratepayers	\$1.7623	
For Medium General Service Commercial and NGDC Ratepayers	\$2.1904	
For Medium General Service Industrial Ratepayers	\$1.5243	
For Large General Service Commercial and NGDC Ratepayers with annual consumption equal to or greater than 25,000 Mcf.	\$2.3913	
For Large General Service Industrial Ratepayers with annual consumption equal or greater to 25,000 Mcf.	\$1.7553	

The delivery charge will be assessed on all volumes at the time of delivery to the ratepayer, including current transportation and storage volumes withdrawn and delivered to the Company. A transportation standby charge (C) will be applicable to all volumes transported under Rate Schedule GS-T for Priority One ratepayers (refer to Rate Schedule GS-SB).

The currently effective gas cost charges under Rider B and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for residential ratepayers will be made for failure to make payment in full for all charges billed by the Company within five days after the due date shown on the bill. A late-payment charge of 2.00 percent per industrial ratepayers and 1.50 percent per month for commercial and NGDC ratepayers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges. The overdue portion of the bill may include NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

SURCHARGES

All applicable riders to this tariff.

CURTAILMENT

Service under this rate may be curtailed when gas supply shortages force the Company to invoke emergency curtailment provisions pursuant to Tariff Rule No. 17 because gas supply to Priority-One ratepayers is threatened. Under this circumstance, the transportation ratepayer must agree to sell its gas supply to the Company at either the ratepayer's city gate price or at the Company's average gas cost contained in the prevailing 1307(f) rate applicable to that class of ratepayer, whichever is greater, to be used to supply the needs of Priority-One ratepayers.

LIABILITY

1. The Company shall not be liable for disruption of service under this rate or loss of gas of the ratepayer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.
2. Gas shall be and remain the property of the ratepayer while transported and delivered by the Company. The ratepayer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.
3. The Company shall not be liable for any loss to the ratepayer arising from or out of service under this rate, including loss of gas in the possession of the Company or any other cause, except upon gross negligence or willful misconduct of the Company's own employees or agents. The Company reserves the right to commingle gas of the ratepayer with that of other NGS.
4. The Company will not be liable for disruption along upstream pipelines, or disruption caused by the Company's inability to physically receive the gas.
5. If service furnished pursuant to this rate is disrupted, the Company will notify the ratepayer as soon as it is reasonably practicable. If delivery of volumes is disrupted for any of the above reasons, the Company shall not be liable for delivering said volumes at a later date.

ARRANGEMENT OF INTERSTATE TRANSPORTATION

At the request of a ratepayer, other than an NGDC, the Company will act as its agent for arranging transportation of ratepayer-owned gas by an interstate pipeline(s). The Company will bill the ratepayer the applicable pipeline tariff rate(s) for any interstate transportation billed to the Company in its role as ratepayer's agent for arranging interstate transportation.

ACCESS TO STORAGE SERVICE

(C)

The Company shall provide Non-Priority One ratepayers and suppliers with access to storage capacity held by the Company on the Allegheny Valley Connector ("AVC") system, an interstate pipeline system subject to the regulation of the FERC, that was previously provided under Rate ST and ST-SW. Non-Priority One ratepayers and suppliers shall have the annual option to accept all or a portion of such access to storage capacity offered by the Company. Unless Company and ratepayer agree otherwise, Company shall not release more than 1/12th of the ratepayer's annual usage. The Company shall assign and release such capacity to Non-Priority One ratepayers or suppliers at an equivalent storage rate of \$0.83/Mcf. Company's release of such capacity shall, in all respects, be in accordance with the FERC Gas Tariff governing service on the AVC system and the applicable rules and regulations of FERC regarding the release of capacity, including FERC's posting and bidding requirements. The Non-Priority One ratepayer or supplier is responsible for paying the pipeline for the capacity assigned under these provisions, which payments shall include all applicable surcharges for service on the AVC system. The Company shall not reimburse the Non-Priority One ratepayer or supplier for these pipeline capacity charges.

RATE GS-SB
GENERAL SERVICE - STANDBY**AVAILABILITY**

This service is available to transportation service ratepayers served under Rate GS-T and/or ratepayers who need or use the Company as backup service to service from an alternate supplier.

RULES AND DELIVERY TERMS**Priority-One Transportation Ratepayers**

Priority One ratepayers must pay for standby service through a transportation standby charge applicable to all volumes transported under Rate Schedule GS-T. Backup service for Priority-One ratepayers shall be provided pursuant to the applicable retail rate schedules.

Non-Priority-One Transportation Ratepayers

The ratepayer may execute a Standby Contract for a specified monthly volume. The term of the Standby Contract will be a minimum period of not less than one year. Ratepayers that execute a Standby Contract will pay for standby service through a capacity charge applicable to contracted for monthly volumes and through a standby commodity charge applicable to all standby volumes actually purchased under Rate Schedule GS-SB.

Back-up Standby Service

If a ratepayer is using the Company as back-up service to service from an alternative supplier, the Company shall charge the ratepayer the standby service fees set forth in the rate table below. The Company reserves the right to determine when and the level to which a ratepayer is using the Company as a backup supplier. In situations where the alternative supply is from local well production and before the Company provides backup standby service under the terms of this rate schedule, the Company shall have the right to inspect the pipeline and related facilities of the ratepayer and require that the ratepayer install, at its own expense, any necessary equipment to protect the integrity and safe operation of the Company's system.

RATE TABLE**Capacity Charges Applicable under the Rate Schedule:**

RS Capacity Charge per Mcf	\$1.0255 (D)
SGS Capacity Charge per Mcf	\$1.0255 (D)
MGS Capacity Charge per Mcf	\$1.0255 (D)
LGS Capacity Charge per Mcf	\$1.0255 (D)

Standby Charges for Priority One Transportation Ratepayers

For ratepayers that pay the capacity charge, the Company may release pipeline capacity, the terms of which will be pursuant to the capacity-release terms of the Company's Supplier tariff and this rate schedule.

Priority-One ratepayers who take service under this rate schedule, or their agents, must take assignment of a pro-rata or other agreed upon share of the pipeline and storage capacity and Pennsylvania produced gas supplies ("assigned capacity") that would otherwise be utilized by the Company to meet the ratepayer's service requirements. Assigned capacity shall be subject to recall pursuant to the conditions described in the Company's Supplier Tariff, in which case the Company will provide for the delivery of necessary gas supplies pursuant to the terms of this rate schedule. More specific terms with respect to capacity assignment requirements may be set forth in the Company's Supplier Tariff and in its contracts with Priority One NGSS. However, such additional terms with respect to capacity assignment requirements shall be subject to review in the Company's annual Section 1307(f) proceeding.

RATE GS-SB
GENERAL SERVICE - STANDBY (C)

RATE TABLE (continued)Standby Charges For Non Priority One Ratepayers With a Standby Contract

Standby volumes delivered to the ratepayer will be billed at the applicable supplier of last resort rates, excluding the pipeline demand component that has been paid through the capacity charge up to the contracted for monthly volumes in the standby contract. Volumes consumed in excess of contracted for volumes will be billed using the imbalance fee formula shown in Rate GS-T, paragraph 13, plus applicable taxes.

Ratepayers Using The Company as a Back-up Supplier

Any ratepayer using the Company as back-up service to service from an alternative supplier shall be subject to the charges set forth below. The following charges shall be assessed in lieu of any other standby charges applicable under this rate schedule.

Monthly Capacity Charge – In order to recover demand related purchased gas costs incurred by the Company, the ratepayer shall be charged a monthly capacity charge equal to the ratepayer's projected annual natural gas usage divided by twelve and multiplied by the capacity charges set forth above in this Rate Table. The projected annual natural gas usage shall reflect the estimated volumes assuming that all of the ratepayer's natural gas consumption is served by the Company. The Company may waive this fee if the ratepayer is receiving gas supplies from a NGS and the ratepayer can demonstrate that its NGS has agreed to serve its peak day usage requirements. This charge will be assessed instead of the Capacity Charge applicable under other rate schedules.

Standby Customer Charge – In order to recover the fixed non-purchased gas charges incurred by the Company, the ratepayer shall be charged a standby customer charge on a monthly basis. The standby customer charge shall be the higher of the applicable charge set forth below or the ratepayer's Monthly Customer Charge otherwise applicable under other rate schedules.

\$ 34.00 per month per meter for all Residential ratepayers.

\$ 41.00 per month per meter for Commercial or NGDC ratepayers with usage less than 1,000 Mcf/yr

\$ 41.00 per ratepayer per month for Industrial ratepayers with usage less than 1,000 Mcf/yr.

\$ 72.00 per month per meter for Commercial or NGDC ratepayers with usage of 1,000 to 24,999 Mcf/yr

\$ 72.00 per ratepayer per month for Industrial ratepayers with usage of 1,000 to 24,999 Mcf/yr,

For Commercial, Industrial or NGDC ratepayers with usage greater than 25,000 Mcf/year, the appropriate (C) standby customer charge shall be the higher of \$146 or the ratepayer's Monthly Customer Charge otherwise applicable under other rate schedules.

SURCHARGES - All applicable riders to this tariff.

RATE GS-SB
GENERAL SERVICE - STANDBY

(Continued)

LATE-PAYMENT CHARGE

A late-payment charge of 1.50 percent per month for residential ratepayers will be made for failure to make payment in full for all charges billed by the Company within five days after the due date shown on the bill. A late-payment charge of 1.50 percent per month for commercial and NGDC ratepayers and 2.00 percent for industrial ratepayers will be made (C) for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RATE NGPV

NATURAL GAS POWERED VEHICLES

AVAILABILITY

This rate schedule applies to use of natural gas retail or transportation service as a motor vehicle fuel to the operator of a public fueling station.

RULES AND DELIVERY TERMS

If transportation service is provided hereunder, the applicable rules and delivery terms under rate schedule GS-T apply.

RATES

Retail or Transportation service provided to an operator of a public fueling station, shall be made pursuant to a contract for service under this rate schedule. The contract may provide for a negotiated customer charge and either a fixed commodity charge or a methodology for determining the commodity charge.

If retail service is provided hereunder, the negotiated rate shall be no lower than the Company's average cost of gas, as determined from the Company's Section 1307(f) gas cost calculation. Any gas cost revenue collected as a result of providing retail service under this rate schedule will be reflected in the company's 1307(f) mechanism.

Gas purchased under this rate schedule shall be separately metered and not used interchangeable with gas purchased under any other schedule.

SURCHARGES

All applicable riders to this tariff.

LATE PAYMENT CHARGE

A late-payment charge of 1.50 percent shall be applied for failure to make payment in full, for all charges billed by the Company, by the due date shown on the bill.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

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RATE CER
COMPETITIVE ENERGY RATE

AVAILABILITY

This Rate Schedule CER - Competitive Energy Rate is a firm service available in the Company's sole discretion to residential, commercial, and industrial ratepayers who would not request service from the Company but for the availability of service under this rate and whose competitive options are not solely limited to other NGDCs.

RULES AND DELIVERY TERMS

Any qualified ratepayer taking service under this Rate Schedule shall do so by agreement.

The agreement shall set forth the percentage of consumption to be made available under this rate schedule. Volumes taken by the ratepayer in excess of the percentage specific on this contract shall be billed at applicable retail rates.

The magnitude of service hereunder shall not exceed that service replaced or subject to replacement.

RATE

The rate will be negotiated between the ratepayer and the Company and may be subject to periodic redetermination. The negotiated rate shall be no lower than the Company's commodity cost of gas, as determined from the Company's Section 1307(f) gas cost calculation.

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 2 percent per month for industrial ratepayers and 1.50 percent for commercial ratepayers will be made for failure to make payment in full, for all charges billed by the Company, by the due date shown on the bill. A late-payment charge of 1.50 percent per month for residential ratepayers will be made for failure to make payment in full within five days after the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

RIDER A
STATE TAX SURCHARGE

There shall be added to gas bills rendered by the utility for retail gas service a surcharge of (0.43)% percent applied (D)
to the maximum delivery charge under tariff rate schedules Rate RS, Rate SGS, Rate MGS, Rate LGS, Rate GS-T,
and Rate NGPV to reflect changes and new taxes imposed by the General Assembly.

The utility will recompute this surcharge whenever any of the tax rates used in calculation of the surcharge are changed. Any
recomputation of this surcharge will be submitted to the Commission within ten days after the occurrence of the event or date
which occasions such computation. If the recomputed surcharge is less than the one then in effect, the utility will, and if the
recomputed surcharge is more than the one then in effect, the utility may, accompany such recomputation with a tariff or
supplement to reflect such recomputed surcharge, the effective date of which shall be ten days after filing.

RIDER B
RECOVERY OF PURCHASED GAS COSTS (1307(f) RATES)**COMPUTATION OF PURCHASED GAS COSTS**

The purchased gas cost rates for Residential, Commercial, and Industrial Service ratepayers shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set forth below:

$$\text{Demand} = \frac{\text{DC} - \text{B} - \text{DOU}}{\text{S} + \text{P1AC} + \text{SBC}}$$

$$\text{Commodity} = \frac{\text{CC} - \text{R}}{\text{S} + \text{SBR}}$$

$$\text{Over/Under Collection} = \frac{\text{E}}{\text{S} + \text{SBR} + \text{MR}}$$

$$\text{AVC Capacity} = \frac{\text{AVC} - \text{AVCOU}}{\text{S} + \text{P1AC} + \text{NP1}}$$

(For definitions of "AVC", "DC", "CC", "E", "S", "SBC", "NP1", "P1AC", "R", "B", and "DOU" refer to Section below this rider).

The purchased gas cost rates are as follows:

SALES Rate Schedule	Capacity Charge – Demand 1/	Gas Cost Adjustment Charge – (Over)/Under Collection	Natural Gas Supply Charge – Commodity	AVC Capacity Charge 1/
Rate RS	\$1.0255	(\$0.0647)	\$2.8099 (I)	\$0.5583 (I)
Rate SGS	\$1.0255	(\$0.0647)	\$2.8099 (I)	\$0.5583 (I)
Rate MGS	\$1.0255	(\$0.0647)	\$2.8099 (I)	\$0.3078 (I)
Rate LGS	\$1.0255	(\$0.0647)	\$2.8099 (I)	\$0.1368 (I)

TRANSPORTATION P1 Rate Schedule	Capacity Charge	AVC Capacity Charge 1/
GS-T Residential	\$1.0255	\$0.5583 (I)
GS-T Commercial SGS	\$1.0255	\$0.5583 (I)
GS-T Commercial MGS	\$1.0255	\$0.3078 (I)
GS-T Commercial LGS	\$1.0255	\$0.1368 (I)

TRANSPORTATION NP1 Rate Schedule	AVC Capacity Charge 1/
GS-T Commercial SGS	\$0.5583 (I)
GS-T Industrial SGS	\$0.5583 (I)
GS-T Commercial MGS	\$0.3078 (I)
GS-T Industrial MGS	\$0.3078 (I)
GS-T Commercial LGS	\$0.1368 (I)
GS-T Industrial LGS	\$0.1368 (I)

1/ The AVC Capacity Charge will be subject to adjustment through the ongoing 1307(f) mechanism as a result of a modernization and compliance tracker for system improvements on the AVC system.

(continued)

RIDER B

RECOVERY OF PURCHASED GAS COSTS (1307(f) RATES)**DEFINITIONS**

"AVC"	The projected capacity costs associated with the Allegheny Valley Connector Interstate Pipeline System.
"AVCOU"	Experienced net overcollection or undercollection of the AVC Capacity costs.
"DC":	The projected demand or capacity cost of purchased gas (excluding AVC Capacity Charges).
"CC":	The projected commodity cost of purchased gas.
"DOU"	Experienced net overcollection or undercollection of the demand or capacity cost (excluding the AVC Capacity Charges) of purchased gas, including any interstate pipeline refunds of demand costs. Any changes in demand costs will be reflected in this calculation. ¹
"E":	Experienced net overcollection or undercollection of the commodity cost of purchased gas ¹ .
"S":	Projected retail sales in Mcf during the application period.
"NP1"	Projected volumes in Mcf for NP-1 transportation ratepayers and any ratepayer served by a NP-1 Supplier.
"P1AC"	Projected volumes in Mcf for P-1 transportation ratepayers who are assigned capacity.
"SBC":	Projected contracted standby volumes in Mcf by NP-1 transportation ratepayers.
"SBR":	Projected retail commodity standby volumes in Mcf.
"R":	Shared (savings) or costs for demand charge recovery from the capacity-release program.
"B":	Balancing recovery. (C)
"MR":	Projected transportation volumes, in Mcf, subject to Rider D.

"Projected" refers to the twelve-month period beginning with October 1 of the year that the calculation is made.

ADJUSTMENT TO BASE RATES Whenever a change occurs in the calculation rates for collection of purchased gas costs, a corresponding change will occur in the base rates of applicable rate schedules.

FILING WITH THE COMMISSION

The Company shall meet all the filing requirements set forth in the regulations implementing Section 1307(f) of the Public Utility Code.

REPORTING REQUIREMENTS

The Company shall file quarterly reports within thirty (30) days following the conclusion of each computation year quarter. These reports will be in such form as the Commission shall have prescribed.

¹Interest will be applied in accordance with the applicable law.

RIDER B
AVC CAPACITY CHARGE

The AVC Capacity Charge is applicable to all ratepayers with the exceptions defined below under Discounted Rate Customers and relates to the recovery of capacity costs incurred by the Company for firm transportation and storage service provided on the Allegheny Valley Connector ("AVC") System. The AVC system represents certain transmission and storage assets formerly owned and operated by the Company that are necessary to provide services by the Company to its customers. Upon Commission approval and implementation of the AVC Capacity charge, all ratepayers shall receive an initial and one-time reduction to rates related to the elimination of costs for the transmission and storage assets formerly owned and operated by the Company.

The AVC Capacity Charge shall recover fixed demand charges and applicable surcharges assessed to the Company under the FERC Gas Tariff for firm transportation and storage services on the AVC System. The AVC Capacity Charge shall be adjusted to reflect ongoing changes in charges assessed to the Company. The AVC Capacity Charge shall not recover fixed demand charges related to storage capacity on the AVC system that is released to and paid for by Non-Priority One ratepayers or suppliers. Applicable volumetric and fuel charges for service on the AVC System shall not be recovered through the AVC charge and such charges shall be paid for by the shipper utilizing the AVC capacity.

RATES

Refer to page 62 for the currently effective AVC Capacity Charge rates.

These rates will be recalculated on an annual basis in conjunction with the other Rider B costs and reported on as (C) applicable in the annual filing as required in the regulations implementing Section 1307(f) of the Public Utility Code. (C) The rates shall be calculated by customer class based on the results of the allocation factors set forth below and applicable billing determinants for each class.

ALLOCATION OF AVC CAPACITY COSTS

The fixed demand and applicable surcharges assessed to the Company for services on the AVC system shall be allocated to customer classes based on the allocation factors below.

The AVC Capacity Charge allocation factors are as follows:

<u>Rate Class</u>	<u>Allocation</u>
Residential	66.25%
SGS	11.94%
MGS	12.99%
LGS	8.82%

The Company will review the appropriateness of the AVC Capacity Charge allocation factors on an annual basis and such factors will be subject to review in the Company's 1307(f) gas cost proceeding.

ANNUAL RECONCILIATION

The AVC Capacity Charge costs will be subject to over/undercollection tracking and reconciled annually.

RIDER B

AVC CAPACITY CHARGE (continued)DISCOUNTED RATE CUSTOMERS

Upon Commission approval and implementation of the AVC Capacity Charge, all ratepayers receiving a negotiated discount delivery charge under Rate GS-T shall: 1) receive an initial and one-time delivery charge reduction equal to the reduction applicable to all customers within its rate class; and 2) be assessed an initial AVC Capacity Charge equal to the AVC charges set forth immediately below. To the extent that a customer is receiving a discounted delivery rate that is less than the initial AVC charge set forth below, such customer shall receive a delivery charge reduction that is equal to its discounted delivery charge and be assessed an initial AVC charge that is equal to its discounted delivery charge.

<u>Rate Class</u>	<u>Initial AVC Charge</u>
Residential	\$0.5063
SGS	\$0.5032
MGS	\$0.3306
LGS	\$0.0996

To the extent permitted under the customer's discounted rate contract, the Company may recover ongoing increases to the initial AVC charge from such customers.

RIDER C

TRANSITION COST RECOVERY MECHANISM

1. This Rider establishes a mechanism for the recovery of nongas transition costs from the Company's ratepayers, (C) except to the extent that a ratepayer uses transportation service under Rate GS-T for the delivery of gas transported solely on intrastate pipeline facilities. Nongas transition costs are defined as pipeline gas supply realignment costs and stranded costs.
2. For purposes of nongas transition costs recovery, the Company will assign its recoverable transition costs and any reconciliations of transition costs between two groups of ratepayers--those ratepayers whom the Company designates as "competitive" and those ratepayers whom the Company designates as "noncompetitive." For purposes of this recovery mechanism, competitive ratepayers shall include all ratepayers to whom the Company charges less than its maximum tariffed retail or transportation rates in order to gain or maintain the ratepayers' patronage in the face of competitive pressures. For purposes of this recovery mechanism, noncompetitive ratepayers shall include all of the Company's ratepayers who are not competitive.
3. The assignment of nongas transition cost responsibility to the Company's competitive ratepayers shall be equal to that portion of the revenues that those ratepayers contribute under the Company's program for the release of firm transportation pipeline capacity as set forth in this tariff, and that is designated, either through prearrangement or open bidding, as "transition costs." Notwithstanding the foregoing, the Company may charge a volumetric surcharge to competitive ratepayers. Any additional recovery from competitive ratepayers shall be credited against the nongas transition costs allocated to the Company's noncompetitive ratepayers. The assignment of transition cost responsibility to the Company's noncompetitive ratepayers shall be equal to the difference between the Company's total nongas transition cost liability and the amount of that liability that is allocated to competitive ratepayers.
4. A surcharge for the recovery of nongas transition costs from noncompetitive ratepayers will be recalculated every three months, with the recalculations to be effective on or around January 1, April 1, July 1, and October 1 of each year. The Company will file the January 1, April 1, and July 1 recalculations on one day's notice to the Commission, and these filings are referred to in this rider as the "quarterly recalculation," and will file the October 1 recalculation on thirty days' notice to the Commission.
5. The surcharge will be designed to recover (a) those nongas transition costs that have been billed to the Company by interstate pipelines and (b) those costs that have been approved by the Federal Energy Regulatory Commission to be billed to the Company during the 12-month period following the surcharge filing date.
6. At the time of each quarterly recalculation of the surcharge, the Company will reconcile its actual billed costs over the three-month period that ends one month prior to the filing of the recalculation against the costs that had been projected for that same period and will incorporate the reconciliation within its recalculations; however, no adjustment will be made to reflect variations in billed throughput during such periods. The Company will accompany its recalculation of the surcharge that will become effective on October 1, 1994, with a reconciliation of actual transition cost revenues recovered from the Company's ratepayers from the effective date of the surcharge through July 31, 1994, against the revenues projected to have been recovered over the same period, including adjustments to reflect volumetric variations. The Company will accompany its recalculations of the surcharges that will become effective on or around each October 1 after 1994 with a reconciliation of actual transition cost revenues recovered from its ratepayers over the 12 months ending July 31 of the particular year against the revenues projected to have been recovered over the same 12-month period.

RIDER C

TRANSITION COST RECOVERY MECHANISM

7. The Company will reduce the recoverable nongas transition costs allocated to its noncompetitive ratepayers by the portion of the revenues that those ratepayers are projected to contribute under the Company's program for the release of firm transportation pipeline capacity as set forth in this tariff and that is designated, either through prearrangement or open bidding, as transition costs. The Company will calculate the unit surcharge rates applicable to noncompetitive ratepayers by dividing the recoverable nongas transition costs allocated to them, net of any reconciliations (including any additional nongas transition costs recovered by the Company from competitive ratepayers under paragraph 3), and net of capacity release revenues as described in this paragraph, by the retail and transportation volumes projected to be consumed by noncompetitive ratepayers, exclusive of those volumes of Pennsylvania-produced natural gas supplies transported by noncompetitive ratepayers.
8. The surcharge rates applicable to noncompetitive ratepayers are as follows:

Retail	\$0.0000/Mcf
Transportation	\$0.0000/Mcf

The surcharge rates, if any, applied to competitive ratepayers will be determined on an individual ratepayer basis.

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(C)

ISSUED: September 30, 2016

EFFECTIVE: October 1, 2016

RIDER E

MERCHANT FUNCTION CHARGE (MFC)

The Merchant Function Charge (MFC) shall be added to the gas cost charges applicable under rate schedules Rate RS, Rate SGS, Rate MGS, LGS and GS-T. The gas costs charges include the Capacity Charge, Gas Cost Adjustment Charge and Commodity Charge.

The MFC shall be updated quarterly effective with each 1307(f) rate change. The write-off factor used to calculate the quarterly MFC shall only be determined in a base rate case filing.

For residential customers receiving service under Rate RS and Rate GS-T, the MFC shall equal the write-off factor of 2.596% times the gas cost charges as set forth in Peoples' Rider B and Rider D. The current MFC applicable to (D) Rate RS customers is:

Capacity Charge per Mcf	\$0.0266	
Gas Cost Adjustment Charge per Mcf	(\$0.0017)	
Commodity Charge per Mcf	\$0.0730	(I)
Total MFC per Mcf	\$0.0979	(I)

For Small, Medium, and Large General Service customers receiving service under Rate SGS, MGS, LGS and Rate GS-T, the MFC shall equal the write-off factor of 0.661% times the gas cost charges as set forth in Peoples' Rider (D) B and Rider D. The current MFC applicable to these ratepayers is:

SGS, MGS, LGS

Capacity Charge per Mcf	\$0.0068	
Gas Cost Adjustment Charge per Mcf	(\$0.0004)	(D)
Commodity Charge per Mcf	\$0.0185	(I)
Total MFC per Mcf	\$0.0249	(I)

RIDER F
UNIVERSAL SERVICE

This rider shall be applicable to all residential customers except for any residential ratepayer served in the Company's Customer Assistance Program (CAP). This rider recovers costs related to the Company's universal service programs.

RATE

Rider F per Mcf \$0.4029

(D)

The charges assessed per this rider shall be assessed to residential ratepayers served under rate schedules Rate RS and Rate GS-T. Charges assessed per this rider shall not be applicable to ratepayers served in the Company's CAP or Pilot E-CAP (E-CAP).

Costs related to the following universal service programs shall be calculated and recovered per this rider: CAP; Low Income Usage Reduction Program (LIURP); Community Partnership for Weatherization; and the Emergency Furnace and Houseline Repair Program.

CAP Costs will be calculated to include the following components:

1. Projected CAP Credit – The difference between the total Rate RS bill, excluding Rider F, and the CAP or E-CAP payment amount which is comprised of the sum of the percentage of income payment or minimum bill, whichever is greater, plus the CAP Plus amount. The projected CAP Credit shall be calculated based on current rates, current CAP or E-CAP payment amounts and projected normalized annual volumes for CAP and E-CAP participants. Separate CAP credit costs will be calculated for: 1) current active CAP and E-CAP participants; and 2) the projected average net change in the number of CAP and E-CAP participants for the projected quarter.
2. Pre-Program Arrearage Forgiveness – Projected CAP and E-CAP pre-program arrearage forgiveness costs for the projected annual period.

Costs for the LIURP, Community Partnership for Weatherization and Emergency Furnace and Houseline Repair programs will be calculated based on the projected number of eligible participants for the projected annual period. Recoverable CAP credit and arrearage forgiveness amounts will be reduced by 3.27% times the average CAP credit and arrearage forgiveness of existing CAP customers times the incremental number of CAP participants in excess of 16,725 CAP customers. Historical payment statistics will be utilized in the development of projected CAP credit and arrearage forgiveness amounts. Third party costs for the purposes of CAP administration and Universal Service call management will be included in the calculation of the Rider.

The applicable unit for this rider shall be determined by dividing the total costs universal service plan costs by the annual projected non-CAP residential volumes established in the most recent 1307(f) gas cost recovery proceeding. For bill display purposes, the unit rate calculated under this rider shall be included in a single delivery charge that also includes the residential delivery charge set forth in rate schedules Rate RS and Rate GS-T.

QUARTERLY ADJUSTMENT

Effective with each quarterly 1307(f) gas cost change, the unit rate under this rider shall be recalculated to reflect current cost data for the cost components outlined above. The updated rate will be filed to be effective one day after the filing.

ANNUAL RECONCILIATION

As part of the quarterly adjustment filing effective on April 1 of each year, the Company shall include a reconciliation of actual revenues recovered under Rider F and actual universal service costs incurred for the twelve month period ended December 31. The resulting over/undercollection will be included in the quarterly Rider F rate adjustment to be effective April 1.

RIDER G
GAS PROCUREMENT CHARGE

For bill presentment purposes, the Gas Procurement Charge (GPC) shall be added to the Commodity Gas Cost Charge applicable to sales rate schedules Rate RS, Rate SGS, Rate MGS, Rate LGS and any other applicable sales service rate schedule under this tariff.

Recoverable Costs

The GPC shall include gas procurement costs incurred by the Company solely on behalf of its sales service customers. The GPC shall exclude any costs recovered through Rider B - 1307(f) gas cost recovery mechanism. The GPC shall exclude any gas procurement costs incurred by the Company in support of transportation or shopping customers or programs.

Recalculation of the GPC

The costs to be included in the GPC shall be calculated in accordance with Commission regulations and shall be determined and updated in each base rate case filed by the Company. The GPC shall not be subject to reconciliation for any prior-period or over-or-under collections.

GPC Charge per Mcf \$0.1055/Mcf (l)

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RIDER H
RATEPAYER TRUST RATE CREDIT

The Ratepayer Trust was established on February 1, 2010 as part of the settlement of the transfer of the capital stock of Peoples to PNG Companies LLC. On that date, \$35 million was deposited into an Irrevocable Trust exclusively for the benefit of Peoples' ratepayers. The Trust will be flowed back to ratepayers as a distribution rate credit over three years.

The rate credit shall not be applied to any competitive customer receiving a discounted rate.

Calculation of the Distribution Rate Credit

The Year One rate credit will be effective on the effective date of new base rates established in Peoples' 2010 general rate proceeding

The balance of funds in the Trust, plus interest, net of taxes and Trust expenses, shall be divided by three to establish the amount to be returned to ratepayers in Year-One of the required three-year flow-back.

This amount would then be allocated to rate classes based on the amount of revenue increase assigned to each rate class as a proportion to the overall approved revenue increase approved by the Commission in Peoples' 2010 general rate proceeding. The distribution rate credit will be allocated to the residential, commercial large, and industrial classes through both the monthly customer charge and the volumetric delivery charge. The distribution rate credit will be allocated to the commercial small class through the monthly customer charge only.

Of the total residential credit, \$1.50 will be applied to the monthly residential customer charge. The remainder of the annual credit assigned to the residential class will be distributed through the volumetric delivery charge. This volumetric rate will be determined by dividing the credit not assigned to the customer charge by the projected annual usage for the residential class as established in Peoples' 2010 rate case. The distribution credit for the SGS class will be determined by dividing the annual rate credit assigned to the commercial (C) small class by the total estimated annual number of non-competitive customers within that class as established in Peoples' 2010 rate case. The distribution credit for the MGS and LGS classes will be (C) determined by first dividing the total distribution credit allocated to the commercial large class by two (C)

in order to establish two portions. The first portion will be divided by the total estimated annual number of non-competitive customers within the class as established in Peoples' 2010 rate case to determine the monthly customer charge credit. The second portion will be divided by the projected annual usage for non-competitive commercial large customers as established in Peoples' 2010 rate case to determine the volumetric adjustment to the delivery charge. (C)

The ratepayer credit for Year Two would become effective one year after new rates are established in Peoples' 2010 general rate proceeding. The Year Two ratepayer credit will be determined by first dividing by two the estimated balance available in the Trust at the end of the first year of distributions. Next, this amount would then be allocated to rate classes based on the amount of revenue increase assigned to each rate class as a proportion to the overall approved revenue increase approved by the Commission in Peoples' 2010 general rate proceeding. The Year Two allocation by class will be prepared in the same manner as described in the paragraph above. Beginning with the remaining balance after the Year Two distributions, this method would also be utilized to distribute the Year Three rate credit.

During the distribution of the ratepayer credit in Year Three, if Peoples determines that all of the available funds from the Trust will be distributed prior to the end of the Year Three distribution period, Peoples will discontinue distribution of the ratepayer credits. At the end of Year Three, the rate credits will terminate.

(Cont.)

**RIDER H
RATEPAYER TRUST RATE CREDIT (Cont.)**

Year One Rate Credit

Residential Ratepayers	\$0.00	per Customer Charge	
Residential Ratepayers	\$0.0000	per Mcf	
Rate SGS	\$0.00	per Customer Charge	(I)
Rate MGS			
≥1,000<2,500 Mcf / year	\$0.00	per Customer Charge	(I)
≥2,500<25,000 Mcf / year	\$0.00	per Customer Charge	(I)
MGS Ratepayers)	\$0.0000	per Mcf	(I)
Rate LGS – Commercial			
≥25,000<50,000 Mcf / year	\$0.00		(I)
≥50,000<100,000 Mcf / year	\$0.00		(I)
≥100,000<200,000 Mcf / year	\$0.00		(I)
≥200,000 Mcf / year	\$0.00		
Commercial Ratepayers	\$0.0000	per Mcf	(I)
Rate LGS – Industrial			
≥25,000<50,000 Mcf / year	\$0.00		(I)
≥50,000<100,000 Mcf / year	\$0.00		(I)
≥100,000<200,000 Mcf / year	\$0.00		(I)
≥200,000 Mcf / year	\$0.00		
Industrial Ratepayers	\$0.0000	per Mcf	(I)

Any over or under ratepayer credit amounts remaining at the end of Year Three shall be flowed through to ratepayers in Peoples' next quarterly 1307(f) gas cost filing. Within 60 days of termination of the distribution of the ratepayer credit, Peoples shall file with the Commission and provide a copy to all parties to the sale proceeding settlement a final reconciliation of all ratepayer credit amounts.

RIDER J

Rager Mountain Storage Rate Credit

The Rager Mountain Storage Rate Credit was established as part of the settlement in Peoples' Application to Lease Storage Capacity at its Rager Mountain Storage Facility and related Affiliated Interest Agreements at Docket Nos. A-2010-2203699, G-2010-2203161 and G-2010-2203162. The rate credit is based on Peoples' ratepayer's 50% share of the net proceeds received from the sale of unused working gas and the sale of transferred base gas (Shared Revenues).

The rate credit shall not be applied to any competitive customer receiving a discounted rate.

Calculation of the Rager Mountain Storage Rate Credit

The Shared Revenues will be distributed to all non-competitive distribution customers (*i.e.*, customers that pay full, non-discounted distribution rates) as a monthly volumetric base rate credit for a period of approximately one year until the Shared Revenues are exhausted. The credit will be calculated on the assumption that the funds will be available to apply for one year, but the credit will terminate when the funds for each class have been exhausted.

Rager Mountain Storage Rate Credit

Residential	\$0.0000/Mcf
Rate SGS-Commercial and NGDC	\$0.0000/Mcf
Rate SGS-Industrial	\$0.0000/Mcf
Rate MGS-Commercial and NGDC	\$0.0000/Mcf
Rate MGS-Industrial	\$0.0000/Mcf
Rate LGS-Commercial and NGDC	\$0.0000/Mcf
Rate LGS-Industrial	\$0.0000/Mcf

Any over or under ratepayer credit amounts remaining after the rate credit is terminated shall be flowed through to ratepayers in Peoples' next quarterly 1307(f) gas cost filing.

RIDER K

Distribution System Improvement Charge (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply consistent with the Commission (D) Order dated May 23, 2013 at Docket No. P-2013-2346161 approving the DSIC.

Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

Eligible Property:

- Gathering Lines (account 332);
- Storage Lines (account 353);
- Transmission Lines (account 367);
- Piping (account 376);
- Couplings (account 376);
- Gas service lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (accounts 334,369,381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities; and
- Other related capitalized costs (accounts 303, 387, 391.02 and 392)

Effective Date: The DISC will become effective for bills rendered on and after 7/1/2013.

Computation of the DSIC

The initial DSIC, effective July 1, 2013, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service during the (*three-month period ending one month prior to effective date*). Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month period ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

<u>Effective Date of Change</u>	<u>Date to which DSIC-Eligible Plant Additions Reflected</u>
July 1	March 1 through May 31
October 1	June 1 through August 31
January 1	September 1 through November 30
April 1	December 1 through February 28

Determination of Fixed Costs: The fixed costs of eligible distribution system improvements will consist of depreciation and pre-tax return, calculated as follows:

1. **Depreciation:** The depreciation expense shall be calculated by applying the annual accrual rates employed in the Company's most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.

RIDER K (cont.)
Distribution System Improvement Charge (DSIC)

2. Pre-tax return: The pre-tax return shall be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service under the Company's otherwise applicable rates and charges, excluding amounts billed for State Tax Adjustment Surcharge (Rider A), Purchased Gas Costs (Rider B), Ratepayer Trust (Rider H), and Rager Mountain Credit (Rider J). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by one-fourth of the Company's annual projected revenue for distribution service (including all applicable clauses and riders), exclusive of Riders A, B, H, and J.

Formula: The formula for calculation of the DSIC is as follows:

$$\text{DSIC} = \frac{(\text{DSI} * \text{PTRR}) + \text{Dep} + \text{S}}{\text{PQR}} + \frac{\text{e}}{\text{PQR}} \quad (\text{C})$$

Where:

- DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation.
- PTRR = Pre-tax return rate applicable to DSIC-eligible property.
- Dep = Depreciation expense related to DSIC-eligible property.
- e = Amount calculated under the annual reconciliation feature or Commission audit, as described below.
- S = Synergy fees/(revenues); cost assessed (revenue received) for serving customers of another legal entity approved at G-2014-2448803.
- PQR = Projected annual revenues for distribution service (excluding Riders A, B, H and J) from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period will be divided by four to arrive at a quarterly revenue figure.

Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, Office of Small Business Advocate, and Commission's Bureau of Audits at least (10) days prior to the effective date of the update.

Customer Safeguards:

1. **Cap:** The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.
2. **Audit/Reconciliation:** The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq.*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the utility may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC including Synergy fees received, for the reconciliation period will be compared to the Company's eligible costs, including Synergy fees paid, for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over-collection. (C)

RIDER K (cont.)
Distribution System Improvement Charge (DSIC)

Customer Safeguards (cont.):

3. **New Base Rates:** The DSIC will be reset to zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base will be reflected in the quarterly updates of the DSIC.
4. **Customer Notice:** Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.
5. **All Customer Classes:** The DSIC shall be applied equally to all customer classes, except that the Company may reduce or eliminate the Rider K to any customer with competitive alternatives or potential competitive alternatives and customers having negotiated contracts with the Company, if it is reasonably necessary to do so.
6. **Earnings Reports:** The DSIC will also be reset to zero, if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company would earn a rate of return that would exceed the allowable rate of rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The utility shall file a tariff supplement implementing the reset to zero due to overearning on one-day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Utility has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs. (C)
7. **Residual E-Factor Recovery Upon Reset to Zero:** The utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The utility shall refund any overcollection to customers and is entitled to recover any undercollections as set forth in Section 4.B. Once the utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement. (C)

**PILOT RATE MLX
MAINLINE EXTENSION SERVICE (C)**

The Company, at its discretion, may offer service under this rider to a residential or commercial Applicant or group of Applicants who require extension of the Company's facilities to serve the Applicant(s) under Rule 4 of the Rules and Regulations Section of this tariff. This Rate provides the Applicant(s) with an option to pay a delivery rate set by the Company from the delivery rate tiers below in lieu of providing a contribution in aid of construction ("CIAC") determined in accordance with Rule 4 using rates RS or SGS. All applicants at the time of construction as well as any future applicants serviced by a facility extended under this rate will pay the same rate as the original applicants. Future extensions of mainline from a previous Rate MLX project will be evaluated separately and assigned the greater of the MLX rate for the existing project or the MLX rate tier that will justify the project under Rule 4 on a standalone basis.

This Rider is established as a Pilot and will close for new participation five years after this rate is approved by the Commission.

Residential and Commercial Customers MLX Delivery Charge

The charges under this Rate will include the otherwise applicable RS or SGS customer charge and riders. Only the delivery rate will differ as is shown below.

Pilot Rate MLX delivery rates will be applied for each Mcf of gas used. The applicable rate will be selected from one of the tiers below for the entire extension. The Company will select the rate tier based on the minimum delivery rate required to cover the investment costs in accordance with Rule 4.

MLX Rate Tier	Residential	Commercial
1	\$ 6.79	\$ 5.10
2	\$ 7.23	\$ 5.54
3	\$ 7.67	\$ 5.98
4	\$ 8.11	\$ 6.42
5	\$ 8.55	\$ 6.86
6	\$ 8.99	\$ 7.30
7	\$ 9.43	\$ 7.74
8	\$ 9.87	\$ 8.18
9	\$ 10.31	\$ 8.62

Customer Service Line Costs

The rate chosen by the Company will include the cost of the customer's service line (curb to meter). The customer will maintain ownership of, and maintenance of, the curb to meter portion of the service line thereafter.

For customers tapping into a Pilot Rate MLX project after the initial construction, the cost of the curb to meter portion of the service line will be limited to the average cost of curb to meter installations for customers who were connected at the time of the mainline installation paid by the Company.

(C) Indicates Change.

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SUPPLEMENT NO. 50
TO
GAS - PA. P.U.C. NO. 46

Peoples Natural Gas Company LLC
EQUITABLE Division

RATES and RULES
FOR
GAS SERVICE IN
CITY OF PITTSBURGH
AND TERRITORY ADJACENT THERETO
(For Lists of Communities Served, see Page No. 4)

STAS Filing

ISSUED: March 31, 2017
By: Morgan K. O'Brien
President
Peoples Natural Gas Company, LLC
375 North Shore Drive
Suite 600
Pittsburgh, PA 15212

EFFECTIVE: April 10, 2017

LIST OF CHANGES MADE BY THIS TARIFF SUPPLEMENT

	<u>Current</u>	<u>Proposed</u>	<u>Increase</u> <u>(Decrease)</u>
STAS	-0.74%	-1.05%	-0.31%

PEOPLES NATURAL GAS COMPANY, LLC
EQUITABLE DIVISION

SUPPLEMENT NO. 50 TO GAS—PA PUC NO. 46
EIGHTEENTH REVISED PAGE NO. 2A
CANCELING FIFTEENTH REVISED PAGE NO. 2A

	Rider A - Gas Cost Charges				Base Rate Charges (5)	Rider STAS (6)	Rider F MFC (7)	Rider D USR (8)	Rider G GPC (9)	Rider E DSIC Charge (10)	Total Rate (11=SUM 1 to 10)
	Capacity (1)	AVC Capacity (2)	GCA (3)	Commodity (4)							
Residential Sales											
Customer Charge					\$ 13.2500	-1.05%				\$ -	\$ 13.2500
Capacity	\$ 1.0255	\$ 0.5583					\$ 0.0266				\$ 1.6104
Price to Compare - PTC			\$ (0.0647)	\$ 2.8099			\$ 0.0713		\$ 0.1055		\$ 2.9220
Delivery Charge					\$ 3.1687			\$ 0.3925		\$ -	\$ 3.5612
State Tax Surcharge						\$ (0.0333)					\$ (0.0333)
Total per MCF							\$ 0.0979				\$ 8.0603
General Service Small - Sales											
Customer Charge											
< 500 MCF/Yr					\$ 17.0000					\$ -	\$ 17.0000
500 to 1,000 MCF/Yr					\$ 28.0000					\$ -	\$ 28.0000
1/ Capacity	\$ 0.3341	\$ 0.5583									\$ 0.8924
Price to Compare - PTC	\$ 0.6914		\$ (0.0647)	\$ 2.8099			\$ 0.0249		\$ 0.1055		\$ 3.5670
Delivery Charge					\$ 2.5910					\$ -	\$ 2.5910
State Tax Surcharge						\$ (0.0272)					\$ (0.0272)
Total per MCF	\$ 1.0255										\$ 7.0232
General Service Large - Sales											
Customer Charge											
1,001 to 4,999 MCF/Yr					\$ 150.0000					\$ -	\$ 150.0000
5,000 to 25,000 MCF/Yr					\$ 300.0000					\$ -	\$ 300.0000
1/ Capacity	\$ 0.3341	\$ 0.3078									\$ 0.6419
Price to Compare - PTC	\$ 0.6914		\$ (0.0647)	\$ 2.8099			\$ 0.0249		\$ 0.1055		\$ 3.5670
Delivery Charge					\$ 2.4950					\$ -	\$ 2.4950
State Tax Surcharge						\$ (0.0262)					\$ (0.0262)
Total per MCF	\$ 1.0255										\$ 6.6777
General Service Large - Sales											
> 25,000 MCF/Yr					\$ 1,600.000					\$ -	\$ 1,600.0000
1/ Capacity	\$ 0.0769	\$ 0.1368									\$ 0.2137
Price to Compare - PTC	\$ 0.9486		\$ (0.0647)	\$ 2.8099			\$ 0.0249		\$ 0.1055		\$ 3.8242
Delivery Charge					\$ 2.4950					\$ -	\$ 2.4950
State Tax Surcharge						\$ (0.0262)					\$ (0.0262)
Total per MCF	\$ 1.0255										\$ 6.5067

1/ The Price-to-Compare format as shown is applicable to a Non-Priority One customer; the Price-to-Compare Charge for a Priority One customer would not include the Capacity Charge. See the Residential - Sales section above as an example of Priority One.

ISSUED: March 31, 2017

EFFECTIVE: April 10, 2017

PEOPLES NATURAL GAS COMPANY, LLC
EQUITABLE DIVISION

SUPPLEMENT NO. 50 TO GAS—PA PUC NO. 46
EIGHTEENTH REVISED PAGE NO. 2B
CANCELING FIFTEENTH REVISED PAGE NO. 2B

	Base Rate Charges	Capacity Charge	AVC Charge	Balancing Charge	Rider F MFC	Rider D USR	Rider A Capacity	Rider STAS	Rider E DSIC Charge	Total Rate (10=SUM 1 to 9)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Residential - Transport										
Customer Charge	\$ 13.2500							-1.05%	0.00%	\$ 13.2500
Capacity		\$ 1.0255	\$ 0.5583		\$ 0.0266					\$ 1.6104
Delivery Charge	\$ 3.1687					\$ 0.3925			\$ -	\$ 3.5612
State Tax Surcharge								\$ (0.0333)		\$ (0.0333)
Total per MCF										\$ 5.1383
General Service Small - Transport										
Customer Charge										
< 500 MCF/Yr	\$ 17.0000								\$ -	\$ 17.0000
500 to 1,000 MCF/Yr	\$ 28.0000								\$ -	\$ 28.0000
1/ Capacity/BB&A			\$ 0.5583	\$ 0.3341						\$ 0.8924
Delivery Charge	\$ 2.5910								\$ -	\$ 2.5910
State Tax Surcharge								\$ (0.0272)		\$ (0.0272)
Total per MCF										\$ 3.4562
General Service Large - Transport										
Customer Charge										
1,001 to 4,999 MCF/Yr	\$ 150.0000								\$ -	\$ 150.0000
5,000 to 25,000 MCF/Yr	\$ 300.0000								\$ -	\$ 300.0000
1/ Capacity/BB&A			\$ 0.3078	\$ 0.3341						\$ 0.6419
Delivery Charge	\$ 2.4950								\$ -	\$ 2.4950
State Tax Surcharge								\$ (0.0262)		\$ (0.0262)
Total per MCF										\$ 3.1107
General Service Large - Transport										
Customer Charge										
> 25,000 MCF/Yr	\$ 1,600.0000								\$ -	\$ 1,600.0000
1/ Capacity/BB&A			\$ 0.1368	\$ 0.0769						\$ 0.2137
Delivery Charge	\$ 2.4950								\$ -	\$ 2.4950
State Tax Surcharge								\$ (0.0262)		\$ (0.0262)
Total per MCF										\$ 2.6825

1/ The Capacity Charge applies to Priority 1 ratepayers when electing transport service. All other Ratepayers are billed the BB&A charge.

ISSUED: March 31, 2017

EFFECTIVE: April 10, 2017

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 33
TO GAS - PA. P.U.C. NO. 46
SECOND REVISED PAGE NO. 2.1
CANCELING FIRST REVISED PAGE NO. 2.1

RESERVED FOR FUTURE USE

ISSUED: December 31, 2015

EFFECTIVE: January 1, 2016

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(C)

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 44
TO GAS - PA. P.U.C. NO. 46
NINTH REVISED PAGE NO. 3
CANCELING EIGHTH and SEVENTH REVISED PAGE NO. 3

(C) Indicates Change.

EQUITABLE DISTRICT COMMUNITIES SERVED

The Company's charter territory includes Allegheny, Armstrong, Butler, Clarion, Fayette, Greene, Indiana, Jefferson, Washington, and Westmoreland Counties, Pennsylvania. Gas Service for the Equitable district is available in all localities where the Company has facilities, including all or a portion of the following Cities, Boroughs, and Townships:

ALLEGHENY COUNTY (Cities and Boroughs)

Aspinwall	Drovoosburg	Millvale	Swissvale
Avalon	Duquesne	Monroeville	Tarentum
Baldwin	East McKeesport	Mt. Oliver	Thornburg
Bellevue	East Pittsburgh	Munhall	Trafford
Ben Avon	Edgewood	North Braddock	Turtle Creek
Ben Avon Heights	Emsworth	Oakmont	Verona
Bethel Park	Etna	Pitcairn	Versailles
Blawnox	Fox Chapel	Pittsburgh	Wall
Brackenridge	Franklin Park	Pleasant Hills	West Elizabeth
Braddock	Greentree	Plum	West Homestead
Braddock Hills	Heidelberg	Port Vue	West Mifflin
Brentwood	Homestead	Rankin	West View
Bridgeville	Ingram	Roslyn Farms	Whitaker
Carnegie	Jefferson	Sewickley Heights	Whitehall
Cheswick	Liberty	Sewickley Hills	White Oak
Clairton	Lincoln	Sharpsburg	Wilkesburg
Crafton	McKeesport	Springdale	Wilmerding
Dormont	McKees Rocks		

ALLEGHENY COUNTY (Townships)

Aleppo	Indiana	O'Hara	Shaler
Collier	Kennedy	Ohio	South Fayette
East Deer	Kilbuck	Penn Hills	South Park
Forward	Marshall	Reserve	Springdale
Frazier	McCandless	Robinson	Stowe
Hampton	Mt. Lebanon	Ross	Upper St. Clair
Harmar	North Versailles	Scott	Wilkins
Harrison			

ARMSTRONG COUNTY (Boroughs)

Apollo	Elderton	Ford City
Atwood	Freeport	North Apollo

ARMSTRONG COUNTY (Townships)

Bethel	Gilpin	Parks	South Buffalo
Boggs	Kiskiminetas	Pine	Valley
Burrell	Kittanning	Plumcreek	Washington
Cadogan	Madison	Red Bank	Wayne
Cowenshannock	Manor	South Bend	West Franklin
East Franklin	North Buffalo		

BUTLER COUNTY (Townships)

Buffalo

CLARION COUNTY (Townships)

Limestone	Monroe	Porter	Red Bank
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EQUITABLE DISTRICT COMMUNITIES SERVED (Continued)

		<u>FAYETTE COUNTY (Boroughs)</u>		
Fairchance	Masontown			
		<u>FAYETTE COUNTY (Townships)</u>		
Georges	German	Jefferson		South Union
		<u>GREENE COUNTY (Boroughs)</u>		
Carmichaels	Jefferson	Waynesburg		
Clarksville	Mather			
		<u>GREENE COUNTY (Townships)</u>		
Aleppo	Freeport	Monongahela		Springhill
Canter	Gilmore	Morgan		Washington
Cumberland	Greene	Morris		Wayne
Dunkard	Jackson	Perry		Whiteley
Franklin	Jefferson	Richhill		
		<u>INDIANA COUNTY (Townships)</u>		
Buffington	North Mahoning	Washington		
East Mahoning	South Mahoning			
		<u>JEFFERSON COUNTY (Townships)</u>		
Perry	Porter	Ringgold		
		<u>WASHINGTON COUNTY (Boroughs)</u>		
Beallsville	Cokeburg	Ellsworth		New Eagle
Bentleyville	Deemston	Finleyville		
Canterville	Donara	Monongahela		
		<u>WASHINGTON COUNTY (Townships)</u>		
Amwell	East Finley	Nottingham		South Strabane
Carroll	East Pike Run	Morris		Union
Cecil	Fallowfield	Peters		West Bethlehem
Chartiers	North Bethlehem	Somerset		West Pike Run
East Bethlehem	North Strabane	South Franklin		
		<u>WESTMORELAND COUNTY (Cities and Boroughs)</u>		
Arnold	New Kensington	Vandergrift		
Hyde Park	Oklahoma	West Leechburg		
Mahoning	Trafford			
		<u>WESTMORELAND COUNTY (Townships)</u>		
Allegheny	Franklin	North Huntingdon		Upper Burrell
Bell	Lower Burrell	Penn		Washington

 APOLLO DISTRICT COMMUNITIES SERVED (Continued)

Gas service for the Apollo District is available in all localities where the Company has facilities, including all or a portion of the following Cities, Boroughs, and Townships:

ALLEGHENY COUNTYBoroughs

Tarentum

Townships

East Deer

Frazer

Harrison

ARMSTRONG COUNTYBoroughs

Apollo

Ford City

North Apollo

Townships

Bethel

Boggs

Burrell

Cadogan

Cowanshannock

East Franklin

Gilpin

Kiskiminas

Kittanning

Madison

Manor

North Buffalo

Parks

Pine

Plumcreek

Redbank

South Bend

South Buffalo

Washington

Wayne

West Franklin

CLARION COUNTYTownships

Limestone

Monroe

Porter

Redbank

INDIANA COUNTYTownships

Buffington

East Mahoning

North Mahoning

JEFFERSON COUNTYTownships

Perry

Porter

Ringgold

WESTMORELAND COUNTY

Arnold

Lower Burrell

New Kensington

Boroughs

Mahoning

Hyde Park

Oklahoma

Vandergrift

West Leechburg

Townships

Allegheny

Bell

Upper Burrell

Washington

CLASSIFICATION OF CUSTOMERS TO WHOM SERVICE IS MADE AVAILABLE

Gas service is made available under the rules, regulations and terms and at the rates contained in this Tariff, to the following classes of customers:

Residential Customers

Customers receiving the Company's gas service to a single family dwelling or building, or through one meter set to three or fewer dwelling units in a multi-family residence or building, or through one meter set to a combination of one dwelling unit and one or more business premises, where the residential premises are the predominant gas use factor. A Customer is defined as a natural person in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed or lease of the property for which service is requested.

For purposes of curtailment and priority of service pursuant to Rule 7 -Curtailment of Service - master-metered housing projects, which are otherwise classified as commercial, shall be considered residential customers, provided the units in the project are self-contained, that is have individual heating units.

Commercial Customers

Customers who are engaged in selling, warehousing or distributing a commodity or service, including boarding homes and personal care homes, engaged in some business activity or profession, or in some other form of economic, social, or cultural activity, not primarily involving the manufacturing or processing of a product; and customers who receive the Company's gas service through one meter set to a combination of four or more dwelling units and through one meter set to a combination of up to three dwelling units and one or more business premises, where the business premises are the predominant gas use factor.

For purposes of curtailment and priority of service pursuant to Rule 7 -Curtailment of Service - master-metered housing projects, which are also included in this classification, will be considered residential customers, provided the units in the project are self-contained, that is have individual heating units.

Industrial Customers

Customers who are engaged in a process which creates or changes raw material or unfinished materials into another form or product.

Heating Customers

Customers who use the Company's gas as the principal fuel for space or building heating.

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RULES AND REGULATIONS

1. ESTABLISHING SERVICE

1.1 Meters and Fittings

The Company will, at its own expense unless otherwise agreed, make the necessary connection between its gas main and the curb, furnish a stop cock, provide a meter, and if it deems it necessary, a gas regulator, also a globe valve or stop cock, and necessary fittings to connect meter, or meter and regulator, to service line and house line. The meter and meterset fittings shall be and remain the property of the Company.

Meters will be installed at the Company's expense only upon request and subject to the following conditions:

- (a) The Company will install one (1) meter per customer service line.
- (b) The type, size and location of the meter will be determined by the Company.
- (c) An individual service line shall be required for each unit of a newly constructed structure consisting of modules which can be sold or leased as and function as separate entities, and having within each such unit control of the total gas energy requirements of that unit, including all interior piping. The requirement of one meter per service line shall apply to renovations of existing structures which meet the aforesaid independency requirements and to which gas service has not been provided for a period of at least one (1) year. The requirement of one meter per service line may be waived for other structures. In this latter event, additional meters will be set by the Company, provided the customer shall bear the cost of all additional meter installations and house line alterations, and such cost of service line alterations as shall be permitted by law.
- (d) Outlet piping from the meter shall not pass through space or property that is or could be controlled or owned by an individual or individuals other than the customer.
- (e) All customer-owned piping shall be installed in accordance with the Company's "Installation Standards Gas Piping and Customer's Premises," dated May 1996, as it now exists or as hereinafter amended, and which is presently on file with the Commission.

RULES AND REGULATIONS - (CONTINUED)1.1 Meters and Fittings (Continued)

(f) Nothing contained in this Rule shall preclude the customer from installing additional meters behind the Company's meter for the purpose of measuring, controlling and/or determining the flow of gas to the customer's premises. The cost of such additional meters, including the installation thereof shall be borne by the customer and such installation shall comply with subsection (e) above.

(g) Exceptions to the requirements of subsections (a) through (e) may be permitted by the Company upon special circumstances and upon good cause shown.

1.2 Applications For Service Extension of Mains

The Company will extend its facilities to a new point of delivery within its service territory if, in its judgment and consistent with Pennsylvania Public Utility Commission regulations, the service to such a new point of delivery will have no adverse effect upon the availability of gas to meet the present and reasonably foreseeable volume and pressure needs of existing customers. The Company may condition the extension of facilities upon the applicant's providing a contribution in aid of construction (CIAC), the amount which will be determined by the Company and consistent with any parameters approved or required by the Commission.

If the Company requests a CIAC from an applicant where service is not rendered under Pilot Rate MLX, and additional customers are added to the extended facilities financed by the applicant's CIAC within three years of the date of completion of the facilities, the applicant who paid the CIAC will be entitled to a pro-rated refund during the three-year period immediately following completion of the extension. (C)

At the Company's discretion, all applicants for an extension may be offered service under Pilot Rate MLX as an alternative to a CIAC. (C)

(C)Indicates Change.

RULES AND REGULATIONS - (CONTINUED)

1.3 Other Service Conditions

In the case of an industrial or commercial customer, the Company may condition the acceptance of a particular application for the initiation or increase of service, whether or not an extension of facilities is required to provide such service, by the establishment of guarantees of revenues or other appropriate conditions, including, but not limited to, the setting of maximum daily volumes to be provided, when such application involves the commitment of a gas supply to provide the service requested or involves conditions of service different from that normally provided to its other customers.

The Company, at its sole discretion, will maintain the necessary facilities to provide a back-up service to a customer for switching purposes between Natural Gas Distribution Companies or alternative fuels. The charge for facilities providing such a back-up service will be the Company's highest allowable monthly service charge per meter, plus the applicable volumetric charge per Mcf consumed.

The Company also reserves the right to charge a tap fee to recover the costs of constructing all facilities related to providing the backup service.

In the case of residential service, prior to providing utility service, the Company may require the Applicant to provide the names of each adult occupant residing at the location and proof of their identity.

1.4 Service Pipes and Fittings

The customer shall, at the customer's own expense, furnish and install all service pipes, fixtures, fittings, valves and appliances, and all materials necessary for meter installations, as required by the Company, between the Company's curb box and the point of consumption of the gas except as otherwise provided in Rule 1; maintain all of the same in good condition and repair, and renew the same when necessary, furnishing such materials, labor and supervision as may be necessary to transport and burn the gas with safety, and shall be liable for any failure to do so.

1.5 Subject to Company Inspection/Duty of Customer to Maintain

The character and arrangement of the facilities through which the gas is transported from the Company's curb box to the point of consumption shall be subject to the inspection and approval of an authorized agent of the Company, but the Company shall not be responsible in any manner for the installation, use and maintenance of those facilities, and shall have no duty or obligation with respect to the care, maintenance or supervision of the facilities.

RULES AND REGULATIONS - (Continued)1.6 Service Application

An Applicant is defined as a natural person not currently receiving service who applies for service provided by the Company or any adult occupant whose name appears on the mortgage, deed or lease of the property for which service is requested. All applications for service must be made at least three (3) days prior to the date service is to be initiated. Applications will be accepted, subject to a credit investigation of the Applicant and approval by the Company prior to the initiation of service.

The Company shall not accept an application for new or continued service to a multi-unit building or mobile home park except where such application (1) is made by tenants of the landlord ratepayer pursuant to §1527(a) and (b) of the Public Utility Code (§56.125 of the Commission's regulations); (2) is made pursuant to §1527(d) of the Public Utility Code by a tenant for individual service to the tenant's dwelling unit and such individual service can be accomplished without a major revision of distribution facilities or additional right-of-way acquisitions; or (3) is made by a person with an ownership interest in the affected premises.

1.7 Deposits and Advance Payments

(C)

The Company reserves the right to collect a cash deposit, payable during a 90 day period in accordance with the Commission regulations, from an Applicant in an amount that is equal to one-sixth of the Applicant's estimated annual bill. The estimated annual bill shall be calculated on the basis of the annual bill to the dwelling at which service is being requested for the prior twelve (12) months, or, if unavailable, a similar dwelling in close proximity selected by the Company. A cash deposit may be requested from the following:

- (1) An Applicant who previously received utility distribution services and was a Customer of the Company and whose service was terminated for any of the following reasons:
 - a. Nonpayment of an undisputed delinquent account.
 - b. Failure to complete payment of a deposit, provide a guarantee or establish credit.
 - c. Failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading.
 - d. Unauthorized use of the natural gas service delivered on or about the affected dwelling.
 - e. Failure to comply with the material terms of a settlement or Payment Agreement.
 - f. Fraud or material misrepresentation of identity for the purpose of obtaining service from the Company.

(C)Indicates Change.

RULES AND REGULATIONS - (Continued)1.7 Deposits and Advance Payments (Continued)

- g. Tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment.
 - h. Violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the delivery system of the Company.
- (2) Any Applicant or Customer who is unable to establish creditworthiness to the satisfaction of the Company through the use of the Company's credit scoring methodology approved at Docket No. P-00011915.
- (3) A Customer who fails to comply with a material term or condition of a settlement or Payment Agreement.

Applicants required to pay a deposit upon reconnection pursuant to Section 1.7(1) shall have up to ninety (90) days to pay the deposit.

In lieu of a cash deposit, an Applicant may furnish a third-party guarantor. The guaranty shall be a written document established by the Company stating the terms of the guaranty. The guarantor shall be responsible for all missed payments owed to the Company. The Company reserves the right to require payment in advance for its seasonal regulated service, when customers elect to take such service, in an amount equal to the estimated total gross charges for such seasonal service as determined by the provisions of the rate under which this service is taken.

Deposits secured from a residential customer may be held by the Company until a timely payment history is established when a customer has paid in full and on time for twelve (12) consecutive months. (C)

At the end of the Deposit Hold Period, the Company will deduct any outstanding Customer balance from the deposit and return or credit any positive difference to the Customer. If distribution service is terminated before the end of the Deposit Hold Period, the Company will deduct any outstanding Customer balance from the deposit and return any positive difference to the Customer within sixty (60) days of termination. If the Customer becomes delinquent before the end of the Deposit Hold Period the Company may deduct the outstanding Customer balance from the deposit.

The Company will accrue interest on all Residential cash deposits until returned or credited at the simple annual interest rate determined by the Secretary of Revenue for interest on the underpayment of tax under section 806 of the act of April 9, 1929 (P.L. 343, No. 176), known as The Fiscal Code. (C)

The Company will accrue interest on all non-Residential cash deposits until it is returned or credited at the legal rate of interest pursuant to the loan interest and protection law (section 202 of the act of January 30, 1974 p.l.13, no. 6). (C)

(C) Indicates Change.

RULES AND REGULATIONS - (Continued)

1.8 Resale of Gas By Customer

All gas sales pursuant to the terms of this Tariff are to the ultimate purchaser and are not to be resold for profit in violation of 66 Pa. C.S.A. Section 1313.

1.9 Liability for a Prior Bill

The Company will utilize available means of determining liability for a past due balance of any applicant or customer. This may include the following:

- (1) Use of company records maintained in the ordinary course of business.
- (2) Use of skip tracing tools.

2. GAS MEASUREMENT

2.1 Meter Tests

The measurement of gas by meter shall be conclusive upon the customer and the Company excepting when such meter ceases to register, proves to be defective, or is found by test not to be accurate within the limits specified in the Regulations of the Pennsylvania Public Utility Commission. In such cases, the consumption for the period in question shall be estimated unless the Commission's regulations require otherwise. In the event of the customer's dissatisfaction with the accuracy of the meter, the Company will, upon written application, have the same removed, sealed and tested, and a certificate of test given the customer. If the meter so tested shall be found to be accurate within the limits specified in the Regulations of the Pennsylvania Public Utility Commission, the customer shall, upon presentation of bill, pay the Company for such test according to the schedule of charges for testing meters formulated by the Commission.

2.2 Definition of a Cubic Foot

- (a) Low Pressure Sales: For sales at standard distribution or low pressure other than as provided for under (b) below, a cubic foot of gas shall be the amount of gas which occupies a volume of one cubic foot at the time metered and under the conditions existing at the customer's meter.
- (b) Other than Low Pressure Sales as under (a) above: For sales at high or intermediate pressures not covered under (a) above, a cubic foot of gas shall be that amount of gas that occupies a volume of one cubic foot at an absolute pressure of 14.73 pounds per square inch and a temperature of 60° Fahrenheit.

2.3 Estimated Consumption

The Company will estimate consumption for one month of each meter reading period where scheduled meter readings are on a bi-monthly basis (See Rule 3.2), and will estimate consumption when scheduled meter readings are not obtained because of emergency conditions or inability to gain access to the meter location, or where a meter for any reason

RULES AND REGULATIONS - (CONTINUED)

2.3 Estimated Consumption (Continued)

fails to register properly the full consumption of a customer, or where the Company is unable to obtain a meter reading for other causes beyond its control.

The customer shall be obligated to pay the bill based on the estimated consumption as though the same was based on an actual meter reading, and failure to so pay may subject the customer and service to Rule 6. Bills based on estimated readings shall be subject to adjustment for any unusual circumstances found to have affected the quantity of gas used.

The customer's service is subject to discontinuance if more than five consecutive bills are based on other than actual meter readings by Company personnel.

2.4 Exceptions to Use of Meters

In cases of emergency where appropriate meters are not available due to circumstances beyond the control of the Company, and the necessity for rendering gas service to a customer is urgent, the Company may, by written agreement with the customer, render bills temporarily on a basis of estimated gas consumption.

2.5 Automatic Meter Readings

All readings by an automatic meter reading device shall be deemed actual readings.

3. BILL AND PAYMENT THEREOF

3.1 Customer at Two Locations

The Company's rates are based upon gas supply through a single delivery point, as measured by one meter. Separate supply for the same customer account at other points of delivery or through more than one meter shall be billed separately. In the event that it is necessary to provide service to a customer through more than one meter because of the system limitations of the Company, combined billing will be permitted.

3.2 Billing and Payment

Bills will be rendered and be payable once each month. The Company may read any meter once each month, but ordinarily it will read meters of residential and commercial customers once each two months. As to any customer whose meter is read once each two months, the consumption for the first month of each bi-monthly meter reading period shall be estimated on the basis of the customer's previous usage, adjusted for weather conditions; and the consumption for the second month of each bi-monthly meter reading period shall be determined by subtracting the first month's estimated consumption from the total actual consumption for the bi-monthly period shown by the meter. The bill for each month shall be the result of applying to the consumption, the applicable rates and charges contained in this tariff.

RULES AND REGULATIONS - (CONTINUED)

3.2 Billing and Payment (Continued)

Upon request the Company will supply any customer annually with a card form upon which the customer may record the meter reading at the end of the first month of each bi-monthly meter reading period. If the card is received by the Company on the date specified on the card, the bill for the month will be computed from the meter reading shown on the card instead of by estimate. The Company will adjust estimates of bills for changes in condition of which it has been notified in advance by a customer. The Company reserves the right to reassign customers into a different billing cycle. If the Company receives a negotiable instrument from an applicant or a customer as payment of any bill, charge or deposit due, and if the instrument (including electronic payment) is subsequently dishonored or is uncollectible for any reason, the Company may charge the applicant or customer a charge of twenty-five dollars (\$25.00).

3.3 Dishonored Payment

If the Company receives a negotiable instrument from an applicant or a customer as payment of any bill, charge or deposit due, and if the instrument (including electronic payment) is subsequently dishonored or is uncollectible for any reason, the Company may charge the applicant or customer a charge of twenty-five dollars (\$25.00).

3.4 Time and Place of Payment

Payments made by mail are assumed to be made on the date of the postmark. Payments made direct at payment receiving offices of the Company and its authorized payment agencies shall be deemed to have been made on date of actual receipt of payment. Bills to the Commonwealth of Pennsylvania or any department or institution thereof, and the United States of America or any department thereof, paid within 30 days from the date of mailing will not be subject to the Finance Charge. Billings made on or after the effective date of a new rate or rider will be made in accordance therewith.

3.5 Execution and Bankruptcy

Service shall, at the option of the Company, cease and terminate, and all claims for previous gas service shall become forthwith due and payable without notice from the Company under the following circumstances, (1)in case a writ of execution is issued against the customer; (2)in case the premises described or referred to in the application as the place at which the gas is to be delivered are levied upon under execution; (3)in case personal property thereon is levied upon under execution; (4)or in case of an assignment or other act of bankruptcy of the customer.

RULES AND REGULATIONS - (CONTINUED)

3.6 Customer Complaints

A Customer must contact the Company about a problem prior to filing a complaint with the PUC. The Company's complaint handling and resolution procedures will conform to the provisions of the PUC's applicable rules and regulations. Pending the outcome of any complaint filed with the PUC, Customers are required to pay that portion of their bill which is not in dispute and subsequent bills which are not in dispute.

4. ACCESS TO PREMISES

4.1 Right of Entry at Reasonable Time

The Company shall have, at all reasonable times, the right to enter in and upon the premises of a customer to (1) read, repair or change meters, or to repair or change regulators, inspect lines and appliances to determine if the gas is being carried, distributed and burned properly and in accordance with these Rules and Regulations (2) to discontinue service and (3) to reclaim any of the property of the Company which may be upon the premises.

4.2 Location of Meter and Accessibility

Meters shall, wherever practicable, be located outside the residence or main building of the customer, but, if located inside, shall be accessible to the Company and shall be placed at a location common to all meters; and, in addition, at structures occupied by persons other than the legal owners thereof, shall not be part of the living quarters of any tenant.

5. TAMPERING

5.1 Customer's Responsibility for Tampering with Meter and Equipment

Where the service facilities or other equipment have been tampered with, resulting in improper measurement of the service supplied or failed transmission of measurement data to the Company, the customer shall be required to pay for such gas service as the Company may estimate, from available information, to have been used but not registered by the Company's meters, and in addition thereto, shall be required to bear all costs incurred by the Company for investigations and inspections, repairs and for such protective equipment as, in the judgment of the Company, may be necessary.

RULES AND REGULATIONS - (Continued)

6. DISCONNECTION, RECONNECTION AND SERVICE CALL TERMS AND FEES

6.1 Disconnection

The authorized agents of the Company shall at all reasonable times have access to the premises of the customer with the right to shut off the gas and remove its property from the premises upon reasonable notice, unless otherwise required by the Commission's regulations, for any of the reasons listed below. Discontinuance or termination of service for any of the following reasons shall not relieve a customer from liability for any minimum payments due:

(a) Replacement, Maintenance, Repairs, Non-payment, Meter Reading

For failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading; for non-payment of any undisputed delinquent account; for failure to complete payment of a deposit, provide a guarantee of payment or establish credit; and for failure to comply with the material terms of a Payment Agreement. The Company cannot terminate service for nonpayment of competitive third party natural gas supplier charges unless such charges were purchased by the Company under the Purchases of Receivable provisions provided in 11.29 of the Rules and Regulations of this tariff. (C)

A Payment Agreement is an agreement whereby the Customer, upon admitting liability for billed service, is permitted to amortize or pay the unpaid balance of the account in one or more payments.

(b) Violation of Contract, Misrepresentation, Unauthorized Use

For any violation of the terms of service or of these Rules and Regulations so as to endanger the safety of a person or the integrity of the distribution system; or for fraudulent misrepresentation in relation to the consumption of gas or customer identity for the purpose of obtaining service; or unauthorized use of service.

(c) Tampering With Meter or Other Utility Equipment

For tampering with the meter or connection, or for the use of gas through rubber hose, defective piping, or unsafe appliances;

(d) Shortage of Gas, Larceny

For shortage of gas or reasons for safety; for larceny of gas; for any action by the customer to secure through the customer's meter, gas for purposes other than those contracted for, or for any other party, without the written consent of the Company.

RULES AND REGULATIONS - (Continued)6.1 Disconnection (Continued)(e) Dangerous Conditions

If a dangerous condition is found to exist on the premises of customer.

(f) Dishonorable Tender of Payment After Receiving Termination Notice

After the Company has provided a written termination notice and attempted telephone contact, termination of service may proceed without additional notice if: (1) a customer tenders payment which is subsequently dishonored, or (2) a customer tenders payment with an access device which is unauthorized, revoked, or cancelled.

6.2 Reconnection Charge

The Company may not deny restoration of service for the nonpayment of competitive third party natural gas supplier charges.

(a) Residential(1) Residential Termination for Non-payment/Noncompliance

Whenever a residential customer has the gas service shut off or the meter disconnected because of non-payment of bills for regulated service or non-compliance with the Company's Rules and Regulations, a reconnection charge of \$50.00 must be paid at the office of the Company before the gas will be turned on again.

(2) Payment of Outstanding Balance

The Company may also require the payment of any outstanding balance or portion of an outstanding balance if an applicant resided at the property for which service is requested during the time the outstanding balance accrued and for the time the applicant resided at the property.

(3) Disconnection at Customer's Request

If service is discontinued at the request of a residential customer, the Company shall not be under any obligation to resume service to the same customer at the same premises unless it shall receive payment of the reconnection charge of \$50.00.

(b) Commercial

If a commercial customer has the gas service shut off or the meter disconnected because of non-payment of bills for regulated service or non-compliance with the Company's Rules and Regulations, the Company shall not be under any obligation to resume service to the same customer at the same premises without the payment of a reconnection charge of \$210.00.

If service is discontinued at the request of a commercial customer, the Company shall not be under any obligation to resume service to the same customer at the same premises unless it shall receive payment of the reconnection charge of \$210.00

RULES AND REGULATIONS - (Continued)

(c) Industrial

If an industrial customer has the gas service shut off or the meter disconnected because of non-payment of bills for regulated service or non-compliance with the Company's Rules and Regulations, the Company shall not be under any obligation to resume service to the same customer at the same premises without the payment of a reconnection charge of \$210.00.

If service is discontinued at the request of a industrial customer, the Company shall not be under any obligation to resume service to the same customer at the same premises unless it shall receive payment of the reconnection charge of \$210.00.

6.3 Transfer and Connection Fees(a) Residential

The Company shall charge a transfer fee of \$25.00 to residential applicants, including but not limited to landlords of residential property, when natural gas service is not being initiated or reinstated but is continuing from a prior ratepayer who is not the builder of the premises. This fee may be waived if applicant agrees to a transfer of service which does not require an on-site visit.

The Company shall charge a connection fee of \$50.00 for residential applicants when natural gas service is being initiated for the first time or had been previously discontinued at the location, except where 6.2 applies.

(b) Commercial

The Company shall charge a transfer fee of \$115.00 to commercial applicants, including but not limited to landlords of commercial property, when natural gas service is not being initiated or reinstated but is continuing from a prior ratepayer who is not the builder of the premises. This fee may be waived if applicant agrees to a transfer of service which does not require an on-site visit.

The Company shall charge a connection fee of \$230.00 for commercial applicants when natural gas service is being initiated for the first time or had been previously discontinued at the location.

(c) Industrial

The Company shall charge a transfer fee of \$115.00 to industrial applicants when natural gas service is not being initiated or reinstated but is continuing from a prior ratepayer who is not the builder of the premises. This fee may be waived if applicant agrees to a transfer of service which does not require an on-site visit.

The Company shall charge a connection fee of \$230.00 for industrial applicants when natural gas service is being initiated for the first time or had been previously discontinued at the location.

RULES AND REGULATIONS - (CONTINUED)6.3 Transfer and Connection Fees (Continued)

In no case shall a connection or transfer fee be charged to a residential ratepayer whose income does not exceed 150% of the Federal Poverty Level and/or who is eligible to receive a LIHEAP award; or to the builder of a residence or commercial building who is using natural gas during the construction process; or to a ratepayer in a competitive posture, as determined in the sole discretion of the Company. Separate connection fees for reinstatement are set forth in Section 6.2.

6.4 Customer Service Charge

(a) Residential

Any residential customer requesting service that requires an on-site visit will be charged a service charge of \$70.00.

For residential customers requesting same-day service that requires an on-site visit an additional \$70.00 fee shall apply. This service is provided based on resource availability and is in addition to any fees for services performed or other applicable services outlined in this tariff.

No service charge shall apply to reasonably suspected hazardous situations, including but not limited to those involving an unexplained odor of gas.

In lieu of the \$70.00 service charge, the following service charges will apply to the corresponding service: \$200.00 service charge for a temporary service line; \$60.00 service charge for a high bill investigation; \$50.00 service charge for the relighting of an appliance; and \$100 service charge for inspection of residential, renewed, house lines.

In the case of a high bill investigation, no charge shall apply if the investigation detects a measurement error.

Customers that request to add a meter set without adding additional load will be charged \$225.00 for 1 meter, \$275.00 for 2 meters and \$105.00 each for 3 or more meters.

(b) Commercial

Any commercial customer requesting service that requires an on-site visit will be charged a service charge of \$105.00.

For commercial customers requesting same-day service that requires an on-site visit an additional \$105.00 fee shall apply. This service is provided based on resource availability and is in addition to any fees for services performed or other applicable services outlined in this tariff.

RULES AND REGULATIONS - (CONTINUED)

No service charge shall apply to reasonably suspected hazardous situations, including but not limited to those involving an unexplained odor of gas.

In lieu of the \$105.00 service charge, the following service charges will apply to the corresponding service: \$200.00 service charge for a temporary service line; \$340.00 service charge for a high bill investigation; \$50.00 service charge for the relighting of an appliance.

In the case of a high bill investigation, no charge shall apply if the investigation detects a measurement error.

(c) Industrial

Any industrial customer requesting service that requires an on-site visit will be charged a service charge of \$105.00.

For industrial customers requesting same-day service that requires an on-site visit an additional \$105.00 fee shall apply.

No service charge shall apply to reasonably suspected hazardous situations, including but not limited to those involving an unexplained odor of gas.

In lieu of the \$105.00 service charge, the following service charges will apply to the corresponding service: \$200.00 service charge for a temporary service line; \$340.00 service charge for a high bill investigation; \$50.00 service charge for the relighting of an appliance.

In the case of a high bill investigation, no charge shall apply if the investigation detects a measurement error.

6.5 Seven Days Notice

Customers who intend to remove from the premises, discontinue the use of gas or terminate in any manner their liability to pay for gas delivered to the premises, shall give seven days' notice thereof; otherwise they will be held responsible for all gas delivered to the premises until seven days shall have expired after such notice has been received. New occupants must make application at the office of the Company at the time they commence the use of gas, or they will be held responsible for any back charge against the premises.

RULES AND REGULATIONS - (CONTINUED)

6.6 Final Bill

Except as otherwise provided in this rule, final bills for customers receiving service under any rate schedule within this tariff may be based on estimated consumption without an actual meter reading. When disconnect and reconnect orders are executed on different days, an actual or estimated meter reading shall be obtained. When disconnect and reconnect orders are executed on the same day, final bills may be estimated. When a final bill is estimated, consumption shall be based on average daily usage for non-heat usage, average usage per degree day for heating usage, and the number of days in the final billing period in accordance with the Rule 6.5 Seven Days Notice. Final bills will not be estimated when usage factors cannot be calculated, when a customer specifically requests that the meter be read, or when the customer provides the meter reading which is subject to the Company's review. The Company reserves the right to estimate any customer's final meter reading in instances where access to the meter is not provided within a reasonable time.

RULES AND REGULATIONS - (CONTINUED)

7. CURTAILMENT OF SERVICE

When for any reason, in the Company's judgment, its supply of gas is insufficient to meet the firm requirements of all customers on a continuing basis, the Company shall have the right to partially or completely curtail gas service. This rule does not apply to normal limitations on the use or interruption of interruptible service contemplated pursuant to the Company's interruptible service offerings.

7.1 Priority of Service

Curtailment of service will commence with the highest numbered priority set forth below and proceed in descending order to the next lower numbered priority after all requirements in the higher number priority have been completely curtailed. Where only partial curtailment of one priority is required, such will be implemented pro rata, that is, weighted in accordance with the base period volumes of the customers within that classification. Following are the priority of service categories listed in descending order of priority:

- (1) Residential and firm critical commercial essential human needs.
- (2) Firm small commercial requirements, excluding critical essential human needs requirements in Category 1, and firm large commercial, as well as large and small industrial requirements for plant protection.
- (3) Firm small industrial requirements excluding plant protection requirements in Category 2.
- (4) Firm large critical commercial and industrial requirements, excluding firm critical commercial essential human needs requirements in Category 1 and firm commercial and industrial requirements for plant protection in Category 2.

RULES AND REGULATIONS - (CONTINUED)7.1 Priority of Service (Continued)

- (5) Firm large non-critical commercial and industrial requirements other than requirements for boiler fuel use.
- (6) Firm large non-critical commercial and industrial requirements for boiler fuel use when the boiler fuel usage in the aggregate is greater than 300/Mcf/day.
- (7) Service which is interruptible pursuant to the Company's tariff rate schedules.

7.2 Definitions

The definitions for terms used in the Priority of Service Rule are as follows:

Alternate Fuel Capability: The ability to use an alternate fuel, whether or not the facilities for such use have actually been installed. For purposes of this definition, alternate fuel means any fuel other than natural gas, propane or other gaseous fuel.

Commercial Use: Gas usage by customers engaged primarily in the sale of goods or services including, but not limited to, consumption by office buildings, institutions and governmental agencies. Commercial use shall not include use of gas for manufacturing or electric power generation.

Critical Use: Gas usage where natural gas, propane or other gaseous fuel is the only feasible form of energy due to its combustion characteristics, controllability or chemical properties.

Essential Human Needs Use: Gas usage by customers without alternate fuel capability for service to any buildings where persons normally dwell, including, but not limited to, apartment houses, dormitories, hotels, hospitals and nursing homes as well as the use of natural gas by sewage plants.

Firm Service: Service pursuant to schedules or contracts under which the utility is expressly or impliedly obligated to deliver specific volumes within a given time period or which anticipate no interruptions, but which may permit unexpected interruptions in case service to higher priority customers is threatened. A utility shall be deemed to be impliedly obligated to deliver specific volumes where such utility has by any means previously or presently established periodic allocations for its customers.

Industrial Use: Gas usage by customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.

RULES AND REGULATIONS - (CONTINUED)7.2 Definitions (Continued)

Interruptible Service: Service pursuant to schedules or contracts under which the utility expressly or impliedly reserves the option to interrupt or curtail deliveries.

Non-Critical Use: Gas usage where natural gas, propane or other gaseous fuel is not the only feasible form of energy, i.e., where the user has alternate fuel capability.

Plant Protection Use: Minimum volumes of natural gas required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternative fuel. Plant protection requirements include volumes necessary for the protection of such material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.

Residential Use: Gas usage in a residential dwelling or unit for space heating, air-conditioning, cooling, water heating or other domestic purposes.

Large Commercial and Industrial Customers: Commercial and industrial customers having a peak day usage of 300 Mcf per day or more.

Small Commercial and Industrial Customers: Commercial and industrial customers with peak day usage of less than 300 Mcf per day.

Peak Day: The highest maximum monthly volume in the base period, divided by the number of billing days in that month.

Monthly Entitlement Volumes: The maximum volume of gas that the Company is obligated to deliver to a commercial or industrial customer in a month.

Maximum Seasonal Volumes: The total of the monthly authorized volumes for the following time periods:

- a) Winter Season: The billing months of November through March.
- b) Summer Season: The billing months of April through October.

The customer shall be billed and shall pay for all volumes taken in excess of the customer's maximum seasonal volumes at the applicable rate, together with any other applicable charges pursuant to Rule 7.5 herein.

Monthly Authorized Volumes: The customer's monthly entitlement volume reduced or limited as a result of the application of the curtailment provisions set forth in Rules 7, 7.1 and 7.3.

RULES AND REGULATIONS - (CONTINUED)7.3 Base Period Volumes

Monthly entitlement volumes shall be established for each non-Priority One commercial and industrial customer, having a peak day usage of 300 Mcf/d or more, on the basis of actual billing month usage for a 12 month period at the Company's discretion extending from January 1, 1971 through December 31, 1971. Such maximum monthly volumes shall constitute a customer's base period volume and shall be used to provide for the equitable allocation of gas available for sale to firm customers.

The base period volume shall be further divided by the Company into the base volumes for each Priority of Service in Categories 2, 4, 5, 6 and 7. For the purpose of distributing base period volumes into the appropriate curtailment priority categories, each affected commercial and industrial customer shall furnish such historic consumption and equipment data as the Company may require.

Base period volumes shall be adjusted (1) to recognize abnormalities in plant operations during the base period as well as deletions or approved installations of equipment during or subsequent to the base period, (2) to include volumes of gas equivalent to volumes conserved during the base period when the customer converted gas burning equipment to alternate fuel in anticipation of future curtailment and (3) to include volumes of gas consumed by equipment approved for installation prior to January 1, 1971 for industrial customers and prior to October 1, 1974 for commercial customers.

The Company reserves the right to annually review the base period volumes and to adjust such base period volumes upward or downward based upon the customer's actual consumption of sales service and/or contractually specified needs for firm service provided, however, that upward adjustment of a customer's base period volumes may be made only in time periods when Equitable is approving gas sales to new customers or additional gas sales to existing customers.

Where the Company has entered into a contract specifying an annual volume of firm gas to be delivered or made available, and that volume is less than the imputed base period volume, the annual contractual volume shall be deemed to be the annual base period volume.

RULES AND REGULATIONS - (CONTINUED)

7.4 Gas Shortage, Curtailment

Base period volumes shall be used as the basis for determining each customer's authorized entitlement in the event of curtailment. Authorized entitlement shall be determined by multiplying the customer's base period volume for the priority to be curtailed by the ratio of the total gas available for that priority category to the total of all base period volumes of all customers in that priority category. When, in the Company's judgment its supply of gas is insufficient to meet the base period volume requirements of all customers on a continuing basis, or when continued delivery of gas to customers would prevent the injection of gas into underground storage reservoirs for the protection of winter supply, deliveries may be curtailed in accordance with the seven priorities of service outlined in Rule 7.1.

Customers with Categories 4, 5 and 6 requirements may be restricted to monthly entitlement volumes when, in the Company's judgment, its supply of gas will be insufficient to meet the requirements of all of its customers on a continuing basis absent such restriction.

Whenever it is necessary to curtail Category 6 requirements, all customers with Categories 4 and 5 requirements shall be limited to the lesser of their base period volumes or their authorized entitlements.

Maximum possible notice of a gas shortage curtailment or of a change in curtailment level shall be given. If such notice is by telephone, then it must be followed by a written notice to the customer, specifying the customer's curtailment percentage and resulting peak day, daily, monthly, seasonal or annual authorized entitlement as the case may be.

The Company may curtail or discontinue gas service in accordance with this rule without thereby incurring any liability for any loss, injury or expense that may be sustained by the customer.

7.5 Penalty Provisions for Excess Takes

Provisions of these or any other penalty sections do not serve to reduce any charge, assessment, or penalties otherwise payable or applicable under provisions of any effective rate schedule or contract

At the end of each billing month, a customer having a peak day of 300 Mcf per day or more in its base period, who has exceeded the authorized monthly entitlement for the first time during each curtailment period, shall receive written notice advising the customer of the penalty provisions of this Rule. Such written notice will also advise the customer to reduce usage in subsequent months so that the sum of all actual monthly consumptions will not exceed the maximum seasonal volume.

 RULES AND REGULATIONS - (CONTINUED)
7.5 Penalty Provisions for Excess Takes (Continued)

Should a customer exceed its monthly seasonal volume for the winter or summer period, that customer shall pay a penalty computed according to the following schedule:

Winter Period

If, at the end of the five month period ending with the March billing period, a customer has exceeded the sum of its monthly authorized entitlements for such a period, that customer shall pay on demand a penalty according to the following schedule:

<u>Actual Usage as Percentage of Total Monthly Authorized Entitlement</u>	<u>Penalty for Excess Takes</u>
Greater than 103% but not in excess of 110%.	\$10/Mcf
Greater than 110% but not in excess of 125%.	\$20/Mcf
Greater than 125%.	\$50/Mcf

Summer Period

If, at the end of the seven month period ending with the October billing month, a customer has exceeded the sum of its monthly authorized entitlements for such period, that customer shall pay on demand a penalty according to the following schedule:

<u>Actual Usage as Percentage of Total Monthly Authorized Entitlement</u>	<u>Penalty for Excess Takes</u>
Greater than 103% but not in excess of 110%	\$10/Mcf
Greater than 110% but not in excess of 125%	\$20/Mcf
Greater than 125%	\$30/Mcf

There shall be excluded from the volumes subject to penalty under this provision, volumes for which the buyer has previously been penalized pursuant to over-runs of emergency curtailment. (Rule 7.8)

RULES AND REGULATIONS - (CONTINUED)

7.6 Availability of Excess Gas

If in the Company's judgment, sufficient gas supply is available to permit deliveries in addition to the monthly authorized entitlement in any month, the Company will provide all buyers with as much advance notice as possible of the amount of such additional gas anticipated to be available. Such gas shall be apportioned by the Company to all customers of the highest priority being curtailed on the basis of the total of the base period volumes for all buyers in that priority for that month.

To the extent that a customer has exceeded the sum of its authorized entitlements for any period, penalties shall not be assessed for any excess volumes authorized pursuant to the provisions of this section.

7.7 Disposition of Penalties

As of December 31 of each year, the Company shall subtract the total of all over-run penalties paid that year to the Company's suppliers from penalties collected that year from customers. The Company will then distribute among its curtailed customers who did not incur over-runs, all penalties collected in excess of those paid by the Company to its suppliers.

To determine the amount of reimbursement due a customer, the total amount to be redistributed shall be divided by the total volume of sales during the twelve month period to all customers eligible for reimbursement. This quotient shall represent the factor, which when multiplied by an eligible customer's total purchase volume during the twelve month period will equal the amount to be credited to that customer. However, no reimbursement shall be made to customers who have terminated service during the year.

The Company will specify a reasonable minimum for the amount of penalties that will be distributed, below which excess penalties shall be retained until the distributable amount is accumulated. The Company will make periodic reports to the Commission containing itemized statements, status of penalty accounts and the extent and nature of disbursements from such accounts made during that period.

 RULES AND REGULATIONS - (CONTINUED)

7.8 Emergency Curtailment

When the Company is unable to fulfill the daily requirements of all its firm service customers because of reasons unrelated to long range supplies, the Company may require each large commercial and industrial customer to reduce its consumption of gas. In the event further reductions to system demand are required, the Company may require other commercial and industrial customers to reduce their consumption. The reduction required shall be determined by the Company without regard to priorities of use; however, the authorized volume shall not be lower than the minimum volume necessary for the prevention of damage to plant equipment.

The Company shall specify in the notice of the emergency curtailment, the authorized consumption for a specified period or until further notice. An emergency curtailment may be made after oral notice to the customer, effective when so given, but such oral notice must be confirmed in writing within 48 hours. The Commission is to be notified immediately of the declaration of an emergency situation.

If a customer exceeds its authorized consumption during a period of emergency curtailment, then the customer shall pay a penalty according to the following schedule:

<u>Actual Usage as a Percentage of Emergency Authorized Consumption Takes</u>	<u>Penalty for Excess</u>
Greater than 103% but not in excess of 110%	\$10/Mcf
Greater than 110%	\$25/Mcf

8. LIABILITY

8.1 Failure of Supply

The Company does not guarantee uninterrupted gas service and shall not be liable for damages due to variations in or interruptions of service.

8.2 Disclaimer of Warranty; Limitation of Liability

The Company makes NO WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, express or implied, by operation of law or otherwise. The liability of Company arising out of failure to comply with a customer's direction to install, restore or terminate service, or mistakes, omissions, delays or errors or defects in the delivery of gas,

RULES AND REGULATIONS - (CONTINUED)

8.2 Disclaimer of Warranty; Limitation of Liability (Continued)

for damage or injury arising from the presence or use of gas after it passes from the Company's facilities is limited to when such damage or injury occurs as a result of the company's willful misconduct, reckless acts or gross negligence. In no event will Company be liable for incidental, indirect, special or consequential damages, including but not limited to loss of use or loss of profit. These limitations shall apply whether the claim is pleaded in contract or in tort, including negligence and strict liability in tort.

8.3 Waste, Leaks Excessive Pressure, etc., Notice to Company

The customer shall use all due care to prevent waste of gas and the responsibility of detection of defects or leaks between the curb and point of consumption of gas is upon the customer; and in case of failure or deficiency of gas, irregular supply, leakage, excessive pressure and other developments incident to handling gas under pressure, the customer agrees to give immediate notice thereof to the Company and customer's failure to do so, should loss follow, shall be conclusive evidence of negligence on the part of the customer.

9.SERVICE FROM FIELD LINE

9.1 Company May Discontinue Service

It is understood and agreed that in case the line from which the Company supplies gas is a field line, the same may not be a permanent one, and the Company may, at its own discretion, cease to furnish gas, either temporarily or permanently, and change, repair or remove its pipe line, or change the use of it, and either party may cancel service on ten days' written notice, without prejudice to the right of the Company to continue its supply to other customers.

9.2 Company Not Liable for Damage

The Company shall not be liable for any deficiency in the supply caused by the use of pumping stations, breakage of lines, or other causes, or for any claim for damage on account of any matters set forth in this rule.

9.3 At Field Pressure

Gas from field lines shall be furnished by the Company at the point of connection between the customer's service line and the Company's main, and shall be allowed to flow into the customer's service line at the pressure in the main of the Company, which pressure, it is understood, is not governed by regulations but varies from time to time.

RULES AND REGULATIONS - (Continued)9.4 Customer to Furnish Regulator

The customer shall furnish a regulator or regulators approved by the Company and assume the duty of regulating the flow and pressure on the customer's own service line and house lines by the necessary labor, care and supervision of the same, so that the customer may safely conduct gas over the customer's premises and use it at a pressure not exceeding eight ounces per square inch.

9.5 Customer Assumes Risk

The customer assumes all risks from variation in pressure, from defects in pipe, connections and appliances, from leakage of gas, from the sticking of valves and regulators, and from all causes incident to the use of gas.

10. AGREEMENTS INCONSISTENT HEREWITH

10.1 Agreements

No agent or employee of the Company has authority to make any promise, agreement or representation inconsistent with these Rules and Regulations, and no such promise, agreement or representation shall bind the Company unless in writing signed by an executive officer of the Company.

11. RULES APPLICABLE TO DELIVERY AND POOLING SERVICES

11.1 Confirmation of Ratepayer Enrollment

(C)

When the Company receives notice that a ratepayer has elected to switch NGSS or return to the Company's Supplier of Last Resort service, the Company shall initiate the confirmation procedure described herein. Such changes shall coincide with the start of customer's next billing cycle.

(C)

a. The NGS must maintain either a mainframe computer or a personal computer that meets the processing capabilities required by the Company.

b. The NGS shall notify the Company of new or deleted ratepayers via e-mail file in approved spreadsheet format. The NGS should notify the Company only of additions or deletions to its ratepayer list; existing ratepayers shall not be included. Notification from the NGS of new or deleted ratepayer shall consist of the following information: Ratepayer name, Service Address, the Company Account Number, Date and Time of file preparation, the NGS's assigned Pool Code (rather than the NGS name) and the NGS's assigned Rate Numbers, if the Company is billing on behalf of the NGS.

d. The NGS may submit additions, changes or deletions from its ratepayer list to the Company on a daily basis. Such additions, changes or deletions from the ratepayer list will become effective for the service period reflected in the second bill issued following the

date such additions, changes or deletions are submitted to the
Company.

C) Indicates Change.

ISSUED: June 8, 2015

EFFECTIVE: September 4, 2015

RULES AND REGULATIONS - (Continued)

e. The Company shall notify the NGS with a report via the Internet if a new ratepayer is not processed. The circumstances in which a ratepayer will not be processed may include, but are not limited to, the information provided by the NGS does not match the Company's required data elements, the ratepayer submitted by the NGS is not eligible for the requested service, and the ratepayer is no longer receiving service from the Company. Such report will be issued on the Company's web site following processing and will include the reason the ratepayer has not been processed.

f. Once a prospective ratepayer's request has been processed, the Company shall mail out a confirmation letter to each ratepayer by the end of the next business day after the date the Company receives notification from the NGS that the ratepayer has elected to switch NGSs or return to the Company's supplier of last resort service, asking the ratepayer to notify the Company if information in the confirmation letter is inaccurate. Such confirmation letter shall include, if appropriate, the ratepayer's pool operator choice as stated by the NGS, the applicable billing option, the approximate

date when transportation service is to begin and the date that the first bill will be mailed. (C)

g. Should the Company receive notification from a ratepayer within the five (5) calendar days required under the confirmation letter that the ratepayer's gas service or gas supply election as described by the NGS is in error, the Company shall so notify the NGS. In case of notification by ratepayer of such error, the Company shall continue billing the ratepayer under the ratepayer's current billing arrangement. Should the Company receive notification from the ratepayer that the ratepayer's gas service or gas supply election as described by the NGS is in error, but not receive such notification within the five (5) calendar days period, the Company shall advise the (C) ratepayer to contact the NGS to request cancellation, and if requested by the ratepayer, the Company will treat this as an alleged slamming complaint.

h. On or about the eighteenth (18th) of the month, the Company will post on its web site, a list of ratepayers for the forthcoming month. Additions and removals from the NGS will also be reported on a daily basis in an activity file.

i. Should the Company receive notification by more than one NGS within a one-month period that the ratepayer has elected said NGS to supply ratepayer's natural gas, the Company shall proceed with the confirmation process using the first NGS which notifies the Company, unless the ratepayer informs the Company otherwise.

j. The Company will issue, at a minimum, a monthly report of ratepayers who have discontinued service with the NGS via Internet, which shall

include discontinuances initiated by the incumbent NGS, the ratepayer or ratepayer's new NGS.

11.2 Service Agreement

Service agreements for delivery services are not required unless the customer consumes more than 10,000 Mcf per year or has negotiated a delivery service rate less than the maximum rate.

When a service agreement is required, an agreement for a minimum of one year must be executed by each applicant as a condition to receiving delivery service unless the Company agrees to a shorter term. The Service Agreement, when required, shall include but not be limited to: 1) the point(s) at which the Company will receive customer's gas; 2) the point(s) at which the Company will deliver customer's gas to customer's facilities; 3) pressure, maximum and minimum daily volumes, and annual delivery service volumes. Delivery of gas will not begin until a Service Agreement is fully executed.

11.3 Natural Gas Supply Shortage

In the event of a natural gas supply shortage which threatens Priority 1 Service, the delivery service customer agrees to sell its natural gas supply to the Company at the Company's weighted average cost of gas. If the delivery service customer is a Priority 1 customer, this section will apply only in the event of and to the same extent as curtailment of service to all Priority 1 customers impacted by the gas supply shortage. The customer will be required to furnish a copy of the customer's supply contract or other evidence of price to the Company upon request.

C) Indicates Change.

RULES AND REGULATIONS - (Continued)

11.4 Shrinkage

The Company's retention allowance for delivery service shrinkage is 5.25 (I) percent of the total volume delivered into its system. The Company reserves the right to discount shrinkage at the Company's discretion.

In addition to the shrinkage rate listed above the Company reserves the right to retain a portion of all Apollo District transportation volumes as compressor fuel. The portion will be established in each customer contract based upon the character of the actual service to be provided by the Company, but will not be greater than 3.0%

11.5 Quality of Gas

Gas of suitable quality, consistent with the Company's operating standards, must be provided by the customer at receipt point(s) designated in the Service Agreement.

11.6 Obligation To Serve

Delivery service customers who hold assigned capacity pursuant to Rate FPS sufficient to meet their firm requirements may return to sales service and the Company will accept back the underlying capacity. The Company shall treat delivery service customers who do not hold assigned capacity sufficient to meet their firm requirements and who wish to return to retail service in the same manner in which it would treat similarly situated customers who apply for retail service for the first time, except that, if the customers are permitted to return to firm service, then the Company shall accept back any capacity previously assigned to the customers.

For Pool Administrators not electing the Company's Purchase of Receivables (POR) billing option, failure of a customer to pay a Pool Administrator's bill is not a basis for termination of a customer by the Company or for denying the customer's return to retail sales service. Where the Company provides a consolidated bill, partial payment will be credited in accordance with the Commission's currently effective Guidelines for Maintaining Customer Service. Customer accounts, whose Pool Administrator has elected to participate in the Company's POR billing option, who fail to pay for basic services may be terminated pursuant to Rule 6.1.

11.7 Company Agency

The Company will offer this service as an agent for securing storage services, transportation capacity on transmission pipelines to transport customer's gas to the pipeline delivery points on the Company's system and gas supply services only under the following limited circumstances:

(1) The customer requests such service of the Company; (2) the customer is an existing customer of the Company; (3) the customer represents that it has received a bona fide offer from another company to bypass or otherwise leave the Equitable distribution system; (4) Equitable must attempt to obtain offers for supply services from at least three different natural gas suppliers; and (5) Equitable shall provide

documentation to the Commission, upon request, that the four conditions above have been met.

(I) Indicates Increase.

RULES AND REGULATIONS - (Continued)

11.8 Verification of Gas Delivered

The customer is responsible for providing or causing to be provided to the Company any and all information requested by the Company in order to verify the volumes of gas delivered into the Company's system on behalf of the customer.

11.9 Additional or Updated Facilities

The customer will reimburse the Company for the addition, alteration, and installation of facilities and/or equipment deemed necessary by the Company to administer and provide service to the customer. The customer will pay the cost of maintaining Company facilities devoted solely to serving the customer.

11.10 Commingled Gas

The Company reserves the right to commingle gas of the customer with that of other suppliers and customers.

11.11 Additional Charges

The customer's agent or, where applicable, a GDS customer, shall be liable for any additional charges which arise out of the provision of delivery service. Any charge, penalty or obligation imposed by a pipeline transporter or supplier as a result of the monthly or daily balancing of the customer's deliveries and consumption shall be paid by the customer's agent or where applicable the GDS customer in addition to the applicable charges set forth elsewhere in this Tariff and under the applicable delivery service rate schedule.

11.12 Estimated Consumption

The Company reserves the right to estimate consumption for delivery service customers. Please see Rules 2.3 and 3.2 in the Rules and Regulations of this tariff.

11.13 Operational Flow Order (OFO)

The customer's agent or, where applicable, GDS customers are subject to the Company's issuance of OFOs. In order to address operational reliability or, in the case of GDS, to prevent undue cost shifting the Company will have the authority to direct a customer, or where the customer is part of an aggregation pool, the customer's Pool Administrator, to adjust daily scheduled volumes to a specified level or to deliver gas to specified receipt point(s) into the Company's distribution system or to receipt points prescribed by upstream pipelines. Generally, during peak design day conditions, the specified level will be equal to the Maximum Daily Quantity (MDQ) as defined in 11.17. Should conditions be greater or less than peak design day conditions, the specified level of the OFO may be greater or less than the MDQ. Required deliveries to specified receipt points will not exceed: in the case of a FDS customer, the customer's primary delivery capacity to that receipt point; in the case of a GDS or DDS customer, the customer's MDQ for that receipt point as set forth in the customer's service agreement. Action or inaction by the Company shall be reviewable in the Company's Section 1307(f) proceedings.

RULES AND REGULATIONS - (Continued)

When a difference exists between the daily OFO volume and actual daily scheduled deliveries to the Company or between the OFO volume to a specified receipt point and the actual deliveries to that receipt point, the following charges will be assessed:

- 1) Ten dollars per Mcf on the difference; and
- 2) A pro-rata share of any other charges incurred by the Company as a result of the customer's noncompliance with the OFO.

In addition, where the daily OFO volume exceeds the actual daily scheduled deliveries to the Company, the difference will be Cashed-out at 150% of the sum of the highest price gas purchased by the Company, on the day the shortfall occurs, plus the applicable transportation costs, including retainage, to transport the gas from the supply area to the Company's city gate and the applicable Gross Receipts Tax.

If a customer or its agent fails to comply with an OFO the Company may suspend, for one year, the party responsible for the non-compliance. The degree of harm caused by such non-compliance and any efforts undertaken in attempting to comply shall be factors considered in any suspension. In the event of a proposed suspension, the Company will provide the party notice of such action, advising the party of the opportunity to meet with a Company representative who shall have authority to recommend the canceling of such suspension. The Company's actions shall not be unduly discriminatory and shall be subject to Commission review pursuant to the complaint procedure of the Public Utility Code, including an opportunity to obtain a stay of such suspension pending final resolution by the Commission. Suspension of a customer shall mean the customer must return to an applicable sales service within this tariff. Suspension of an agent shall mean the agent's pool(s) will be dismantled. In that case, all customers included in the suspended agent's pool(s) must choose one of the following options: return to an applicable sales service under this tariff or join another pool that is not affiliated with the suspended agent.

11.14 Finance Charge

If payment of a monthly bill for regulated services for commercial and industrial customers has not been received within fifteen days from the date of mailing or twenty days in the case of a bill for residential service, a Finance Charge of 1.5 percent will be added to the unpaid balance each month until the entire bill is paid.

RULES AND REGULATIONS - (Continued)11.15 Billing Service

The Company will bill customers each month for Distribution services. A Pool Administrator may elect to have the Company bill for its basic services (commodity charges) on this monthly statement. An Agreement for this consolidated billing service must be entered into between the Company and the Pool Administrator which shall include, but not be limited to: (1) services and bill content; (2) billing and payment data exchange, (3) collection and remittance of taxes, (4) charges and fees. The Company shall not be required to provide space for bill inserts, bill messages, or for the billing of charges other than gas commodity charges. Customers' payments shall be credited first to amounts due to the Company, including finance charges, installment payments of amounts due to the Company under an existing payment plan and receivables acquired under a POR program. . Partial payments will be applied in accordance with Commission guidelines. (C)

11.16 Liability

Subject to Rule 8.2 of this tariff, the Company shall not be liable for any loss or injury, including but not limited to loss of gas or interruption of service, arising from or out of the Company's delivery services unless such loss or injury is a direct result of the Company's willful misconduct, reckless acts or gross negligence. The Customer's Agent/Pool Administrator, or, where applicable, a GDS customer shall indemnify Company from and against any and all losses and damages of every kind and character which customer or agent may sustain or be liable for, and will hold Company harmless from any and all damages, claims, suits, actions or proceedings, either threatened or initiated, as the result of issuance of an OFO, except for losses, damages or expenses caused solely by Company's willful misconduct, reckless acts or gross negligence.

11.17 Maximum Daily Quantity

All delivery service customers will be assigned, by the Company, a Maximum Daily Quantity (MDQ). The MDQ will be equal to the customer's estimated usage on a design day. Unless specified by the Company, a customer may not nominate gas above the MDQ.

11.18 Commercial and Industrial Customers

Large Commercial and Large Industrial Customers are customers who the Company estimates will use more than 1,000 Mcf of gas annually through a single meter in a 12 month period. (C)

Small Commercial and Small Industrial Customers are all other commercial and industrial customers who qualify for delivery service.

RULES AND REGULATIONS - (Continued)11.19 Creditworthiness

(C)

In order to commence pooling service or continue pooling service on the Company's system, the Company requires a Pool Administrator to establish its creditworthiness using the following criteria or, being unable to establish creditworthiness, provide security to the Company ensuring the Pool Administrator's financial responsibility. The Company will apply creditworthiness criteria to all Pool Administrators on a non-discriminatory basis.

Creditworthiness Criteria:

(a) At the Company's request, a Pool Administrator shall provide current audited financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss the Pool Administrator's financial condition, a list of all corporate affiliates, parent companies and subsidiaries, and any available credit reports. The Company shall apply consistent analytical criteria to determine if a Pool Administrator's overall financial condition meets internal credit risk parameters.

(b) In addition to the information described in (a), a Pool Administrator shall provide a bank reference and at least two trade references. The results of the reference checks and any credit reports submitted in (a) must show that a Pool Administrator's obligations are being paid on a timely basis.

(c) A Pool Administrator must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation under state laws. A Pool Administrator must not be subject to the uncertainty of pending or threatening litigation in state or federal courts or regulatory proceedings which could (1) cause a substantial deterioration in its financial condition, (2) cause a condition of insolvency, or (3) endanger its ability to exist as an ongoing business. (C)

(d) The Pool Operator must hold a Natural Gas Suppliers License from the Commission. (C)

(e) If a Pool Administrator has a relationship with the Company, then the Pool Administrator: (i) must have paid its account in the past according to the terms of the service agreement; and (ii) must have no delinquent balances outstanding for services rendered by the Company. (C)

(f) Pool Administrator must provide written notification to the Company within two business days if a Pool Administrator initiates or becomes a party to any of the events or actions described in (c), or if a Pool Administrator's Credit Rating is downgraded below Ba3 from Moody's or BB- from S&P or Fitch. "Credit Rating" means the rating assigned to the Pool Administrator's unsecured, senior long-term debt obligations (not supported by third party security) by Moody's, S&P, or Fitch. (C)

RULES AND REGULATIONS - (Continued)

"Moody's" means Moody's Investor Services, Inc., or its successor. "S&P" means the Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor." "Fitch" means Fitch Ratings (a division of the Fitch Group) or its successor. If Pool Administrator is rated by more than one rating agency and the existing Credit Ratings are split, then Pool Administrator must maintain an Investment Grade Rating from any two of the three rating agencies.

Security Ensuring Financial Responsibility:

If a Pool Administrator fails to establish its creditworthiness under one or more of the criteria described above in (a), (b), (c), (e), and (f), Pool Administrator will provide security ensuring its financial responsibility that shall include the following components and shall be calculated based on the projected peak winter month usage served by the pool operator: (C)

1. All applicable pooling and aggregation fees; (C)
2. All applicable billing fees; and
3. Projected imbalance fees using the maximum imbalance price multipliers and assuming that the pool operator fails to deliver gas supplies during the peak month.

The Company shall consider the forms of security enhancements as set forth In 52 Pa. code §§ 62.102 - 62.114. The Company may also consider as a form of security such amounts collected by the Company on behalf of the pool operator or such other security as is mutually acceptable to both the Company and the NGS. The Company reserves the right to determine which of these financial instruments shall be established as a security enhancement. (C)

All information submitted or provided to the Company will remain confidential and be used solely for the purpose of evaluating the financial fitness or creditworthiness of the NGS. The amount of the security enhancement may be reviewed and modified based on the criteria established at 52 Pa. code §§ 62.102 - 62.114. (C)

RULES AND REGULATIONS - (Continued)

11.20 Acceptable Business Practices

(C)

In addition to the creditworthiness criteria Pool Administrators must also adhere to the following business practices.

(a) The bills rendered by the Pool Administrator will be clear and in plain language and shall meet the billing information requirements of Chapter 56 of the Commission's regulations. Bills rendered by a Pool Administrator shall contain a statement directing the ratepayer to "register any question or complaint about the bill prior to the due date", as directed by Commission regulations and shall contain the Company's and the Pool Administrator's telephone numbers where the customer may initiate an inquiry or complaint. Bills must also include the phone number of the Commission's customer hot line.

(b) Pool Administrators shall provide customers with minimum payment periods required by the Commission's regulations; i.e. residential customers shall have 20 days to pay and commercial customers shall have 15 days. The Pool Administrator shall notify the customer with adequate notice of the consequences of failure to pay.

(c) Pool Administrators must establish and use customer complaint procedures and respond to complaints in a timely fashion.

RULES AND REGULATIONS - (Continued)

11.20 Acceptable Business Practices (Cont)

(C)

(d) If a Pool Administrator determines to terminate gas supply service to any customer, the Pool Administrator shall give 25 working days' notice of its intention in this regard to the Company and the customer. If the customer is a Priority 1 customer, the Pool Administrator will relinquish any capacity assigned to the Pool Administrator on the customer's behalf. If the Pool Administrator proposes to terminate a Priority 1 customer during the heating season (December 1 through March 31), and the capacity assigned is insufficient to meet the customer's requirements, then the Pool Administrator may be required to serve the customer until the end of the heating season.

(e) Pool administrators will follow the Commission's Customer Information and Disclosure Guidelines for requirements related to NGS disclosure of the terms of service, marketing, advertising and sales practices, and privacy of customer information.

(f) Pool administrators will follow the Commission's standards of credit determination, deposits, initiation and disconnection of service in accordance with the Commission's currently effective Guidelines for Maintaining Customer Service.

11.21 BTU Conversion Factor

For the purposes of determining monthly and daily imbalances of a delivery service pool, the Company will use the BTU conversion factor utilized in the Company's most recent Section 1307(f) proceeding.

11.22 Consumption Information

Individual customer consumption data, including actual or estimated meter readings, shall be provided electronically as meters are read during the month.

(C)

11.23 Dispute Resolution

The Company will work in good faith to resolve disputes with Pool Administrators within 90 days. Disputes will be resolved according to Commission procedures.

11.24 Standards of Conduct

Equitable Gas Company and all Natural Gas Suppliers operating on its system will comply with the following requirements.

1) Equitable shall apply its tariffs in a nondiscriminatory manner to its affiliated natural gas supplier and any nonaffiliated natural gas supplier.

2) Equitable shall not apply a tariff provision in any manner that would give its affiliated natural gas supplier an unreasonable preference over other natural gas suppliers with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, or non-delivery, and all other services provided to its affiliated natural gas supplier.

3) Mandatory tariff provisions shall not be waived by Equitable for any natural gas suppliers absent prior approval of the Commission.

RULES AND REGULATIONS - (Continued)11.24 Standards of Conduct (continued)

(C)

4) If a tariff provision is not mandatory or provides for waivers, Equitable shall grant the waivers without preference to its affiliated natural gas supplier or non-affiliated natural gas supplier.

5) Equitable shall maintain a chronological log of tariff provisions for which it has granted waivers. Entries shall include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived and the reason for the waiver. The chronological log shall be open for public inspection during normal business hours.

6) Equitable shall process requests for distribution services promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period. Equitable shall maintain a chronological log showing the processing of requests for transportation services. The chronological log shall be open for public inspection during normal business hours.

7) If Equitable provides a distribution service discount, fee waiver or rebate to its favored customers, or to the favored customers of its affiliated natural gas supplier, Equitable shall offer the same distribution service discount, fee waiver or rebate to other similarly situated customers. Offers shall not be tied to any unrelated service, incentive or offer on behalf of either Equitable or its affiliated natural gas supplier. A chronological log shall be maintained showing the date, party, time and rationale for the action. The chronological log shall be open for public inspection during normal business hours.

8) Subject to customer privacy or confidentiality constraints, Equitable shall not disclose, directly or indirectly, any customer proprietary information to its affiliated natural gas supplier unless authorized by the customer. To the extent that Equitable does disclose customer information without customer authorization, it shall contemporaneously provide this same information to other similarly situated natural gas suppliers in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliated natural gas supplier any advantage related to the disclosure.

A chronological log shall be maintained showing the date, time and rationale for the disclosure. The chronological log shall be open for public inspection during normal business hours.

9) Equitable shall justly and reasonably allocate to its affiliated natural gas supplier the costs or expenses for general administration or support services provided to its affiliated natural gas supplier.

RULES AND REGULATIONS - (Continued)11.24 Standards of Conduct (continued)

(C)

10) Equitable shall not condition or tie the provision of any product, service or price agreement by Equitable (including release of interstate pipeline capacity) to the provision of any product or service by its affiliated natural gas supplier.

11) Equitable shall not give its affiliated natural gas supplier preference over a non-affiliated natural gas supplier in the provision of goods and services including processing requests for information, complaints and responses to service interruptions. Natural gas distribution companies shall provide comparable treatment in its provision of such goods and services without regard to a customer's chosen natural gas supplier.

12) Equitable and its affiliated natural gas supplier shall maintain separate books and records. Further, transactions between Equitable and its affiliated natural gas supplier shall not involve cross-subsidies. Any shared facilities shall be fully and transparently allocated between the Equitable function and the affiliated natural gas supplier function. Equitable accounts and records shall be maintained such that the costs incurred on behalf of an affiliated natural gas supplier may be clearly identified.

13) Equitable employees who have responsibility for operating the distribution system, including natural gas delivery or billing and metering, shall not be shared with an affiliated natural gas supplier, and their offices shall be physically separated from the office(s) used by those working for the affiliated natural gas supplier. Such Equitable employees may transfer to an affiliated natural gas supplier provided such transfer is not used as a means to circumvent these interim standards of conduct.

14) Neither Equitable nor its affiliated natural gas supplier shall directly or by implication, falsely and unfairly represent to any customer, natural gas supplier or third party that an advantage may accrue to any party through use of Equitable's affiliates or subsidiary, such as:

- That the Commission regulated services provided by Equitable are of a superior quality when services are purchased from its affiliated natural gas supplier; or
- That the merchant services (for natural gas) are being provided by Equitable when they are in fact being provided by an affiliated natural gas supplier;
- That the natural gas purchased from a non-affiliated natural gas supplier may not be reliably delivered;
- That natural gas must be purchased from an affiliated natural gas supplier to receive Commission regulated services.

RULES AND REGULATIONS - (Continued)11.24 Standards of Conduct (continued)

(C)

15) When an affiliated natural gas supplier markets or communicates to the public using the Equitable name or logo, it shall include a legible disclaimer that states:

- That the affiliated natural gas supplier is not the same company as Equitable;
- That the prices of the affiliated natural gas supplier are not regulated by the Pa PUC; and
- That a customer does not have to buy natural gas or other products from the affiliated natural gas supplier in order to receive the same quality service from Equitable.

When an affiliated natural gas supplier advertises or communicates verbally through radio or television to the public using Equitable's name or logo, the affiliated natural gas supplier shall include at the conclusion of any such communication a legible disclaimer that includes all of the disclaimers listed in this paragraph.

16) Except in competitive bid situations Equitable shall not (a) jointly market or jointly package its Commission regulated services with the services of an affiliated natural gas supplier or (b) offer or provide to its affiliated natural gas supplier products or services, including bill inserts in its bills promoting an affiliated natural gas supplier's services or a link from Equitable's web-site, unless Equitable offers or provides the products or service to all non-affiliated natural gas supplier on the same terms and conditions.

17) Equitable shall not offer or sell natural gas commodity or capacity to its affiliated natural gas supplier without simultaneously posting the offering electronically on a source generally available to the market or otherwise making a sufficient offer to the market. Equitable shall maintain a chronological log of these public disseminations. The chronological log shall be open for public inspection during normal business hours.

18) Equitable shall keep a chronological log of any complaints, excepting paragraph (9), regarding discriminatory treatment of natural gas suppliers. This chronological log shall include the date and nature of the complaint and the resolution of the complaint. The chronological log shall be open for inspection during normal business hours.

RULES AND REGULATIONS - (Continued)11.24 Standards of Conduct (continued)

(C)

19) **Dispute Resolution Procedures:** The following procedures are established for dealing with any alleged violation of these Standards of Conduct, with the exception of paragraph 9 which is within the exclusive purview of the Commission. The Commission may grant any exception to these requirements if warranted by the fact and circumstances:

- In any dispute between a natural gas supplier, and/or an affiliated natural gas supplier, and a non-affiliated natural gas supplier alleging a violation of any of these Standards of Conduct provisions, the natural gas supplier must provide Equitable and/or affiliated natural gas supplier, as applicable, a written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute.
- Within five (5) days of Equitable's and/or affiliated natural gas supplier's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.
- In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. A party may request mediation prior to that time if it appears that informal resolution is not productive.
- If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.
- Any Party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.
- Parties alleging violations of these standards may pursue their allegations through the Commission's established complaint procedures. A complainant bears the burden of proof consistent with 66 Pa. C.S. §332 (relating to Public Utility Code) in regard to the allegations and may impose penalties for such violations pursuant to 66 Pa.C.S. § 3301.

(20) Equitable and its affiliated natural gas supplier shall formally adopt and implement these provisions as company policy and shall take appropriate steps to train and instruct its employees in their content and application.

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 26 TO
GAS - PA. P.U.C. NO. 46
FIRST REVISED PAGE NO. 44
CANCELING ORIGINAL PAGE NO. 44

ISSUED: June 8, 2015

EFFECTIVE: September 4, 2015

RULES AND REGULATIONS - (Continued)

11.25 Privacy of Customer Information

Neither Equitable nor any Pool Administrator may release private customer information to a third party if the customer requests to restrict the release of private information.

(C)

Customers may restrict the release of customer information by returning a signed form, orally or electronically consistent with Commission guidelines on Eligible Customer Lists.

(C)

A customer may restrict only the customer's historical billing data or may restrict the release of all private customer information including name, billing address, service address, rate class, rate sub class, account number and historical billing data.

Customer telephone numbers may not be released to third parties under any circumstances.

(C)

11.26 Partial Payments

If the Company is providing a consolidated billing service on behalf of a third party NGS that is not participating in the POR program, the Company will apply partial payments in accordance with the Commission's currently effective Guidelines for Maintaining Customer Service.

(C)

11.27 Customer Complaints with Natural Gas Suppliers

Customer complaints related to any services provided by a Third Party Natural Gas Supplier will be referred to the Natural Gas Supplier for resolution. The Company will track each complaint and will refer customers not satisfied by the actions taken or lack of actions taken by the Natural Gas Supplier to the Bureau of Consumer Services.

(C)

(C)

11.28 Purchase of Receivables (POR)

A Pool Administrator may elect to sell its accounts receivable to the Company. An agreement for Consolidated Billing Service and POR must be executed between the Company and Pool Administrator and be consistent with the following requirements, among others:

(C)

1. POR service is available to Pool Administrators providing service to Priority 1 customers as defined in Rule 7.1 of the Rules and Regulations of this tariff and small commercial customers (annual consumption less than 300 Mcf).
2. If elected by a Pool Administrator, all eligible customers served by a Pool Administrator, must participate in the POR program. (Refer to Availability under Rate FPS and Rate GPS.)

(C)

RULES AND REGULATIONS - (Continued)11.28 Purchase of Receivables (POR) - (Continued)

- (C)
3. A Pool Administrator may opt in, or out of the POR program on an annual basis only.
 4. Only basic gas supply service is eligible for participation in the Company's POR program. Basic service is service necessary for the physical delivery of natural gas to a retail customer, consisting of natural gas distribution services and natural gas supply services. Products and services sold in relation to, or in addition to, basic service will not be included.
 5. The Company shall purchase receivables at a discount rate determined in accordance with PUC Rules and Regulations. The discount rate for residential customer receivables is 1.5492%. The discount rate for commercial and industrial customer receivables is 0.5304%. The Company shall have the right to review and adjust the discount rate on a monthly basis to reflect the actual mix of customers served by the Pool Operator. (C)
 6. The Pool Administrator must accept all non-CAP customers whose accounts will be included in the POR program without performing a credit check or requiring an additional security deposit from the customer.
 7. The Company may terminate service for the full amount of the basic natural gas supply charges purchased under the POR program in accordance with the service termination provisions of Chapter 14 of the Public Utility Code and Chapter 56 of the Commission's regulations. The Pool Administrator must inform customers directly of this policy.
 8. At the time of selection by a Pool Administrator to participate in a POR program, the Company will notify customers that service may be terminated for failure to pay basic natural gas supply charges purchased under the POR program by a separate bill insert. The enrollment letter issued by the Company will also inform customers that service may be terminated for failure to pay basic supply service charges.

(C)

RATE RS - RESIDENTIAL SERVICE

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company.

AVAILABILITY

Available at one location for the total gas requirements of any residential customer account.

RATE

The monthly charge for each customer served at each location under this rate schedule and in accordance with Rider A Purchased Gas Costs, shall be the following:

Monthly Service Charge:	\$13.25 per meter	
Natural Gas Supply Charge:	\$3.8354 per Mcf	(I)
Natural Gas Delivery Charge:	\$3.1040 per Mcf	

Customers returning from delivery service in accordance with Rider B

Natural Gas Delivery Charge:	\$3.1687 per Mcf
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LATE PAYMENT CHARGE

If payment of bill has not been received within twenty days from date of mailing, a Late Payment Charge of 1.5% per month, will be added to the unpaid balance each month until the entire bill is paid.

MINIMUM CHARGES

The minimum monthly payment shall be the Monthly Service Charge.

SURCHARGES AND RIDERS

Rider D Universal Service and Energy Conservation (except for customers enrolled in CAP and Pilot E-CAP), Rider E Distribution System Improvement Charge, Rider F Merchant Function Charge, Rider G Gas Procurement Charge and state tax adjustment surcharge also apply to this rate.

(I) Indicates Increase.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time where not inconsistent with any specific provision herein are a part of this rate schedule.

SPECIAL PROVISION

Temporary service for new construction transferred from a builder or developer to an owner is not subject to Standby Service requirements. (C)

(C) Indicates Change.

RATE GSS - GENERAL SERVICE SMALL

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company.

AVAILABILITY

Available for the total gas requirements at each service location of a commercial or industrial customer who the Company estimates will use 1,000 MCF or less in a twelve month period at that service location. The Company, at its sole discretion, may allow for the aggregation of volumes to qualify for a defined Delivery rate. In these cases, the monthly charge applicable will be based on the volume delivered via each meter.

RATE

The monthly charge for each customer served at each location under this rate schedule and in accordance with Rider A Purchased Gas Costs, shall be the following:

Monthly Service Charge:

Annual Throughput < 500	\$17.00 per meter
Annual Throughput 500 - 1,000	\$28.00 per meter

Natural Gas Supply Charge:	\$3.8354 per Mcf	(I)
Natural Gas Delivery Charge:	\$2.5263 per Mcf	

Customers returning from delivery service in accordance with Rider B

Natural Gas Delivery Charge:	\$2.591 per Mcf
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LATE PAYMENT CHARGE

If payment of bill has not been received within fifteen days from date of mailing, a Late Payment Charge of 1.5% per month will be added to the unpaid balance each month until the entire bill is paid.

MINIMUM CHARGES

The minimum monthly payment shall be the Monthly Service Charge.

SURCHARGES AND RIDERS

Rider E Distribution System Improvement Charge, Rider F Merchant Function Charge, Rider G Gas Procurement Charge, and state tax adjustment surcharge also apply to this rate.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time where not inconsistent with any specific provision herein are a part of this rate schedule.

SPECIAL PROVISION

Temporary service for new construction transferred from a builder or developer to an owner is not subject to Standby Service requirements.

(I) Indicates Increase.

RATE GSL - GENERAL SERVICE LARGE

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company.

AVAILABILITY

Available for the total gas requirements at each service location of an industrial or commercial customer who the Company estimates will use more than 1,000 Mcf in a twelve month period at that service location. The Company, at its sole discretion, may allow for the aggregation of volumes to qualify for a defined Delivery rate. In these cases, the monthly charge applicable will be based on the volume delivered via each meter.

RATE

The monthly charge for each customer served at each location under this rate schedule and in accordance with Rider A Purchased Gas Cost shall be the following:

Monthly Service Charge:

Annual Throughput 1,001 - 4,999	\$150.00	per meter
Annual Throughput 5,000 - 25,000	\$300.00	per meter
Annual Throughput > 25,000	\$1,600.00	per meter

Natural Gas Supply Charge:

\$3.8354 per Mcf

Natural Gas Delivery Charge:

\$2.4303 per Mcf

(I)

Customers returning from delivery service in accordance with Rider B

Natural Gas Delivery Charge:

\$2.495 per Mcf

LATE PAYMENT CHARGE

If payment of bill has not been received within fifteen days from date of mailing, a Late Payment Charge of 1.5% will be added to the unpaid balance each month until the entire bill is paid.

MINIMUM CHARGE

The minimum monthly payment shall be the Monthly Service Charge.

SURCHARGES AND RIDERS

Rider E Distribution System Improvement Charge, Rider F Merchant Function Charge, Rider G Gas Procurement Charge and state tax adjustment surcharge also apply to this rate.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time where not inconsistent with any specific provision herein are a part of this rate schedule.

(I) Indicates Increase.

SPECIAL PROVISION

Temporary service for new construction transferred from a builder or developer to an owner is not subject to Standby Service requirements. (C)

(C) Indicates Change.

RATE GL - GAS LIGHTS

APPLICABILITY

This rate shall be applicable throughout the territory served by the Company.

AVAILABILITY

Available for any gas lighting where the gas is not measured by meter.

USAGE

Consumption per light will be assumed at:

Residential	1.8 Mcf/Month
Commercial and Industrial	2.8 Mcf/Month

These volumes will be billed monthly under the customer's otherwise applicable rate schedule.

SURCHARGES AND RIDERS

Customers served under this rate schedule are subject to Rider E Distribution System Improvement Charge (DSIC) except that the DSIC rate may be reduced or eliminated for any customer with competitive alternatives or negotiated contracts.

SPECIAL TERMS AND CONDITIONS

Gas will be supplied only to lamps furnished, erected, and maintained by the customer and equipped with devices satisfactory to the Company. Consumption and billing will be assumed to be continuous until customer notifies Company that gas light(s) has been permanently shut off and Company verifies to its satisfaction that service has been disconnected. Company may require gas lights to be metered except in instances where it is not economically feasible or is otherwise impractical, to be determined solely at the discretion of the Company.

RATE FDS - FIRM DELIVERY SERVICE

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company, i.e., Equitable and Apollo Districts

AVAILABILITY

Service under this rate schedule is available for resale service and to any Priority-one customer as defined in Rule 7.1 of the Rules and Regulations of this tariff where the customer's full commodity requirements are supplied through a single aggregation pool pursuant to the Company's Firm Pooling Service (FPS).

RATE

The applicable rate for each district shall be determined by negotiation between the Company and the customer and shall not exceed the rates set forth below plus riders applicable to this service:

Monthly Service Charge:

Residential	\$ 13.25 per meter
Commercial and Industrial:	
Annual Throughput < 500	\$ 17.00 per meter
Annual Throughput 500 - 1,000	\$ 28.00 per meter
Annual Throughput 1,001 - 4,999	\$150.00 per meter

Delivery Charge:

Residential Service	\$ 3.1687 per Mcf
Small Commercial, Industrial and Resale	\$ 2.5910 per Mcf
Large Commercial and Industrial	\$ 2.4950 per Mcf

Capacity and Balancing Charge:

Pursuant to Special Provision (a):	\$ 1.0255 per Mcf	(D)
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MINIMUM CHARGE

The minimum monthly payment shall be the Monthly Service charge.

(D) Indicates Decrease.

RATE FDS - FIRM DELIVERY SERVICE (CONTINUED)

RULES AND REGULATIONS

Service under this rate schedule is subject to the Additional Rules Applicable to All Delivery Services and other applicable rules contained in this tariff. Customers served under this rate schedule are subject to all applicable surcharges and riders including:

(C)

Distribution System Improvement Charge Rider E

Residential:

Universal Service and Energy Conservation Rider D

Merchant Function Charge Rider F

LATE PAYMENT CHARGE

If payment of bill has not been received within twenty days for Residential and within fifteen days for Commercial and Industrial from date of mailing, a Late Payment Charge of 1.5% per month, will be added to the unpaid balance each month until the entire bill is paid.

(C) Indicates Change.

RATE GDS - GENERAL DELIVERY SERVICE

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company, i.e., Equitable and Apollo Districts

AVAILABILITY

Delivery service under this rate schedule is available for resale service and to commercial and industrial customers who do not qualify for or elect service under Rate FDS and whose full commodity requirements are supplied through a single aggregation pool pursuant to the Company General Pooling Service (GPS) or directly by the supplier as a stand-alone customer. A customer who uses more than 5,000 Mcf annually is not required to receive supply through the Company's General Pooling Service

RATE

The applicable rate for each district may be determined by negotiation between the Company and the customer and shall not exceed the rates set forth below plus riders applicable to this service:

Monthly Service Charge:

Commercial and Industrial:

Annual Throughput < 500	\$ 17.00 per meter
Annual Throughput 500 - 1,000	\$ 28.00 per meter
Annual Throughput 1,001 - 4,999	\$150.00 per meter
Annual Throughput 5,000 - 25,000	\$300.00 per meter
Annual Throughput > 25,000	\$1,600.00 per meter

Delivery Charge:

Small Commercial, Industrial and Resale	\$ 2.591 per Mcf
Large Commercial and Industrial	\$ 2.495 per Mcf

Balancing Charge:

Pursuant to Special Provision (b)		
Annual Throughput < 25,000	\$0.3341 per Mcf	(D)
Annual Throughput > 25,000	\$0.0769 per Mcf	(D)

MINIMUM CHARGE

The minimum monthly payment shall be the Monthly Service charge.

(D) Indicates Decrease.

RATE GDS - GENERAL DELIVERY SERVICE (CONTINUED)

SPECIAL PROVISIONS

(a) Customers will be allowed to transfer to or from this rate schedule only if: (1) the Company can obtain any increase or decrease in its gas supplies, transportation capacity and storage capacity or any combination thereof required to accommodate such transfer; or (2) the Company, in its sole judgment concludes that no increase or decrease is required.

(b) The Balancing Charge includes the cost of the resources needed by the Company to balance its system. The Company retains the right to waive this charge, in whole or in part, for customers with competitive options. The Company will provide a credit to Rider A gas costs associated with the balancing charge revenues collected from transportation customers. The balancing charge rate will be adjusted each year in conjunction with the Company's 1307(f) filing. (C)

(c) This service is interruptible, however, customers may elect to take an assignment of capacity or purchase Standby Service from the Company.

Monthly Balancing Provisions

All delivery service customers served under this rate schedule not included in a Pool Administrator's Aggregation pool under Rate GPS, shall be subject to the following monthly balancing provisions.

(1) A monthly imbalance will exist when (a) a customer's consumption in a month falls short of the gas supply available for the customer's use in a month (monthly supply excess) or (b) a customer consumes more gas than the gas supply available for the customer's use in a month (monthly supply shortfall).

(2) A monthly supply excess equal to, or less than, three and one-half percent (3.5%) of the customer's consumption for a month shall be purchased by the Company at a price equal to eighty-five percent (85%) of the midpoint price for the month in which the excess occurred as published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point.

(3) A monthly supply shortfall equal to, or less than, three and one-half percent (3.5%) of the customer's consumption for a month shall be sold by the Company at a price equal to one hundred fifteen (115%) of the midpoint price for the month in which the shortfall occurred as published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point.

RATE GDS - GENERAL DELIVERY SERVICE (CONTINUED)

(5) All rates set forth in this rate schedule that are billed on a volumetric per Mcf basis may be billed using cycled metered volumes, either actual or estimated. Cash-in and Cash-out prices cover only gas supply costs as defined herein.

Rules and Regulations

Service under this rate schedule is subject to the Additional Rules Applicable to All Delivery Services and other applicable rules contained in this tariff.

Customers served under this rate schedule are subject to all applicable surcharges and riders including:

(C)

Distribution System Improvement Charge Rider E

LATE PAYMENT CHARGE

If payment of bill has not been received within fifteen days from date of mailing, a Late Payment Charge of 1.5% per month will be added to the unpaid balance each month until the entire bill is paid.

(C) Indicates Change.

RATE DDS - DAILY DELIVERY SERVICE

AVAILABILITY

Delivery service under this rate schedule is available for resale service and to any commercial or industrial customer with annual usage in excess of 5,000 Mcf who:

- (1) has entered into a written contract with the Company for service under this rate schedule for a minimum of 12 months; and
- (2) has the ability to withstand interruption and satisfy periodic interruption tests conducted by the Company; or has installed, operable alternative fuel equipment capable of meeting the customer's peak day requirements; or pays for the cost of, installation of and monthly expenses associated with a Remotely Actuated Valve, which can interrupt gas flow without a site visit by the Company.

CHARACTER OF SERVICE

Service will be provided by the Company based on the Company having available capacity and the customer delivering suitable gas into the Company's distribution system. Gas transported by the Company shall be and remain the property of the customer.

MEASUREMENT OF DELIVERIES

All customers electing service under this rate schedule must pay for and maintain a dedicated telephone line installed to the meter, communication system costs, and all equipment, including installation, deemed necessary by the Company to administer daily balancing by providing all delivery points specified in the contract with real-time electronic gas measurement. The cost to the customer shall be set forth in the service agreement and may be assessed in equal monthly payments over the term of the agreement plus interest equal to the Company's overall rate of return as authorized by the Commission.

RATE DDS- DAILY DELIVERY SERVICE (CONTINUED)

RATE

The applicable rate shall be determined by negotiation between the Company and the customer and shall not exceed the rates set forth below plus riders applicable to this service:

Monthly Service Charge:

Commercial and Industrial:

Annual Throughput 5,000 - 25,000	\$300.00 per meter
Annual Throughput > 25,000	\$1,600.00 per meter

Delivery Charge:

Resale Service	\$ 2.711 per Mcf
Large Commercial and Industrial	\$ 2.600 per Mcf

Balancing Charge:

Pursuant to Special Provision (a)

Annual Throughput < 25,000	\$0.3341 per Mcf	(D)
Annual Throughput > 25,000	\$0.0769 per Mcf	(D)

Customers served under this rate schedule are subject to all applicable surcharges and riders including:

(C)

Distribution System Improvement Charge Rider E

SPECIAL PROVISIONS

(a) The Balancing Charge includes the cost of the resources needed by the Company to balance its system. The Company retains the right to waive this charge, in whole or in part, for customers with competitive options. The Company will provide a credit to Rider A gas costs associated with the capacity utilized to provide balancing services to transportation customers. The balancing charge rate will be adjusted each year in conjunction with the Company's 1307(f) filing.

BALANCING PROVISIONS

Daily Balancing

A daily imbalance will exist when (a) a customer's consumption in a day falls short of the daily gas supply nominated (daily supply excess), or (b) a customer's consumption in a day exceeds the daily supply nominated (daily supply shortfall).

- (1) A Daily Supply Tolerance equal to 3.5% of the customer's contracted Maximum Daily Quantity will be permitted without penalty.
- (2) A daily supply excess greater than the Daily Supply Tolerance will be Cashed-In at 85% of the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point on the day the excess occurs.

(C) Indicates Change. (D) Indicates Decrease.

 RATE DDS- DAILY DELIVERY SERVICE (CONTINUED)

- (3) A daily supply shortfall greater than Daily Supply Tolerance will be Cashed-Out at 115% of the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point on the day the shortfall occurs. (C)
- (4) A daily supply excess less than the Daily Supply Tolerance will be considered first gas through the meter on the following day and will be added to gas delivered on that day to determine daily imbalances. (C)
- (5) A daily supply shortfall less than the Daily Supply Tolerance will be subtracted from gas delivered the following day to arrive at the amount of gas to be used to determine daily imbalances. (C)

OPERATIONAL MATCHING ORDERS (OMO)

All DDS customers are subject to the Company's issuance of OMOs which will direct the customer to adjust usage to match volumes authorized by the Company. Failure to comply with an OMO will result in the billing of the following charges when the actual daily usage exceeds the daily flowing volume:

- 1) Ten dollars (\$10.00) per Mcf on the difference.
- 2) The difference will be Cashed-Out at 150% of the sum of the highest price gas purchased by the Company, on the day the shortfall occurs, plus the applicable transportation and retainage charges to transport the gas from the supply area to the Company's city gate.
- 3) A pro-rata share of any other charges incurred by the Company as a result of the customer's noncompliance with the OMO.

If a customer fails to comply with an OMO the Company reserves the right to suspend, for one year, the customer's right to subscribe to a delivery service or require the customer to purchase Standby Service.

RATE FPS - FIRM POOLING SERVICE

TERMS AND CONDITIONS

1. AVAILABILITY

Service under this rate schedule is available to any Pool Operator who demonstrates to the Company's satisfaction that it has met the creditworthiness and fitness standards defined in the Rules and Regulations of this tariff, and who has entered into a Firm Pooling Service Agreement with the Company. Unless otherwise agreed to by the Company, a Pool Operator that operates a FPS and a GPS pool must serve its Priority-One customers, as defined in Rule 7.1 of the Rules and Regulations of this tariff, in its FPS pool and serve its non-priority one customers in its GPS pool.

(C)

(C)

2. TYPE OF SERVICE

This is a customer aggregation service whereby a creditworthy third party, the Pool Administrator, takes assignment on behalf of a FDS customer of the customer's nomination and balancing responsibilities and, under separate contractual agreement with the Company, aggregates the customer's gas deliveries and consumption with those of other FDS customers for the purposes of calculating imbalances on the Company's system.

3. SERVICE CONDITIONS

3.1 Assignment of Capacity & Other Gas SuppliesAssignment of Upstream Capacity

(C)

The Company will assign the following upstream firm pipeline capacity to the Pool Administrator: firm transportation and storage on the Company's upstream transportation pipeline, Dominion Transmission Inc.; firm transportation on Equitrans L.P. ("Equitrans"); and storage related firm transportation on Equitrans; and any other pipeline capacity that may be available to the Company. Capacity will be assigned on behalf of each customer of the Pool Administrator's FPS Pool based on the Company's determination of peak design day consumption of the customer.

RATE FPS - FIRM POOLING SERVICE (CONTINUED)

The Pool Administrator will be assigned firm transportation and firm storage capacity on a pro-rata basis. However, the Pool Administrator may elect, subject to the Company's approval, assignment on a non-discriminatory basis of other than a pro-rata allocation.

(C)

(C)Indicates Change.

RATE FPS - FIRM POOLING SERVICE (CONTINUED)

(C)

Effective April 1, 2015, Capacity assignments will be structured as a zerocost release of capacity. The term of any release will commence the first day of customer's service month as determined pursuant to the customer sign-up procedures set forth in Rule 11.1 and will continue for the earlier of the annual review period (April 1), through the termination date of the current pipeline contract, or, in the event of early termination of the Pool Administrator's 12 month service agreement with the customer, through the last day of the calendar month in which the Pool Administrator ceases service to the customer on whose behalf the capacity had been assigned.

Any capacity acquired by Pool Administrator through non-renewal of capacity contracts by the Company must be assignable to Equitable or another pool administrator qualified by the Company to operate under this rate schedule. If the Pool Administrator had used capacity not assigned by the Company then the Pool Administrator agrees to reassign that capacity, including any gas held in storage, to the Company or another pool administrator, which those parties may, at their sole discretion, accept or reject.

Once storage capacity is assigned, the Pool Administrator is responsible for meeting all injection and withdrawal schedules required by the storage operator. If storage capacity is (a) assigned to a Pool Administrator, (b) returned by a Pool Administrator upon cessation of service to a customer, or (c) recalled from a Pool Administrator, with gas in place (i.e., with gas in storage) then the Company shall, as the case may be, either sell to the Pool Administrator gas in place at the Company's weighted average cost of storage gas ("Storage WACOG"), or purchase from the Pool Administrator gas in place at the lesser of the Company's Storage WACOG or at the Company's weighted average cost of gas purchased during the month.

Assignment of Other Supplies

(C)

The Company reserves the right to assign or sell other gas supplies that are under contract with the Company and used to satisfy its supplier of last resort obligation. To the extent that a FPS supplier receives an assignment of the Company's capacity it holds on Equitrans; the Company shall provide FPS suppliers with an option to purchase from the Company a pro-rata share of the firm gas supplies available to the Company under its gas supply agreement with EQT Energy, LLC. Such purchase shall also occur if the Company determines that, as a result of the migration from supply service provided by the Company to supply service provided by FPS suppliers, the amount of gas supplies under long term firm purchase contracts are in excess of the usage requirements of supplier of last resort ratepayers currently served by the Company.

Such gas shall be sold to the NGS as agent for the ratepayer of the NGS's Firm Pool. The sale shall be structured at the actual purchase cost of the supplies associated with firm purchase contracts.

(C)Indicates Change.

Supplies sold under this section shall be discontinued by the Company under the following conditions:

(C)

1. The ratepayer on whose behalf the supplies have been sold is no longer served by the NGS; or
2. The NGS has failed to comply with terms and conditions set forth herein.

(C) Indicates Change.

RATE FPS - FIRM POOLING SERVICE (CONTINUED)3.2 Monthly Capacity Assignment

Each month, the Company will assign capacity to each qualified Pool Administrator, on behalf of the FDS customers aggregated and signed-up, in accordance with the provisions contained in Rule 11.1 and Section 3.1, above, by the Pool Administrator during the preceding month. The amount of capacity to be assigned will be based on the peak design day consumption of the end use customers served by the Pool Administrator. The Company will evaluate the capacity assignments made to the Pool Administrator on behalf of the FDS customer monthly. To the extent that the evaluation so indicates the Company may revise the Pool Administrator's capacity assignment level.

(C)

(C)

3.3 Adding and Subtracting Customers

A Pool Administrator may add or remove customers monthly provided that a notice is received pursuant to Rule 11.1. The Pool Administrator's service to the customer will start or stop effective with the second bill issued following the date such additions, changes or deletions are submitted by the Pool Operator.

(C)

(C)

3.4 Contract Duration

The Pool Administrator's Firm Pooling Service contract with the Company shall be for a term of service of no less than twelve months. Notwithstanding any contract duration provision contained in a service agreement between the customer and the Pool Administrator, the Company may process any customer request to return to retail service or to transfer to a pool maintained by another pool administrator, and the Company assumes no liability for such action.

(C)

3.5 Load Forecasting

The Company will provide a daily projection of the amount of gas to be delivered to the Company to satisfy the estimated daily consumption of all the ratepayers in the pool. The Company will forecast the daily gas requirements of the Pool Administrator's FPS Pool and post those requirements electronically not later than two days prior to the Gas Day. The Company may revise the forecasted daily gas requirements not later than 24 hours prior to the Gas Day. The Company may issue OFOs consistent with the terms of this tariff and, as a result, may provide the Pool Operator with daily projections less than two days in advance.

(C)

(C)

(C)

RATE FPS - FIRM POOLING SERVICE (CONTINUED)

3.6 Scheduling of Service

All transportation volumes received for Pool Administrator's account at transportation receipt points must be nominated to the Company in advance. Nominations must distinguish among (1) upstream pipeline firm transportation service assigned to the Pool Administrator and (2) contract storage assigned to the Pool Administrator.

3.7 Daily Gas Deliveries

The Pool Administrator must acquire an adequate supply of natural gas of a quality acceptable to the Company, including allowances for any retention required by upstream pipelines and the Company, and make, or cause to be made, arrangements by which such gas supply can be transported directly to the Company's city-gates. The Pool Administrator is required to deliver gas supplies to meet its estimated daily consumption. (C)

Any difference between the estimated daily consumption and the gas delivered and confirmed that day on behalf of the Pool Administrator's account, plus pool-to-pool transfers, shall be Cashed-in or Cashed-out based on the following index. (C)

Daily Index Price: Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point.

Daily Supply Excess: All volumes delivered in excess of the estimated daily consumption (a daily supply excess) will be subject to the following: (C)

- (1) A daily supply excess will be cashed-in at 85% of the midpoint Daily Index Price.
- (2) A daily supply excess will be Cashed-in at 85% of the midpoint price gas purchased by the Company on the day the excess occurs. (C)

Daily Supply Shortfall: All volumes delivered below the estimated daily consumption (a daily supply shortfall) will be subject to the following: (C)

- (1) A daily supply shortfall will be cashed-out at 115% of the midpoint Daily Index Price. (C)
- (2) A daily supply shortfall will be Cashed-out at 125% of the midpoint price of gas on the day the shortfall occurs. (C)

RATE FPS - FIRM POOLING SERVICE (CONTINUED)

If the Pool Administrator fails to deliver quantities equal to the estimated daily consumption, the Company reserves the right, at its sole discretion, to recall or otherwise withdraw capacity rights assigned to the Pool Administrator upon a five (5) days written notice and terminate the Firm Pooling Service contract upon ten (10) days written notice to the Pool Administrator. (C)

All customers receiving gas supply from a suspended Pool Administrator's pool must choose one of the following options: (1) return to an applicable sales service under this Tariff or (2) join another pool that is not affiliated with the suspended Pool Administrator. (C)

3.8 Reconciliation of Monthly Volumes

The difference between projected monthly consumption volumes and actual calendar month pool consumption as adjusted for net unbilled volumes and any prior month billing corrections, shall be reconciled monthly. The cumulative difference shall be reconciled in the first full calendar month following its determination by adjusting the Pool Administrator's projected daily consumption volume on each day in the adjustment month by an amount equal to the cumulative difference divided by the number of days in the adjustment month or by other methods as made available by the Company including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer. (C)

Section 3.9 Supplier Exiting System

Prior to exiting the Company's system a Pool Administrator must provide 60 days written notice to the Company and its customers. The pool administrator must return or reassign capacity in accordance with Section 3.1 of this rate schedule. If the pool administrator discontinues service or defaults prior to the expiration of its contract with the customer, the Company shall provide service to the customer at the applicable tariff sales rate commencing with the next billing cycle. The customer shall be charged the rate negotiated with the discontinuing or defaulting pool administrator for the remainder of the billing cycle. Any difference between the cost incurred by the Company and the amount payable by the retail gas customer shall be recovered from the pool administrator. (C)

 RATE GPS- GENERAL POOLING SERVICE

1. AVAILABILITY

Service under this rate schedule is available to anyone who aggregates 2 or more customers, who demonstrates to the Company's satisfaction that it has met the creditworthiness and fitness standards defined in the Rules and Regulations of this Tariff, and who has entered into a General Pooling Service Agreement with the Company. Unless otherwise agreed to by the Company, a Pool Operator that operates a FPS and a GPS pool must serve its Priority-One customers, as defined in Rule 7.1 of the Rules and Regulations of this tariff, in its FPS pool and serve its non-priority one customers in its GPS pool. A Pool Operator that does not operate a FPS pool may serve Priority One ratepayers, as defined in Rule 7.1 of the Rules and Regulations of this tariff, through its GPS pool unless the annual aggregate consumption of such customers does not exceed 30,000 MCF annually.

(C)

2. TYPE OF SERVICE

This is a customer aggregation service whereby a creditworthy third party, the Pool Administrator, takes assignment on behalf of a GDS customer of the customer's nomination and balancing responsibilities and, under separate contractual agreement with the Company, aggregates the customer's gas deliveries and consumption with those of other GDS customers for the purposes of calculating imbalances on the Company's system.

3. SERVICE CONDITIONS

3.1 Scheduling of Service

All transportation volumes received for Pool Administrator's account at transportation receipt points will be nominated to the Company in advance. Subject to permitted inter-pool transfers, each end use customer of the Pool Administrator's GPS Pool must have all of its natural gas consumption over the entire Customer billing cycle supplied by Pool volumes nominated by the Pool Administrator.

3.2 Daily Gas Deliveries and Balancing

The Pool Administrator shall pay all applicable penalties that are set forth in the Company's tariff. The Company will provide a daily projection of the amount of gas to be delivered to the Company to satisfy the consumption of customers served by the pool. This projection will be based on the estimated monthly usage of the customers served by the pool divided by the number of days in the month. For the purposes of determining daily imbalances of the transportation pool, the Company will use the BTU conversion factor utilized in the Company's most recent 1307(f) proceeding. All transportation pools served under this Rate Schedule shall be subject to the following daily balancing provisions.

(C)

(C)

(1) A daily imbalance will exist when a difference exists between the total daily projected consumption volume and the daily available supply volumes, during periods in which no OFOs have been issued.

(C)

RATE GPS- GENERAL POOLING SERVICE (CONTINUED)3.2 Daily Gas Deliveries and Balancing (Continued)

- (2) Any daily excess or shortfall in a Pool's gas supply shall be purchased by the Company from the Pool Administrator (Cash-In) or purchased by the Pool Administrator from the Company (Cash-Out) at the following prices: (C)
- (a) Cash-In Price: The price paid by the Company for a Pool Administrator's supply excess shall be equal to eighty-five percent (85%) of the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point on the day the excess occurs. (C)
- (b) Cash-Out Price: The price paid by the Pool Administrator to satisfy its supply shortfall shall be equal to one hundred fifteen percent (115%) of the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point on the day the shortfall occurs. (C)

3.3 Reconciliation of Monthly Volumes

The difference between projected monthly consumption supply and actual calendar month pool consumption as adjusted for net unbilled volumes and any prior month billing corrections, shall be reconciled monthly. The difference shall be reconciled in the next calendar month following its determination by adjusting the Pool Administrator's projected daily consumption volume on each day in the adjustment month by an amount equal to the cumulative difference divided by the number of days in the adjustment month or by other methods as made available by the Company including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer. (C)

3.4 Nominations and Reconciliation of Local Gas Volumes

No later than five days prior to the end of each month, the Company will set a Gross Production Projection (GPP) nomination for the following month. The initial GPP nomination shall be based on recent available production data but may be subject to adjustment by the Company to reflect known and anticipated production changes provided by the Pool Operator. The confirmed volumes will be used for reconciling local gas nominations and actual production. Confirmed GPP nominations will be credited to the Pool Operator's account on the date specified in the Pool Operator's nomination. When actual local gas volumes delivered to the Company are known, any discrepancies between actual and nominated local gas volumes will be reconciled in the first full calendar month following the determination of actual local gas volumes by adjusting the Pool Operator's monthly available volumes. The volume discrepancy between the actual produced local gas volumes and the nominated local gas volumes will be reconciled in the adjustment month by adjusting the Pool Operator's monthly available volume in the adjustment month by an amount equal to the volumetric discrepancy. (C)

3.5 Contract Duration

The Pool Administrator's General Pooling Service contract with the Company shall be for a term of service of no less than twelve months. Notwithstanding any contract duration provision contained in a service agreement between the customer and the Pool Administrator, the Company may process any customer request to return to retail service or to transfer to a pool maintained by another pool administrator, and the Company assumes no liability for such action.

RATE GPS- GENERAL POOLING SERVICE (CONTINUED)

4. OTHER

During a calendar month, a Pool Administrator may trade deliveries between pools to assist in mitigating pool imbalances.

RATE LGA - LOCAL GAS AGGREGATION SERVICE

1. Availability

Service under this rate schedule is available to any aggregator who has entered into a Local Gas Aggregation Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements.

The locally produced gas nominated out of the Local Gas Aggregation Pool will be balanced monthly with actual production delivered into the Company's system.

2. Points of Receipt

The points of receipt for local gas aggregation shall be those metering stations identified by the Aggregator in its agreement with the Company or any other designated point where gas is delivered into the Company's system. The Aggregator will pay for any investment costs required to receive gas into the Company's system at agreed-upon transportation gas receipt points. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.

3. Nominations and Reconciliation of Local Gas Volumes

No later than five days prior to the end of each month, the Company will set a Gross Production Projection (GPP) nomination for the following month. The initial GPP nomination shall be based on recent available production data but may be subject to adjustment by the Company to reflect known and anticipated production changes provided (within 2 days) by the aggregator and confirmed by the Company. The confirmed volumes will be used for reconciling local gas nominations and actual production. Confirmed GPP nominations will be credited to the aggregator's account on the date specified in the aggregator's nomination. When actual local gas volumes delivered to the Company are known, any discrepancies between actual and nominated local gas volumes will be reconciled in the first full calendar month following the determination of actual local gas volumes by adjusting the aggregator's monthly available volumes. The volume discrepancy between the actual produced local gas volumes and the nominated local gas volumes will be reconciled in the adjustment month by adjusting the Pool Operator's monthly available volume in the adjustment month by an amount equal to the volumetric discrepancy.

4. Aggregation Balancing

Volumes nominated into a Local Gas Aggregation Pool shall equal the volumes delivered out of the Local Gas Aggregation Pool. Aggregators will not be permitted to deliver more gas out of the pool than is nominated into the pool in any given month. If volumes nominated into a Local Gas Aggregation Pool are greater than volumes delivered out of the Local Gas Aggregation Pool, those volumes shall be sold to the Company at a price using the first of the month IFERC DTI Appalachia Index, multiplied by 85%.

5. Procedures When a Local Gas Aggregator Exits the System

Balancing of local supplies for the exiting aggregator's final month of service shall be performed in accordance with the "Monthly Balancing" provisions under Rate GPS. No imbalance price multipliers will be applied.

STANDBY SERVICE

Firm Standby Service is mandatory for essential human needs customers served under any delivery service except where the customer has Alternate Fuel Capability, or the customer has received an assignment of Company's upstream pipeline capacity. Firm Standby Service is optional for other customers upon request. For a customer who does not receive Firm Standby Service, daily consumption in excess of daily deliveries on customer's behalf, in excess of customer's Maximum Daily Firm Requirement (MDFR) or in excess of a customer's Maximum Daily Quantity (MDQ) is interruptible.

Firm Standby Service is available pursuant to the following terms and conditions and subject to availability of sufficient gas supply and system capacity.

1. Customers who require natural gas service through a single meter of 20,000 Mcf or more annually:

Customers who desire Firm Standby Service must also nominate a MDFR for the entire year. MDFR nominations must be specified in the customer's service agreement.

The MDFR nominations must be at a level which is reasonably sufficient to meet the customer's peak winter season demand. The Company reserves the right to require revisions to nominations which it has determined are insufficient. The Company at its discretion may allow customers to nominate MDFRs which are below anticipated winter season peak demands and in such cases may require separate piping and/or metering to segregate the customer's firm and interruptible loads and may require the customer to reimburse the Company for any cost incurred in making the necessary modifications.

2. Customers who require annual natural gas service through a single meter of less than 20,000 Mcf:

STANDBY SERVICE - (CONTINUED)

Customers receiving Firm Standby Service shall pay a Standby Reservation charge as described below.

Monthly Reservation Charges (charged each month of the year):

Large Volume Customers

Customers who require natural gas service through a single meter for 20,000 Mcf annually or more:

\$10.51 per Mcf of MDFR (I)

Customers who require annual natural gas service of less than 20,000 Mcf:

\$0.73 per Mcf of throughput (I)

The Reservation charges shall be redetermined annually during the course of the Company's 1307(f) proceeding. The Standby rate will be determined to provide a credit to Rider A gas costs associated with the capacity utilized to provide firm standby services to transportation customers. This credit amount shall be credited to Purchased Gas Cost for the purpose of determining the "E" factor.

A customer may discontinue Firm Standby Service, if the Company, in its sole discretion, can obtain any decrease in its transportation and storage entitlements or any combination thereof required to accommodate such transfer from Standby service and the customer provides written notice to the Company at least twelve months prior to the expiration date of the customer's Service Agreement. The Company retains the right to waive this charge, in whole or in part, for customers with competitive options.

(I) Indicates Increase.

STATE TAX ADJUSTMENT SURCHARGE

There shall be added to or subtracted from each gas bill, under tariff rate schedules RS, GSS, GSL, FDS, GDS, DDS, and GL, (1.05)% of the bills as otherwise computed in accordance with the Company's tariff. (D)

The above surcharge will be recomputed, using the elements prescribed by the Commission in accordance with the Commission's State Tax Adjustment Procedure at 52 Pa. Code Section 69.51 et seq.

The above recalculation will be submitted to the Commission within 10 days after the occurrence of the event or date which occasions such recomputation. If the recomputed surcharge is less than the one in effect, the Company will, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after filing. If the recomputed surcharge is more than the one then in effect the Company may submit with such recomputation a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after filing.

(D) Indicates Decrease.

RIDER APURCHASED GAS COSTI. Provision for Purchased Gas Cost

The Purchased Gas Cost (PGC) is the rate determined pursuant to Section 1307(f) of the Public Utility Code for recovery of natural gas costs and shall be included in Rate Schedules RS, GSS, and GSL of this Tariff (PGC Rate Schedules) as explained here and after.

II. Computation and Application of Purchased Gas Cost (PGC)

The PGC shall be computed to the nearest one cent (\$0.01) in accordance with the formula set forth below:

$$\text{PGC} = \frac{\text{C} - \text{E}}{\text{S}}$$

The PGC rate shall be redetermined annually and will go into effect Oct 1 of each year. Thereafter, the Company may make quarterly filings on January 1, April 1 and July 1, effective on one day's notice, and upon determination that the effective rate will result in more than a +/- 2% change in the PGC rate.

The quarterly revisions may reflect adjustments to the "C" factor for more current projected commodity costs of purchased gas for the periods remaining until Oct 1 of each year and a reconciliation and adjustment for the over or under collection of natural gas supply costs from the three month period ending one month prior to the quarterly filing date applied to the projected annual Mcf sales of gas in the computation year of the Company's most recent annual proceeding.

The "E" factor may be adjusted for variations in actual volumes of gas compared to the projected volumes of gas based on the Company's most recent annual proceeding.

In addition to the applicable PGC rates as calculated above, an AVC Capacity Charge shall be separately calculated as shown on page 73B. (C)

III. Definitions

"PGC" -- purchased gas cost determined to the nearest one cent (\$0.01) comprised of a "C" factor and an "E" factor. The C factor is the natural gas supply charge included in the PGC Rate Schedules. The E factor is included in the natural gas delivery charge in the PGC Rate Schedules except for those customers returning from Delivery Service Rate Schedules in accordance with Rider B.

"C-Factor" -- a number of dollars, determined as follows: (a) for

all types of "Purchased Gas," project the cost for each purchase (adjusted for net current gas stored) for the computation year plus (b) the arithmetical sum of (1) the projected book value of noncurrent gas at the beginning of the computation year minus (2) the projected book value of noncurrent gas at the end of the computation year. The C factor is C divided by S.

RIDER A - (Continued)

"E-Factor" -- Net over collection or under collection of the cost of purchased gas including interest, for the period beginning with the month following the last month of the historic reconciliation included in the previous PGC and ending with the month preceding the effective date of the new PGC. The E factor is E divided by S.

The "E" factor shall also provide for refund or recovery of amounts necessary to adjust for differences between actual over and under collections and estimated over and under collections included in the "E" factor of the previous PGC.

Interest shall be computed at the appropriate rate as provided for in Section 1307(f) of the Public Utility Code from the month the over or under collection occurs to the effective month such over collection is refunded or such under collection is recouped.

Supplier refunds received applicable to PGC Rate Schedules will be included in the calculation of "E" with interest added at the annual rate of six percentum (6 percent) calculated in accordance with the foregoing procedure beginning with the months such refund is received by the Company.

For the purpose of computing monthly over and undercollections to be reflected in "E" a Standby Service credit, as well as a Balancing credit will be deducted from Purchased Gas Cost.

"S" -- projected Mcf of gas to be billed under PGC Rate Schedules during the computation year.

"Purchased Gas" -- the volume of gas projected to be purchased by the Company and delivered to customers under PGC Rate Schedules, plus such portion of the company-used and unaccounted-for-gas as the Commission permits, including, but not limited to, natural gas, liquefied natural gas, synthetic gas, liquefied propane and naphtha.

"The Current PGC" -- is \$3.7707 per Mcf, comprised of a C factor of (I),(I) \$3.8354 and an E factor of (\$0.0647) and AVC Capacity Charges as shown on page 73B.

"Computation Year" -- the projected year during which the PGC will be in effect.

The application of the purchased gas cost shall be subject to continuous review and to audit by the Commission at such intervals as the Commission shall determine. The Commission shall continuously review the reasonableness and lawfulness of the amounts of the charges produced by the purchased gas cost and the charges included herein.

(I) Indicates Increase.

RIDER A - (Continued)

If from such audit it shall be determined, by final order entered after notice and hearing, that this clause has been erroneously or improperly utilized, the Company will rectify such error or impropriety, and in accordance with the terms of the order apply credits against future purchased gas adjustments for such revenues as shall have been erroneously or improperly collected. The Commission's order shall be subject to the right of appeal.

(C)

Rider A (Continued)**AVC Capacity Charge**

(C)

The AVC Capacity Charge is applicable to all ratepayers with the exceptions defined below under Discounted Rate Customers and relates to the recovery of capacity costs incurred by Peoples Natural Gas Company ("Peoples") for firm transportation and storage service provided on the Equitrans Allegheny Valley Connector ("AVC") system.

The AVC Capacity Charge shall recover fixed demand charges and applicable surcharges assessed to Peoples under the FERC Gas Tariff for firm transportation and storage services on the AVC System. The AVC Capacity Charge shall be adjusted to reflect ongoing changes in charges assessed to Peoples. The AVC Capacity Charge shall not recover fixed demand charges related to storage capacity on the AVC system that is released to and paid for by Rate GDS - General Delivery Service ratepayers or suppliers. Applicable volumetric and fuel charges for service on the AVC System shall not be recovered through the AVC charge and such charges shall be paid for by the shipper utilizing the AVC capacity.

Rates

Refer to page 73B for the currently effective AVC Capacity Charge rates.

These rates will be recalculated on a quarterly basis in conjunction with the other Rider B costs and reported on as applicable in the quarterly and annual filings as required in the regulations implementing Section 1307(f) of the Public Utility Code. The rates shall be calculated by customer class based on the results of the allocation factors set forth below and applicable billing determinants for each class.

Allocation of AVC Capacity Costs

The fixed demand and applicable surcharges assessed to the Company for services on the AVC system shall be allocated to customer classes based on the following factors.

Rider A (Continued)**AVC Capacity Charge**

The AVC Capacity Charges allocation factors and rates are as follows:

Rate and Customer Class	Allocation	Rate
Rate RS and Rate FDS	66.25%	\$0.5583(I)
Rate GSS and Rate GDS (0 to 999 Mcf/yr)	11.94%	\$0.5583(I)
Rate GSL and Rate GDS (1,000 to 24,999 Mcf/yr)	12.99%	\$0.3078(I)
Rate GSL and Rate GDS (greater than 25,000 Mcf/yr)	8.82%	\$0.1368(I)

The Company will review the appropriateness of the AVC Capacity Charge allocation factors on an annual basis and such factors will be subject to review in the Company's 1307(f) gas cost proceeding.

Annual Reconciliation

The AVC Capacity Charge costs will be subject to over/under collection tracking and reconciled annually.

Discounted Rate Customers

To the extent permitted under the customer's discounted rate contract, the Company will recover AVC charges from such customers.

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 49
TO GAS - PA. P.U.C. NO. 46
THIRD REVISED PAGE 73B
CANCELING SECOND REVISED PAGE 73B

(I) Indicates Increase.

ISSUED: March 31, 2017

EFFECTIVE: April 1, 2017

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 42
TO GAS - PA. P.U.C. NO. 46
TENTH REVISED PAGE NO. 74
CANCELING NINTH REVISED PAGE NO. 74

RESERVED FOR FUTURE USE

RIDER D

UNIVERSAL SERVICE AND ENERGY CONSERVATION

- I. This rider provides a method of recovery of costs associated with the Company's Universal Service and Energy Conservation programs.
- II. This Rider shall be applicable to Rate RS, and residential customers receiving service under rate FDS except customers enrolled in the CAP or Pilot E-CAP. The rate will be adjusted quarterly and filed with the Company's quarterly gas cost filings to be effective one (1) day after filing.
- III. Rate: (I)
\$0.3925 per Mcf

Each PGC quarter, Rider D shall be calculated to recover costs related to the Company's Universal Service Programs for low-income residential priority customers, plus CAP administrative costs and Universal Service call management costs in excess of \$168,000. Cost offsets will be applied as a credit to the quarterly calculation as follows: Equitable will recognize universal service cost offsets when the base level of CAP shortfall (\$23,836,467) and CAP arrearages (\$780,397) which is \$24,616,864 in the aggregate, and CAP participation of 20,335 CAP customers are both exceeded. The CAP offset will be determined using 12% of the average CAP credit attributable to CAP and Pilot E-CAP customers in excess of 20,335. These offsets will be applied if necessary as a credit to Rider D on a quarterly adjustment basis.

Total CAP costs will be calculated as follows: The average annual usage of current CAP and Pilot E-CAP customers and projected CAP additions will be multiplied by the projected quarterly residential sales rate plus applicable monthly meter charges for current and additional CAP and Pilot E-CAP customers, less projected average CAP and Pilot E-CAP customer payments and average LIHEAP grants, plus LIURP costs, plus CAP and Pilot E-CAP arrearages, plus CAP administrative costs in excess of \$168,000. Appropriate cost offsets will then be credited if necessary. The net result will be divided by projected non-CAP residential throughput.

- IV. Annual Reconciliation: Each year, actual total CAP costs, less appropriate cost offsets, will be reconciled with actual total CAP recoveries. The reconciliation period will be from September 1st through August 31st. An annual reconciliation statement will be filed by September 30th in accordance with 66 Pa. C.S. §1307(e). Any over/under recoveries of CAP costs will be reflected in the determination of the new Rider D rate effective one (1) day after filing on October 1 of each year.

(I) Indicates Increase.

RIDER D

UNIVERSAL SERVICE AND ENERGY CONSERVATION (CONT.)

- V. CAP Plus: LIHEAP receipts for customers participating in the CAP or E-CAP program for the previous LIHEAP heating season will be divided by the total of (1) current active CAP and E-CAP participants; and (2) the projected average number of CAP and E-CAP participants to be added for the projected quarter to arrive at a CAP Plus amount which will be added to the calculated monthly CAP or E-CAP payment for all participating CAP customers. (C)

(C) Indicates Change.

RIDER EDISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply consistent with the Commission Order dated July 16, 2013 at Docket No. P-2013-2342745, approving the DSIC. (I)

1. General Description

A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

B. Eligible Property: The DSIC-eligible property will consist of the following:

- Piping (account 376);
- Couplings (account 376);
- Gas services lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (account 334, 369, 381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities;
- Other related capitalized costs (accounts 303, 387, 391.02 and 392);
- Field Lines (account 332); and
- Transmission Lines (account 367).

C. Effective Date: The DSIC will become effective for bills rendered on or after October 1, 2013.

(I) Indicates Increase.
(C) Indicates Change.

 RIDER E - DSIC (Continued)
2. Computation of the DSIC

A. Calculation: The initial DSIC, effective for bills rendered on or after October 1, 2013, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service between June 1, 2013 and August 31, 2013. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month periods ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

<u>Effective Date of Change</u>	<u>Date to which DSIC-Eligible Plant Additions Reflected</u>
April 1	December 1 - February 28/29
July 1	March 1 - May 31
October 1	June 1 - August 31
January 1	September 1 - November 30

B. Determination of Fixed Costs: The fixed costs of eligible distribution system improvements projects will consist of depreciation and pre-tax return, calculated as follows:

1. Depreciation: The depreciation expense shall be calculated by applying the annual accrual rates employed in the Company's most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.

2. Pre-tax return: The pre-tax return shall be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

 RIDER E - DSIC (Continued)

C. Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service under the Company's otherwise applicable rates and charges, excluding amounts billed for the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for distribution service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of the STAS.

D. Formula: The formula for calculation of the DSIC is as follows:

$$DSIC = \frac{(DSI * PTRR) + Dep + S}{PQR} + \frac{e}{PQR} \quad (C)$$

Where:

- DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation.
- PTRR = Pre-tax return rate applicable to DSIC-eligible property.
- Dep = Depreciation expense related to DSIC-eligible property.
- e = Amount calculated under the annual reconciliation feature or Commission audit, as described below.
- S = Synergy fees/(revenues); cost assessed (revenue received) for serving customers of another legal entity approved at G-2014-2448803.
- PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

Quarterly revenues will be determined on the basis of one fourth of projected annual revenues.

3. Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Office

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 43
TO GAS - PA. P.U.C. NO. 46
SECOND REVISED PAGE NO. 78
CANCELLING FIRST REVISED PAGE NO. 78

of Consumer Advocate, the Office of Small Business Advocate, and
the Bureau of Audits at least ten (10) days prior to the
effective date of the update.

(C)Indicates Change

RIDER E - DSIC (Continued)

4. Customer Safeguards

A.Cap: The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.

B.Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq.*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the utility may elect to subject the DSIC (C)

to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC, including Synergy fees received, for the reconciliation period will be compared to the Company's eligible costs, including Synergy fees paid, for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over-collection.

C.New Base Rates: The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base will be reflected in the quarterly updates of the DSIC.

D.Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

E.All customer classes: The DSIC shall be applied equally to customer classes, except that the Company may reduce or eliminate Rider E to any customers with competitive alternatives who are paying flexed or discounted rates and customers having negotiated contracts with the Company, if it is reasonably necessary to do so.

F.Earning Reports: The DSIC will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company would earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The utility shall file a tariff supplement implementing the reset to zero due to overearning on one-day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Utility has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs. (C)

G.Residual E-Factor Recovery Upon Reset to Zero: The utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The utility shall refund any overcollection to customers and is entitled to recover any (C)

undercollections as set forth in Section 4.B. Once the utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

(C) Indicates Change.

RIDER F**MERCHANT FUNCTION CHARGE (MFC)**

The Merchant Function Charge (MFC) shall be added to the gas cost charges applicable under rate schedules Rate RS, Rate FDS, Rate GSS and GSL. The gas costs charges include the Capacity Charge, Gas Cost Adjustment Charge and Commodity Charge.

The MFC shall be updated quarterly effective with each 1307(f) rate change. The write-off factor used to calculate the quarterly MCF shall only be determined in a base rate case filing.

For residential customers receiving service under Rate RS and Rate FDS, the MFC shall equal the write-off factor of 2.596% times the gas cost charges as set forth in Peoples' Equitable Division Rider A and Rider B. The current MFC applicable to Rate RS customers is:

Capacity Charge per Mcf	\$0.0266	
Gas Cost Adjustment Charge per Mcf	(\$0.0017)	
Commodity Charge per Mcf	\$0.0730	(I)
Total MFC per Mcf	\$0.0979	(I)

For Small, Medium, and Large General Service customers receiving service under Rate GSS and GSL, the MFC shall equal the write-off factor of 0.661% times the gas cost charges as set forth in Peoples' Equitable Division Rider A and Rider B. The current MFC applicable to these ratepayers is:

Capacity Charge per Mcf	\$0.0068	
Gas Cost Adjustment Charge per Mcf	(\$0.0004)	(D)
Commodity Charge per Mcf	\$0.0185	(I)
Total MFC per Mcf	\$0.0249	(I)

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 49
TO GAS - PA. P.U.C. NO. 46
FIFTEENTH REVISED PAGE NO. 80
CANCELING FOURTEENTH REVISED PAGE NO. 80

(I) Indicates Increase. (D) Indicates Decrease.

ISSUED: March 31, 2017

EFFECTIVE: April 1, 2017

RIDER G
GAS PROCUREMENT CHARGE

(C)

For bill presentment purposes, the Gas Procurement Charge (GPC) shall be added to the Commodity Gas Cost Charge applicable to sales rate schedules Rate RS, Rate SGS, Rate MGS, Rate LGS and any other applicable sales service rate schedule under this tariff.

Recoverable Costs

The GPC shall include gas procurement costs incurred by the Company solely on behalf of its sales service customers. The GPC shall exclude any costs recovered through Rider B - 1307(f) gas cost recovery mechanism. The GPC shall exclude any gas procurement costs incurred by the Company in support of transportation or shopping customers or programs.

Recalculation of the GPC

The costs to be included in the GPC shall be calculated in accordance with Commission regulations and shall be determined and updated in each base rate case filed by the Company. The GPC shall not be subject to reconciliation for any prior-period or over-or-under collections.

GPC Charge per Mcf \$0.1055/Mcf

(D)

RATE AGS - APPALACHIAN GATHERING SERVICE

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company.

AVAILABILITY

Service under this rate schedule is available to any party desiring to transport gas through the gathering system as well as to deliver gas directly into the Company's distribution system, provided that there exists: (1) a gas purchase agreement with the Company or an executed Rate AGS Service Agreement; and (2) compliance with the provisions of this Rate Schedule and with all other provisions of this Tariff.

RATES

All volumes of gas received at any point under this service will be subject to a gathering rate (billed in dekatherms) and a retainage rate. All rates for this service shall be determined by negotiation.

SURCHARGES AND RIDERS

Customers served under this rate schedule are subject to Rider E Distribution System Improvement Charge (DSIC) except that the DSIC rate may be reduced or eliminated for any customer with competitive alternatives or negotiated contracts.

TERM

The term for service shall be a minimum of one (1) year from the commencement of deliveries of gas supplies.

CHARACTER OF SERVICE

Equitable's only obligation under this Rate Schedule shall be to receive gas from any Appalachian receipt point and to permit that gas to flow against the existing pressure in Equitable's facilities. Equitable shall not be obligated to lower such line pressure by compression or otherwise to accommodate receipts from local Appalachian producers under this Rate Schedule.

Service under this Rate Schedule shall be subject to Operational Flow Orders pursuant to Section 11.13 of the Rules and Regulations of this Tariff. Nothing in this Rate Schedule shall limit Equitable's right to interrupt service or to take other action as may be required to alleviate conditions which threaten the integrity of its system.

RATE MLX
MAINLINE EXPANSION SERVICE (C)

The Company, at its discretion, may offer service under this rider to a residential or commercial Applicant or group of Applicants who require extension of the Company's facilities to serve the Applicant(s) under Rule 1.2 of the Rules and Regulations Section of this tariff. This Rate provides the Applicant(s) with an option to pay a delivery rate set by the Company from the delivery rate tiers below in lieu of providing a contribution in aid of construction ("CIAC") determined in accordance with Rule 1.2 using rates RS or GSS. All applicants at the time of construction as well as any future applicants serviced by a facility extended under this rate will pay the same rate as the original applicants. Future extensions of mainline from a previous Rate MLX project will be evaluated separately and assigned the greater of the MLX rate for the existing project or the MLX tier that will justify the project under Rule 1.2 on a standalone basis.

This Rider is established as a Pilot and will close for new participation five years after this rate is approved by the Commission.

Residential and Commercial Customers MLX Delivery Charge

The charges under this Rate will include the otherwise applicable RS or GSS customer charge and riders. Only the delivery rate will differ as is shown below.

Pilot Rate MLX delivery rates will be applied for each Mcf of gas used. The applicable rate will be selected from one of the tiers below for the entire extension. The Company will select the rate tier based on the minimum delivery rate required to cover the investment costs in accordance with Rule 1.2.

MLX Rate Tier	Residential	Commercial
1	\$ 6.79	\$ 5.10
2	\$ 7.23	\$ 5.54
3	\$ 7.67	\$ 5.98
4	\$ 8.11	\$ 6.42
5	\$ 8.55	\$ 6.86
6	\$ 8.99	\$ 7.30
7	\$ 9.43	\$ 7.74
8	\$ 9.87	\$ 8.18
9	\$ 10.31	\$ 8.62

(C) Indicates Change.

RATE MLX
MAINLINE EXPANSION SERVICE (C)

Customer Service Line Costs

The rate chosen by the Company will include the cost of the customer's service line (curb to meter). The customer will maintain ownership, and maintenance of, the curb to meter portion of the service line thereafter.

For customers tapping into a Pilot Rate MLX project after the initial construction, the cost of the curb to meter portion of the service line will be limited to the average cost of curb to meter installations for customers who were connected at the time of the mainline installation paid by the Company.

PEOPLES NATURAL GAS COMPANY LLC

SUPPLEMENT NO. 44
TO GAS - PA. P.U.C. NO. 46
THIRD REVISED PAGE NO. 84
CANCELING SECOND REVISED PAGE NO. 84
and FIRST REVISED PAGE NO. 84A

(C) Indicates Change.

PEOPLES TWP LLC

RATES, RULES AND REGULATIONS
FOR NATURAL GAS SERVICE
IN TERRITORY DESCRIBED HEREIN

ISSUED: March 31, 2017

EFFECTIVE: April 10, 2017

STAS Filing

ISSUED BY:

LYNDA W. PETRICHEVICH
VICE PRESIDENT – REGULATORY AFFAIRS
PEOPLES TWP LLC
205 NORTH MAIN STREET
BUTLER, PENNSYLVANIA 16001

LIST OF CHANGES MADE BY THIS TARIFF

	Existing Tariff Rate	Increase / (Decrease)	Rate Effective 4/10/17
STAS Rate	\$0.0044	\$(0.0015)	\$0.0029

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(C) Indicates Change.

LIST OF COMMUNITIES SERVED

The Company's charter territory includes Allegheny, Armstrong, Beaver, Butler, Cambria, Clarion, Clearfield, Crawford, Erie, Fayette, Greene, Indiana, Jefferson, Lawrence, Mercer, Somerset, Venango, Washington, and Westmoreland Counties, Pennsylvania. Gas service is available in all localities where the Company has pipelines, including without limitation, the following cities, boroughs and townships:

ALLEGHENY COUNTYBoroughs

Brackenridge	Cheswick	Harwick
Plum	Springdale	Tarentum

Townships

East Deer	Fawn	Frazer
Harmar	Harrison	Indiana
Marshall	Pine	Springdale
West Deer		

ARMSTRONG COUNTYBoroughs

Freeport	Kittanning	Parker City
West Kittanning	Worthington	

Townships

Bethel	Boggs	Bradys Bend
Burrell	Cowanshannock	East Franklin
Hovey	Kiskiminetas	Kittanning
Madison	Mahoning	Manor
North Buffalo	Parks	Pine
Plumcreek	Rayburn	Redbank
South Bend	South Buffalo	Sugarcreek
Valley	Washington	Wayne
West Franklin		

LIST OF COMMUNITIES SERVED (Continued)

BEAVER COUNTY

Townships

Franklin

BUTLER COUNTY

Cities and Boroughs

Butler
Connoquenessing
Mars
Sarver
Valencia

Bruin
East Butler
Myoma
Saxonburg

Callery
Fairview
Petrolia
Seven Fields

Townships

Adams
Center
Concord
Donegal
Franklin
Middlesex
Penn
Winfield

Buffalo
Clearfield
Connoquenessing
Fairview
Jefferson
Oakland
Summit

Butler
Clinton
Cranberry
Forward
Lancaster
Parker
Washington

CLARION COUNTY

Boroughs

Curlsville

Sligo

Townships

Clarion
Monroe
Redbank

Limestone
Piney
Toby

Madison
Porter

CLEARFIELD COUNTY

Townships

Bell

Burnside

LIST OF COMMUNITIES SERVED (Continued)**INDIANA COUNTY**Boroughs

Glen Campbell	Indiana	Marion Center
Plumville	Shelocta	Smicksburg

Townships

Armstrong	Banks	Black Lick
Brush Valley	Buffington	Burrell
Canoe	Center	Conemaugh
East Mahoning	East Wheatfield	Grant
Montgomery	North Mahoning	Pine
Rayne	South Mahoning	Washington
West Mahoning	West Wheatfield	White
Young		

JEFFERSON COUNTYBoroughs

Big Run	Punxsutawney	Rossiter
Timblin	Worthville	

Townships

Beaver	Bell	Clover
Eldred	Gaskill	Henderson
Knox	McCalmont	Oliver
Perry	Pine Creek	Porter
Ringgold	Rose	Union
Warsaw	Washington	Winslow
Young		

WESTMORELAND COUNTYCities and Boroughs

Arnold	New Kensington	Murrysville
Hyde Park	Lower Burrell	

Townships

Allegheny	Bell	Derry
Loyalhanna	Salem	Upper Burrell
Washington		

DEFINITIONS

The following definitions shall apply to terms used in this Tariff, unless clearly indicated otherwise:

Act – the Pennsylvania Natural Gas Customer Choice and Competition Act (66 Pa. C.S. §2201-2211), as amended.

Aggregate Daily Consumption Volume – The aggregate quantity of gas estimated by the Company to be consumed by all Customers served by the NGS on any day.

Aggregate Monthly Consumption Volume – The aggregate quantity of gas actually consumed by all customers of Pool Operator's pool over their respective Billing Cycles for the month as determined by the Company through actual or estimated meter readings.

Applicant – any person, corporation or other entity that (i) wants to receive service described in this Tariff from the Company, (ii) complies with the Company's requirements for obtaining such service, (iii) has requested and is awaiting Company approval of a request for service and (iv) is not yet actually receiving service from the Company under this Tariff.

Billing Cycle – The period that occurs between actual or estimated meter readings taken by the Company for billing purposes.

Calendar Month Pool Sendout – The sum of (1) the Aggregate Monthly Consumption Volumes plus (2) Pool-to-Pool Volumes nominated for the month.

Calendar Month Pool Supply – The sum of the Daily Available Volumes during the month and any imbalance sales to or purchases from the Company.

Chapter 56 – the Commission regulations at 52 Pa. Code §56 that govern metering, billing, collections and related issues pertaining to residential gas service.

Commission – the Pennsylvania Public Utility Commission

Company – Peoples TWP LLC

Customer – A person, partnership, association, corporation or other entity (i) in whose name a service account is listed, (ii) who occupies or is the customer for any premises, building, structure, etc., (iii) is primarily responsible for payment of bills, or (iv) any adult occupant whose name appears on the mortgage, deed or lease of the property. A Customer includes anyone taking Supplier of Last Resort Service and/or Transportation Service under this Tariff.

Commodity Rate – a rate designed to recover the bundled cost of (i) the natural gas commodity and (ii) delivery or distribution charge to Customers by the Company.

Customer Service Charge – the monthly charge applicable to each Rate Schedule billed to Customers to recover a portion of the Company's costs incurred to provide gas distribution or delivery service to Customers.

Daily Available Volume – The total quantity of gas available to be allocated by the NGS for the delivery by the Company to all customers on any day. This quantity is equal to the total volume of gas actually delivered to the Company for the NGS's account on that day, less an appropriate retainage percentage, plus any adjustments associated with the reconciliation of local gas volumes and/or the reconciliation of monthly volumes as set forth Rule 18 M.

Distribution Charge or Volumetric Delivery Rate – the rates or charges billed to Customers to recover the distribution or delivery charges not recovered through the monthly Customer Service Charge.

DEFINITIONS (Continued)

Imbalance Trading Volume – The volume of gas traded to or received from another Non-Priority One NGS within four full business days after the Company provides customer consumption volumes.

Mcf - 1,000 cubic feet of natural gas, a standard unit of measuring natural gas volume.

Retail Service – bundled gas supply and delivery service provided to Customers by the Company pursuant to applicable Rate Schedules under this Tariff.

Transportation Service – gas delivery or distribution service provided to Customers by the Company pursuant to applicable Transportation Service Rate Schedules under this Tariff.

RATES AVAILABLE UNDER THIS TARIFF

Rate Schedule RS/RS-T-Residential Sales and Transportation Services (page 75)

- Retail Service
Available to any Residential Customer in the Company's service territory.
- Transportation Service
Available to any Residential Customer in the Company's service territory.

Rate Schedule RUS – Residential Universal Service (pages 76-77)

- Retail Service
Available to any Residential Customer in the Company's service territory with annual income at or below 150% of the Federal poverty level.

Rate Schedule SGS – Small General Service (page 78)

Available to any commercial or industrial Customer in the Company's service territory using less than 1,000 Mcf annually.

Rate Schedule MGS – Medium General Service (page 79)

Available to any commercial or industrial Customer in the Company's service territory using more than 1,000 Mcf and less than 25,000 Mcf annually.

Rate Schedule LGS – Large General Service (page 80)

Available to any Customer in the Company's service territory using more than 25,000 Mcf annually.

RATES AVAILABLE UNDER THIS TARIFF (Continued)

Rate Schedule SGS-T – Small General Service Transportation Service (page 81)

Available to any commercial or industrial Customer in the Company's service territory or group of such Customers that uses less than 1,000 Mcf annually.

Rate Schedule MGS-T – Medium General Service Transportation Service (page 82)

Available to any commercial or industrial Customer in the Company's service territory with a minimum annual usage of at least 1,000 Mcf, but less than 25,000 Mcf.

Rate Schedule LGS-T – Large General Service Transportation Service (page 83)

Available to any Customer in the Company's service territory with a minimum annual usage of at least 25,000.

Rate Schedule FTS – Field Transportation Service (page 84)

Available to any Pennsylvania gas producer or Supply Aggregator in the Company's service territory which has executed a Field Transportation Service Agreement to transport at least 9,000 Mcf of gas production per month on the Company's gathering or transmission system.

Rate Schedule NGPV -- Natural Gas Powered Vehicles (page 85)

Available to the operator of a public fueling station for natural gas retail or transportation service.

Rider PGC, Rider M, Rider USP
 & Rider MFC

	Rider PGC - Gas Cost Charges			Base Rate Charges (4)	Rider STA (5)	Rider MFC (6)	Rider USP (7)	Rider GPC (8)	Rider ARC Rate Credit (9)	Rider DSIC (10)	Bill Display Total Rate (11=SUM 1 to 10)
	Demand/Capacity	GCA	Commodity								
	(1)	(2)	(3)								
Residential - Sales											
Customer Charge				\$ 15.7500					\$ (0.6944)	\$ -	\$ 15.0556
Demand/Capacity	\$ 1.0857					\$ 0.0217				\$ -	\$ 1.1074
PTC - Commodity Charge		\$ 0.4234	\$ 2.5274			\$ 0.0590		\$ 0.1400		\$ -	\$ 3.1498
Delivery Charge				\$ 6.7743	\$ 0.0029		\$ 0.6901		\$ (0.2731)	\$ -	\$ 7.1942
Total per MCF											\$ 11.4514
SGS - Sales											
Customer Charge											
0 to 499 MCF/Yr				\$ 35.0000					\$ (0.8243)	\$ -	\$ 34.1757
500 to 999 MCF/Yr				\$ 65.0000					\$ (0.8243)	\$ -	\$ 64.1757
Demand/Capacity 1/	\$ 0.3825					\$ 0.0016				\$ -	\$ 0.3841
Price-to-Compare Charge 1/	\$ 0.7530	\$ 0.4234	\$ 2.5274			\$ 0.0152		\$ 0.1400		\$ -	\$ 3.8590
Delivery Charge				\$ 5.1008	\$ 0.0029				\$ (0.1745)	\$ -	\$ 4.9292
Total per MCF											\$ 9.1723
MGS - Sales											
Customer Charge											
1,000 to 2,499 MCF/Yr				\$ 75.0000					\$ (2.1273)	\$ -	\$ 72.8727
2,500 to 24,999 MCF/Yr				\$ 175.0000					\$ (2.1273)	\$ -	\$ 172.8727
Demand/Capacity 1/	\$ 0.2441					\$ -				\$ -	\$ 0.2441
Price-to-Compare Charge 1/	\$ 0.8110	\$ 0.4234	\$ 2.5274			\$ -		\$ 0.1400		\$ -	\$ 3.9018
Delivery Charge				\$ 4.8604	\$ 0.0029				\$ (0.1117)	\$ -	\$ 4.7516
Total per MCF											\$ 8.8975
LGS - Sales < 100,000 Mcf/yr											
Customer Charge											
25,000 to 49,999 MCF/Yr				\$ 800.0000					\$ -	\$ -	\$ 800.0000
50,000 to 99,999 MCF/Yr				\$ 1,500.0000					\$ -	\$ -	\$ 1,500.0000
Demand/Capacity 1/	\$ 0.2622					\$ -				\$ -	\$ 0.2622
Price-to-Compare Charge 1/	\$ 0.8774	\$ 0.4234	\$ 2.5274			\$ -		\$ 0.1400		\$ -	\$ 3.9682
Delivery Charge				\$ 3.7500	\$ 0.0029				\$ -	\$ -	\$ 3.7529
Total per MCF											\$ 7.9833
LGS - Sales > 100,000 Mcf/yr											
Customer Charge											
100,000 to 199,999 MCF/Yr				\$ 5,000.0000					\$ -	\$ -	\$ 5,000.0000
Over 200,000 MCF/Yr				\$ 7,500.0000					\$ -	\$ -	\$ 7,500.0000
Demand/Capacity 1/	\$ 0.2622					\$ -				\$ -	\$ 0.2622
Price-to-Compare Charge 1/	\$ 0.8774	\$ 0.4234	\$ 2.5274			\$ -		\$ 0.1400		\$ -	\$ 3.9682
Delivery Charge				\$ 0.9988	\$ 0.0029				\$ -	\$ -	\$ 1.0017
Total per MCF											\$ 5.2321

1/ The Price-to-Compare format as shown is applicable to a Non-Priority One customer; the Price-to-Compare Charge for a Priority One customer would not include the Demand/Capacity charge. See the Residential - Sales section above as an example of Priority One.

Rider PGC, Rider M, Rider USP
 & Rider MFC

	Base Rate Charges	Rider STA	Rider USR	Rider PGC Capacity	BB&A	Rider ARC Rate Credit	Rider DSIC	Bill Display Total Rate	Retainage Charge
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8=SUM 1 to 7)	
Rate RS-T (Transportation Service)									
Customer Charge	\$ 15.7500					\$ (0.6944)	0.00% \$ -	\$ 15.0556	
Demand/Capacity				\$ 1.0857				\$ 1.0857	
Delivery Charge	\$ 6.7743	\$ 0.0029	\$ 0.6901			\$ (0.2731)	\$ -	\$ 7.1942	
Total per MCF								\$ 8.2799	4.8%
Rate SGS-T (Transportation Service)									
Customer Charge									
0 to 499 MCF/Yr	\$ 35.0000					\$ (0.8243)	\$ -	\$ 34.1757	
500 to 999 MCF/Yr	\$ 65.0000					\$ (0.8243)	\$ -	\$ 64.1757	
BB&A 1/					\$ 0.3825			\$ 0.3825	
Delivery Charge	\$ 5.1008	\$ 0.0029				\$ (0.1745)	\$ -	\$ 4.9292	
Total per MCF								\$ 5.3117	4.8%
Rate MGS-T (Transportation Service)									
Customer Charge									
1,000 to 2,499 MCF/Yr	\$ 75.0000					\$ (2.1273)	\$ -	\$ 72.8727	
2,500 to 24,999 MCF/Yr	\$ 175.0000					\$ (2.1273)	\$ -	\$ 172.8727	
BB&A 1/					\$ 0.2441			\$ 0.2441	
Delivery Charge	\$ 4.8604	\$ 0.0029				\$ (0.1117)	\$ -	\$ 4.7516	
Total per MCF								\$ 4.9957	4.8%
Rate LGS-T (Transportation Service)									
Customer Charge									
25,000 to 49,999 MCF/Yr	\$ 800.0000						\$ -	\$ 800.0000	
50,000 to 99,999 MCF/Yr	\$ 1,500.0000						\$ -	\$ 1,500.0000	
BB&A 1/					\$ 0.2622			\$ 0.2622	
Delivery Charge	\$ 3.7500	\$ 0.0029					\$ -	\$ 3.7529	
Total per MCF								\$ 4.0151	4.8%
Rate LGS-T (Transportation Service)									
Customer Charge									
100,000 to 199,999 MCF/Yr	\$ 5,000.0000						\$ -	\$ 5,000.0000	
Over 200,000 MCF/Yr	\$ 7,500.0000						\$ -	\$ 7,500.0000	
BB&A					\$ 0.2622			\$ 0.2622	
Delivery Charge	\$ 0.9988	\$ 0.0029					\$ -	\$ 1.0017	
Total per MCF								\$ 1.2639	4.8%

1/ The Demand/Capacity Charge applies to Priority 1 ratepayers when electing transport service. All other Ratepayers are billed the BB&A charge.

(C)

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(c) Indicates Change

RULES AND REGULATIONS

These Rules and Regulations of the Company, and the applicable regulations promulgated by the Commission, shall all be considered part of an incorporated into the Company's gas service contract with every Customer and each Customer agrees to be bound thereby.

1. CUSTOMER CLASS DEFINITIONS

A. Residential Customers

Residential Customers include Customers who use gas for household purposes. In this class are included single-family dwellings, boarding and rooming houses, duplex houses, private garages appurtenant to private homes or dwellings, apartments, apartment buildings, master-metered multi-family dwellings with four (4) or fewer apartments or rental units and governmental housing in which the units are individually metered. In this class the element of human welfare and comfort in a residential setting is the primary distinguishing test of the Customer's use of gas. Each meter represents one Customer.

B. Commercial Customers

Commercial Customers include Customers who use gas in establishments of a commercial or service nature for purposes other than manufacturing and Customers who do not use gas for large-volume power or process steam generation. In this class are included, among others, hotels, restaurants, cafeterias, bars, grills, delicatessens, butchers, farming operations, grocers, beauty parlors, barber shops, wearing apparel shops, department stores, garages not appurtenant to dwelling houses, gasoline stations, tailors, dry cleaners, small laundries, small bakeries, dairies, warehouses, office buildings, clubs, fraternities, sororities, lodges, associations, theaters, auditoriums, professional offices, printing shops, private garages that are not appurtenant to private homes or dwellings and are separately metered, mercantile establishments, schools, colleges, churches, charitable institutions, libraries, hospitals, public buildings, governmental entities, and master-metered multi-family dwellings with five (5) or more apartments or rental units. In the case of master-metered family dwellings, the owner of the property must be the Customer. If the Customer's predominant usage is for natural gas-powered vehicle service, then the Customer will be classified as a commercial Customer. Each meter represents one Customer.

C. Industrial Customers

Industrial Customers include Customers who use gas for manufacturing or industrial purposes, large-volume power production, process steam generation and for any other purpose not predominantly residential or commercial.

D. Changes in Customer Classification

Any Customer who believes that as a result of a change in the use of premises served its Rate Schedule classification ought to be changed must contact the Company. All changes will be determined by the Company on a prospective basis, after it has been notified of the change. The Company also reserves the right to make changes in classification on its own initiative. The decision of the Company as to classification shall be final.

RULES AND REGULATIONS (Continued)**2. APPLICATION FOR SERVICE**

- A. All Customer/Applicants desiring service under this Tariff shall contact the Company and specifically request the type and nature of service. Upon request, the Company will inform the Applicant about gas supply services offered in its service territory by either providing a list of licensed NGS or referring the Applicant to the Commission for further information. In any circumstance where an application for service under this Tariff involves or is related to an NGS, such application will not be processed by the Company unless the Applicant and/or the Applicant's NGS provides the necessary information relating to service.
- B. A non-residential Applicant for any service under this Tariff will be required to sign an application/agreement for natural gas service unless the Company, in its sole discretion, accepts an oral application from a non-residential Applicant. The Company shall accept an oral application from a residential Applicant, except that the Company may require a written application from a residential Applicant if the Company determines that positive identification or other documentation is necessary. The application information required from a residential Applicant shall include but not be limited to complete name and contact information, including all adults and children living at the service address, employment information and landlord contact information, if Applicant is renting the service address. The Company may request verification of the identity of Applicant and other adult occupants of service address in the form of government issued photo ID (i.e., driver's license) or two alternative forms of identification, one of which must be a photo ID.
- C. Acceptance of service by a Customer shall constitute an agreement to accept service under the Rules and Regulations of this Tariff, as amended from time to time, the orders and regulations of the Commission and the applicable laws of the Commonwealth of Pennsylvania.
- D. The Company may, as a condition of furnishing residential service to an Applicant, require the Applicant, in accordance with applicable Commission regulations, to pay an outstanding gas service account balance, if the Company can show that the Applicant resided at the property for which service is requested during the period of time that the outstanding balance accrued. The methods used by the Company to determine an Applicant's liability for any such previously furnished service may include reference to customer service records of the Company, including scratch pad notes, service contracts, information collected from the Applicant and other members of the household in connection with any help provided by the Company in determining eligibility for and completing applications to various assistance programs. Other methods which may be used by the Company for such purposes include identity authentication services, mortgage, deed or lease information, commercially available consumer credit reporting services and other methods which are or have been approved as valid by the Commission.
- E. The Company may decline or refuse to serve an Applicant for any of the following reasons: (i) the Applicant has failed to comply with state and municipal regulations governing gas service, including the Commission's regulations, and the approved Rules and Regulations of the Company contained in this Tariff and any supplement thereto; (ii) the Company does not have adequate facilities in place to render the service desired or if rendering such service would adversely affect service to the Company's existing Customers; (iii) the Applicant's installation of piping or gas equipment is, in the Company's judgment, hazardous, not installed by qualified personnel or of such character that safe and adequate service cannot be delivered; (iv) an extension of Company facilities is required and the Applicant refuses to pay the required contribution in-aid-of-contribution, as calculated in accordance with Rule No. 3 of these Rules and Regulations; (v) amounts due for service to Applicant at a previous location have not been paid or covered by a payment agreement (unless the amount owed has been outstanding and unpaid for more than four (4) years after the date of the applicable final bill, in which case service cannot be refused); (vi) where the requested service would have to be delivered from gathering pipeline facility; or (vii) the Applicant has another source of gas supply separately delivered or available to the structure(s) or building(s) where the Company's gas service is desired, such that the gas supplied by the Company would be commingled with the separately delivered gas supply, contrary to Company policy against commingled gas.

RULES AND REGULATIONS (Continued)**3. EXTENSION OF FACILITIES**

- A. Subject to the provisions of Rule No. 2 hereof, the Company will extend its facilities to a new point of delivery within its service territory if, in its judgment and consistent with Commission regulations, the service to such new point of delivery will have no adverse effect upon the availability of gas to meet the present and reasonably foreseeable volume and pressure needs of existing Customers. The Company may condition the extension of facilities upon the applicant's providing a contribution in aid of construction ("CIAC"), the amount of which will be determined by the Company and consistent with any parameters approved by the Commission.

- B. If the Company requests a CIAC from an Applicant and additional Customers are added to the extended facilities financed by the Applicant's CIAC within three (3) years after the date of completion of the facilities extension, and the applicant is not utilizing the option under Rider SET to pay for the CIAC, the Applicant who paid the CIAC will be entitled to a pro rata refund during the three-year period immediately following completion of the extension.

- C. Any CIAC, Customer advance, or other like amounts received from the Customer which shall constitute taxable income as defined by the Internal Revenue Service will have the federal income taxes segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with a CIAC or Customer advance will not be charged to the specific contributor of the capital.

RULES AND REGULATIONS (Continued)**4. RULES FOR SECURITY DEPOSITS: RESIDENTIAL CUSTOMERS**

- A. A deposit from a Customer shall conform to the requirements of all applicable Commission regulations and statutory requirements. Deposits required by the Company for services under this Tariff shall not be based on unpaid charges for gas supply services provided by an NGS.
- B. The Company may also require a security deposit from an Applicant if any of the following conditions exist:
- 1) The Applicant was a residential distribution service Customer of the Company whose service was terminated for any of the following reasons:
 - a. Nonpayment of an undisputed delinquent account.
 - b. Failure to complete payment of a deposit, provide a guarantee, or establish credit.
 - c. Failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading.
 - d. Unauthorized use of the utility service delivered on or about the affected dwelling.
 - e. Failure to comply with the material terms of a settlement or payment agreement.
 - f. Fraud or material misrepresentation of identity for the purpose of obtaining utility service.
 - g. Tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other Company equipment.
 - h. Violating Tariff provisions which endanger the safety of a person or the integrity of the Company's gas delivery system.
 - 2) The Applicant is unable to establish creditworthiness to the satisfaction of the Company through the use of a generally accepted credit scoring methodology which employs standards for using the methodology that fall within the range of general industry practice.
 - 3) The Applicant has failed to comply with any material term or condition of a settlement or payment agreement.
- C. If an Applicant is required to post a security deposit, the Applicant may, in the alternative:
- 1) Furnish a written guaranty from a third party, which can, to the Company's satisfaction, establish credit in Applicant's favor sufficient to assure payment to the Company upon demand of an amount equal to that which would otherwise be required in a security deposit.
- A written guaranty in a form acceptable to the Company must be received by the Company prior to commencement of utility service to any Applicant who elects the foregoing alternative to the posting of a security deposit.
- D. The Company may require an existing or terminated Customer to post a security deposit in order to re-establish credit under any of the following circumstances, after giving the Customer due notice of its intention to require a security deposit in accordance with prevailing Commission regulations:
- 1) The existing Customer has been delinquent on any two (2) consecutive bills or three (3) or more bills within the preceding twelve (12) month period.
 - 2) The existing Customer has failed to comply with a material term or condition of a settlement or payment agreement, as defined in applicable Commission regulations.
 - 3) The Customer's utility service has been terminated and the Customer desires reconnection.

RULES AND REGULATIONS (Continued)

- E. When the Company requires a security deposit from an Applicant or Customer, the due date for the payment of such security deposit will be in accordance with the applicable Commission regulations.

- F. A security deposit may be required in an amount equal to twice the average estimated monthly bill of the Applicant. This estimate shall be based upon prior consumption for like service at the subject premises, wherever available. Should the character or degree of the Customer's usage materially change, or if it is established clearly that either will materially change in the immediate future, the amount of the deposit may be adjusted at the request of either the Company or the Customer.

- G. All residential deposits shall bear interest at the simple annual interest rate determined by the Secretary of Revenue for interest on the underpayment of tax under section 806 of the act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code. Such interest will be credited to the Customer's account at the end of each year after the date of the deposit and either applied against the oldest unpaid bill or paid to the Customer, at the Customer's option. (C)

- H. The Company shall refund or apply to a Customer's outstanding balance any security deposit held, plus accrued interest, under the following conditions:
 - 1) Upon discontinuance or termination of service.
 - 2) After a Customer has paid bills for utility service in full and on time for twelve (12) consecutive months.
 - 3) At the option of the Company, a security deposit including accrued interest may be refunded in whole or in part at any time earlier than the time stated in this Rule.
 - 4) After the Company has held the Customer deposit for a maximum of 24 months, if none of the above conditions are met.

- I. When a security deposit is refunded or applied against an existing account balance, the Company will provide the Customer with a written statement showing the amount of the deposit, the accrued interest thereon, the application of the deposit to any prior or current utility service account balance(s) and the remaining balance(s). Any refunded deposit, together with accrued interest, shall be paid to the Customer or to any person or persons whom the Customer directs.

RULES AND REGULATIONS (Continued)**5. RULES FOR SECURITY DEPOSIT: NON-RESIDENTIAL CUSTOMERS**

- A. The Company reserves the right to require a security deposit for all services to be supplied, or to require an increase in an existing deposit if there is an increase in the monthly bill for services rendered. The Company further reserves the right to apply such deposit to bills previously incurred by the Customer under the existing or any previous utility service contract with the Company.
- B. A deposit may be required from a Customer in an estimated amount equal to twice the average of the three (3) highest monthly bills anticipated during the succeeding twelve (12) month period. Such estimate shall be made from the record of service rendered to the same premises during the last twelve (12) months of use, whether by Customer or by a prior occupant of the premises, adjusted to recognize the extent of the proposed use as compared with the past use thereof. If there is no prior record of service rendered to the premises, an estimated deposit shall be calculated by the Company based upon the Customer's proposed use of utility service to be provided.
- C. All non-residential Customer security deposits shall bear interest at the rate of six percent (6%) per annum, without deduction for any taxes thereon. Interest will be credited at the end of each year after the date of the deposit to the Customer's account and applied against the oldest unpaid bill. Upon final discontinuance or termination of utility service, any security deposit and accrued interest remaining with respect to said discontinued or terminated account will be first applied against the unpaid account balance, if any, with the remainder to be refunded to the Customer or to any person or persons whom the Customer directs.
- 1) If a Customer does not choose to restrict the release to one of the two (2) restriction options listed below by responding to the Company's letter notification, then all of the Customer's private information may be released to a third party, except for the Customer's telephone number. If the Customer chooses to restrict the release of private Customer information, the Customer may restrict information released according to one of the following two (2) restriction options:
- a. Private Customer information may be released except for the Customer's historical billing data in the Company's standard pricing unit (Mcf); or
- b. All private Customer information shall be restricted and not released, including name, billing address, service address, rate class, rate sub-class, account number and historical billing data (by Mcf).
- 2) Customers may restrict the release of their private information at any time by giving written notice to the Company. If a Customer's private information has already been released by operation of subparagraphs 2.a. and b. above, and a Customer thereafter instructs the Company to restrict the release of private information, then all subsequent releases of such information by the Company shall be restricted in accordance with the Customer's direction.

RULES AND REGULATIONS (Continued)**6. CUSTOMER EDUCATION/INFORMATION DISCLOSURE FOR RESIDENTIAL AND SMALL BUSINESS CUSTOMERS**

The following requirements are applicable only for Residential and Small Business(annual usage less than 300 Mcf per year) Customers:

- A. The Company's Customer Choice Education Program will comply with all applicable Commission orders and regulations and will make use of community-based organizations, where appropriate, to help educate hard-to-reach groups.

- B. In addition to materials provided in the Company's Customer Choice Education Program, Customers should also refer to all applicable Commission regulations and guidance on information and resources available to them on the subject of Customer Choice.

- C. Privacy of Customer Information
 - 1) Neither the Company nor any NGS may release private Customer information to a third party unless the Customer has been notified of such intent and has been given an opportunity to restrict the release by responding orally, electronically or by signed response to a letter notification sent to every Customer by the Company. Customers shall have fifteen (15) days to respond to the Company's notice and if they choose to respond in writing, the response form must be deposited in the mail within fifteen (15) days after the date of such notice.
 - 2) Under no circumstances will the Company release a Customer's telephone number except in compliance with a court process or as otherwise required by law.
 - 3) The Company shall provide to all NGS authorized to serve Customers on the Company's system a complete list of Residential and Small Business Customers who, as of that date, have not restricted the Company to release some or all of their private Customer information, together with that information which the Customer has authorized the release of.

- D. The Company will maintain a current list of the NGS who have also satisfied the Company's financial fitness and creditworthiness requirements. That list will be made available to Customers upon request.

- E. The Company will inform Customers of their ability to select an NGS through its Customer Choice Education Program, as approved by the Commission. Once a year, by bill insert or separate mailing for the life of the Customer Choice Education Program, the Company will distribute the Commission's authorized 'Common Natural Gas Competition Terms' (the "Competition Terms"), as required by applicable Commission regulations. The Competition Terms, as approved by the Commission, are incorporated into this Tariff by reference thereto.

RULES AND REGULATIONS (Continued)

- F. The Company's consumer education materials shall include a portion which describes the rights of consumers with respect to NGS disclosures of terms of service, marketing/sales activities, the right of rescission and privacy of Customer information.
- G. The Company will respond to reasonable requests for efficiency information by providing materials or directing inquiries to the Commission. Customers participating in the Company's Customer Choice Program shall, upon request to the Company, be entitled to receive free of charge once a year their historic billing data for the previous twelve (12) months, provided that such information is readily available in the Company's billing system.
- H. Inquiries and complaints from any Customer will be received and processed in a timely manner. Customer inquiries and complaints will be handled in accordance with applicable Commission regulations. When a Customer inquiry or complaint relates to services provided by an NGS, the Company will refer the Customer to the NGS for a response. If a Customer inquiry or complaint involves issues or services which directly involve both the Company and the Customer's NGS, the Company will maintain a system of tracking and coordinating the responses for both the Company and the NGS. If a Customer is dissatisfied with the Company's response, or indicates dissatisfaction with the NGS's response to the Customer with respect to the NGS's services, the Company will inform the Customer of the right to file an informal appeal with the Bureau of Consumer Services at the Commission and provide the Customer with the toll-free telephone number and mailing address of the Commission.
- I Customers enrolled in the Customer Choice Program shall contact the party (NGS or the Company) responsible for the service in question as an initial step in the resolution of any service problem or complaint. If the Customer contacts the wrong party, the Customer shall be promptly referred to the proper contact. In the event of an unexpected loss of firm gas service, the Customer shall be directed to the Company.

RULES AND REGULATIONS (Continued)**7. CUSTOMER BILLING INFORMATION DISCLOSURE FOR NON-PRIORITY CUSTOMERS**

The Company shall not release to an NGS Customer billing information concerning a Non-Priority Customer without the prior written approval of the affected Non-Priority Customer except in accordance with Rule 6 of this tariff as it pertains to small business customers compliance with court process or as otherwise required by law. (C)

8. DISCONTINUANCE AND TERMINATION OF SERVICE

- A. The authorized employees/agents of the Company shall at all reasonable times have free access to the premises of the Customer with the right to shut off the gas or otherwise terminate utility service and remove the Company's equipment from the premises for any of the following reasons: (i) repairs, (ii) nonpayment of any bills due under the existing or any previous contract, (iii) tampering with the meter or meter connections, (iv) fraudulent representation in relation to the consumption of gas, (v) removal of Customer from the premises, (vi) theft of service, (vii) selling or delivery of gas to other occupants of the premises without application to the Company, (viii) failure to pay or increase any security deposit required by the Company, (ix) want of supply, (x) waste of gas from Customer's lines or appliances, (xi) discovery of a separately delivered or commingled gas supply to a building served by the Company, or (xii) failure to or refusal to comply with any of these Rules and Regulations. Utility service may not be discontinued or terminated under any circumstances, however, except in accordance with Commission Regulations in effect and applicable at the time of such contemplated discontinuance or termination.
- B. A Customer who desires to have utility service turned off shall give the Company at least seven (7) days' prior notice to do so. In the absence of such notice, the Customer shall be responsible for all service rendered until proper notice is given and utility service is terminated. If service is terminated or discontinued at the request of the Customer, or for any of the foregoing reasons, excepting repairs, want of supply and any leak of gas from Customer or Company lines, the same Customer, whether an Applicant or a Customer, shall pay the applicable turn-on fee if the resumption of service occurs at the same address within twelve (12) months after such service discontinuance or termination. The turn-on fee for residential Customers shall be \$50 plus the accumulated monthly Customer charges for each month of the intervening period of discontinued service. The turn-on fee for non-residential Customers shall be an amount equal to \$100 plus the accumulated monthly Customer charges for each month of the intervening period of discontinued service.
- 1) A transportation service Customer of the Company wishing to terminate utility service need not contact his/her NGS, as notice of the Customer's intent to terminate utility service shall be conveyed to the NGS by the Company upon receipt of the Customer's notice of termination. A transportation Customer who desires to change his/her NGS should refer to the procedures set forth in Rule No. 18.U. (C)
- C. The Company may terminate service for nonpayment of a bill or bills for service, and such termination of service shall be accomplished in accordance with any applicable regulations of the Commission and in accordance with the Public Utility Code. The Company may terminate service for the reasons and on such notice as may be specified by the applicable regulations of the Commission, or for any violation of these Rules and Regulations. The Company may refuse to serve any Applicant, or terminate service to any existing Customer who fails to pay a security deposit as required by these Rules and Regulations. (C)
- D. In the event that a judgment is executed against a Customer, or if the premises described or referred to in the service contract as the service address or the personal property at said service address shall be levied upon under execution, or in case of any acts of assignment, filing of involuntary or voluntary petitions in bankruptcy, or any action in Court for the reorganization of any Customer, the service contract, at the option of the Company, shall cease and terminate, all utility service shall be terminated and all claims for retail or transportation service previously provided shall become forthwith due and payable without notice from said Company to the extent permissible under applicable bankruptcy laws and Commission regulations.

RULES AND REGULATIONS (Continued)**9. OWNERSHIP AND MAINTENANCE OF FACILITIES**

The Company shall own and be responsible for maintaining the saddle or tap on its pipeline facilities, the connection between the tap and the curb or Customer's property line, the stop cock and service box (if these are necessary), the regulators and any excess-pressure protective devices and the meter. The Customer shall own and be responsible for maintaining all other facilities and equipment required for his/her gas service, including but not limited to, the gas line between the service box and the meter, any special housing required for the regulator and a stop cock at the inlet of the meter. The Customer shall provide, at his/her sole expense, the space required for the Company to maintain its meter(s), regulator(s) and any other equipment which the Company determines will be necessary for the rendering of safe and adequate gas service. The Company reserves the right to establish standards as to the location, size, fire-proofing, ventilating, etc., of such space in accordance with pressure conditions, gas volumes used by the Customer and other pertinent operational factors. The Customer shall install, at his/her sole expense, the service line to the point of connection designated by the Company. The service line is to be installed by the Customer in compliance with all Company service line and related requirements. All material used in and the construction of a Customer's service line must be of a quality acceptable to the Company. All interior and exterior service lines to the Customer's side of the street connection stop cock at the curb or lot line shall be kept and maintained in good condition by the Customer or the owner of such facilities. When leaks or hazardous conditions of such interior and exterior service lines are found, repairs shall be made promptly by the Customer or the owner of such facilities. The Customer shall not tamper or interfere, in any way, with the meter, regulator or any other Company facilities or equipment used to provide utility service. Neither shall the Customer attempt to increase or decrease the pressure of gas service being delivered to his/her service address, but shall submit any such request to the Company. The Customer shall never secure a separately delivered supply of gas which is commingled with the gas service provided by the Company.

10. LEAKS AND WASTE

It shall be the responsibility of the Customer to exercise all due care in the detection of defects and leaks, and in case of failure or deficiency of gas, leakage, excess pressure or other dangerous developments incident to the handling of gas under pressure. The Customer agrees to give immediate notice thereof to the Company. The Customer's failure to give such immediate notice, should loss or injury follow, shall be conclusive evidence of his/her contributory or comparative negligence. Should any leak or defect be discovered in the distribution facilities or service connections or in the Customer's service line, piping or appliances, the Company shall have the right to shut off the supply of gas until satisfactory repairs have been made.

11. LIMITATION OF LIABILITY

The Company does not guarantee uninterrupted gas service and shall not be liable for damages due to variations or interruptions of service. Neither shall the Company be liable for failure to furnish a sufficient supply of gas or for failure to transport the Customer's gas to the Customer arising from any cause whatsoever. The Company shall not be liable for any injury to person or property arising from the use of gas by or the supply of gas to the Customer which is not the result of negligence solely on the part of the Company. THE COMPANY MAKES NO WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE. In no event shall the Company be liable for incidental, indirect, special or consequential damages, including loss of use or profit. These limitations shall apply whether the claim is pleaded in contract or in tort, including negligence and strict liability in tort. For the purposes of this Rule, all pipe, fittings and appliances on the Customer's side of the curb cock or shutoff valve of the service pipe which connects with the Company's pipeline facility are the property and responsibility of the Customer, and in no event shall the Company be liable for any injury to person or property arising there from.

RULES AND REGULATIONS (Continued)**12. MEASUREMENT OF GAS**

All gas delivered by the Company shall be measured by meter. The term "Mcf", as used in the Company's schedule of rates, shall mean 1,000 cubic feet of gas. A cubic foot of gas shall be defined as follows:

A. Low Pressure Deliveries

For sales at low pressure (i.e., .5 PSI or less), a cubic foot of gas shall be the amount of gas that occupies a volume of one cubic foot at the time metered and under the conditions existing at the Customer's meter.

B. All Other Deliveries

For sales at higher (i.e., more than .5 PSI) pressures, a cubic foot of gas shall be the amount of gas that occupies a volume of one cubic foot at an absolute pressure of 14.73 pounds per square inch and a temperature of 60 degrees (60°) Fahrenheit.

All meters shall be owned by the Company. All such meters and any regulators installed in connection therewith shall be open to inspection at reasonable times by both the Company and the Customer for the purpose of seeing that they are in good condition. If, at any time after installation of any meter or regulator, conditions change so that its location becomes unsuitable, the Company shall have the right to move the meter or regulator to a suitable place at the expense of the Customer or property owner.

The measurement of gas by meter shall be conclusive on the Customer and the Company, except from the time a meter is found to be defective or ceases to register until the meter is repaired. In such cases, the amount of gas delivered shall be estimated by the amount measured by meter during a previous corresponding period under similar conditions. If a Customer requests a test of the accuracy of the meter through which his/her gas service is supplied, the Company will, upon written application accompanied by the fee specified by the rules of the Commission, have the meter removed, sealed and tested and a certificate of test given the Customer. If the meter so tested shall be found to be inaccurate, as determined by the rules of the Commission (i.e., in excess of the 2% tolerance), the Company shall refund any applicable fee charged for such test.

13. TAMPERING/UNAUTHORIZED USE

Theft of service or service obtained from the Company without authority may be terminated by the Company at any time without notice. Any use of utility service without notifying the Company and enabling it to read its meter, will render the user liable for any amount due for service supplied to the premises from the time of the last reading of the meter immediately preceding the unauthorized user's occupancy, as shown by the records of the Company.

Where evidence is found that any Company facilities or equipment on a Customer's premises have been tampered with, the Customer shall be required to bear all costs incurred by the Company for investigations and inspections and for whatever protective equipment may be necessary, in the judgment of the Company, to guard against further tampering. In addition, where the tampering has resulted in improper measurement of the service supplied, the Customer shall be required to pay for such natural gas volumes as the Company may estimate from available information to have been used by the Customer, but not measured by the Company's meter(s). Such payment shall include interest at the late-payment charge rate.

RULES AND REGULATIONS (Continued)**14. BILLING AND PAYMENT TERMS****A. Residential and General Service Customers**

- 1) Meter Readings – Bills will be rendered and payable once each month. A billing period shall be the period between meter reading dates, including estimated meter readings. The Company may read any meters once each month, but ordinarily it will read meters of residential and general service Customers once every two (2) months. During the summer months (April through September), the Company reserves the right to estimate meter readings for as many as five (5) consecutive months. Any estimated meter readings shall be determined on the basis of the Customer's previous actual gas usage adjusted for weather conditions. Every bill will be the result of applying the volumes consumed and delivered or estimated to the applicable rates, charges and penalties (if any) set forth in this Tariff. The Customer's service is subject to discontinuance if, because of the Customer's failure to provide the Company with reasonable access to the meter, more than three (3) consecutive bills must be based on estimated rather than their actual meter readings by Company personnel.
- 2) Customer Meter Reading Cards – Upon request, the Company will supply any Customer with a card upon which the Customer may record his/her actual meter reading at the end of any month during which the reading would otherwise be estimated. If such card is received by the Company, or if the Customer's meter reading is reported by telephone to the Company's Customer Service Department or via the Company's website within two (2) days after the close of the billing month, the bill for service rendered during such month will be computed from the actual meter reading shown on the card or so reported to the Company, rather than by estimate. The Company reserves the right to adjust its bill estimates for changes in conditions of which it has been notified in advance by a Customer.
- 3) Customer Bills – A bill will be rendered to each residential and general service Customer on account of each meter. Bills will be rendered as nearly as possible on the same day of every month and shall be payable upon presentation. A bill shall be deemed delinquent if it is not paid by the due date; provided, however, that a residential Customer bill paid by mail shall not be deemed delinquent unless payment is not received within five (5) days after the due date. The due date for residential Customers shall be twenty (20) days after the date of mailing the bill. Delinquent residential accounts shall be subject to a late payment charge of 1.25 percent per month. The due date for general service Customers shall be fifteen (15) days after the date of mailing the bill. Delinquent general service accounts shall be subject to a late payment charge of 1.5 percent per month. A payment received from a Customer owing a previous balance shall be applied first to the previous balance and only after such previous balance has been fully paid shall any remainder of the payment be applied to the current bill. Payment of bills may be made at payment locations authorized by the Company during their regular business hours. Payment shall be deemed to have been made on the date that payment is actually received by the Company's lockbox service or at the authorized payment locations, provided, however, that the date such payment is received by an authorized payment center shall be considered the payment date with respect to residential Customers who mail their payments.
- 4) Electronic Payment Option - Customers can elect to pay their monthly gas bills electronically by means of the Company's 'GasCheck', automated telephone payment or on-line bill payment options. More information about the Company's electronic bill payment options are available at the Company's web-site.

RULES AND REGULATIONS (Continued)

- 5) Credit Card Payment Options – The Company will endeavor to make available to Priority Customers a third-party payment processor, which will accept credit card payments directly from Customers for gas service. All fees charged by the third-party payment processor will only be charged to Customers electing the convenience of paying their bill by credit card. The third-party payment processor will remit to the Company only the amount of the Customers' credit card payments attributable to the Company's gas service. The Customers will be solely responsible for any fees charged by the third-party payment processor.

- 6) Dishonored Checks – If the Company receives a check or other negotiable instrument in payment of any bill, charge, or deposit, and if such instrument is subsequently dishonored or is unable to be collected for any reason, the Company may charge the subject Customer or Applicant a service charge in the amount of \$35. The service charge may be billed separately by the Company.

- 7) On-Site Service Charges – The Company shall have the right to bill Customers for certain services requiring an on-site visit by Company personnel. Customers requesting a service line inspection may be billed a service charge of \$100 for each subsequent service line inspection following the failure of the initial service line inspection test. A \$25 charge will apply to Customers requesting an extra meter read, provided, however, no charge will apply if the extra read detects a meter read error. If the Customer requests that the meter be tested, an additional charge of \$75 will apply provided; however, no service charge will be assessed if the investigation detects an inaccurate meter exceeding the Commission's two percent (2%) tolerance limit. A \$200 service charge may be assessed for a temporary service line. Moreover, the period of time during which the line can be used to provide service to the Customer will be at the sole discretion of the Company. There will be no service charges for the relighting of appliances, if gas service to the Customer has been interrupted as a result of action taken by the Company, such as a meter change or a gas pipeline repair or replacement. In addition, No service charge shall apply to on-site visits made in response to reasonably suspected hazardous situations, including but not limited to those involving an unexplained odor of gas.

- 8) Final Bill – Except as otherwise provided in this Rule, final bills for Customers receiving service under this Tariff may be based on estimated consumption without an actual meter reading. When a final bill is estimated, the estimated consumption shall be based on average daily usage for non-heat usage, average usage per degree day for heating usage, and the number of days in the final billing period. Final bills will not be estimated when usage factors cannot be calculated, when a Customer specifically requests that the meter be read, or when a Customer provides a meter reading, which is subject to the Company's review. The Company reserves the right to estimate any Customer's final meter reading, where access to the meter has been requested and is not provided within a reasonable time.

RULES AND REGULATIONS (Continued)**B. Customers Other than Residential or General Service Customers**

With respect to Customers other than Residential and General Service Customers, bills will be rendered monthly on or about the same day of each month and shall be payable once each month upon presentation. A bill for any Customer covered by this paragraph shall be deemed delinquent when it remains unpaid after the due date specified on the bill. The Company may impose a service charge of \$75 for each check received in payment of a bill which is not honored, but returned by the bank on which the check is drawn. A payment received from a Customer owing a previous balance be applied first to the previous balance and only after such previous balance has been fully paid shall any remainder of the payment be applied to the current bill. Payment of bills by Customers covered by this paragraph shall not be deemed to have been made until received by the Company's lockbox service or at an authorized payment location during regular business hours. Customer accounts covered by this paragraph shall be subject to a late payment charge of 1.5 percent per month if the bill is not paid in its entirety on or before the due date specified on the bill, which shall be fifteen (15) days after the date of mailing the bill.

Notwithstanding anything contained herein to the contrary, if the Company determines that the creditworthiness of any Customer covered by this paragraph is uncertain to the point of causing concern as to such Customer's continued ability to pay the Company's bills for utility service when they are due, the Company shall have the right to impose weekly or biweekly billing with payment due and payable within five (5) days thereafter and/or require security for payment in the form of a cash deposit, letter of credit or surety bond, but not to exceed twice the amount of the average of the Customer's three highest bills during the previous twelve months.

In evaluating a Customer's creditworthiness, the Company will take into account certain factors, including but not limited to the following: (i) average monthly consumption, (ii) average monthly bill, (iii) Customer's general credit standing as evaluated by any credit rating index or rating service acceptable to the Company, and (iv) Customer's payment history and credit standing with other lenders or other providers of utility and other services.

C. Application of a Rate Schedule

The Company will compute bills under the rate schedule applicable to the Customer's usage based on information obtained by the Company or furnished by the Customer. If, through any cause, a Customer is billed on a Rate Schedule that is not appropriate to the Customer's usage, the Company shall transfer the Customer to the proper Rate Schedule. The Company will notify the Customer of the change and render corrected billings, if necessary.

D. Discontinuance of Service to Customers

Customers discontinuing use before the expiration of the contract period shall pay for the service rendered, in accordance with the applicable rate schedule. In addition, the Customer shall be obligated to pay the minimum charges for the unexpired portion of the contract, or until the service is transferred to another Customer.

RULES AND REGULATIONS (Continued)**15. EMERGENCY PLAN – PRIORITY OF SERVICE AND CURTAILMENT FOR RETAIL CUSTOMERS**

The following Natural Gas Emergency Plan (the “Plan”) has been prepared in accordance with regulations at Title 52 of the Pennsylvania Code, Chapter 59, Gas Service, Sections 59.71 through 59.75.

This Plan was implemented pursuant to applicable Commission orders and regulations. The Plan provides rules and regulations for Customers and Natural Gas Suppliers (“NGS”) licensed to provide commodity service to Customers on the Company’s pipeline system so that Customers can have responsive action plans in place to protect themselves and their property in the event of a crisis.

As part of the emergency planning process, the Company shall attempt to make every responsible effort to make contractual or informal arrangements with their sales Customers, transportation Customers, and others to obtain supplies or, as an alternative, to implement voluntary and/or mandatory usage reductions so that resorting to firm service reductions or curtailments under applicable Commission regulations can be avoided, and severe supply or capacity disruptions can be mitigated. The Plan is designed to minimize the potential for supply shortfalls that threaten public health and safety, not to make up for inadequate performance by individual parties.

A. Definitions

The following words and terms, applicable only in the context of this Rule, have the following meanings unless the text clearly indicates otherwise;

- 1) Alternate fuel – any fuel other than natural gas
- 2) Alternate fuel capability – the installed and operable ability to use any fuel other than natural gas on a time sensitive basis
- 3) Commercial use – gas usage by Customers engaged primarily in the sale of goods and services, including gas usage for office buildings, institutions, and government agencies
- 4) Essential human needs use – gas usage in any building where persons normally dwell, including residences, apartment houses, dormitories, hotels, hospitals, and nursing homes
- 5) Firm service – natural gas service offered to consumers under tariffs or contracts that anticipate no interruption
- 6) Industrial use – gas usage by Customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power
- 7) Interruptible service – natural gas services that can be temporarily discontinued under terms and conditions specified by tariff or contract
- 8) NGS – natural gas supplier

RULES AND REGULATIONS (Continued)

- 9) Plant protection use – minimum usage of natural gas required to prevent physical harm to an industrial or commercial consumer's facility, or danger to personnel at the facility, when the protection cannot be afforded through the use of an alternate fuel. Plant protection use includes gas necessary for the protection of material in process that would otherwise be damaged or destroyed, but does not include gas needed to maintain production.
- 10) Residential use – gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating, or other domestic purpose
- 11) Small General Service ("SGS") Customers – commercial and industrial Customers using less than 1,000 Mcf annually
- 12) Medium and Large General Service ("MGS" and "LGS") Customers – commercial and industrial MGS Customers using more than 1,000 Mcf but less than 25,000 Mcf annually and LGS Customers using more than 25,000 but less than 100,000 Mcf annually
- 13) Large Volume Service ("LVS") Customers – commercial, industrial, or any other customer using 100,000 Mcf or more annually

B. Priority of Services

The gas supplies available to the Company shall be allocated among its Customers in accordance with the priorities of use listed below. Customers in higher priority categories will not be curtailed until all Customers falling into the lower priority categories have been completely curtailed, unless operational circumstances or physical limitations warrant a different result. Where only partial curtailment of any one priority category is required, the implementation of gas service curtailment shall be prorated or weighted in accordance with the base allotments of all Customers within that category. The following paragraphs identify priority categories listed in descending order of priority:

- 1) Priority 1 – residential and firm critical SGS Customer requirements serving essential human needs
- 2) Priority 2 – firm SGS Customer requirements, excluding the critical essential human needs requirements covered in Priority 1, and firm MGS, LGS and LVS Customer requirements for plant protection
- 3) Priority 3 – firm MGS and LGS Customer requirements, excluding firm MGS and LGS Customer requirements for plant protection covered in Priority 2
- 4) Priority 4 – firm LVS Customer requirements, excluding firm LVS Customer requirements for plant protection covered in Priority 2
- 5) Priority 5 – Contractually interruptible use

C. Minimum Gas Requirements

In order to provide for the equitable allocation of gas available for sale and transportation to LVS Customers pursuant to the foregoing priority of service, a base annual volume of gas shall be established for each LVS Customer, as set forth below, subject to the adjustments hereafter noted:

- 1) The LVS Customers' base annual volume of gas shall be the highest consumption during twelve (12) consecutive billing months in the twenty-four (24) months ended as of the most recent calendar year-end.
- 2) The base annual volumes as so developed shall be broken down by the Company into base volumes for each priority of use, and these in turn shall be further broken down into base monthly volumes for each priority of use. For the purpose of developing breakdowns of base annual volumes of gas consistent with the Customer's normal historic consumption pattern, each Customer shall furnish such data with respect to its gas utilization and equipment as the Company may require. Base annual volumes shall be adjusted to recognize abnormalities in plant operations during the base period and deletions or approved installations of equipment during or subsequent to the base period.
- 3) Each LVS Customer shall complete a Schedule A, Annual Consumption for Curtailment Purposes, which shall include a schedule of consumption upon which the Customer's base annual volume will be divided into base monthly volumes according to priorities of use, their alternate fuel capability, and their minimum daily gas requirement for plant protection use. The Company will review and must approve each Schedule A.

RULES AND REGULATIONS (Continued)**D. Priority-Based Curtailments**

When, in the Company's sole judgment, its supply of gas is insufficient to meet the full requirements of all Company Customers on a continuing basis or upon issuance of an Order by the Commission mandating the initiation of priority-based curtailments, the Company may require each Customer to restrict their monthly consumption to a volume authorized by the Company.

Base period volumes shall be used as a basis for determining each Customer's authorized entitlement in the event of curtailment. Authorized entitlements shall be determined by multiplying the Customer's base period volume assigned to the priority category to be curtailed by the ratio of the total gas available for that priority category to the total of all base period volumes of all Customers in that priority category.

A gas shortage curtailment or change in curtailment level shall be imposed only after the Company has given reasonable notice to the affected Customer(s) pursuant to Section H of this Rule. Any such curtailment notice shall specify the authorized monthly consumption to which the curtailment applies. If a Customer exceeds its authorized consumption during a period of gas shortage curtailment, then the Customer shall be subject to the applicable penalties set forth in Section J of this Rule.

E. Emergency

An emergency exists whenever the aggregate demand of firm service Customers on the Company's system or a confined segment of the system exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands and the actual or threatened excess demand creates an immediate threat to the Company's system operating integrity with respect to Priority 1 Customers. The Company will be the sole judge in determining if an emergency exists on its system.

If an emergency exists in a confined segment of the Company's system, then only those Customers located within that confined segment will be affected by the emergency curtailment.

F. Voluntary Usage Reductions

The Company will use reasonable business and operational efforts to interrupt all interruptible services, issue operational flow orders, and/or call for voluntary usage reductions by all Customers before initiating mandatory usage reductions or curtailments. The Company shall take these actions sequentially to the extent feasible and only if, in the Company's sole judgment, there is sufficient time to implement such actions and avoid mandatory usage reductions or curtailments.

Voluntary usage reductions may include requesting Customers to reduce space or water heating temperatures to levels specified by the Company.

G. Mandatory Usage Reductions

In the event of an emergency, the Company may require each Customer that is not a Priority 1 Customer to reduce its consumption of gas.

- 1) The reduction required shall be determined by the Company without regard to priorities of use, as necessary to minimize the potential threat to public health and safety.
- 2) The minimum authorized usage may not be lower than the minimum usage of firm service necessary for plant protection use.
- 3) When all other service has been curtailed except for Priority 1 service and the Company continues to be unable to meet Priority 1 requirements, the Company will exercise its judgment as to any further curtailment that may be necessary and will utilize measures designed to minimize harm to Customers if curtailments to plant protection use are found to be necessary.

RULES AND REGULATIONS (Continued)

- 4) Consistent with its responsibility to maintain system integrity at all times, the Company shall restore service as soon as practicable to any gas-fired electric generation facility that is deemed critical to electric system reliability by the electrical system's control area operator.
- 5) Mandatory reductions shall be for a period specified by the Company until further notice. The Company may change a Customer's authorized usage, upon notice, at any time during an emergency.
- 6) Mandatory reductions shall be for a maximum duration of five (5) business days unless extended by Commission order. As an alternative to extending mandatory reductions, the Commission may order the Company to initiate priority-based curtailments.

H. Notifications

The Company has a communications list of media contacts, telephone and facsimile numbers, and e-mail addresses. During a natural gas emergency, information will be developed and disseminated by the Company through the use of that communications list and in accordance with applicable Commission regulations, policy statements and guidelines. The Company will use whatever means of communications is available to it at the time of a gas shortage curtailment or an emergency curtailment, including but not limited to telephone, facsimile, e-mail, mail, and/or the media including newspapers, public radio, and television. The Company will notify all affected Customers, NGS, other natural gas distribution companies, and the Commission of any curtailments of service. The Company will coordinate with public officials, regulatory agencies, media, and civil defense in keeping the public advised of the status and duration of the service interruption.

If the emergency curtailment extends beyond the curtailment period contained in the emergency notice or 48 hours, whichever is less, the Company will provide periodic updates to the curtailed Customers and NGS via telephone, facsimile, email, and/or newspapers, public radio, and television.

If a curtailed Customer of the Company is an electric power generator, the Company will establish communications with the electric system control area operators to provide notice and updates of the emergency curtailment if the Customer has not already done so.

I. Utility Liability

The Company may restrict or discontinue service in accordance with 52 PA Code, Sections 59.72 through 59.75 of the Emergency Plan Regulations without thereby incurring any penalty or liability for any loss, injury or expense that may be sustained by the Customer, except when the restriction or discontinuation of service is as a result of the Company's willful or wanton misconduct.

The Company's liability for actions taken under 52 PA Code, Section 59.73, or pursuant to any other regulation, policy statement, directive or Order issued by the Commission, or an emergency order issued by the Governor, shall be governed by the following principles:

- 1) If the Company appropriates natural gas during an emergency action, the Company will compensate the applicable entity, whether the Customer or the Customer's NGS, for the cost of lost, firm gas service. The compensation, in the aggregate, shall equal but not exceed the greater of the city gate cost of the appropriated natural gas, including transportation charges up to the Company's city gate, or the reasonable cost actually paid by the Customer for delivered substitute energy, as documented to the Company. The Company may provide compensation in kind only at the discretion of the affected Customer or NGS.
- 2) The Company will have the right to discontinue service, for the duration of an emergency, to a Customer that continues to take gas in violation of these rules.

RULES AND REGULATIONS (Continued)

J. Penalties for Unauthorized Takes

If a Customer exceeds its authorized consumption during a period of emergency curtailment, then that Customer shall be subject to the following penalties:

<u>Actual Usage As A Percentage Of Emergency Authorized Consumption</u>	<u>Penalty For Excess Takes (Dollars Per Mcf)</u>
Greater than 103%, but not in excess of 110%	The higher of \$10 per Mcf or 110% of the highest cost gas supply purchased by the Company during the month of usage.
Greater than 110%	The higher of \$25 per Mcf or 125% of the highest cost gas supply purchased by the Company during the month of usage.

The number of days of emergency curtailment multiplied by the authorized daily consumption volume shall be the Customer's authorized consumption for the emergency curtailment period. The Company will determine actual consumption during the emergency curtailment period by actual measurement at the beginning and end of the emergency curtailment period.

The Company shall have the right to waive any penalty imposed hereunder for unauthorized use of gas.

K. Allocation of Excess Gas

If, in the Company's judgment, sufficient gas supply is available to permit deliveries in addition to the monthly authorized entitlement in any month, the Company will provide all Customers with as much advance notice as possible of the amount of additional gas anticipated to be available. Such gas shall be apportioned by the Company to all Customers in the highest priority category being curtailed, on the basis of the total of the base period volumes for all Customers in that priority category for that month.

To the extent that a Customer has exceeded its authorized consumption during any period of emergency curtailment, penalties shall not be assessed for any excess volumes authorized pursuant to the provisions of this section.

L. Discontinuance of Service and Curtailment

When the evidence available to the Company reasonably indicates that a Customer is using gas in violation of this Plan or any Order of the Commission, the Company will discontinue all service to such Customer unless the use causing such violation is discontinued by the Customer within ten (10) days after receipt of written notice from the Company. This provision shall not affect the Company's right or obligation to discontinue service under other Rules and Regulations of its Tariff, the regulations of the Commission or for any other lawful right or reason. The Company will inform the Commission of any service discontinuance or termination made pursuant to this Plan.

RULES AND REGULATIONS (Continued)**16. CUSTOMERS SERVED BY FACILITIES OTHER THAN DISTRIBUTION LINES**

Service from a line outside the Company's low pressure and medium pressure distribution systems will not be furnished unless such line is at that time being operated in a manner which will permit gas to be served to the Applicant without interference with such line's operation. The furnishing of such service will be with the Customer's understanding that the use or manner of use of the Company's line from which gas is to be supplied is not permanent and that such service is subject to temporary or permanent change or discontinuance at the sole discretion of the Company, which may at any time remove, repair or change the use or manner of operating said line after having first cancelled the service contract by thirty (30) days' prior written notice to the Customer. The Customer assumes sole responsibility, financially and otherwise for obtaining alternative sources of fuel in the event that Customer's service is interrupted or discontinued temporarily or permanently for the reasons set forth in this Rule No. 15.

The Customer served from non-distribution gas lines assumes all risk from variations in gas pressure, defects in pipe, connections and appliances from gas leakage, from the sticking or other malfunctioning of valves and regulators, and from all other causes, whatsoever, incident to the use of gas. All materials used in connecting the meter and regulators from the outlet of the Company's service stop cock to the outlet of the meter, and including the box or structure housing the meter and regulators, shall be furnished and installed by the Company at the sole expense of the Customer. All such meter and regulator facilities shall belong to the Company and will be installed as near to the Company's lines as is practicable.

17. AUTHORITY OF AGENTS

No agent or employee of the Company has authority to make any promise, agreement or representation inconsistent with the provisions of this Tariff, and no promise, agreement or representation shall bind the Company unless in writing, signed by an officer of the Company.

RULES AND REGULATIONS (Continued)**18. TRANSPORTATION SERVICE****A. Availability to Pool Operators**

- 1) Priority One Pooling Service - A pool operator aggregates natural gas supplies needed to satisfy the full requirements of Priority One Transportation Customers of the Company. Unless otherwise agreed to by the Company, a pool operator that operates both a Priority One and a Non-Priority One pool must serve its Priority One customers, as defined in Rule 15(B) of this Tariff, in its Priority One pool and serve its Non-Priority One customers in its Non-Priority One pool. (C)
- 2) Non-Priority One Pooling Service – A pool operator aggregates natural gas supplies needed to satisfy the full requirements of one or more Non-Priority One Transportation Customers of the Company. A Non-Priority One pool operator that does not operate a Priority One pool may serve Priority One customers in its Non-Priority One pool provided that the annual aggregate consumption of such customers does not exceed 30,000 Mcf annually. Unless otherwise agreed to by the Company, a pool operator that operates both a Non-Priority One and a Priority One pool must serve its Priority One customers, as defined in Rule 15(B) of this Tariff, in its Priority One pool and serve its Non-Priority One customers in its Non-Priority One pool. (C)
- 3) Local Gas Aggregation Service – A pool operator aggregates locally produced supplies from various receipt points to be sold to pool operators, Customers, or the Company.

B. Availability to Customers

Transportation Service by the Company is available for any new or existing Customer (hereinafter called the “Customer”), pursuant to Rate Schedules RS/RS-T, SGS-T, MGS-T, LGS-T, and FTS subject to the following conditions:

- 1) When required by the Company, the Customer shall enter into a Transportation Service Agreement with the Company; and (C)
- 2) All Transportation Service Customers must be located in areas where the Company’s capacity is sufficient to move the gas. System facilities and capacity must be available as determined by the Company for the transportation of the load requested and the Customer or NGS must deliver suitable gas into the Company’s system as provided by this Tariff; and
- 3) The Customer or its NGS shall have installed all facilities and/or paid all costs for the purchase, installation, modification, or enlargement of facilities necessary to provide Transportation Service, as more particularly set forth in Section F hereafter; and
- 4) A “Direct” Customer utilizes Transportation Service for Customer-owned gas received into the Company’s system as nominated by the Customer or its agent.

C. Applicability and Character of Service

Transportation Service shall apply to all natural gas transported under an executed Transportation Service Agreement. The Transportation Service Agreement shall obligate the Company to receive from the Customer or its NGS volumes of natural gas tendered for transportation as specified in the Transportation Service Agreement. Service under Transportation Service Rate Schedules may be interrupted or curtailed for Non-Priority Customers during periods of supply shortages when retail service to Priority One Customers is threatened or whenever the Company invokes emergency curtailment provisions under Tariff Rule No. 15. In the event of emergency action resulting in interruption or curtailment of service, as aforesaid, and during such period of interruption or curtailment, the NGS or Customer must sell to the Company all or such portion of the Customer’s supply of gas as the Company may require for which the Company shall compensate the Customer or NGS as set forth in Rule No. 15.

RULES AND REGULATIONS (Continued)**D. Rates**

- 1) The rates listed under all of the Transportation Service Rate Schedules shall be deemed maximum rates.
- 2) A Retainage Charge shall also be included for lost and unaccounted for gas and gas used in Company's operations as determined under Rider PGC and set forth on Page No. 13 of this Tariff. (C)
- 3) A Pooling Fee of \$0.0243 per Mcf delivered into a Priority One or Non-Priority One Pool will be charged on a monthly basis, subject to a minimum charge of \$100.00 per month, except in the cases of pool-to-pool transfer where the pooling fees will be assessed to the pool which receives gas via the pool-to-pool transfer and shall not be assessed to the pool which supplies the gas.
- 4) A Pooling Fee of \$0.0243 per Mcf delivered out of a Local Gas Aggregation Pool will be charged on a monthly basis on volumes delivered to a Customer, system supply, or off-system, subject to a minimum charge of \$100.00 per month.
- 5) An Imbalance Trading/Pool-to-Pool Transfer Fee of \$0.0122 per Mcf charged to the Pool which supplies volumes of gas to another Pool, subject to a maximum of \$100.00 per month.

E. Quality of Gas

- 1) Heating Value – All gas delivered hereunder shall have a minimum heat content of nine hundred eighty (980) and a maximum heat content of eleven hundred ten (1,110) British Thermal Units (Btu) per cubic foot (saturated) as measured on a Cutler-Hammer calorimeter, or the equivalent, and a maximum utilization factor of 1,400, the utilization factor being defined as that number obtained by dividing the heating value of the gas by the square root of its specific gravity. The initial Btu determination and all subsequent Btu determinations shall be made by the Company at the Producer's expense.
- 2) Other Quality Standards – In addition to the requirements of Subparagraph 1) above, gas injected into the Company's system shall be of a quality and pressure reasonably acceptable to the Company. In the case of gas introduced into the Company's system directly from gas wells, such gas shall conform to all quality standards applicable to gas purchased by the Company directly from gas wells in accordance with the applicable provisions of the current form of the Company's "Gas Purchase Agreement" for local Pennsylvania gas supplies and the policies established by the Company to enforce such standards. All tests required to establish or monitor compliance with said quality standards shall be conducted by the Company at the expense of the Producer.
- 3) Nonconformance – If the gas offered for delivery by the Customer or its NGS shall fail at any time to conform to any of the specifications set forth herein, then the Company shall notify the Customer of such deficiency and may at the Company's option refuse to accept delivery pending correction by the Customer. Should any substances not in conformity with the quality standards specified herein enter the Company's facilities and cause damage to gas meters, regulators and/or other equipment, or interruption of service, Producer shall reimburse the Company for the costs to repair such damage and for any related costs which the Company may incur to restore service to, and/or repair facilities, of its Customers, including payments made by the Company to Customers in settlement of claims arising out of interruption of gas service.

(C) Indicates Change

RULES AND REGULATIONS (Continued)**F. Receipts and Deliveries**

The Customer or its NGS will make deliveries of gas to the Company at a point or points on the Company's pipeline system (the "Receipt Point") at a pressure sufficient to enter same and will take deliveries of gas therefrom through Company metering facilities serving the Customer. The location of the Receipt Point for introduction of Customer-owned gas, which shall be the outlet flange of the meter measuring gas introduced to the Company's system, shall be determined by the Company.

The Customer or its NGS shall deliver gas to a Receipt Point in quantities sufficient to meet the monthly or daily load requirements set forth in the applicable Transportation Service Agreement. Each Customer or NGS shall be responsible for nominating the appropriate volumes of gas on a monthly or daily basis as the case may be as set forth in Rules 18, 19 and 20 of this Tariff. The Customer or its NGS, at its own cost and expense, shall secure and maintain the necessary rights-of-way and related surface rights for and shall construct, place in operation and (C) maintain the necessary pipeline to connect the Customer's or its NGS source of gas at a suitable site (the "Connection Site") designated by the Company. In addition, the Customer or its NGS, at its own cost and expense, shall secure and transfer to the Company rights-of-way and related surface rights, as necessary, for the Company's regulator, metering and other connection facilities at the Connection Site. All metering, regulating and other facilities required at the Connection Site will be installed by the Company at the expense of the Customer or its NGS as soon as reasonably practicable after the pipeline of the Customer or its NGS is operational and any necessary rights-of-way and related surface rights for the Company's connection facilities have been transferred to the Company. If the Receipt Point is a connection not already equipped for telemetering or other electronic communication of gas measurement data, then the Company at its sole discretion may purchase and install, at the Customer's or its NGS' expense, all facilities needed for telemetering or other electronic communication of gas measurement data. All amounts paid to the Company hereunder shall not, under any circumstance, be subject to refund.

The points of delivery (the "Delivery Point") for all natural gas transported hereunder shall be at the respective outlet side of the Company's metering and regulating station to be located on the Customer's property. Title to all natural gas delivered hereunder shall be considered as passing to and vesting in the Customer at such Delivery Point.

G. Possession of Gas

The Customer or its NGS shall be deemed to be in control and possession of the gas to be transported hereunder until it shall have been delivered to the Company at the Receipt Point, after which the Company shall be deemed to be in control and possession thereof. The Company shall have no responsibility with respect to any Customer-owned gas until it is delivered to the Company at the specified Receipt Point or because of anything which may be done, happen or arise with respect to said gas before such delivery. The Customer or its NGS assumes the full cost and expense, as well as full and complete liability and responsibility, for collecting, gathering and transporting the gas to the Receipt Point hereunder at the quality herein before specified. Notwithstanding the transfer of control and possession of the gas at the Receipt Point, as aforesaid, the Customer or its NGS shall retain title of the gas while it is being transported and delivered by the Company. The Customer or its NGS shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during and after its receipt by the Company.

RULES AND REGULATIONS (Continued)

H. Warranty of Title to Gas

The Customer and its NGS warrant generally the title to the natural gas delivered to the Company pursuant to a Transportation Service Agreement with the Company, and that at the time of delivery said natural gas is or will be free and clear of all liens, encumbrances and claims whatsoever. The Customer and its NGS further warrant that at the time of delivery the Customer will have good right and title to said natural gas, as aforesaid, and the Customer and its NGS agree to indemnify the Company and save it totally harmless from all suits, claims, actions, debts, levies, damages, costs, losses and expenses (including legal expenses) of any nature arising from or out of adverse claims, suits, actions and demands which may arise due to the nonpayment of landowner royalties, overriding royalties and rentals thereon or therefrom or any other cause. In the event any adverse claim to or against the natural gas delivered to the Company hereunder, or any part thereof, is made by any person, the Company may refuse to accept delivery of such natural gas, until the dispute as to ownership of said natural gas is settled by agreement between the Customer (and/or the NGS) and such adverse claimant or by the final decree of a court of competent jurisdiction.

I. Determination of Deliveries

When required by the Company, the maximum day transportation volume and the monthly and annual quantities of natural gas to be transported shall be specified in Transportation Service Agreements. (C)

J. Force Majeure

Whenever the integrity of the Company's system or the supply of gas is believed to be threatened by conditions on its system, or upon the system with which it is directly or indirectly interconnected, the Company may, in its sole judgment, curtail or interrupt gas service or reduce pressure, and such action shall not be construed to constitute a default nor shall the Company be liable therefore in any respect. The Company will use reasonable efforts, under the circumstances which exist, to overcome the cause of such curtailment, interruption or reduction, and to resume full performance.

The Company shall be excused from providing Transportation Service and shall not be liable for damages or otherwise, if and to the extent that it shall be unable to do so, or is prevented from doing so by statute or regulation or by action of any court or public authority having or purporting to have jurisdiction, or by operational or pipeline capacity constraints, or by loss, diminution or impairment of gas supply from its suppliers, or the systems of others with which it is interconnected, or by a break or fault in its pipeline system, or a failure, or improper operation of equipment necessary for gas delivery, or by reason of storm, flood, fire, earthquake, explosion, civil disturbance, labor dispute, act of God or public enemy, failure of any supplier to perform, restraint by any court or regulatory agency, or any other intervening cause, whether or not similar thereto. The Company shall use efforts reasonable under the circumstances to overcome such cause and to resume full performance. It is understood that settlement of strikes, lockouts or labor disturbances shall be entirely within the discretion of the Company and that the above requirement that any Force Majeure shall be remedied by efforts reasonable under the circumstances shall not require the settlement of strikes, lockouts or labor disturbances by acceding to the demands of the opposing party when such course is inadvisable in the discretion or judgment of the Company.

RULES AND REGULATIONS (Continued)**K. Limitations of Liability**

- 1) The Company shall not be liable for curtailment of service under any Transportation Service Rate Schedule in this Tariff or for the loss of Customer gas as a result of any steps taken to comply with any law, regulation or order or any governmental agency which has or purports to have jurisdiction to regulate, allocate or control gas supplies or the delivery of service hereunder, and regardless of any defect in such law, regulation or order.
- 2) The Company shall not be liable for any loss to the Customer arising from or out of service under any Transportation Service Rate Schedule in this Tariff, including loss of gas while it is in the custody of the Company or any other cause, except gross negligence or willful misconduct on the part of the Company's own employees or agents. The Company reserves the right to mix the Customer's gas with that of other suppliers.
- 3) If service furnished pursuant to any Transportation Service Rate Schedule in this Tariff is curtailed, the Company will notify the Customer as soon as is reasonably practicable.
- 4) If the Company agrees to furnish service under any Transportation Service Rate Schedule in this Tariff in an area or location where it has in the past experienced or presently experiences operational problems (such as seasonal line pressure problems), the Company shall not be liable for failure or inability to take or deliver any or all of the Customer's natural gas as a result of such problems or the Company's attempt(s) to manage or correct them.
- 5) If delivery of gas under a Transportation Service Agreement with the Company is curtailed for any reason, the Company shall not be liable for delivering said curtailed gas volumes at a later date.
- 6) To the extent that a Non-Priority Customer elects to utilize Transportation Service available under any Transportation Service Rate Schedule in this Tariff in lieu of Sales Service provided from system gas supply, the Company advises that sufficient gas supply may not be available to meet such Non-Priority Customer's requirements when such Customer's source of supply for transportation is not available. In such instance, the Company will have no obligation to provide any gas service to such Non-Priority Customer. Furthermore, the Company makes no guarantee against and assumes no liability for such interruption or curtailment.
- 7) The Company shall not be liable, under any circumstances or in any respect, to a Customer, to an NGS, or to any other person or entity for consequential damages arising either directly or indirectly from the interruption, curtailment or termination of Transportation Service.

L. Measurement

Measurement of gas delivered to the Customer through the Company's meter facilities at the Customer's premises shall be in accordance with Rule No. 12 of these Rules and Regulations. All quantities of gas received and transported shall be expressed in terms of "Mcf". The term "Mcf" shall mean 1,000 cubic feet of gas measured at an absolute pressure of 14.73 pounds per square inch and may be temperature compensated at the Company's discretion. If temperature compensation is not measured by the Company, an assumed temperature of sixty degrees (60°) Fahrenheit will be utilized. If the Customer's gas is introduced into the Company's system through an interconnection with an interstate pipeline supplier which measures gas in MMBtu, the measurement at such interstate pipeline supplier's meter will be converted to Mcf using the current applicable conversion factor for the interstate pipeline as determined annually in the Company's 1307(f) proceeding. The costs of all tests conducted by the Company to assure accurate measurement shall be borne by the Customer.

RULES AND REGULATIONS (Continued)M. Balancing and Reconciliation1) Priority One Pooling

All Pool Operators serving Customers through a Priority One Pool shall be subject to daily balancing procedures. Each NGS shall have a Daily Available Volume to meet the Aggregate Daily Consumption Volume required by the Company. The Company will provide the NGS with a daily projection of the amount of gas to be delivered to the Company to satisfy the estimated daily consumption, subject to Rule 18.I, of all the ratepayers in the pool (Aggregate Daily Consumption Volume) at least two days in advance of when the NGS must deliver volumes to the Company. The Company may issue Alerts consistent with the terms of Rule 18.X. and, as a result, may provide the NGS with daily projections less than two days in advance. The Company reserves the right to adjust the Aggregate Daily Consumption Volume due to weather or large known consumption variations (C)

Cash-out for Under-Delivery (C)

If the Daily Available Volume is less than the Aggregate Daily Consumption Volume, then an Under-Delivery results. In the event such Under-Delivery occurs, the Company shall sell gas volumes to the Customer sufficient to increase the Daily Available Volume to one hundred percent (100%) of the Aggregate Daily Consumption Volume. Any volumes sold to the Customer by the Company during which no OFOs have been issued shall be purchased at a price equal to the Midpoint price of gas for the day using the Gas Daily index price (converted to Mcf) for gas delivered to Dominion Transmission, Inc.'s Appalachian South Point as published in Platts, Gas Daily, multiplied by 115%. Volumes sold by the Company are subject to applicable taxes.

RULES AND REGULATIONS (Continued)*Cash-out for Over-Delivery*

If the Daily Available Volume exceeds the Aggregate Daily Consumption Volume, then an Over-Delivery results. In the event such Over-Delivery occurs, the Company shall purchase gas volumes delivered sufficient to decrease the Daily Available Volume to one-hundred percent (100%) of the Aggregate Daily Consumption Volume. Any volumes sold to the Company by the NGS shall be purchased at a price equal to the Midpoint price of gas for the day using the Gas Daily index price (converted to Mcf) for gas delivered to Dominion Transmission, Inc.'s Appalachian South Point as published in Platts, Gas Daily, multiplied by 85%.

(C)

(C)

Monthly Reconciliation

The Company will prepare a monthly reconciliation between Calendar Month Pool Supply and Calendar Month Pool Sendout, as adjusted for any prior month billing corrections. The difference shall be reconciled in the next calendar month following its determination (the "Adjustment Month") by adjusting the NGS's Daily Available Volume of each day in the Adjustment Month by an amount equal to the difference divided by the number of days in the Adjustment Month or by other methods as made available by the Company, including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer.

(C)

(C)

(C)

2) Non-Priority One Pooling and Direct Transport Customers – (Provisions for Non-Priority One Pools Applicable through 3/31/17)

All Direct Transport Customers and Pool Operators serving Customers through a Non-Priority One Pool shall be subject to monthly balancing procedures. The actual gas supply received each Month by the Company for the Customer or Customer Pool will be compared to the actual volume of gas used by the Customer or Customer Pool during the same Month. If the gas supplies received by the Company during a given Month are less than the actual usage for that Month, then an Under-Delivery results. If the gas supplies received by the Company during a given Month exceed the actual usage for that Month, then an Over-Delivery results.

RULES AND REGULATIONS (Continued)

Cash-out for Under-Delivery

(C)

In the event an Under-Delivery exceeds four percent (4%) of the Pool or Customer's actual usage for the Month, the Company shall sell gas volumes to the NGS or Customer sufficient to increase the actual volume of gas received for such Month to ninety-six percent (96%) of the actual usage for the same Month. Any volumes sold to the NGS or Customer by the Company shall be purchased at price equal to the highest Midpoint price for gas published in Platts, Gas Daily publication, under Appalachia Dominion Transmission Inc. South Point for the month, multiplied by 115%.

(C)

Cash-out for Over-Delivery

(C)

In the event an Over-Delivery exceeds four percent (4%) of the Pool or Customer's actual usage for the Month, the Company shall purchase gas volumes delivered sufficient to decrease the actual volume of gas received for such Month to one-hundred four percent (104%) of the actual usage for the same Month. Any volumes sold to the Company by the NGS or Customer shall be purchased at a price equal to the lowest Midpoint price for gas published in Platts, Gas Daily publication, under Appalachia Dominion Transmission, Inc. South Point for the month multiplied by 85%.

(C)

(C)

RULES AND REGULATIONS (Continued)**3. Non-Priority One Pooling – Provisions Applicable 4/1/17**

All Pool Operators serving Customers through a Non-Priority One Pool shall be subject to daily balancing procedures. Each NGS shall have a Daily Available Volume to meet the Aggregate Daily Consumption Volume required by the Company. The Company will provide the NGS with a daily projection of the amount of gas to be delivered to the Company to satisfy the estimated daily consumption, subject to Rule 18.I, of all the customers in the pool (Aggregate Daily Consumption Volume) at least two days in advance of when the NGS must deliver volumes to the Company. The Company may issue Alerts consistent with the terms of Rule 18.X. and, as a result, may provide the NGS with daily projections less than two days in advance. The Company reserves the right to adjust the Aggregate Daily Consumption Volume due to weather or large known consumption variations.

Cash-out for Under-Delivery

If the Daily Available Volume is less than the Aggregate Daily Consumption Volume, then an Under-Delivery results. In the event such Under-Delivery occurs, the Company shall sell gas volumes to the Customer sufficient to increase the Daily Available Volume to one hundred percent (100%) of the Aggregate Daily Consumption Volume. Any volumes sold to the Customer during periods in which no OFOs have been issued by the Company shall be purchased at a price equal to the Midpoint price of gas for the day published in Platts, Gas Daily publication using the index price (converted to Mcf) for gas delivered to Dominion Transmission, Inc.'s Appalachia South Point multiplied by 115%. Volumes sold by the Company are subject to applicable taxes. (C)

Cash-out for Over-Delivery

If the Daily Available Volume exceeds the Aggregate Daily Consumption Volume, then an Over-Delivery results. In the event such Over-Delivery occurs, the Company shall purchase gas volumes delivered sufficient to decrease the Daily Available Volume to one-hundred percent (100%) of the Aggregate Daily Consumption Volume. Any volumes sold to the Company by the NGS shall be purchased at a price equal to the Midpoint price of gas for the day published in Platts, Gas Daily publication using the index price (converted to Mcf) for gas delivered to Dominion Transmission, Inc.'s Appalachia South Point multiplied by 85%. (C)

Monthly Reconciliation

The Company will prepare a monthly reconciliation between Calendar Month Pool Supply and Calendar Month Pool Sendout, as adjusted for any prior month billing corrections. The difference shall be reconciled in the next calendar month following its determination (the "Adjustment Month") by adjusting the NGS's Daily Available Volume of each day in the Adjustment Month by an amount equal to the difference divided by the number of days in the Adjustment Month or by other methods as made available by the Company, including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer. (C)

4. Local Gas Aggregation Service ("LGA")

The total volumes nominated into the Local Gas Aggregation ("LGA") Pool shall equal the total volume of gas delivered out of the Local Gas Aggregation Pool. If the gas supplies nominated into the LGA Pool during a given Month exceed the volume of gas delivered out of the LGA Pool for that Month, then an Over-Delivery results. These volumes shall be sold to the Company at a price equal to the first of the month IFERC Dominion Transmission, Inc. Appalachia Index multiplied by 85%. (C)

RULES AND REGULATIONS (Continued)

(C)

Reconciliation of Aggregation Volumes

The total actual local gas aggregation volume for all meters assigned to the LGA pool will be compared to the total volume of gas nominated into the LGA Pool, and the resulting difference, if any, will be reconciled in the first full calendar month following the determination of actual local gas aggregation volumes (the "Adjustment Month"). The volumetric discrepancy between the actual local gas aggregation volumes and the local gas aggregation nominations will be reconciled in the Adjustment Month by adjusting the aggregator's monthly available volume in the adjustment month.

5) Company Option to Waive Cash-Out Provision

In lieu of applying the Cash-out provisions contained herein, the Company may, at its sole discretion, choose to carry forward to the subsequent Day or Month, as the case may be, all or any portion of any Under-Delivery or Over-Delivery for the applicable Day or Month.

6) Balancing Fees

The Balancing Fees applicable for the Balancing Service described herein are set forth in the respective Rate Schedules for each Customer classification.

N. Local Gas Aggregation (“LGA”) Service

- 1) This service is available to any NGS who delivers locally produced gas to the Company at more than one Receipt Point on the Company’s system. The supply is aggregated into a single pool (hereafter referred to as a “LGA Pool”). Any NGS who wishes to so aggregate locally produced gas supplies on the Company’s system and operate a LGA Pool or Pools shall enter into a Local Gas Aggregation Agreement with the Company. The NGS who has entered into such an Agreement (hereafter referred to as a “LGA Pool”) may sell its aggregated gas supply volumes to a NGS, another LGA Pool, the Company, or directly to a transportation Customer if the NGS is licensed as an NGS with the Commission, or in the case of an individual Customer, may transport its aggregated gas supply volumes to its facility for consumption.
- 2) The Company and the LGA Pool will specify the Receipt Points at which the LGA Pool will deliver gas to the Company in the Interconnect Agreement or other such agreement with the Company. The LGA Pool shall be responsible for the cost of any metering and regulation and related equipment, as specified by the Company and such equipment shall be the property of the Company.
- 3) All volumes received by the Company into a LGA Pool shall be nominated in advance according to the nominating procedures set forth in Rule No. 18.Y of this Tariff and incorporated into the applicable Local Gas Aggregation Agreement. (C)
- 4) All LGA Pools receiving service under this Rate Schedule shall be subject to the Monthly Balancing provisions set forth in Rule No. 18.M of this Tariff.

O. Capacity

Capacity is the ability of the Company to take the gas tendered by a Transportation Customer at the point of delivery and move it through the Company’s system to the point of consumption without interfering with the Company’s operations in serving its other Customers, including, but not limited to, obtaining or moving supplies of gas through the Company’s system(s) to serve other Customers. Capacity is a dynamic concept and may not exist in all locations at all times of the year. A Customer requesting Transportation Service also must recognize that the Company, in discharge of its duty to serve the public in a safe and reliable manner, must monitor and maintain its system. As with retail service, this can be expected to result in situations where the use of facilities is not possible for certain periods due to such things as leak repair, scheduled and unscheduled maintenance and line replacement or relocation, to name a few. If the Company encounters a capacity constraint within its own pipeline system, transportation volumes will be curtailed prior to general system supply.

RULES AND REGULATIONS (Continued)**P. Natural Gas Supplier (“NGS”) Qualifications**

- 1) A NGS must be licensed by the Commission pursuant to Section 2208 of the Public Utility Code, 66 Pa. C.S. §2208, before any application to provide gas supply service to Customers on the Company’s system will be considered.

- 2) Any NGS wishing to provide gas supply services to Customers on the Company’s system must provide the Company with the following financial and related information:
 - a. Audited financial statements, or an annual report or Form 10-K, for the most recent fiscal year-end. If audited financial statements are not available, federal income tax returns from the last three (3) years shall be provided, including all schedules and attachments;
 - b. Current interim financial statements;
 - c. Names, addresses and telephone numbers of the NGS parent company and subsidiaries;
 - d. Names, addresses and telephone numbers of a bank and at least two trade references; and (C)
 - e. A current credit report from Dun and Bradstreet or an equivalent national credit reporting agency.

- 3) The NGS shall also deliver to the Company a certified statement of an officer or other authorized representative of the NGS (the “Certified Statement”) which confirms the following:
 - a. The NGS is not operating under any chapter of the bankruptcy laws and is not subject to liquidation under any state law.
 - b. The NGS is not subject to any pending or threatened litigation in any state or federal court or in any regulatory or administrative venue which could (i) cause a substantial deterioration in its financial condition, (ii) cause a condition of insolvency, or (iii) endanger its ability to continue as an ongoing business.
 - c. The NGS is not subject to outstanding lawsuits, actions or judgments which, individually or in the aggregate, could jeopardize its ability to remain solvent.
 - d. The NGS has the legal power and authority to transact the business it transacts and proposes to transact in Pennsylvania, has obtained and holds a valid and effective Natural Gas Suppliers License from the Commission, and is in good standing in every other jurisdiction in which it operates and has secured a similar license or qualification.
 - e. The NGS has no delinquent balances, outstanding for billings made previously by the Company or its affiliates and the NGS must have paid its account in the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract.

RULES AND REGULATIONS (Continued)

- f. The NGS indemnifies and holds harmless the Company and its Directors, officers, agents, and employees from and against any and all liabilities, claims, costs, expenses (including without limitation attorneys' fees and expenses) losses and damages related to or arising out of any failure on the part of the NGS to (i) provide gas supply service to its Customers on the Company's system and (ii) otherwise fulfill its obligations to the Company and its Customers. The NGS agrees to reimburse the Company for any and all payments made by the Company and any of its Directors, officers, agents and employees on account of such liabilities, claims, costs, expenses (including without limitation attorneys' fees and expenses) losses and damages.
- g. The NGS has and shall maintain the gas supply and related capacity arrangements necessary to perform its obligations as a gas supplier on the Company's system, including but not limited to meeting all of the gas supply requirements of its Customers during peak demand periods. Furthermore, the NGS shall have available for its Customers, in addition to the capacity assignment and allocation received from the Company, such additional pipeline transportation and/or storage capacity and sources of gas supply that will be necessary to perform all of its obligations to the Company and its Customers, including but not limited to meeting all of the gas supply requirements of its Customers during peak demand periods.
- 4) For as long as an NGS serves Customers on the Company's system, it shall provide the Company with a copy of its audited financial statements within 90 days after the end of every fiscal year, along with any other updated interim financial information that may be requested by the Company from time to time.
- a. The NGS has a continuing obligation to notify the Company in writing, within two business days, of the occurrence of any event which would render the NGS unable to provide the certificate required in paragraph (3) of this section as of the date such event occurred and within two business days of any other significant deterioration of its financial fitness or creditworthiness.
- 5) The Company will evaluate the financial fitness and creditworthiness of an NGS based on the financial and related information provided by the NGS in response to this Rule No. 18. Applying consistent analytical criteria, the Company shall assess the financial fitness or creditworthiness of an NGS and, in its sole discretion, except as noted below, (i) determine the amount and form of financial security, if any, that will be required of the NGS and (ii) change the amount and form of security supplied by the NGS. In that regard, the Company may monitor the NGS's aggregate maximum Required Delivery Volume for the Customers it represents on a monthly basis to ensure that adequate financial security is in place at all times. (C)
- a. The Company shall consider the forms of security enhancements set forth in 52 Pa. code §§ 62.102 – 62.114. The Company may also consider as a form of security such amounts collected by the Company on behalf of the NGS or such other security as is mutually acceptable to both the Company and the NGS.
- b. The amount and form of the security, if not mutually agreed upon by the Company and the NGS, shall be based on criteria established in 52 PA Code, Section 62.111, which criteria shall be applied in a non-discriminatory manner.
- c. The amount of the security shall be reasonably related to the financial exposure of the Company which may result from the NGS's default, bankruptcy or failure to perform in accordance with the requirements of this Tariff, the terms and conditions of the applicable Transportation Service Agreement(s), or any applicable laws and Commission rules, regulations, policy statements or guidelines.
- d. The amount of the security should reflect the financial exposure of the Company and generally shall include all applicable pooling fees; all applicable billing fees; and projected imbalance fees using the maximum imbalance price multipliers and assuming that NGS fails to delivery gas supplies during the peak month.

RULES AND REGULATIONS (Continued)

- e. The amount of security required of any NGS under this Tariff Rule may be modified based on one or more of the following:
- i. The NGS's past operating history on the Company's system and on the operating systems of other NGDC, including the length of time that the NGS has operated on the system, the number of customers served, and any past supply reliability problems.
 - ii. The NGS's credit reports.
 - iii. The number and class of customers being served by the NGS.
 - iv. Information that materially affects the NGS's creditworthiness, as set forth in subparagraph 18.A.5.f hereof. (C)
 - v. The NGS's demonstrated capability to supply and deliver the volume of natural gas necessary for its customers' needs.
- f. The amount of the security required of any NGS hereunder may be adjusted as circumstances warrant. The adjustments must be reasonable and based on one or more of the following criteria:
- i. A change in the NGS's recent operating history on the Company's system, or on the operating systems of other NGDC, which has materially affected Company's (or other NGDC's) system operation or reliability. A change that could materially affect system operation or reliability may occur when a supplier fails to deliver natural gas supply sufficient to meet its customers' needs, or fails to comply with Company (or other NGDC) operational flow orders, as defined in 52 Pa. Code Section 69.11 (relating to definitions).
 - ii. A change in the NGS's credit reports that materially affects the NGS's creditworthiness. Creditworthiness could be materially affected when two or more of the following credit rating companies change the NGS's credit rating.
 - (A) Dun & Bradstreet.
 - (B) Standard & Poor's Rating Services, Inc.
 - (C) TransUnion LLC.
 - (D) Equifax, Inc.
 - (E) Experian Information Solutions, Inc.
 - iii. A significant change in the number of customers served, the volume of gas delivered, or the unit price of natural gas, or a change in the classes of customers being served by the NGS. A change over a consecutive 30-day period of 25% in the number of customers served, the volume of gas delivered or the average unit price of natural gas would represent a significant change.
 - iv. A change in operational or financial circumstances that materially affects the NGS's creditworthiness. Creditworthiness could be materially affected when two or more of the following investment rating companies change the rating of the NGS's issued securities from an investment grade or good rating to a speculative or moderate credit risk rating:
 - (A) Standard & Poor's Rating Services, Inc.
 - (B) Moody's Investment Service, Inc.
 - (C) Fitch, Inc.
 - (D) A. M. Best Company, Inc.
 - (E) DBRS, Inc.

RULES AND REGULATIONS (Continued)

- v. A change in the NGS's demonstrated capability to provide the volume of natural gas necessary for its customers' needs that materially affects the Company's system operation or reliability. A change that could materially affect the Company's system operation or reliability may occur when an NGS fails to deliver natural gas supply sufficient to meet its customers' needs on five separate occasions within a 30-day period, or fails to comply with the Company's (or another Pennsylvania NGDC's) operational flow orders, as defined in 52 Pa. Code, Section 69.11.
 - g. The Commission will determine the additional amount, if any, to be included in a surety bond or other form of security provided by an NGS serving Priority Customers to cover fines levied on the NGS by the Commission and NGS obligations to such Priority Customers. In no event will the Company be obliged to execute on the form of security provided by the NGS unless the amount in question is not in dispute and the Company is directed to do so by final order of the Commission. If the Commission establishes an additional amount to be included in the surety bond or other security to cover fines or obligations of the NGS to its Customers, such amount shall be payable on the same terms as said bond or other security to the Company.
 - h. All financial and related information submitted or provided to the Company pursuant to this Rule will be treated as confidential and be used by the Company solely for the purpose of evaluating the financial fitness and creditworthiness of the NGS.
- 6) When practicable, the Company shall use North American Energy Standards Board forms or language for financial and legal instruments that are used as security for NGS under this Tariff Rule No. 18.
 - 7) The Company shall file an annual report with the Secretary of the Commission no later than April 30 of each year (the first such annual report to be filed in April 2012), as required under the Commission's regulations at 52 Pa. Code Section 62.111(c)(5).
 - 8) When the Company determines that an adjustment is warranted in the amount or type of security that an NGS must provide to maintain its license, the Company shall provide notice of its determination to the NGS in writing. The Company's determination must be based on the criteria set forth in this Tariff Rule 18.P. The NGS shall comply with the Company's determination of adjusted security no later than five business days after the date that the NGS is served with notice of the Company's determination. When the NGS disagrees with the Company's determination, the NGS may file a dispute with the Company in accordance with subparagraph P.10 of this Tariff Rule 18.
 - 9) An NGS may request that the Company adjust the amount or type of security the NGS must provide to maintain its license. The request must be made to the Company in writing and be based on criteria set forth in this Tariff Rule 18.P. The Company shall make its determination on the request and provide a written response to the NGS within five business days after the date that the request is made. When the Company agrees to the requested adjustment in security, the NGS shall post the adjusted security within five business days after the date that the NGS was served with notice of the Company's determination. When the NGS disagrees with the Company's determination, the NGS may file a dispute with the Company in accordance with subparagraph P..10 of this Tariff Rule 18.

RULES AND REGULATIONS (Continued)

- 10) When there is a dispute relating to the form or amount of security, the applicant or NGS shall notify the Company of the dispute and attempt to resolve the dispute. If a resolution is not reached within thirty days after the date that the Company is notified of the dispute, the applicant or the NGS may take such action to resolve the dispute before the Commission as is described at 52 Pa Code Section 62.111(c)(8).
- 11) When an NGS submits a dispute to the Commission for resolution which concerns the Company's application of security requirements under this Tariff Rule 18, or files a formal complaint with the Commission relating to an adjustment in the form or amount of security required by the Company, the following obligations apply:
- a. The NGS shall provide to the Company the adjusted security amount as directed by the Company. The NGS shall maintain the adjusted amount of security until the dispute or complaint is resolved or until directed otherwise by the Commission.
 - b. The NGS shall continue to operate on the Company system in accordance with system operation and business rules and practices until the dispute or complaint is resolved or until directed otherwise by the Commission.
 - c. The NGS shall cause to be delivered to the Company's system natural gas supply in the volume necessary to fulfill its customers' requirements and provide customer support services until the dispute or complaint is resolved or until directed otherwise by the Commission.
 - d. The Company shall permit the NGS to continue to operate on the Company's system until the dispute or complaint is resolved or until directed otherwise by the Commission.

Q. Customer Education/Information Disclosure

All of the terms and conditions in Rule No. 6 shall also apply to the NGS Rules for service to Priority Customers, as set forth in this Rule No. 18 and are incorporated herein by reference thereto.

RULES AND REGULATIONS (Continued)

R. Selection of Natural Gas Suppliers

- 1) Customers or their NGS electing transportation service pursuant to the Customer Choice Program shall enter into a Transportation Service Agreement with the Company.
- 2) If a Customer contacts the Company to sign up with or request a change of an NGS, the Company will notify the Customer that they must contact the selected NGS directly in order to sign up or initiate a change in NGS.
- 3) Enrollment in the Customer Choice Program may be conducted by the NGS telephonically, in writing or via the Internet pursuant to the following procedures:

a. Telephonic Enrollment

- i. Customers may enroll in the Customer Choice Program by telephonic enrollment. The NGS will tape record the telephonic enrollment confirmation of each Customer. The enrollment confirmation shall consist of a recording on which the Customer states his/her name, his/her Company account number, his/her service address, his/her mailing address, his/her intent to be a Customer of the NGS, and the date of the enrollment. The selected NGS will notify the Company that it was selected to serve the Customer by the end of the next business day following the telephonic enrollment.
- ii. After the Company is notified that the Customer desires to select a new NGS, the Company shall send a letter to the Customer seeking verification of the Customer's intent to select a new NGS. The letter shall be mailed by the end of the next business day following the Company's receipt of notice of the Customer's NGS selection. The letter will explain the five (5) day waiting period during which the selection of the NGS may be canceled and the date that gas supply service from the NGS will begin, unless it is canceled within the five (5) day waiting period. The Customer shall have five (5) days from the date that the letter is sent to inform the Company in writing or by telephone (if the Customer provides his/her Social Security Number as proof of identity during the telephone conversation) that the Customer does not desire to select a new NGS. Upon receipt of such notification, the Company shall ensure that the Customer remains with his/her current gas service provider.
- iii. The NGS shall provide a copy of any Customer's tape recorded enrollment confirmation to the Company upon request. Failure to supply a telephonic enrollment confirmation recording within five (5) days of the Company's request shall cause the affected Customer to be returned to the previous gas service provider, and a \$50.00 fee shall be paid by the NGS for each such failure to cover the Company's administrative cost of investigating the validity of a Customer's enrollment in the Customer Choice Program and/or selection of NGS.

b. Written Enrollment

- i. A Customer may enroll in the Customer Choice Program by written enrollment. The NGS will maintain the written confirmation of enrollment of each Customer for as long as a Customer remains a Customer of the NGS. Valid written enrollment requires a document signed by the Customer which expressly obtains the Customer's consent to select a new NGS. Documents not considered to be valid include, but are not limited to, canceled checks, signed contest entries, and documents used to claim prizes won in contests. The written confirmation of the enrollment shall consist of the Customer's name, his/her account number, his/her service address, his/her mailing address, his/her signature, an indication of the Customer's intent to enroll in the Customer Choice Program, and the date of the enrollment. The selected NGS will notify the Company that it has been selected to serve the Customer by the end of the next business day following enrollment.

RULES AND REGULATIONS (Continued)

- ii. After the Company is notified that the Customer desires to select a new NGS, the Company shall send a letter to the Customer seeking verification of the Customer's intent to select a new NGS. The letter shall be mailed by the end of the next business day following the Company's receipt of notice of the Customer's NGS selection. The letter will explain the five (5) day waiting period during which the selection of the NGS may be canceled and the date gas supply service from the new NGS will begin. The Customer shall have five (5) days from the date that the letter is sent to inform the Company in writing or by telephone (if the Customer provides his/her Social Security number as proof of identify during the telephone conversation) that the Customer does not desire to select a new NGS. Upon receipt of such notification, the Company shall ensure that the Customer remains with his/her current gas service provider.
 - iii. The NGS shall provide a copy of any Customer's written confirmation of enrollment to the Company upon request. Failure to supply a requested written confirmation of enrollment within five (5) days of the Company's request shall cause the affected Customer to be returned to the previous gas service provider, and a \$50.00 fee shall be paid by the NGS for each such failure to cover the Company's administrative cost of investigating the validity of a Customer's enrollment in the Customer Choice Program and/or selection of the NGS.
- c. Internet Enrollment
- i. A Customer may enroll in the Customer Choice Program using internet enrollment procedures, if such an enrollment method is offered by an NGS. If an internet enrollment option is offered, the NGS shall maintain a webpage to provide for internet enrollment, which webpage shall clearly identify the legal name of the NGS, its address, and telephone number. The NGS shall maintain a printed or electronic copy of information appearing on the webpage at the time the Customer requests gas supply service from the NGS. The internet enrollment confirmation shall include, at a minimum, the NGS's legal name, a copy of the agreement between the NGS and the Customer as it appeared on the NGS webpage at the time the Customer requested gas supply service from the NGS, the Customer's name, his/her account number, his/her service address, his/her mailing address, an indication of the Customer's intent to enroll and be a Customer of the NGS, and the date of the enrollment. The selected NGS will notify the Company that it has been selected to serve the Customer by the end of the next business day following enrollment.
 - ii. After the Company is notified that the Customer desires to select a new NGS, the Company shall send a letter to the Customer seeking verification of the Customer's intent to select a new NGS. The letter shall be mailed by the end of the next business day following the Company's receipt of notice of the Customer's NGS selection. The letter will explain the five (5) day waiting period, during which the selection of the NGS may be canceled, and the date gas supply service from the new NGS will begin. The Customer shall have five (5) days from the date that the letter is sent to inform the Company in writing or by telephone (if the Customer provides his/her Social Security number as proof of identify during the telephone conversation) that the Customer does not desire to select a new NGS. Upon receipt of such notification, the Company shall ensure that the Customer remains with its current gas service provider.
 - iii. The NGS shall provide a copy of any Customer's internet enrollment confirmation to the Company upon request. Failure to supply a copy of an internet enrollment confirmation within five (5) days of the Company's request shall cause the Customer to return to his/her previous gas service provider, and a \$50.00 fee shall be paid by the NGS for each such failure to cover the Company's administrative cost of investigating the validity of a Customer's enrollment in the Customer Choice Program and/or selection of NGS.

RULES AND REGULATIONS (Continued)**S. Application/Billing Procedures**

- 1) All new Applicants for gas service on the Company's system shall be provided with consumer education information which describes the method by which new Customers can consider and select an NGS to provide their gas supply pursuant to the Customer Choice Program. (C)
- 2) The NGS may choose a Single Bill Option or Two Bill Option, as described below. The NGS assumes full responsibility for non-payment of the NGS's portion of a Customer's bill unless the NGS elects to participate in the Company's Purchase of Receivables Program. Under the Company's Purchase of Receivables Program, the Company will have the right to terminate service for failure to pay the NGS's Natural Gas Supply Services charges portion of the bill in compliance with all applicable laws and regulations regarding termination of service including the Discontinuance and Termination of Service rule of this Tariff. No late fees shall be applied to NGS charges except in the case of Customers of NGS who have elected to participate in POR. (C)
- 3) Pursuant to the Company's Purchase of Receivables Program, the Company will purchase at a discount the accounts receivable from NGSs who elect to participate in POR. If an NGS discontinues participation in the Customer Choice Program for any reason, the Company reserves the right to adjust the NGS's accounts to correct any prior errors for up to twelve (12) months after the NGS discontinues participation. If a Customer discontinues participation in the Customer Choice Program for any reason, or if the Customer discontinues gas supply service from an NGS, the Company reserves the right to adjust the NGS's accounts to correct any prior errors up to twelve (12) months after the Customer has discontinued said participation or service.
- 5) The NGS shall inform the Company of its choice of Billing Option at the time it executes its Transportation Agreement. Thereafter, the NGS may only change its choice of Billing Option once each calendar year and only after 60 days' advance written notice to the Company. The NGS shall select one of the following Billing Options: (C)

RULES AND REGULATIONS (Continued)

- a. Two Bill Option: The NGS bills Customers for their gas supply. The Company will not purchase the NGS receivables for any customer for which the NGS has chosen the Two Bill Option. The NGS assumes full responsibility for nonpayment of the NGS’s Natural Gas Supply Services charges under the Two Bill Option. The Company bills Customers for services provided by the Company under this Tariff. The Company will transmit to the NGS meter reading and other information needed for billing in a standard electronic format each day in accordance with the Company’s billing cycle.
- b. Single Bill Option: The NGS elects to have the Company bill for the NGS’s Natural Gas Supply Services and for distribution or delivery services on a single bill. The Company may purchase the accounts receivable for an NGS that elects this billing option pursuant to the Voluntary Purchase of Receivables Program paragraph in this Tariff. The NGS will provide the Company with all billing rate and other information that will be necessary for Customer billing, as determined by the Company, at the time it gives the Company notice of Customer enrollment and its selection as NGS. The Company will transmit to the NGS meter reading and billing information in a standard electronic format each day in accordance with the Company’s billing cycle. The Company will transmit payment information, as payments are received for NGS balances, on a daily basis. (C)
- c. Any and all changes in or corrections of the billing rate and other information supplied by the NGS must be delivered to the Company in an electronic format acceptable to the Company no less than two (2) weeks prior to the first day of the month in which the changed or corrected information is to be used by the Company to issue bills pursuant to Single Bill Option. The Company’s billing fee for Single Bill Option:

<u>Charge Per Invoice: Single Bill Option</u>	\$0.15
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- d. To the extent the NGS has provided the Company with inaccurate or erroneous information which requires an adjustment to Customer bills, the NGS agrees to pay the Company the fees provided below to recover the per transaction incremental costs associated with such changes.

<u>Administrative Fee for Changes in NGS Billing Data</u>	\$500
Cost per confirmation report of billing data change by NGS	
<u>Processing Fee for Changes in NGS Billing Data</u>	\$1.00
Cost per adjustment	

- e. All Customer payments received by the Company shall be first applied to amounts due the Company, including installment amounts due the Company under existing payment plans. Payments received from Customers in the Customer Choice Program will be applied as follows: (1) to the Company for outstanding pre-Customer Choice Program installment amounts per payment agreements; (2) to the Company’s current delivery service charges; (3) to NGS gas supply charges; (4) to non-basic service charges; (5) to hardship energy fund contributions.

RULES AND REGULATIONS (Continued)

- f. Partial payments made by residential Customers who are not budget payment plan participants shall be applied as follows:
- i. Past-due Company service charges;
 - ii. Current Company service charges;
 - iii. Past-due NGS charges;
 - iv. Current NGS charges;
 - v. Non-basic service charges.
 - vi. Pre-Customer Choice Program balance. For a residential Customer who has a pre-Customer Choice Program balance, partial payments will be applied by the Company as follows:
 - (a) Outstanding pre-Customer Choice Program balance or installment amount with respect to any existing payment agreement on this balance;
 - (b) Current Company charges;
 - (c) NGS charges;
 - (d) Non-basic service charges;
 - vii. Post-Customer Choice Program balance. If the residential Customer's account develops a post-Customer Choice Program balance, partial payments should be applied to the pre-Customer Choice Program balance before being applied to any other outstanding post-Customer Choice Program charges. For a residential Customer with no pre-Customer Choice Program balance, partial payments should be applied as follows:
 - (a) Past-due Company service charges;
 - (b) Current Company service charges;
 - (c) Past-due NGS charges;
 - (d) Current NGS charges;
 - (e) Non-basic service charges.
- g. If a Customer is a budget payment plan participant, the Company shall determine the amount of the monthly budget payment to credit to the Company's delivery charges and the NGS's Natural Gas Supply Services charge based on the Customer's annual consumption over the previous twelve (12) months and the applicable rate information. The Company will remit to the NGS, on a monthly basis, a pro-rata portion of the budget bill payment applicable to the NGS's Natural Gas Supply Services charges. Any budget payments that are received shall be applied first to the Company's charges and any balance remaining after the Company's charges are made current will be paid to the NGS.

RULES AND REGULATIONS (Continued)

- 5) A Customer may not be disconnected from the Company's system unless the Customer fails to meet his/her obligations to the Company or fails to pay NGS Natural Gas Supply Services charges pursuant to the Company's Voluntary Purchase of Receivables Program paragraph of this tariff, and then only after applicable laws and regulations regarding service termination have been followed. In no event shall gas service to a Customer be terminated or threatened with termination for failure to pay NGS charges or any non Natural Gas Supply Service charges. If gas service to a Customer not subject to the Company's Voluntary Purchase of Receivables Program is terminated, the Company will not make the payment of NGS gas supply charges a condition for the restoration of service.
- 4) The Company shall bill all Customers enrolled in the Customer Choice Program Customers for its distribution or delivery services, regardless of whether the NGS or the Company generates the bill for gas supply services. The Company shall provide the NGS with individual Customer usage data for each billing cycle as those Customers who receive gas supply service from the NGS are billed by the Company.
- 5) All complaints that pertain to the standards and billing practices for residential utility service shall be handled and resolved in accordance with the requirements of Chapter 56 and other Commission regulations that are applicable. The Company will give the Commission access to the billing and other information that may be needed in any compliance review conducted by the Commission and any NGS providing gas supply service to Customers on the Company's system will do likewise.

T. Purchase of Receivables Program ("POR")

- 1) A NGS that elects POR for its customer accounts shall be required to sell all its accounts receivable in its POR pool to the Company as specified in this POR program. The NGS shall be required to designate the POR Option in its Pooling Agreement with the Company to implement the POR program. All customers served from a P-1 pool are eligible to have their receivables purchased by the Company. If a NP-1 pool opts to participate in the POR program, the Company shall purchase receivables for only residential and small business customers (as defined in §62.72 of the Commission's Regulations). NGSs serving NP-1 customers and participating in the POR program must operate a separate NP-1 pool for residential and small business customers (POR pool) and a separate NP-1 pool for all other customers. (C)
- 2) A NGS must elect Single Bill Option for their POR pool.
- 3) A NGS participating in the POR program is required to accept a new customer for enrollment without regard to the credit-related issues or payment history.
- 4) A NGS participating in the POR program shall not request a security deposit from a customer.
- 5) The Company will purchase the NGS receivables at a discount rate equal to the applicable Merchant Function Charge percentage as stated on page 97 of this tariff. The discount rate applicable to each POR pool (Pool Discount Rate) shall be established by the Company and shall be based on the weighted average of the class specific accounts receivables and the class specific discount rates stated above. The Company shall have the right to review and adjust the Pool Discount Rate on a monthly basis to reflect the actual mix of customers served by the pool. (C)
- 6) The Company will purchase only receivables associated with the NGS's Natural Gas Supply Services charges and no other products or services that may be provided by NGSs. The Natural Gas Supply Services charges eligible under the POR program shall not include any charges associated with the following: termination fees, energy efficiency service or equipment, a non-recurring charge billed by an NGS for calling the NGS call center or negotiating a payment plan, security deposits charged by an NGS, other equipment or services provided by an NGS, such as heating equipment repairs or maintenance policies, or any charges associated with carbon based attributes, including value added green products like carbon attributes.
- 7) The Company will have the right to terminate a customer's service for failure to pay the NGS's Natural Gas Supply Services charges portion of the bill. Such termination of service will comply with all applicable laws and regulations regarding termination of service.
- 8) The Company may require full payment of any balance outstanding for the NGS's Natural Gas Supply Services charges before reconnecting service that has been terminated for nonpayment. When requiring full payment, the Company will comply with all applicable laws and regulations regarding reconnection of service.
- 9) The Company, at its discretion, may decide to terminate the Purchase of Receivables program.

RULES AND REGULATIONS (Continued)**U. Customer Decisions to Change/Select NGS**

- 1) The Company shall process any request to initiate, terminate or change a Customer's NGS in accordance with the following procedure and the Commission's regulations at 52 Pa. Code Sections 59.91-59.99. The Customer, or a person or entity that is authorized to act on the Customer's behalf, should contact his or her chosen NGS to initiate such a request. If such request is presented to the Company, the Company will inform such party to contact the NGS directly.
 - a. After the Company has received notification from an NGS of a Customer's request to initially select, terminate or change an NGS, the Company shall send the Customer a confirmation letter noting the proposed selection/change of NGS. The letter will include a five (5) day waiting period during which the request may be cancelled by the Customer before the selection/change of the NGS is put into effect. The letter shall include the date that service from the new NGS will commence. The five (5) day waiting period shall start on the day the confirmation letter is mailed.
 - b. The Company will mail the confirmation letter by the end of the next business day following its receipt of the notification from the NGS of the Customer's selection of the NGS.
 - c. If the Customer does not contact the Company to cancel the request to selection/change NGS within the five (5) day waiting period, the Company shall make the change of NGS at the beginning of the next billing month following the five (5) day waiting period.
- 2) When a Customer contacts the Company and alleges that their NGS has been changed without their consent, the Company shall consider the matter a Customer dispute and investigate and respond to the dispute consistent with the requirements Chapter 56 at Sections 56.151 and 56.152. Any Customer who has had their NGS changed without their consent shall be switched back to the previous gas service provider. Further, the Customer will not be responsible for any charges rendered by the unauthorized NGS during the period of unauthorized supply service, and the company responsible for initiating the unauthorized change of supplier shall issue a complete refund of any gas supply charges paid by the Customer for the unauthorized NGS supply service within 30 days of the close of the dispute. The refund provision shall apply only to the natural gas supply charges. Any charges involved in the switch back to the previous gas service provider shall be the responsibility of the NGS that initiated the change without the Customer's consent.

RULES AND REGULATIONS (Continued)V. Discontinuation of NGS Gas Supply Services

- 1) Any requests received from the Customer to discontinue service shall be complied with in accordance with applicable Commission guidelines and the requirements set forth in 52 Pa. Code, Sections 56.16(a) and 56.72. The Company will refer any such request for discontinuance to the Customer's NGS and coordinate with the NGS to make sure that all necessary Customer services, including final billing, are properly provided.
- 2) NGS exiting the system must notify the Company in writing not less than 90 days in advance. Should any NGS elect or be required to discontinue serving Customers on the Company's distribution system it shall a) relinquish any capacity assigned and/or allocated to it by the Company for the Customers it served; b) assign to the Company any new, replacement and/or alternate capacity it acquired to serve its Customers, if needed by the Company to serve said Customers; and c) maintain any financial security instrument(s) then existing in the Company's favor until it has satisfied any and all outstanding claims of the Company. The existing NGS shall also give written notice to all of its Customers.
- 3) Upon receipt of notice of the NGS's discontinuation of service, the Company will notify the Customer that it will provide commodity gas supply to the Customer as the supplier of last resort under the applicable bundled retail service Rate Schedule. The Customer will be charged for such supplier of last resort service effective as of the beginning of the next billing cycle after the expiration of the notice period
- 4) Subject to the Company's right to offset any amounts otherwise owed by the NGS to the Company, and following compliance by the NGS with all exit requirements, the Company will cash-out any gas supplies credited to the exiting NGS for its Customers which were not used by such Customers, as of the date the NGS ceases serving Customers on the Company's system, by paying the exiting NGS for such gas supplies at a price of eighty percent (80%) of the Company's Average Commodity Cost of Purchased Gas during the months of April through October. The NGS shall pay any costs incurred by Peoples TWP LLC as a result of the NGS's failure to provide sufficient advance notice of intent to exit.

W. Commission Rules and Regulations Applicable to NGS

The NGS and its Customers shall adhere to all applicable Commission policy statements, guidelines, rules and regulations, including but not limited to those related to standards for credit determination, security deposits, initiation and disconnection of service, disclosure of the terms of service, marketing, advertising and sales practices, and the privacy of Customer information. The NGS and its Customers shall also adhere to all provisions of this Tariff.

RULES AND REGULATIONS (Continued)**X. Special Operating Conditions****1) Maintenance Alerts**

- a. A Maintenance Alert (MA) is an announcement issued at the discretion of the Company which pertains to actual or pending events related to various physical connections to the Company's system. It shall be communicated via Electronic Bulletin Board ("EBB"), fax, e-mail or telephone, at the Company's option, with as much advance notice as reasonably possible and shall describe the circumstances of the MA. The MA shall also identify the affected area(s) on the Company's system and may require specific action by an NGS or Customer which schedules its own gas supplies.

2) Operational Alerts

- a. An operational alert (OA) may be called by the Company during periods of projected increases or decreases in system demand for natural gas or during any other operating circumstances which may cause system stress or threaten the pipeline storage and/or transportation capacity needed to maintain the Company's operating system. NGS and Customers which schedule their own gas supplies are expected to respond to the Company within 2 hours after the declaration of an OA, informing the Company of their intended action. An OA may be used to avoid an operational flow order, but shall not be a prerequisite to the issuance of an operational flow order.
- b. The Company will communicate OAs via EBB, fax, e-mail, or telephone at its discretion, at least 24 hours in advance where possible. Every OA will include the following information:
 - i. Date of issuance and estimated duration
 - ii. Explanation of the reason(s) for the OA
 - iii. Description of requested action
- c. The Company shall maintain a record of every OA notice issued, and the names of every person given the OA notice. The Company shall notify affected parties via EBB, fax, e-mail or telephone once the condition which prompted the OA has been remedied.

3) Operational Flow Orders

- a. Upon declaration of an operational flow order (OFO), the Company will direct any or all NGS and Customers which schedule their own gas supplies to adjust daily scheduled volumes to specified levels. Generally, during peak design day conditions, this specified level will be equal to the maximum requirements set forth in the applicable Transportation Service Agreements. Should conditions be greater or less than peak design day conditions, the specified level of the OFO may be greater or less than the maximum contract volumes.
- b. The Company will communicate OFOs by EBB, telephone, fax, or e-mail at its discretion.
- c. If, after the declaration of an OFO, a difference exists between the specified levels of daily scheduled volumes required by an OFO and actual deliveries to the Company, the following penalties and charges will be assessed against any NGS or Customer who has failed to comply with the requirements of the OFO:
 - i. In the case where the difference constitutes an Under-Delivery, the higher of One Hundred (\$100.00) Dollars per Mcf on the difference or the Company's cost of acquiring gas to replace said difference;
 - ii. In the case where the difference constitutes an Over-Delivery, a penalty of One Hundred (\$100.00) Dollars per Mcf on the difference.
 - iii. The payment of all other charges incurred by the Company during the effective date or dates of the OFO that result from the NGS's or Customer's failure to comply with the OFO, including a proportionate share of any pipeline penalties that are incurred by the Company as a result of said failure to comply.

RULES AND REGULATIONS (Continued)**Y. Nomination Procedures****1) Nomination of Gas Supplies Delivered on Interstate Pipelines**

- a. With respect to FT and FS capacity that is assigned to an NGS by the Company to serve Priority Customers, the NGS shall nominate gas volumes to the Interstate Delivery Point(s) on the subject interstate pipeline in accordance with the applicable rules of nomination of the affected interstate pipeline(s). Upon receipt of notice of such nomination, the Company will confirm or reject said nominations, as described below, and, if confirmed, nominate corresponding volumes to the Receipt Point(s) at an appropriate interstate pipeline interconnection with the Company's system.
- b. With respect to all other interstate pipeline transportation service capacity that any Customer which schedules its own supplies may acquire or that an NGS may acquire and use to deliver gas supplies to the Company to serve its Customers, such Customer or NGS shall nominate the gas volumes to the Receipt Point(s) at an appropriate interstate pipeline interconnection with the Company's system.
- c. Nominations must conform, in content and format, with the Company's specifications for local gas volume nominations, which shall include, at a minimum: the NGS or Customer's name; the requested daily local gas volume to be received at the applicable Receipt Points, and the name of the NGS or Customer's nominations contract.
- d. Nominations shall be transmitted to the Company by the Company's EBB or other media as directed by the Company and shall be received by the Company by the dates and times specified by the Company.
Subject to the limits of the Company's operating conditions and facilities, previously confirmed nominations and timely confirmation by interstate pipelines, the Company will either confirm, in whole or in part, or reject the nomination. Confirmed nominations will be posted on the Company's EBB or made available on other media at the Company's discretion.
- f. Confirmed nominations will become effective on the date specified in the nomination.

2) Nomination of Local Gas Supplies

- a. No later than five days prior to the end of each month, the Company will set a Gross Production Projection (GPP) nomination for the following month. The initial GPP nomination shall be based on recent available production data but may be subject to adjustment by the Company to reflect known and anticipated production changes provided by the Pool or Local Gas Aggregator and confirmed by the Company. The confirmed volumes will be used for reconciling local gas nominations and actual production. Confirmed GPP nominations will be credited to Pool Operator's account on the date specified in the Pool Operator's nomination. When actual local gas volumes delivered to the Company are known, any discrepancies between actual and nominated local gas volumes will be reconciled in the first full calendar month following the determination of actual local gas volumes (the "Adjustment Month") by adjusting the Pool Operator's monthly available volume. (C)

All local gas volumes received for the NGS's or Customer's account at Receipt Points on the Company's system, as specified in the applicable Transportation Service Agreement, shall be nominated by the NGS or the Customer to the Company by the Company's EBB or other media as the Company directs by the dates and times specified by the Company.
- b. Nominations must conform, in content and format, with the Company's specifications for local gas volume nominations, which shall include, at a minimum: the NGS's name; the requested daily local gas volume to be received at the applicable Receipt Points, and the name of the NGS or Customer's nominations contact. (C)
- c. Subject to the limits of the Company's operating conditions and facilities, and the reasonableness of NGS or Customer's nomination, as determined solely by the Company, the Company will either confirm, in whole or in part, or reject the nomination. Confirmed local gas volumes will be posted on the Company's EBB or made available on other media at the Company's discretion.
- d. Confirmed nominations will become effective on the date specified in the NGS's or Pool Operator's nomination and will remain in force until the last day of the current calendar month, unless superseded by a subsequent local gas volume nomination.

RULES AND REGULATIONS (Continued)

- 3) Nomination of Transferred Volumes on the Company's System
- a. A NGS may nominate gas to another NGS that balances on the same basis during the month. A LGA pool may nominate gas to another LGA pool. These transfers are considered pool-to-pool transfers.
 - b. A NGS operating a Non-Priority One Pool may nominate gas to another NGS of the same type during the four day trade period provided by the Company. This transfer is considered an imbalance trade. (This provision is terminated effective 3/31/17.) (C)
 - c. The NGS or LGA pool must nominate on the Company's EBB, or on other media as directed by the Company, the volumes to be transferred on the Company's system. Said nomination shall include, at minimum, the NGS's or Customer's name, the volume of gas to be transported, the Receipt Point for such volume on the Company's system and the Delivery Point on the Company's system.
 - d. Such nominations shall be made by the dates and times specified by the Company and must conform, in content and format, with the Company's specifications for pool-to-pool volume nominations. .
 - e. Subject to the limits of the Company's operating conditions and facilities, and the reasonableness of the NGS nomination, as determined solely by the Company, the Company will either confirm, in whole or in part, or reject the nomination. Confirmed gas volumes to be transferred will be posted on the Company's EBB or made available on other media at the Company's discretion.

(C)

Z. Gas Day

- 1) The Gas Day shall begin and end at 10:00 a.m. Eastern Standard Time or Daylight Savings Time, as applicable.

RULES AND REGULATIONS (Continued)**AA. Standards of Conduct**

- 1) The following Standards of Conduct shall be applicable:
 - a. The Company will apply its Tariff in a nondiscriminatory manner to both affiliated and nonaffiliated NGS.
 - b. The Company will not apply a Tariff provision in any manner that would give its affiliated NGS an unreasonable preference over any other NGS with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, non-delivery, or any other services provided to NGS operating on the Company's system.
 - c. Mandatory Tariff provisions will not be waived by the Company for any NGS without prior approval of the Commission.
 - d. If a Tariff provision is not mandatory or provides for waivers, the Company will grant waivers, when appropriate, without preference to either affiliated or non-affiliated NGS.
 - e. The Company will maintain a chronological log of Tariff provisions for which it has granted waivers. Entries shall include the name of the party receiving the waiver, the date and time of the request, the specific Tariff provision waived and the reason for the waiver. The chronological log will be open for public inspection during normal business hours.
 - f. The Company will process requests for transportation services promptly and in a nondiscriminatory fashion. It will maintain a chronological log showing the processing of requests for transportation services. The chronological log will be open for public inspection during normal business hours.
 - g. If the Company provides a transportation service discount, fee waiver or rebate to some Customers, or to the Customers of an affiliated NGS, the Company will offer the same discount, fee waiver or rebate to other similarly situated Customers. Offers will not be tied to any unrelated service, incentive or offer on behalf of either the Company or an affiliated NGS. A chronological log will be maintained showing the date, party, time and rationale for any such action taken by the Company. The chronological log will be open for public inspection during normal business hours.
 - h. Subject to Customer privacy or confidentiality constraints, the Company will not disclose, directly or indirectly, any Customer proprietary information to its affiliated NGS unless authorized by the Customer. To the extent that the Company does disclose Customer information without Customer authorization, it will contemporaneously provide the same information to other similarly situated NGS in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliated NGS any advantage related to the disclosure. A chronological log will be maintained showing the date, time and rationale for the disclosure. The chronological log will be open for public inspection during normal business hours.
 - i. The Company will justly and reasonably allocate to its affiliated NGS the costs of or expenses related to any general administration or support services that the Company provides to its affiliated NGS.
 - j. The Company will not condition or tie the provision of any product, service or price agreement by the Company (including release of interstate pipeline capacity) to the provision of any product or service by an affiliated NGS.
 - k. The Company will not give its affiliated NGS preference over a non-affiliated NGS in the provision of services, including the processing of requests for information, complaints and responses to service interruptions. The Company will provide comparable treatment in its provision of such services without regard to a Customer's choice of NGS.
 - l. The Company and its affiliated NGS will maintain separate books and records. Further, transactions between the Company and its affiliated NGS will not involve cross-subsidies. Any shared facilities will be fully and transparently allocated between the Company function and the affiliated NGS function. The Company accounts and records will be maintained such that the costs incurred on behalf of an affiliated NGS can be clearly identified.

RULES AND REGULATIONS (Continued)

- m. Company employees who have responsibility for operating the distribution system, including natural gas delivery, billing and metering, will not be shared with an affiliated NGS, and their offices will be physically separated from the office(s) used by those working for the affiliated NGS. Such employees may transfer to an affiliated NGS provided that such transfer is not used as a means to circumvent these standards.
- n. Neither the Company nor its affiliated NGS will directly or by implication, falsely and unfairly represent to any Customer, NGS or third party that an advantage may accrue to any party through use of the Company's affiliates or subsidiary, such as:
- That the regulated services provided by the Company are of a superior quality when services are also purchased from an affiliated NGS;
 - That any services are being provided by the Company when they are in fact being provided by an affiliated NGS;
 - That the natural gas purchased from a non-affiliated NGS may not be reliably delivered;
 - That natural gas must be purchased from an affiliated NGS to receive Commission regulated services.
- o. When an affiliated NGS markets or communicates to the public using the Company name or logo, it shall include a legible disclaimer that states:
- That the affiliated NGS is not the Company;
 - That the prices of the affiliated NGS are not regulated by the Commission; and
 - That a Customer does not have to buy natural gas or other products from the affiliated NGS in order to receive the same quality of service from the Company.

When an affiliated NGS advertises or communicates verbally through radio or television to the public using the Company name or logo, the affiliated NGS will include at the conclusion of any such communication a disclaimer that includes all of the disclaimers listed in this paragraph.

- p. Except in competitive bid situations, the Company will not (a) jointly market or jointly package its Commission regulated services with the services of an affiliated NGS or (b) offer or provide to an affiliated NGS products or services, including bill inserts in its bills promoting an affiliated NGS service or a link from the Company's web-site, unless the Company offers or provides the product or service to non-affiliated NGS as well on the same terms and conditions.
- q. The Company will not offer or sell natural gas commodity or capacity to an affiliated NGS without simultaneously making the offer available to the market as well. The Company will maintain a chronological log of these public disseminations of such offers. The chronological log will be open for public inspection during normal business hours.
- r. The Company will establish and file with the Commission a complaint procedure for dealing with any alleged violations of these standards, with the exception of those described in subparagraph i, which are exclusively under the purview of the Commission.
- s. The Company will keep a chronological log of any complaints, except for complaints pertaining to subparagraph i, regarding discriminatory treatment of NGS. This chronological log will include the date and nature of the complaint and the resolution of the complaint. The chronological log will be open for inspection during normal business hours.

RULES AND REGULATIONS (Continued)

- t. Dispute Resolution Procedures: In addition to the procedure set forth in subparagraph r., above:
- In the event of any dispute between the Company and/or an affiliated NGS, and a non-affiliated NGS alleging a violation of any of these standards, the non-affiliated NGS must provide the Company and/or affiliated NGS, as applicable, a written Notice of Dispute that includes the names of the parties and Customer(s), if any, involved and a brief description of the matters in dispute.
 - Within five (5) days of the Company's and/or affiliated NGS's receipt of a Notice of Dispute, a designated senior representative of each of the parties shall attempt to resolve the dispute on an informal basis.
 - In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of the Company's and/or the affiliated NGS's receipt of the Notice of Dispute, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. Any party may request mediation prior to that time if it appears that the informal resolution process is not productive.
 - If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.
 - Any party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.
 - Any party alleging a violation of these standards may pursue their allegations through the Commission's established complaint procedures. A complainant bears the burden of proof with regard to the allegations and may seek penalties for such violations pursuant to 66 Pa. C.S. § 3301.
- 2) Natural gas supply service, any ancillary capacity release, and off-system sales, if any, that are provided by the Company pursuant to its Tariff shall not be subject to the foregoing Standards of Conduct.
- 3) Nothing contained in this Rule shall preclude the Company from seeking an exception to these Standards from the Commission, if warranted by the applicable facts and circumstances.

19. NATURAL GAS SUPPLIER RULES FOR SERVICE TO PRIORITY CUSTOMERS**A.. Procedures for Renewing and Acquiring FT and FS Capacity**

The Company will comply with the following procedures when its Firm Transportation (FT) and/or Firm Storage (FS) capacity contracts expire and must be renewed or replaced, or when evaluating new transportation or storage service options that it has determined to be necessary to satisfy Customer demand requirements on the Company's system.

1) Procedure for Determining Replacement Capacity

- a. For transportation or storage service capacity needed by the Company to satisfy system demand requirements, no less than six (6) months prior to the date by which the Company must notify an interstate pipeline of its intent to renew such a capacity contract or to enter into a new contract which will serve this purpose, the Company will issue a notice to all NGS authorized to operate on the Company's system of the opportunity to provide replacement capacity for such upcoming terminable capacity.
- b. The RFP will describe the level of capacity needs in the specific areas of the Company's system and/or at particular Receipt Points into the Company's system and note that such capacity must be both available at a cost which is competitive with and comparable to the expiring capacity and assignable to the Company to the extent an NGS no longer serves Customers on the Company's system.
- c. Any NGS interested in providing replacement capacity must provide a binding response to the RFP within thirty (30) days of its issue date (5 months prior to the notice date on the contract.) Such response shall include a statement of intent to provide replacement capacity, an identification of the capacity proposed as replacement, and an affirmation and a description of how such capacity meets all of the conditions specified in the RFP.
- d. Within 60 days of issuing the RFP, (4 months prior to the notice date on the contract) the Company shall notify any NGS that has responded to the RFP with offers of replacement capacity, of the Company's decision as to the acceptance or rejection of such offers. Before becoming final, any such replacement capacity must be approved by the Commission.
- e. Accepted offers of replacement capacity shall be submitted to the Commission by the Company for approval as soon as practicable after such acceptance. The Company reserves the right to provide evidence or statements to the Commission concerning the viability of such proposed replacement capacity. Upon receipt of Commission approval, the Company shall provide notice to the interstate pipeline of termination of the transportation or storage capacity contract which is being replaced. To the extent such replacement capacity is not approved by the Commission, the Company will renew the existing capacity contract.

RULES AND REGULATIONS (Continued)

2) Replacement Contract Expiration

- a. Six (6) months before any applicable notice dates to terminate replacement capacity approved by the Commission and provided by the NGS under the process described above, the NGS must demonstrate to the Company that it has obtained or has a binding agreement to renew or obtain capacity which continues to meet the Company's requirements established for such capacity. If such NGS has not demonstrated to the Company's satisfaction that it has or will obtain capacity satisfying the Company's operational requirements, then the NGS must renew the original replacement capacity.

3) Company Contracts for New or Renewed Capacity

- a. In the event the Company does not receive sufficient or acceptable commitments for replacement or new capacity which satisfies the capacity requirements of an RFP, the Company shall negotiate and contract for the necessary capacity to meet the Customer demand on its system. The Company shall submit such proposed new or renewed capacity to the Commission for approval. Upon receipt of Commission approval, such capacity so acquired or renewed shall qualify for mandatory assignment and/or full cost recovery.

B. Priority One Pooling Service

1) Assignment of Capacity & Pennsylvania Produced Supplies

- a. Pool Operators who take service under this rate schedule must take an assignment of a pro-rata or other agreed upon share of the interstate pipeline and storage capacity ("assigned capacity") that would otherwise be utilized by the Company to meet the Customer's commodity service requirements. (C)
- b. Assigned capacity shall be subject to recall to the extent that the Pool Operator is unable to deliver necessary gas supplies, in which case the Company will provide for the delivery of necessary gas supplies.
- c. Capacity assignment requirements shall be subject to review in the Company's annual Section 1307(f) proceeding.

RULES AND REGULATIONS (Continued)

- d. Pennsylvania gas produced from wells under gas purchase contracts for sale to the Company and for ultimate delivery into the Company's system may be assigned to the NGS as agent for the Customers of the pool. The assignment shall be structured at a monthly weighted average purchase cost of the assigned Pennsylvania-produced supplies. The term of the assignment shall be from the first month in which the NGS renders commodity service to the Customer until the NGS's supply agreement with the Customer expires, or as otherwise provided in this Rule. (C)
- e. Assigned Pennsylvania-produced supplies shall be recallable by the Company if the Customer on whose behalf the capacity has been assigned is no longer served by the NGS or the NGS has failed to comply with terms and conditions as set forth by the Company.
- f. NGS will be assigned a pro-rata share of the Company's upstream pipeline firm transportation capacity and a pro-rata share of the Company's upstream pipeline storage capacity that would otherwise be utilized by the Company to serve the Customers in the NGS's pool. The assignment shall be structured as a no cost release to the NGS.
- g. A storage gas transfer between the Company and the Priority One NGS may be required by the Company depending on the timing of Customers entering or exiting the NGS's Priority One pool.
- h. The storage gas transfer price shall be based on a pro-rata share of the Company's current storage inventory and the Company's estimated commodity cost of storage gas for the year.
- i. The NGS must comply with all upstream pipeline requirements to become an eligible shipper on the upstream pipeline system.
- j. The upstream pipeline and storage transportation capacity released shall be recallable by the Company if the Customer on whose behalf the capacity has been assigned is no longer served by the NGS or the NGS has failed to comply with terms and conditions set forth in this Rule. The Company will calculate the design peak day, base load, peak demand period, and annual gas requirements for all Customers who enroll in the Customer Choice Program and are served by NGS and such requirements will be aggregated for each Customer Pool.

RULES AND REGULATIONS (Continued)

- 2) Receipt and Delivery Points
 - a. NGS or their Customers receiving service under the Company's Priority One Pooling Service will be assigned Receipt Points and Delivery Points on the interstate pipelines on which they have been assigned FT and allocated FS capacity.
 - b. Receipt Points for any Supplemental Gas Supply delivered to the Company by an NGS or Customer will be approved by the Company and described in the applicable Transportation Service Agreement.
- 3) Scheduling of Receipts and Deliveries
 - a. For purposes of scheduling receipts and deliveries of gas on the Company's system, NGS serving Priority Customers shall function as Pool Operators and comply with Rule No. 18 of this Tariff.
 - b. All Transportation Volumes received for the NGS's account at upstream pipeline transportation receipt points shall be nominated to the Company in advance according to the procedures provided in Rule 18.Y. Nominations shall distinguish among the following volumes delivered into the NGS's account: (1) upstream pipeline transportation and storage capacity assigned to the NGS by the Company and (2) all other upstream pipeline transportation and storage volumes.
 - c. All assigned Pennsylvania-produced supplies received for the NGS's account at production receipt points shall be nominated to the Company in advance according to the procedures outlined in Rule 18.Y.
 - d. The NGS must acquire an adequate supply of natural gas of a quality acceptable to the Company, including any allowances for any retention required by the applicable interstate pipeline systems and the Company. The NGS shall use its assigned FT capacity to deliver such gas supply to the Receipt Points and Delivery Points specified by the Company. The NGS must also arrange for the delivery of any Supplemental Gas Supply.
- 4) Nominations
 - a. NGS shall be subject to the nomination provisions set forth in Rule No. 18.Y. of this Tariff.
- 5) Balancing and Reconciliation
 - a. NGS shall be subject to the balancing and reconciliation provisions set forth in Rule No. 18.M. of this Tariff.

RULES AND REGULATIONS (Continued)**20. NATURAL GAS SUPPLIER RULES FOR SERVICE TO NON-PRIORITY CUSTOMERS****A. Non-Priority One Transportation Service****1) Capacity and Supply Considerations**

- a. NGS serving Customers under the Company's Non-Priority One Pooling Service will not be allocated or assigned any interstate pipeline capacity. The NGS will be required to provide its own capacity on the interstate pipelines to deliver gas supplies to the Company or purchase local Pennsylvania gas supplies that are accessible to the Company's pipeline system. To the extent that an NGS serves any Customer which is normally supplied by the Company with Pennsylvania gas ("Pa. Supply Customers"), and taking into account the Company's overall gas supply needs and relevant contractual considerations, the Company will evaluate whether it is feasible and appropriate to assign or release Pennsylvania gas supplies to NGS and/or release Pennsylvania gas producers from their contracts to permit NGS to attempt to purchase gas from the producers. If a Pennsylvania gas producer has one or more gas purchase agreements dedicated to the Company's system supply ("Supply Contracts") and intends to provide natural gas to a Pa. Supply Customer of the Company as an NGS, or to an NGS which will, in turn, supply such Customer, then the Company shall assign or release to such producer or NGS that producer's Supply Contracts sufficient to serve such Customer if all relevant contractual issues can be satisfactorily resolved.
- b. If the Non-Priority One NGS supplies Priority One Customers with a total annual consumption greater than 30,000 Mcf, then the Non-Priority One NGS shall establish a separate Priority One Pool for these Customers or eliminate sufficient Priority One Customers from the Non-Priority One Pool to reduce the total annual consumption by the Priority One Customers to an amount less than 30,000 Mcf.

2) Receipt and Delivery Points

- a. The Company shall determine acceptable Receipt Points on the Company's pipeline system in conjunction with the physical or operational constraints of the system.
- b. If the Receipt Point is an interstate pipeline interconnection, the Company will approve the receipt point only if there is sufficient capacity that is physically available and unused. Available and unused capacity at interstate pipeline interconnections will be apportioned on a pro-rata basis. Physical capacity for deliveries on behalf of Priority Customers using the Company's released or assigned FT and allocated FS capacity under the Customer Choice Program or receiving bundled retail tariff service from the Company will have the first priority of all gas delivered to an interstate pipeline interconnection with the Company's system. (C)
- c. Assignment of available Receipt Points on the Company's system to receive delivery of local Pennsylvania gas supplies will be made by gas purchase meter on a first-come, first-served basis.

3) Nominations

- a. NGS shall be subject to the nomination provisions set forth in Rule No. 18.Y. of this Tariff.

4) Balancing and Reconciliation

- a. Balancing and Reconciliation will be done monthly in accordance with Rule No. 18.M. of this Tariff.

RULES AND REGULATIONS (Continued)

B. Miscellaneous

- 1) In addition to the terms and conditions of this Rule No. 20 and all applicable Transportation Service Agreements, NGS serving Non-Priority Customers shall be subject to the requirements of 52 PA Code, Section 62.111 and to Rule No. 18. of this Tariff; provided, however, that the Company reserves the right to reduce the creditworthiness and security requirements with regard to any NGS which is serving only Non-Priority Customers.

This Rule will be available to Non-Priority Customers, which procure their own gas supply without the use of an NGS. Any such Customer will be deemed an NGS for purposes of this Rule.

RULES AND REGULATIONS (Continued)**21. UNIVERSAL SERVICE PROGRAMS FOR LOW-INCOME RESIDENTIAL PRIORITY CUSTOMERS**

The Company's Universal Service Programs include the Customer Assistance Referrals and Evaluation Services ("CARES") program, the Dollar Energy Fund program, the Low Income Home Energy Assistance Program ("LIHEAP"), and the Customer Assistance Program ("CAP"). The Company's energy conservation and related services are provided by means of its Wise Choice Low Income Usage Reduction ("Wise Choice") program. A thorough description of the Company's current Universal Service and Energy Conservation Plan (the "Plan") is on file with the Commission. A copy of said Plan is available from the Company upon request.

A. Customer Assistance Referrals and Evaluation Services

The Company's CARES program was developed as part of the Company's continuing effort to organize and offer assistance to its Customers. The CARES program is designed to give personalized assistance to Customers through counseling and referral services provided by trained Customer Service Representatives employed by the Company and supported by a CARES Representative provided by an outside vendor. CARES is also intended to help maximize participation by eligible Customers in available assistance programs, including the LIHEAP (Cash and Crisis), Dollar Energy Fund, Wise Choice, and CAP programs.

B. Wise Choice Low Income Usage Reduction Program

The Company's Wise Choice program is a weatherization and conservation education program which targets low-income, high usage, payment troubled Customers in accordance with Commission regulations at 52 PA Code §58.1 – §58.18. The primary role of Wise Choice is to weatherize homes occupied by income disadvantaged Customers that use large volumes of gas and to educate such Customers in ways to conserve energy and reduce their energy bills. The secondary goal is to reduce the amount of uncollectible residential accounts.

- 1) A thorough description of the Wise Choice program operation including the participation guidelines is contained in the Company's Universal Service and Energy Conservation Plan currently in effect and on file with the Commission.
- 2) The annual expenditure of the Wise Choice program is \$255,000, of which 15% (fifteen percent) can be applied to administrative services.

C. Customer Assistance Program ("CAP")

The Company's CAP is a low-income assistance program designed to help eligible residential Customers pay their gas bills. Three different levels or tiers of assistance are available to eligible Customers, based on their annual household income. CAP assistance is provided by requiring eligible residential Customers to make payments under a percentage of income plan. The Company will retire one thirty-sixth (1/36) of a Customer's existing arrearage balance for every on-time monthly payment made by the Customer. In addition, the Customer will be required to make an additional five dollar (\$5.00) per month payment if the Customer has an arrearage until the arrearage is paid in full. The Company will require a minimum monthly payment of twenty five (\$25.00) per month. Note that because a portion of the CAP benefit is an arrearage reduction component, eligible low-income Customers with an account arrearage of at least \$200 will be preferred, but a Customer is not required to have an arrearage to qualify for participation in the CAP program. No security deposits will be required of new, reconnected or reinstated CAP customers.

RULES AND REGULATIONS (Continued)

1) a. Tier 1: Residential Customers with Annual Income at or Below 50% of Federal Poverty Level

Residential Customers with an annual income at or below fifty percent (50%) of the Federal Poverty Level will qualify for assistance as follows:

- i. A reduction in their bill for current usage in the form of required payments equivalent to eight percent (8%) of their Household income, as set forth in Rate Schedule RUS – Residential Universal Service. (C)
- ii. Eligible Customers will enter the program for a 36-month term, obtaining forgiveness for their outstanding arrearages by an amount equal to one thirty-sixth (1/36) of a customer's existing arrearage balance for every on-time monthly payment made by the customer. The customer will also be required to make an additional five dollar (\$5.00) per month payment until the arrearage is paid in full.
- iii. As noted above, Customers with outstanding arrearages will be preferred, but an arrearage is not a precondition to CAP program participation.
- iv. Low Income Heating Assistance Program (LIHEAP) benefits will be applied in accordance with the process approved by the Pennsylvania Department of Public Welfare. Dollar Energy and other assistance grants will also be used to offset the remainder of the participating Customer's bill.

b. Tier 2: Residential Customers with Annual Income Between 51% and 100% of Federal Poverty Level

Residential Customers with an annual income more than fifty percent (50%) and up to and including one hundred percent (100%) of the Federal Poverty Level will qualify for assistance described below.

- i. A reduction in their bill for current usage in the form of required payments equivalent to nine percent (9%) of their Household income, as set forth in Rate Schedule RUS – Residential Universal Service. (C)
- ii. Eligible Customers will enter the program for a 36-month term, obtaining forgiveness for their outstanding arrearages by an amount equal to one thirty-sixth (1/36) of a customer's existing arrearage balance for every on-time monthly payment made by the customer. The customer will also be required to make an additional five dollar (\$5.00) per month payment until the arrearage is paid in full.
- iii. As noted above, Customers with outstanding arrearages will be preferred, but an arrearage is not a precondition to CAP program participation.
- iv. Low Income Heating Assistance Program (LIHEAP) benefits will be applied in accordance with the process approved by the Pennsylvania Department of Public Welfare. Dollar Energy and other assistance grants will also be used to offset the remainder of the participating Customer's bill.

(C) Indicates Change.

RULES AND REGULATIONS (Continued)

Tier 3: Residential Customers with Annual Income from 101% to 150% of Federal Poverty Level

Residential Customers with an annual income of more than one hundred percent (100%) and up to and including one hundred fifty percent (150%) of the Federal Poverty Level will qualify for a program of assistance as follows:

- i. A reduction in their bill for current usage in the form of required payments equivalent to ten percent (10%) of their Household income, as set forth in Rate Schedule RUS – Residential Universal Service. (C)
 - ii. Eligible Customers will enter the program for a 36-month term, obtaining forgiveness for their outstanding arrearages by an amount equal to one thirty-sixth (1/36) of a customer's existing arrearage balance for every on-time monthly payment made by the customer. The customer will also be required to make an additional five dollar (\$5.00) per month payment until the arrearage is paid in full.
 - iii. As noted above, Customers with outstanding arrearages will be preferred, but an arrearage is not a precondition to CAP program participation.
 - iv. Low Income Heating Assistance Program (LIHEAP) benefits will be applied in accordance with the process approved by the Pennsylvania Department of Public Welfare. Dollar Energy and other assistance grants will also be used to offset the remainder of the participating Customer's bill.
- 2) The Company's collections treatment of non-payment by CAP program participants shall conform to the requirements of all applicable Commission regulations and statutory requirements.

22. CHANGES OF RULES AND REGULATIONS

The Company reserves the right to modify, alter or amend the foregoing Rules and Regulations and to make such further and other Rules and Regulations as experience may suggest or the Company may deem necessary or convenient in the conduct of its business; provided, however, that such modifications, alterations or amendments shall not become effective unless and until included in this Tariff.

(C) Indicates Change.

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RATE SCHEDULES RS/RS-T – RESIDENTIAL SALES AND TRANSPORTATION SERVICES

RETAIL SERVICE

AVAILABILITY – Available in the entire territory served to any Residential Customer.

RATES – **Customer Service Charge:** \$15.75 per billing period
 Volumetric Delivery Rate: See Tariff Page Nos. 12

Base Cost of Gas – is comprised of the following components (i) the Demand Charge Costs associated with the Company’s purchase of firm transportation and firm storage services; (ii) the Commodity Gas Supply Costs (the sum of (i) and (ii) being the ‘C’ Factor) and (iii) the experienced net overcollection or undercollection of all purchased gas costs (or ‘E’ Factor), for the period established by the Commission. The currently effective Base Cost of Gas per Mcf is shown on Tariff Page No. 12.

* Rider DSIC additionally applies to the Customer Service Charge listed above.

TRANSPORTATION SERVICE

AVAILABILITY – Available in the entire territory served to any Residential Customer. The gas supply for each Customer must enter the Company’s system at a city gate(s) currently used by the Company to serve the Customer unless otherwise permitted by the Company.

CHARACTER OF SERVICE – Transportation under this Rate Schedule shall be considered firm service.

RATES – **Customer Service Charge:** \$15.75 per billing period
 Volumetric Delivery Rate: See Tariff Page No. 13
Balancing Service Fee – The currently effective Balancing Fee per Mcf is shown on Tariff Page No. 13.
Retainage Charge – The currently effective Retainage Charge is shown on Tariff Page No. 13.

*Rider DSIC additionally applies to the Customer Service Charge listed above.

MINIMUM CHARGE – The minimum bill per billing period shall be the Customer Service Charge noted above.

FINANCE CHARGE – If payment of bill has not been received within twenty (20) days from date of mailing, a finance charge of 1.25 percent per month will be added to the unpaid balance each month until the entire bill is paid.

ADJUSTMENTS – The above rates shall be subject to Rider PGC - Section 1307 (f) Purchased Gas Costs, Rider STA - State Tax Adjustment Surcharge, Rider TCS - Transition Costs Surcharge, Rider USP-Universal Service Program, Rider MFC – Merchant Function Charge, Rider GPC – Gas Procurement Charge, Rider ARC – Acquisition Rate Credit and Rider DSIC – Distribution System Improvement Charge as set forth in this Tariff. (C)

RULES AND REGULATIONS – The Rules and Regulations set forth in this Tariff shall govern, where applicable, the gas service under this Rate Schedule.

(C) Indicates Change

RATE SCHEDULE CUSTOMER ASSISTANCE PROGRAM – CAP

APPLICABILITY – Available to any qualified Residential Customer with annual income at or below one hundred-fifty percent (150%) of the Federal Poverty Level pursuant to Rule No. 21 who uses natural gas as their main heating source. Please refer to the Peoples TWP Universal Service Plan on file with the PUC, and posted on the company website, for a full description of the CAP program terms and conditions.

RATES – The Company will require customers to make payments under a percentage of income plan as set forth below. A minimum monthly payment amount of twenty-five dollars (\$25.00) is required

Tier 1 (0-50% of Federal Poverty Levels) – 8% of Household income

Tier 2 (51-100% of Federal Poverty Levels) – 9% of Household income

Tier 3 (101-150% of Federal Poverty Levels) – 10% of Household income

The Company will also require a monthly CAP Plus payment, that will be added to the percentage of income plan amount. The Plus amount is calculated by dividing LIHEAP receipts for customers participating in the CAP program for the previous LIHEAP heating season by the projected number of CAP participants. The Plus amount will be re-calculated annually at the end of the LIHEAP program heating season.

The current Plus amount is \$8 per month.

In addition to the payments listed above CAP customers with an existing arrearage will be required to make a five dollar (\$5.00) per month payment against the existing arrearage until the arrearage is paid in full.

SECURITY DEPOSITS – CAP customers will not be charged security deposits.

LATE PAYMENT CHARGES – CAP customers will not be charged late payment charges.

DEFAULT PROVISIONS –

Provision for Customers' Nonpayment of CAP Budget Payments

A CAP Customer shall be considered in default after two consecutive missed CAP payments. The customer will remain in the CAP program but will be eligible for termination of service in compliance with provisions of this tariff and all laws and regulations regarding termination of service. The termination notice will reflect all missed CAP payments.

To avoid termination, a CAP Customer who has received a termination notice shall remit a catch-up payment as set forth in the termination notice prior to the scheduled termination date.

Provisions for Customers Requesting removal from CAP

A Customer requesting removal from CAP must sign a waiver acknowledging that the Company will not re-enroll them into CAP within one year after the time of requested removal.

RE-CONNECT PROCEDURES –

Re-Connect Procedures

If a Customer's gas service was terminated due to non-payment, the Customer will be required to remit all missed CAP payments and reconnection fee will be required.

ARREARAGE FORGIVENESS – The Company will retire one thirty-sixth (1/36) of a Customer's arrearage balance for every monthly payment made by the Customer once the account is current.

(C) Indicates Change. (D) Indicates Decrease.

PILOT EXTENDED CUSTOMER ASSISTANCE PROGRAM (E-CAP)

(C)

This Rate is established as a Pilot and will close for new participation three years after this rate is approved by the Commission. All provisions of Rate CAP will additionally apply to participants of E-CAP.

AVAILABILITY

Rate E-CAP is a program designed to enroll residential ratepayers who satisfy the criteria set forth below.

- a. Ratepayer of the Company, using natural gas for space heating, who has a significant delinquent balance, broken payment arrangement, termination notice or lack of utility service.
- b. Annual income verified annually as being between 151 and 200 percent of the federal poverty level.
- c. Agreement by ratepayer to apply for any other energy assistance programs, if available, as referred to by the Company and before enrolling in E-CAP.

RATE TABLE

Ratepayers will pay 11% of their monthly income as their E-CAP Payment. If the ratepayer's monthly E-CAP payment exceeds the otherwise applicable monthly budget payment amount, the monthly budget payment amount will be accepted as the E-CAP payment.

CAP Plus

Effective November 1, 2011, LIHEAP receipts for customers participating in the CAP program for the previous LIHEAP heating season will be divided by the total of (1) current active CAP and E-CAP participants; and (2) the projected average number of CAP and E-CAP participants to be added for the projected quarter to arrive at a CAP Plus amount which will be added to the calculated monthly E-CAP payment described above for all participating E-CAP customers.

PAYMENTS TOWARD ARREARAGE

In addition to the ratepayer's obligation under the Rate Table above, the ratepayer also shall make payments of \$5 per month toward any pre-program arrearage.

SURCHARGES

All riders are applicable to this tariff, as would otherwise be applicable to Rate RS, with the exception of Rider USPF.

LATE-PAYMENT CHARGES

No late-payment charges shall be applied to arrearages existing at the time the ratepayer begins receiving service under Rate Schedule E-CAP. Late-payment charges will not be applied during participation in the E-CAP program.

(C) Indicates Change.

RATE SCHEDULE SGS – SMALL GENERAL SERVICE

AVAILABILITY – Available in the entire territory served to any commercial or industrial Customer using less than 1,000 Mcf annually.

RATES – **Customer Service Charges:**

\$35.00	per billing period applicable to Customers with annual throughput of less than 500 Mcf
\$65.00	per billing period applicable to Customers with annual throughput of 500 Mcf to 999 Mcf

Volumetric Delivery Rate: See Tariff Page No. 12

Base Cost of Gas – is comprised of the following components (i) the Demand Charge Costs associated with the Company’s purchase of firm transportation and firm storage services; (ii) the Commodity Gas Supply Costs (the sum of (i) and (ii) being the ‘C’ Factor) and (iii) the experienced net overcollection or undercollection of all purchased gas costs (or ‘E’ Factor), for the period established by the Commission. The currently effective Base Cost of Gas per Mcf is shown on Tariff Page No. 12.

*Rider DSIC additionally applies to the Customer Service Charge listed above.

MINIMUM CHARGE – The minimum bill per billing period shall be the applicable Customer Service Charge noted above.

CUSTOMER SERVICE CHARGE DETERMINATION – The Customer Service Charge will be determined based upon the Customer’s actual throughput volumes, including purchases and transportation during the most recent calendar year. If a Customer does not have sufficient consumption history to determine its Customer Service charge based on a calendar year, the Customer Service Charge will be developed by annualizing the consumption history available. In the instance where a Customer has no consumption history, the Company will request the Customer to submit estimated annual gas requirements. The Company in all cases retains the right to review and modify the Customer’s estimate where necessary. A Customer’s Customer Service Charge will remain constant annually, subject to change January 1 of each year. The Company reserves the right, at its discretion, to waive or reduce the otherwise applicable Customer Service Charge in circumstances where a single Customer requires multiple meters.

FINANCE CHARGE – If payment of bill has not been received within fifteen (15) days from the date of mailing, a finance charge of 1.50 percent per month will be added to the unpaid balance each month until the entire bill is paid.

ADJUSTMENTS – The above rates shall be subject to Rider PGC - Section 1307 (f) Purchased Gas Costs, Rider STA - State Tax Adjustment Surcharge, Rider TCS - Transition Costs Surcharge, Rider GPC – Gas Procurement Charge, Rider MFC - Merchant Function Charge, Rider GPC – Gas Procurement Charge, Rider ARC – Acquisition Rate Credit and Rider DSIC – Distribution System Improvement Charge as set forth in this Tariff.

(C)

RULES AND REGULATIONS – The Rules and Regulations set forth in this Tariff shall govern, where applicable, the gas service under this Rate Schedule.

(C) Indicates Change

RATE SCHEDULE MGS – MEDIUM GENERAL SERVICE

AVAILABILITY – Available in the entire territory served to any commercial or industrial Customer with a minimum annual usage of at least 1,000 Mcf but less than 25,000 Mcf.

RATES – Customer Service Charges:

\$75.00	per billing period applicable to Customers with annual throughput of 1,00 Mcf to 2,499 Mcf
\$175.00	per billing period applicable to Customers with annual throughput of 2,500 Mcf to 24,999 Mcf

Volumetric Delivery Rate: See Tariff Page No. 12

Base Cost of Gas – is comprised of the following components (i) the Demand Charge Costs associated with the Company’s purchase of firm transportation and firm storage services; (ii) the Commodity Gas Supply Costs (the sum of (i) and (ii) being the ‘C’ Factor) and (iii) the experienced net overcollection or undercollection of all purchased gas costs (or ‘E’ Factor), for the period established by the Commission. The currently effective Base Cost of Gas per Mcf is shown on Tariff Page No. 12.

*Rider DSIC additionally applies to the Customer Service Charge listed above.

MINIMUM CHARGE – The minimum bill per billing period shall be the applicable Customer Service Charge noted above.

CUSTOMER SERVICE CHARGE DETERMINATION – The Customer Service Charge will be determined based upon the Customer’s actual throughput volumes, including purchases and transportation during the most recent calendar year. If a Customer does not have sufficient consumption history to determine its Customer Service charge based on a calendar year, the Customer Service Charge will be developed by annualizing the consumption history available. In the instance where a Customer has no consumption history, the Company will request the Customer to submit estimated annual gas requirements. The Company in all cases retains the right to review and modify the Customer’s estimate where necessary. A Customer’s Customer Service Charge will remain constant annually, subject to change January 1 of each year. The Company reserves the right, at its discretion, to waive or reduce the otherwise applicable Customer Service Charge in circumstances where a single Customer requires multiple meters.

FINANCE CHARGE – If payment of bill has not been received within fifteen (15) days from the date of mailing, a finance charge of 1.50 percent per month will be added to the unpaid balance each month until the entire bill is paid.

ADJUSTMENTS – The above rates shall be subject to Rider PGC - Section 1307 (f) Purchased Gas Costs, Rider STA - State Tax Adjustment Surcharge, Rider G – Gas Procurement Charge, Rider TCS - Transition Costs Surcharge, Rider GPC – Gas Procurement Charge and Rider DSIC – Distribution System Improvement Charge as set forth in this Tariff. (C)

RULES AND REGULATIONS – The Rules and Regulations set forth in this Tariff shall govern, where applicable, the gas service under this Rate Schedule.

(C) Indicates Change

RATE SCHEDULE LGS – LARGE GENERAL SERVICE

AVAILABILITY – Available in the entire territory served to any eligible Customer that consumes more than 25,000 Mcf.

RATES – Customer Service Charge:

\$800.00	per billing period applicable to Customers with annual throughput of 25,000 to 49,999 Mcf.
\$1,500.00	per billing period applicable to Customers with annual throughput of 50,000 to 99,999 Mcf.
\$5,000.00	per billing period applicable to Customers with annual throughput of 100,000 to 199,999 Mcf.
\$7,500.00	per billing period applicable to Customers with annual throughput over 200,000 Mcf.

Volumetric Delivery Rate: See Tariff Page No. 12

Base Cost of Gas – is comprised of the following components (i) the Demand Charge Costs associated with the Company's purchase of firm transportation and firm storage services; (ii) the Commodity Gas Supply Costs (the sum of (i) and (ii) being the 'C' Factor) and (iii) the experienced net overcollection or undercollection of all purchased gas costs (or 'E' Factor), for the period established by the Commission. The currently effective Base Cost of Gas per Mcf is shown on Tariff Page No. 12.

*Rider DSIC additionally applies to the Customer Service Charge listed above.

MINIMUM CHARGE – The minimum bill per billing period shall consist of the Customer Service Charge for such billing period and the other applicable charges for the minimum monthly volume noted above..

OFF PEAK SERVICE – Applicable where the Company has gas available for load balancing purposes and where the Customer agrees to take, or pay for if not taken, no less than 10,000 Mcf at any one delivery point during each of the months of May through September, inclusive. The sum of the Base Cost of Gas and the Volumetric Delivery Rate shall be applicable for all gas delivered and for all gas not taken and required to be paid for, and such Customer will also be required to pay the monthly Customer Service Charge set forth above. Accordingly, with respect to Off-Peak Service, the Minimum Charge provision set forth above shall not apply. The volumes to be made available, if any, for retail gas service in other months shall be determined by the Company.

CONTRACT TERMS AND CONDITIONS – Any Customer electing to take gas service under this Rate Schedule shall do so by written contract providing for an initial minimum contract term of at least one (1) year and permitting termination after the agreed upon initial contract term by either party only after twelve (12) months' prior written notice to the other party. Such contract may also contain other terms and conditions as may be agreed upon by the parties.

FINANCE CHARGE – If payment of bill has not been received within fifteen (15) days from date of mailing, a finance charge of 1.50 percent per month will be added to the unpaid balance each month until the entire bill is paid.

ADJUSTMENTS – The above rates shall be subject to Rider PGC - Section 1307 (f) Purchased Gas Costs, Rider STA - State Tax Adjustment Surcharge, , Rider GPC – Gas Procurement Charge, Rider TCS - Transition Costs Surcharge, Rider (C) GPC – Gas Procurement Charge and Rider DSIC – Distribution System Improvement Charge as set forth in this Tariff.

RULES AND REGULATIONS – The Rules and Regulations set forth in this Tariff shall govern, where applicable, the gas service under this Rate Schedule.

SPECIAL PROVISION – Customers with an annual usage of 600,000 Mcf or more and which, absent this service would acquire, or has acquired, an alternative fuel source shall have a negotiated delivery rate on an individual contract basis not to exceed the Volumetric Delivery Rate under this Rate Schedule LGS – Large General Service.

(C) Indicates Change

RATE SCHEDULE MGS-T- MEDIUM GENERAL SERVICE TRANSPORTATION SERVICE

AVAILABILITY – Available in the entire territory served to any individual commercial or industrial Customer with a minimum annual usage of at least 1,000 Mcf but less than the applicable minimum volumes under Rate Schedule LGS-T - Large General Service Transportation.

CHARACTER OF SERVICE – Transportation under this Rate Schedule shall be considered firm service to the extent gas is delivered to the Company equal to that used by the Customer.

RATES – Customer Service Charges:	\$75.00	per billing period applicable to Customers with annual throughput of 1,000 Mcf to 2,499 Mcf
	\$175.00	per billing period applicable to Customers with annual throughput of 2,500 Mcf to 24,999 Mcf

Volumetric Delivery Rate: See Tariff Page No.13

Balancing Service Fee – The currently effective Balancing Fee per Mcf is shown on Tariff Page No. 13.

Retainage Charge – The currently effective Retainage Charge is shown on Tariff Page No. 13.

*Rider DSIC additionally applies to the Customer Service Charge listed above

MINIMUM CHARGE – The minimum bill per billing period shall be the applicable Customer Service Charge noted above.

BALANCING SERVICE – All Customers receiving service under this Rate Schedule are subject to Balancing in accordance with Rule No. 18.M. of this Tariff.

CONTRACT TERMS AND CONDITIONS – Any Customers electing to take gas service under this Rate Schedule shall do so by written contract providing for an initial minimum contract term of at least one (1) year and permitting termination after the agreed upon initial contract term by either party only after twelve (12) months' prior written notice to the other party. Such contract may also contain other terms and conditions as may be agreed upon by the parties.

FINANCE CHARGE – If payment of bill has not been received within twenty (20) days from date of mailing, a finance charge of 1.50 percent per month will be added to the unpaid balance each month until the entire bill is paid.

ADJUSTMENTS – The above rates shall be subject to Rider PGC - Section 1307 (f) Purchased Gas Costs, Rider STA - State Tax Adjustment Surcharge, , Rider TCS - Transition Costs Surcharge and Rider DSIC – Distribution System Improvement Charge as set forth in this Tariff. (C)

RULES AND REGULATIONS – The Rules and Regulations set forth in this Tariff shall govern, where applicable, the transportation service under this Rate Schedule.

(C) Indicates Change

RATE SCHEDULE LGS-T – LARGE GENERAL SERVICE TRANSPORTATION SERVICE

AVAILABILITY – Available in the entire territory served to any eligible Customer with a minimum annual usage of at least 25,000 Mcf.

CHARACTER OF SERVICE – Transportation under this Rate Schedule shall be considered firm service to the extent gas is delivered to the Company equal to that used by the Customer.

<u>RATES</u> –	Customer Service Charge:	\$800.00	per billing period applicable to Customers with annual throughput of 25,000 to 49,999 Mcf.
		\$1,500.00	per billing period applicable to Customers with annual throughput of 50,000 to 99,999 Mcf.
		\$5,000.00	per billing period applicable to Customers with annual throughput of 100,000 to 199,999 Mcf.
		\$7,500.00	per billing period applicable to Customers with annual throughput in excess of 200,000 Mcf.

Volumetric Delivery Rate: See Tariff Page No. 13

Balancing Service Fee – The currently effective Balancing Fee per Mcf is shown on Tariff Page No. 13.

Retainage Charge – The currently effective Retainage Charge is shown on Tariff Page No. 13.

*Rider DSIC additionally applies to the Customer Service Charge listed above

MINIMUM CHARGE – The minimum bill per billing period shall be the applicable Customer Service Charge noted above.

BALANCING SERVICE – All Customers receiving service under this Rate Schedule are subject to Balancing in accordance with Rule No. 18.M. of this Tariff.

CONTRACT TERMS AND CONDITIONS – Any Customers electing to take gas service under this Rate Schedule shall do so by written contract providing for an initial minimum contract term of at least one (1) year and permitting termination after the agreed upon initial contract term by either party only after twelve (12) months' prior written notice to the other party. Such contract may also contain other terms and conditions as may be agreed upon by the parties.

FINANCE CHARGE – If payment of bill has not been received within fifteen (15) days from date of mailing, a finance charge of 1.50 percent per month will be added to the unpaid balance each month until the entire bill is paid.

ADJUSTMENTS – The above rates shall be subject to Rider PGC - Section 1307 (f) Purchased Gas Costs, Rider STA - State Tax Adjustment Surcharge, Rider TCS - Transition Costs Surcharge and Rider DSIC – Distribution System Improvement Charge as set forth in this Tariff. (C)

RULES AND REGULATIONS – The Rules and Regulations set forth in this Tariff shall govern, where applicable, the transportation service under this Rate Schedule.

SPECIAL PROVISION – Customers with an annual usage of 600,000 Mcf or more and which, absent this service would acquire, or has acquired, an alternative fuel source shall have a negotiated delivery rate on an individual contract basis not to exceed the Volumetric Delivery Rate under Rate Schedule LGS – Large General Service.

(C) Indicates Change

RATE SCHEDULE FTS – FIELD TRANSPORTATION SERVICE

AVAILABILITY – This service is available to any Pennsylvania gas producer or Supply Aggregator (hereinafter referred to as “FTS User”) which has executed a Field Transportation Service Agreement (the “Service Agreement”) for the field transportation of a minimum monthly volume of 9,000 Mcf of natural gas production to be injected from gas wells directly into the Company’s gathering or transmission system at points designated by the Company for delivery to specified points of interconnection between the Company’s gathering or transmission system and an interstate pipeline or another local distribution company, provided that the FTS User shall be subject to, and shall comply with, the other applicable provisions of this Rate Schedule. Any additional facilities needed to provide service to a Customer under this Rate Schedule will be paid for by the Customer receiving such service.

CHARACTER OF SERVICE – Transportation service under this Rate Schedule and Customer classification shall be considered interruptible service on the Company’s system.

RATES – **Maximum Volumetric Delivery Rate:** \$ 0.4777 per Mcf

Retainage Charge – The currently effective Retainage Charge is 3.3%. (C)

SPECIAL PROVISION – The Volumetric Delivery Rate may be discounted on an individual contract basis but in no case will the negotiated rate exceed the Maximum Volumetric Delivery Rate under this Rate Schedule.

FINANCE CHARGE – If payment of bill has not been received within fifteen (15) days from date of mailing, a finance charge of 1.50 percent per month will be added to the unpaid balance each month until the entire bill is paid.

ADJUSTMENTS – The above rate shall be subject to Rider DSIC – Distribution System Improvement Charge as set forth in this Tariff.

RULES AND REGULATIONS – The Rules and Regulations set forth in this Tariff shall govern, where applicable, the transportation service under this Rate Schedule.

(C) Indicates Change

RATE NGPV

NATURAL GAS POWERED VEHICLES

AVAILABILITY

This rate schedule applies to use of natural gas retail or transportation service as a motor vehicle fuel to the operator of a public fueling station.

CHARACTER OF SERVICE

Retail or Transportation service provided to an operator of a public fueling station, shall be made pursuant to a contract for service under this rate schedule. If Transportation Service is provided hereunder, the applicable rules and delivery terms Transportation Service apply.

RATES

The contract may provide for a negotiated customer charge and either a fixed commodity charge or a methodology for determining the commodity charge.

If retail service is provided hereunder, the negotiated rate shall be no lower than the Company's average cost of gas, as determined from the Company's Section 1307(f) gas cost calculation. Any gas cost revenue collected as a result of providing retail service under this rate schedule will be reflected in the company's 1307(f) mechanism.

Gas purchased under this rate schedule shall be separately metered and not used interchangeable with gas purchased under any other schedule.

FINANCE CHARGE – If payment of bill has not been received within fifteen (15) days from date of mailing, a finance charge of 1.50 percent per month will be added to the unpaid balance each month until the entire bill is paid.

ADJUSTMENTS – The above rates shall be subject to Rider PGC - Section 1307 (f) Purchased Gas Costs, Rider STA - State Tax Adjustment Surcharge, Rider TCS - Transition Costs Surcharge, and Rider GPC – Gas Procurement Charge as set forth in this Tariff. (C)

RULES AND REGULATIONS – The Rules and Regulations set forth in this Tariff shall govern, where applicable, the transportation service under this Rate Schedule.

(C) Indicates Change.

RIDER PGC – SECTION 1307 (f) PURCHASED GAS COSTS**PROVISION FOR RECOVERY OF PURCHASED GAS COSTS**

Demand Charge Costs – The rates for each Mcf of firm gas supplied under all retail gas service Rate Schedules in this Tariff shall also include the applicable amount per Mcf for recovery of interstate pipeline reservation and other demand related costs. Such rates for firm gas service shall be increased or decreased from time to time, as provided by Section 1307 (f) of the Public Utility Code and the Commission's regulations, to reflect changes in the level of such costs.

Commodity Gas Supply Costs – The rates for each Mcf (1,000 cubic feet) of firm gas supplied under all retail gas service Rate Schedules in this Tariff shall include an amount per Mcf for recovery of commodity gas supply costs calculated in accordance with the formula set forth herein, pursuant to Section 1307 (f) of the Public Utility Code. Such rates for firm gas service shall be increased or decreased, from time to time, as provided by Section 1307 (f) of the Public Utility Code and the Commission's Regulations, to reflect changes in the level of purchased gas commodity costs. The rate for recovery of purchased gas commodity costs with respect to interruptible gas service under Rider CRAI shall be equal to the sum of (i) the Average Commodity Cost of Purchased Gas per Mcf, as hereinafter defined, incurred during the respective billing month in which interruptible gas service was provided, and (ii) the applicable Commodity "E" Factor rate. The Average Commodity Cost of Purchased Gas per Mcf shall be determined by dividing the total commodity cost of all Pennsylvania-sourced gas purchased under the Company's current form of life-of-the-well and year-to-year gas purchase agreements and under the Electronic Spot Market ("ESM") program during the applicable billing month by the total volume in Mcf of such Pennsylvania-sourced gas purchases. If the total sales volume under Rider CRAI exceeds the total aggregate Pennsylvania-sourced gas purchases under the Company's current form of life-of-the-well and year-to-year gas purchase agreements and the ESM program in any billing month, the interstate-sourced gas purchases having the highest average commodity cost per Mcf in that billing month that were purchased at spot or first of the month index prices will be applied to the increment of Rider CRAI sales volume in excess of the applicable Pennsylvania-sourced gas purchases to determine the total Commodity Cost of Purchased Gas related to Rider CRAI sales during such billing month. The total amount of purchased gas commodity costs applicable to service under Rider CRAI will be excluded from the calculation of total purchased gas commodity costs applicable to firm gas service as provided above.

Experienced Net OverCollection or UnderCollection – The "C" Factor will be comprised of the Commodity Gas Supply Costs and Demand Charge Costs described above. The "E" Factor represents the experienced net overcollection or undercollection of all purchased gas costs determined for the period established by the Commission. Each over or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for over or underrecoveries of "E" Factor amounts under previous 1307 (f) rates. Interest shall be computed at the appropriate rate as provided for in Section 1307 (f) of the Public Utility Code from the month that the over or undercollection occurs to the effective month such overcollection is refunded or such undercollection is recouped. Interest shall be computed on over or undercollections for interstate pipeline capacity costs and commodity costs. Additionally, the commodity component of supplier refunds received will be included in the calculation of the "E" Factor with interest added at the annual rate of six percent (6%) calculated in accordance with the foregoing procedure, beginning with the month such refund is received by the Company. (C)

Base Cost of Gas is comprised of the following components: (i) the Demand Charge Costs associated with the Company's purchase of firm transportation and firm storage services, (ii) the Commodity Gas Supply Costs (the sum of (i) and (ii) being the 'C' Factor); and (iii) the experienced net overcollection or undercollection of all purchased gas costs (or 'E' Factor), for the period established by the Commission. The currently effective Base Cost of Gas pricing is shown on Tariff Page No. 12.

(C) Indicates Change

RIDER PGC – SECTION 1307 (f) PURCHASED GAS COSTS (Continued)**COMPUTATION OF COMMODITY GAS SUPPLY COSTS PER MCF**

Commodity Gas Supply Costs shall be computed to the nearest one-hundredth cent (0.01¢) per Mcf in accordance with the formula set forth below:

$$CGSC = CC/TS$$

Commodity Gas Supply Costs so computed shall be included in rates for gas service under the applicable Rate Schedules identified previously for an initial period determined by the Commission and, subject to quarterly recalculation hereinafter described, for consecutive twelve (12) month periods beginning October 1 of each year thereafter unless such period is revised by the Commission. The amount of commodity Gas Supply Costs per Mcf will vary, if appropriate, based upon annual filings pursuant to Section 1307 (f) of the Public utility Code, and such supplemental filings as may be required or be appropriate under Section 1307 (f) or the Commission's Regulations adopted pursuant thereto. (C)

In computing Commodity Gas Supply Costs per Mcf pursuant to the above formula, the following definitions shall apply:

“CGSC” – Commodity Gas Supply Costs per Mcf as previously defined.

“CC” – a number of dollars, calculated for all types of purchased gas, by projecting the commodity cost for each purchase for the projected period when rates will be in effect. This factor shall include no amount for the recovery of Demand Charge Costs as previously defined.

“TS” – projected total volume in Mcf of gas to be billed to all firm Customer classifications during the applicable period when rates will be in effect.

COMPUTATION OF DEMAND CHARGE COSTS PER MCF

(C)

Demand Charge Costs per Mcf under Rate Schedules RS/RS-T, SGS, MGS and LGS in this Tariff shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set forth below:

$$DCC = \frac{(DC - NPR)}{RSS}$$

Demand Charge Costs per Mcf, so computed, shall be included in the rates for gas service under the applicable Rate Schedules identified previously for an initial period determined by the Commission, subject to the quarterly recalculation hereinafter described, and for consecutive twelve (12) month periods beginning October 1 of each year thereafter unless such period is revised by the Commission. The amount of Purchased Gas Demand Costs, by Mcf, will vary, if appropriate, based upon annual filings pursuant to Section 1307 (f) of the Public Utility Code, and such supplemental filings as may be required or be appropriate under Section 1307 (f) or the Commission's regulations adopted pursuant thereto.

In computing Demand Charge Costs per Mcf pursuant to the above formula, the following definitions shall apply:

“DCC” – Demand Charge Costs per Mcf as previously defined.

“DC” – the projected total Demand Charge Costs for the applicable period when the rates will be in effect.

“NPR” – the total amount of Demand Charge Costs to be recovered from the Non-Priority One Transportation Customer rate classifications (i.e., SGS-T, MGS-T, LGS-T).

“RSS” – the projected volume in Mcf of gas to be billed to Customers receiving service during the applicable period under the respective Rate Schedule.

The respective Demand Charge Costs per Mcf applicable to the non-priority Customer rate classification, identified above, shall be separately calculated in the annual Section 1307(f) Purchased Gas proceeding.

(C) Indicates Change.

RIDER PGC – SECTION 1307 (f) PURCHASED GAS COSTS (Continued)

CAPACITY RELEASE REVENUES – All capacity release revenues earned for short-term monthly interstate pipeline capacity releases and for long-term multi-month capacity releases (i.e., asset management arrangements) shall be subject to the following capacity release sharing mechanism. Seventy-five percent (75%) of such revenues will be credited to purchased gas costs and twenty-five percent (25%) will be retained by the Company. The respective capacity release revenue credits will be applied to purchased gas costs in the month in which (i) such capacity release credits are reflected on the applicable interstate pipeline invoice or (ii) a payment is received by the Company. This capacity release sharing mechanism shall be effective during a term ending July 31, 2012 and shall be subject to review and consideration by the Commission in the 2012 Section 1307(f) purchased gas cost proceeding. The capacity release revenue retained by the Company shall be accounted for as a “below the line item” for ratemaking purposes in future base rate case proceedings.

BALANCING SERVICE FEES – A Balancing Service charge for banking, balancing, and advancing will be assessed (C) against each Mcf of gas transported for small, medium and large general service ratepayers. This rate will be recalculated in each of the Company’s annual 1307(f) gas cost proceedings. The currently effective Balancing Service Fees are shown on Tariff Page No. 13.

RETAINAGE CHARGE – A charge will be assessed for lost and unaccounted for and company use gas (“UFG”) (C) applicable to the total volume of gas received into its system on behalf of customers receiving transportation service. The currently effective Retainage Charges are shown on Tariff Page No. 13.

DISCOUNT OR WAIVER OF BALANCING SERVICE FEES AND RETAINAGE CHARGE – Under appropriate competitive circumstances, Balancing Service Fees and/or Retainage charges may be reduced or eliminated and the related costs resulting from these discounted or waived items will be recovered from all Customer classes through the Rider PGC mechanism. Such circumstances include but are not limited to (i) Customers with direct access to an interstate pipeline (i.e., bypass), (ii) Customers with access to gas service available from a non-jurisdictional entity, (iii) Customers with access to an alternative energy source, and (iv) Customers involved in economic development projects. In such circumstances, Peoples TWP LLC must (i) determine that the revenue earned by serving the competitive Customer which includes service charges, delivery rates, and other fees is, in the aggregate, greater than the cost of the discounted or waived Balancing Fees and Retainage Charges, (ii) obtain an affidavit from the Customer certifying the existence of a direct interstate pipeline bypass, alternative energy source or other qualifying circumstances, and (iii) prepare and retain sufficient documentation regarding the applicable circumstances.

Notwithstanding the foregoing, Peoples TWP LLC will not discount Retainage Charges to a transportation Customer by a greater percentage than it has discounted the applicable delivery rates to the Customer.

RIDER PGC – SECTION 1307 (f) PURCHASED GAS COSTS (Continued)**QUARTERLY RECALCULATIONS****(C)**

The Company will make quarterly filings on January 1, April 1, July 1, and October 1 based upon a recalculation and reconciliation of gas costs for the three-month periods ending November 30, February 28, May 31, and August 31, respectively (the “Quarterly Recalculation Periods”). Each recalculation will reflect actual gas costs and will include a reconciliation of undercollections or overcollections resulting from variations in actual gas costs from original projections for the applicable Quarterly Recalculation Periods and any changes in sales volumes from original projections for the applicable Quarterly Recalculation Periods, but shall not include consideration of interest due to over or under collections of gas costs.

If the recalculated overall Base Cost of Gas does not differ by more than two percent (2%) from the currently-effective rate, the Company will file a letter with the Commission to that effect. If such recalculated overall Base Cost of Gas differs from the currently-effective rate by more than two percent (2%), the Company will file a tariff incorporating such recalculated overall Base Cost of Gas, provided that if such recalculation results in an increase that is reasonably expected to have an immaterial effect on the Company’s annual purchased gas costs, the Company will file a letter and supporting data to that effect in lieu of a tariff rate change.

The October 1 recalculation shall include the most recent actual gas costs which shall be reflected in the calculation of the Base Costs of Gas set forth in the tariff supplement filing made in compliance with the Commission’s final order resolving the Company’s annual Section 1307 (f) proceeding.

SECTION 1307 (f) FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION

The Company’s annual Section 1307 (f) filing shall be submitted to the Commission by April 1, of each year, or such other time as the Commission may prescribe by order or by regulations. **(C)**

(C) Indicates Change

(C) Indicates change.

RIDER STA – STATE TAX ADJUSTMENT SURCHARGE

AVAILABILITY

There shall be added to the rates and charges provided in this Tariff a State Tax Adjustment surcharge. The currently effective surcharge is shown on Tariff Pages No. 12 and 13. This surcharge will apply to all retail and transportation gas service tariff rate schedules to reflect increases or decreases in state taxes imposed by the Pennsylvania General Assembly. The positive (negative) surcharge will be applied to bills on a service rendered basis. (C)

CALCULATION OF SURCHARGE

The Company will recompute the surcharge (i) whenever any of the state tax rates upon which the surcharge is computed are changed and (ii) as of March 31 of every year. The recomputation shall take into account the changed state tax rates as prescribed by the Commission (Policy Statement at 52 Pa. Code § 69.52) in the following manner:

1. Capital Stock Tax (“CST”): To determine the amount to be recovered, the Company shall multiply the change in the CST tax rate by the CST value as reported in the most recent CST return filed with the Department of Revenue.
2. Corporate Net Income Tax (“CNIT”): To determine the amount to be recovered, the Company shall multiply the change in the CNIT tax rate by the taxable income reported in the most recent CNIT return filed with the Department of Revenue.
3. Public Utility Realty Tax (“PURT”): To determine the amount to be recovered, the Company shall calculate the difference between the PURT liability as stated in the most recent Notice of Determination issued by the Department of Revenue and the current amount of PURT recovered in base rates.

Every recomputation made pursuant to the above paragraph shall be submitted to the Commission within ten (10) days after the occurrence of the event or effective date of such state tax rate change, which occasioned such recomputation. If the recomputed surcharge is less than the one then in effect then the Company will, and if the recomputed surcharge is more than the one then in effect then the Company may, accompany such recomputation with a Tariff or Supplement to reflect such recomputed surcharge - the effective date of which shall be ten (10) days after filing.

SPECIAL PROVISION – This Rider shall not apply to Customers receiving discounted retail or discounted transportation service.

(C) Indicates Change

RIDER CRA – COMMODITY RATE ADJUSTMENT

AVAILABILITY

This Rider CRA is applicable to any Customer electing to receive gas sales service under Rate Schedules SGS, MGS and LGS and is available to any such Customer which enters into a contract, as described below, for gas sales service volumes, which gas sales service volumes, in the Company's sole discretion, would not otherwise be requested by such Customer, but for the availability of the reduced Volumetric Delivery Rate under this Rider.

VOLUMETRIC DELIVERY RATE ADJUSTMENT

Subject to the provisions of this Rider, the Volumetric Delivery Rate specified in the applicable Rate Schedule shall be subject to reduction through negotiation between the Company and the Customer.

MINIMUM VOLUME REQUIREMENT

Customer must contract for a minimum gas sales service volume under this Rider, which minimum volume shall be determined by the Company and set forth in the applicable written contract.

CONTRACT TERMS AND CONDITIONS

Gas sales service volumes under this Rider shall be delivered pursuant to a written contract providing for an initial minimum contract term of the greater of (i) at least thirty (30) days, or (ii) the minimum contract term specified under the Rate Schedule applicable to the Customer, which contract may contain such other terms and conditions as may be agreed upon by the parties.

RIDER CRAI – COMMODITY RATE ADJUSTMENT INTERRUPTIBLE**AVAILABILITY**

This Rider CRAI is applicable to any Customer electing to receive gas sales service under Rate Schedules SGS, MGS and LGS and is available to any such Customer which enters into a contract for interruptible gas sales service and, as evidenced by an appropriate affidavit from such Customer, has, in lieu of the Company's firm retail tariff gas sales or transportation service, a satisfactory alternative bona fide written offer for such Customer's gas needs utilizing, directly or indirectly, interstate pipeline services. Such interruptible gas sales service shall only be available during the months of April through October, inclusive.

VOLUMETRIC DELIVERY RATE ADJUSTMENT

Subject to the provisions of this Rider, the Volumetric Delivery Rate specified in the applicable Rate Schedule shall be subject to reduction through negotiation between the Company and the Customer. The Base Cost of Gas per Mcf applicable for Customers served under Rider CRAI for such month shall be as set forth in the then-currently effective Rider PGC - Section 1307 (f) Purchased Gas Costs.

MINIMUM VOLUME REQUIREMENT

Customer must contract for a minimum gas sales service volume under this Rider, which minimum volume shall be determined by the Company and set forth in the applicable written contract.

ANNUAL ELECTION PROCEDURE

Customers must notify the Company in writing on or before April 1 of each year to make an irrevocable election to receive gas service under this Rider during the period from April 1 through October 31 of such calendar year.

CONTRACT TERMS AND CONDITIONS

Gas sales service volumes under this Rider shall be delivered pursuant to a written contract providing for an initial minimum contract term of at least one (1) year, which contract may contain such other terms and conditions as may be agreed upon by the parties.

RIDER TCS – TRANSITION COSTS SURCHARGE

APPLICABILITY

This Rider establishes a mechanism for the recovery of nongas transition costs from Customers receiving retail gas sales or transportation service under any Rate Schedule which specifically incorporates this Rider. Rider TCS will not be applicable to Customers transporting natural gas produced in Pennsylvania and injected directly into the Company's gathering facilities. In addition, at the Company's sole option, the otherwise applicable surcharge hereunder may be reduced or eliminated for certain Customers that are subject to gas-to-gas competition. To the extent that the Company applies a surcharge under this Rider to any competitive Customer, any such recovery shall be credited against the total nongas transition costs recovered under this Rider. The Company will use its best efforts to collect the Rider TCS surcharge from competitive Customers.

CALCULATION OF SURCHARGE

The Company will assign nongas transition costs and calculate the Rider TCS surcharge by dividing (i) the total nongas transition costs, net of nongas transition costs revenues recovered from the release of interstate pipeline capacity, by (ii) the total projected gas sales and transportation volumes subject to the recovery of nongas transition costs.

The surcharge calculation will incorporate the recovery of (i) nongas transition costs billed to the Company by interstate pipelines and (ii) those costs that have been approved by the Federal Energy Regulatory Commission to be billed to the Company during the twelve (12) month period following the surcharge filing date. Nongas transition costs are defined as interstate pipeline gas supply realignment costs and stranded costs as those terms are used in the Commission's "Statement of Policy Regarding the Recovery of FERC Order 636 Transition Costs."

The Rider TCS surcharge will be recalculated every three (3) months, with the recalculations to be effective on February 1, May 1, August 1, and November 1 of each year (hereinafter referred to as the "quarterly recalculations"). These quarterly recalculations will revise the Rider TCS surcharge to reflect the most current monthly nongas transition cost amounts in effect or to become effective under the applicable Federal Energy Regulatory Commission approved interstate pipeline tariffs. The Company will file the May 1, August 1, and November 1 quarterly recalculations on ten (10) days' notice to the Commission and will file the February 1 recalculation on thirty-days' notice to the Commission.

At the time of each quarterly recalculation, the Company will also reconcile actual billings received over the three-month period that ends one month prior to the filing of the recalculation against the costs that had been projected for that same period. The Company will incorporate the results of the quarterly reconciliation within its quarterly recalculation.

Recalculations of the surcharge on each February 1 will include a reconciliation of actual Rider TCS surcharge revenues recovered over the twelve (12) months ending November 30 of the particular year against the revenues projected to have been recovered over the same twelve (12) month period. Each February 1 quarterly recalculation will also include the most current annual projection of gas sales and transportation volumes subject to the recovery of nongas transition costs.

SURCHARGE AMOUNT

The surcharge rate applicable to retail gas sales or transportation service is \$0 per Mcf. The surcharge will be applied to bills on a service rendered basis.

RIDER USP – UNIVERSAL SERVICE PROGRAM**APPLICABILITY**

Throughout the territory served under this Tariff.

AVAILABILITY

(C)

This Rider shall be applicable to all residential customers except customers in the Company's Customer Assistance Program ("CAP") or Pilot E-CAP (E-CAP) programs.

CHARACTER OF RATE

This Rider has been established to recover costs related to the Company's Universal Service Programs for low-income residential priority customers.

RATE

In addition to the charges provided in this tariff, an amount shall be added to the otherwise applicable charge for each Mcf of sales volumes or distribution volumes distributed by the Company to customers receiving service under Rate Schedules RS and RST.

The currently effective rate is shown on Tariff Page Nos. 12 and 13.

The USP rate is not applicable to Customers enrolled in the Company's CAP.

CALCULATION OF RATE

The Rider USP rate shall be calculated to recover costs for the following programs: Wise Choice Low Income Usage Reduction ("Wise Choice") program; Customer Assistance Referrals and Evaluation Services ("CARES"); Emergency Furnace & Line Repair/Replacement Program and Customer Assistance Program ("CAP"). (C)

Wise Choice costs will be calculated based on the projected number of Level 1 income homes to be weatherized. CARES costs will be calculated on the projected number of low income customers provided with assistance. Emergency Furnace & Line Repair/Replacement Program costs will be calculated on the projected number of eligible customers requiring such assistance.

CAP costs will be calculated by CAP and E-CAP tier to include the projected CAP Shortfall (the difference between the total calculated RS bills excluding Rider USP and the CAP or E-CAP bill, and an adjustment for unearned shortfall amounts) based upon the current discounts at normalized annual volumes of the then-current CAP and E-CAP participants, the projected CAP Shortfall for projected customer additions to CAP and E-CAP during the period that the Rate Schedule RUS rate will be in effect at the average discount of current CAP participants at normalized annual volumes, and the projected CAP pre-program arrearage forgiveness during the next 12 months. Third party costs for the purposes of CAP administration and Universal Service call management will be included in the calculation of the Rider.

The costs shall be divided by the total annual projected throughput volumes of all residential non-CAP customers as established in the Company's most recent Purchased Gas Cost proceeding to determine the volumetric rate for this Rider.

QUARTERLY ADJUSTMENT

Each quarter, and at any time that the Company makes a change in base rates or quarterly reconciliation of Purchased Gas Cost rates affecting residential customers, the Company shall recalculate the Rider USP rate pursuant to the calculation described above to reflect the Company's current data for the components used in the Rate USP calculation. The Company shall file the updated rate with the Commission to be effective one (1) day after filing.

(C) Indicates Change.

RIDER USP – UNIVERSAL SERVICE PROGRAM (continued)**ANNUAL RECONCILIATION**

On or before October 31st of each year, the Company shall file with the Commission data showing the reconciliation of actual revenues received under this Rider and actual recoverable costs incurred for the preceding twelve months ended September. The resulting over/undercollection (plus interest calculated at 6% annually) will be reflected in the Rider USP quarterly rate adjustment to be effective January 1. Actual recoverable costs shall reflect actual shortfall costs, actual application and administrative costs, actual pre-program arrearage forgiveness, actual Emergency Furnace and Line Repair/Replacement Program costs, actual Wise Choice and CARES costs. Actual recoverable CAP shortfall costs and pre-program arrearage forgiveness, provided that CAP and E-CAP participation on an average annual basis did not exceed 1,500 participants. In the event that CAP and E-CAP participation in the preceding year exceeded 1,500 on an annual average basis, actual recoverable costs shall reflect actual shortfall cost and actual pre-program arrearages for all customers up to the 1,500 participation level. For any and all CAP and E-CAP customers exceeding the 1,500 participation level on an average annual basis, Peoples TWP LLC shall offset the actual shortfall and the actual pre-program arrearage by 7.14%. Except for the offset that is applied when CAP and E-CAP participation exceeds 1,500 on an average annual basis, actual CAP shortfall costs shall be based upon actual numbers of CAP and E-CAP customers, actual CAP and E-CAP throughput volumes, and actual CAP and E-CAP payments received. In addition, as part of this annual filing, the Company will report the number of CAP and E-CAP customers that were removed from the CAP and E-CAP program pursuant to the consumption responsibilities provided for in Rate Schedule Customer Assistance Program - CAP. (C)

(C) Indicates Change.

RIDER MFC – MERCHANT FUNCTION CHARGE

APPLICABILITY

This Rider shall be applied to rates for each Mcf of gas supplied under Rate Schedules RS and SGS of this Tariff, and shall be reflected in the Price to Compare. The Rider is equal to the fixed percentage, established by the Commission in Company's last general base rate proceeding, of purchased gas costs which are expected to be uncollectible, and shall not be reconciled to reflect actual results. Rider MFC is intended to make Company' Price to Compare more comparable to the gas supply service prices offered by Natural Gas Suppliers that presumably reflect anticipated uncollectible expenses.

RIDER MFC CHARGE

Rider MFC charges shall be equal to 2.0% for Residential PGC Customers and 0.41% for SGS PGC Customers multiplied by the sum of Rider PGC charges. The currently effective rate is shown on Tariff Page No. 12.

(C)

(C) Indicates Change

RIDER GPC – GAS PROCUREMENT CHARGE

APPLICABILITY

For bill presentment purposes, the Gas Procurement Charge (GPC) shall be added to the Commodity Gas Cost Charge applicable to sales rate schedules Rate RS, RUS, SGS, MGS, LGS and any other applicable sales service rate schedule under this tariff.

RECOVERABLE COSTS

The GPC shall include gas procurement costs incurred by the Company solely on behalf of its sales service customers. The GPC shall exclude any costs recovered through Rider PGC – 1307(f) gas cost recovery mechanism. The GPC shall exclude any gas procurement costs incurred by the Company in support of transportation or shopping customers or programs.

RECALCULATION OF THE GPC

The costs to be included in the GPC shall be calculated in accordance with Commission regulations and shall be determined and updated in each base rate case filed by the Company. The GPC shall not be subject to reconciliation for any prior-period or over-or-under collections

RIDER GPC CHARGE

The currently effective rate is shown on Tariff Page No. 12.

(C)

SPECIAL PROVISION

This rider shall not apply to Customers receiving discounted retail service.

(C) Indicates Change

RIDER DSIC

Distribution System Improvement Charge (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 0.0% will apply consistent with the Commission Order dated May 23, 2013 at Docket No. P-2013-2344595 approving the DSIC.

Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

Eligible Property:

- Gathering Lines (account 332);
- Storage Lines (account 353);
- Transmission Lines (account 367);
- Piping (account 376);
- Couplings (account 376);
- Gas service lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (account 334, 369,381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities; and
- Other related capitalized costs (accounts 303, 387, 391.02 and 392)

Effective Date: The DISC will become effective for bills rendered on and after July 1, 2013.

Computation of the DSIC

The initial DSIC, effective July 1, 2013, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service during the (*three-month period ending one month prior to effective date*). Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month period ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

Effective Date of Change	Date to which DSIC-Eligible Plant Additions Reflected
July 1	March 1 through May 31
October 1	June 1 through August 31
January 1	September 1 through November 30
April 1	December 1 through February 28

Determination of Fixed Costs: The fixed costs of eligible distribution system improvements will consist of depreciation and pre-tax return, calculated as follows:

1. **Depreciation:** The depreciation expense shall be calculated by applying the annual accrual rates employed in the Company's most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.

RIDER DSIC (cont.)

Distribution System Improvement Charge (DSIC)

2. **Pre-tax return:** The pre-tax return shall be calculated using the statutory state and federal income tax rates, the Company’s actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company’s last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

Application of DSIC: The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service under the Company’s otherwise applicable rates and charges, excluding amounts billed for Riders PGC, M, and STA. To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by one-fourth of the Company’s annual projected revenue for distribution service (including all applicable clauses and riders), exclusive of Riders PGC, M, and STA.

Formula: The formula for calculation of the DSIC is as follows:

$$DSIC = \frac{(DSI*PTRR)+Dep+S}{PQR} + \frac{e}{PQR} \tag{C}$$

Where:

DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation.

PTRR = Pre-tax return rate applicable to DSIC-eligible property.

Dep = Depreciation expense related to DSIC-eligible property.

e = Amount calculated under the annual reconciliation feature or Commission audit, as described below.

S = Synergy fees/(revenues); cost assessed (revenue received) for serving customers of another legal entity approved at G-2014-2448803.

PQR = Projected annual revenues for distribution service (excluding Riders A, B, H and J) from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period will be divided by four to arrive at a quarterly revenue figure.

Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Commission’s Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, and the Commission’s Bureau of Audits at least (10) days prior to the effective date of the update.

Customer Safeguards:

1. **Cap:** The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.

2. **Audit/Reconciliation:** The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq.*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the utility may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC, including Synergy fees received, for the reconciliation period will be compared to the Company’s eligible costs, including Synergy fees paid, for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over-collection. (C)

(C) Indicates Change

RIDER DSIC (cont.)**Distribution System Improvement Charge (DSIC)****Customer Safeguards (cont.):**

3. **New Base Rates:** The DSIC will be reset to zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base will be reflected in the quarterly updates of the DSIC.
4. **Customer Notice:** Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.
5. **All Customer Classes:** The DSIC shall be applied equally to all customer classes, except that the Company may reduce or eliminate the Rider DSIC to any customer with competitive alternatives who are paying flexed or discounted rates and customers having negotiated contracts with the Company, if it is reasonably necessary to do so.
6. **Earnings Reports:** The DSIC will also be reset to zero, if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company would earn a rate of return that would exceed the allowable rate of rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The utility shall file a tariff supplement implementing the reset to zero due to overearning on one-day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Utility has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs. (C)
7. **Residual E-Factor Recovery Upon Reset to Zero:** The utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The utility shall refund any overcollection to customers and is entitled to recover any undercollections as set forth in Section 4.B. Once the utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement. (C)

(C) Indicates Change.

RIDER ARC - ACQUISITION RATE CREDIT

The Acquisition Rate Credit was established as part of the Base Rate Case settlement at Docket No. R-2013-2355886. The purpose of this credit is to provide a \$10,000,000 credit to ratepayers over a five year period pursuant the settlement of the Company's Acquisition proceeding at Docket No. A-2010-2210326.

APPLICABILITY -

The rate credit shall apply to all customers except competitive customer receiving a discounted rate.

RATE -

<u>Rate Class</u>	<u>Rate Credit Per Mcf</u>	<u>Rate Credit Per Customer Charge</u>
RS	\$ 0.2731	\$ 0.6944
RS-T	\$ 0.2731	\$ 0.6944
SGS	\$ 0.1745	\$ 0.8243
SGS-T	\$ 0.1745	\$ 0.8243
MGS	\$ 0.1117	\$ 2.1273
MGS-T	\$ 0.1117	\$ 2.1273

CALCULATION OF RATE –

Any over or under ratepayer credit amounts remaining at the end of year five shall be flowed through to Customers in the Company's next quarterly 1307(f) gas cost filing. Within 60 days of termination of the distribution of the rate credit, the Company shall file with the Commission and provide a copy to all parties to the sale proceeding settlement a final reconciliation of all Acquisition Rate Credit amounts.

**PILOT RIDER SET
SERVICE EXPANSION TARIFF (“SET”)**

The Company, at its discretion, may offer service under this rider to a residential or commercial Applicant or group of Applicants who agree to pay the costs as determined by the Company of extending the Company’s facilities to serve the Applicant(s) under Rule 3 of the Rules and Regulations Section of this tariff. This Rider provides the Applicant(s) with an option to pay the contribution in aid of construction (“CIAC”) determined in accordance with Rule 3 through monthly payments as determined below. This Rider also provides residential Applicant(s) with the option to make payments for the cost of the customer owned service line.

This Rider is established as a Pilot and will close for new participation five years after this rate is approved by the Commission.

The charge under this Rider will be fixed and applied on a monthly basis beginning with the first bill issued after service has been established and continuing until the principal amount(s) have been repaid.

The SET principal is equal to the calculated contribution in aid of construction required from the applicant(s) and will be calculated for each service extension project based on the projected revenue and costs for each extension. A separate principal amount and monthly fee will be established for residential and commercial customers within each gas extension project area based on the expected revenues and costs for the residential and commercial customers. The fixed monthly charge will be applicable to any customer located at any premise within each new extension project area. If additional customers are added to the Company’s extended facilities upon which SET charges are already in place, the additional customers will pay the established SET charge until the total class-based SET principal amount has been repaid. At that time, the SET charge will expire for all customers within each class-based portion of the project.

Commercial Customers Service Expansion Charge

The Company will use the process described in Rule 3 of this tariff to determine the CIAC amount required in order to justify a requested extension of the Company’s facilities. If it is determined that CIAC is required and the customer opts for SET payments, the CIAC will be recovered from the Customer through a monthly flat rate calculated as follows:

Formula: The formula for calculation of the commercial Rider SET monthly charge is as follows:

$$\text{SET Charge} = \frac{\text{SET principal} [\text{FIN}(1+\text{FIN})\text{TIME}]}{[(1+\text{FIN}) \text{ TIME}-1]}$$

Where:

SET Principal = amount equal to the calculated contribution in aid of construction required from the commercial Applicant(s).

FIN = Finance charges applied to SET Principal. This finance rate shall equal the overall weighted cost of capital authorized by the Commission for the Company in its most recent base rate case plus a gross up for income taxes. To the extent that no overall weighted cost of capital was established in the most recent rate case, the weighted cost of capital reflected in the Company’s most recent Distribution System Improvement Charge filing shall be utilized.

**PILOT RIDER SET
SERVICE EXPANSION TARIFF (“SET”) (cont.)**

TIME = Represents the number of months over which the SET principal and applicable return will be recovered. This period will typically be 240 months, but may be a different period if otherwise agreed upon by the Applicant and the Company.

Residential Customer Service Expansion Charge

The Company will use the process described in Rule 3 of this tariff to determine the CIAC amount required in order to justify a requested extension of the Company’s facilities. If it is determined that CIAC is required and the customer opts for the SET payments, the SET principal will be paid through a monthly flat fee of \$55. The monthly fee will continue to be charged until the SET principal for the Residential portion of each extension project has been paid.

Under this Rider, the residential Applicant(s) shall have the option to pay the cost of the applicant’s portion of the service line through a fee of \$15 per month. The fee will be charged until the principal balance of customer owned service line costs for each project have been repaid.

Application of the Rider L Monthly Charge(s) As Follows:

The SET payments for all applicants of a specific extension project will be aggregated by class and applied first to finance charges (FIN) applied to the beginning of the month SET Principal for that class at the financing rate determined below. The remaining SET payment amounts will be applied to the beginning of the month SET principal until the original SET principal balance is paid in full.

For residential customers who opted for a monthly fee related to the applicant’s portion of their service line, the monthly payment will be applied first to finance charges (FIN) applied to the beginning of the month unpaid service line principal for each project at the rate determined below. The remaining payment amount will be applied to the beginning of the month service line principal for each project.

SET Principal = the original CIAC amount for the extension as determined under Rule 3.

FIN = Finance charges applied to SET Principal balance. This finance rate shall equal the overall weighted cost of capital authorized by the Commission for the Company in its most recent base rate case plus a gross up for income taxes. To the extent that no overall weighted cost of capital was established in the most recent rate case, the weighted cost of capital reflected in its most recent Distribution System Improvement Charge filing shall be utilized.

Late-Payment Charge: A late-payment charge of 1.25 percent per month for residential ratepayers and 1.50 percent per month for commercial ratepayers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of charges under this Rider. (D)

PEOPLES GAS WV LLC
of
Pittsburgh, Pennsylvania

RATES RULES, AND REGULATIONS FOR FURNISHING
NATURAL GAS

In all or a portion of the following counties:

(N) Northwestern Barbour, Braxton, Clay, Doddridge, Gilmer, Harrison, Lewis,
Marion, Marshall, Monongalia, Ritchie, Taylor, Tyler, Upshur and Wetzel,
and all consumers along the lines of the Company in West Virginia.

Issued: February 17, 2015

Effective: February 17, 2015

Issued by
Peoples Gas WV LLC

Morgan K. O'Brien, President

Issued by an order of the Public Service Commission of West Virginia in
Case No. 14-1988-G-T dated February 6, 2015.

(N) Indicates new

RULES AND REGULATIONS

I. Rules and Regulations for the Government of Gas Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

II. The Company has adopted as the standard pressure for its low pressure distribution system a pressure of four ounces measured at the outlet of consumer's meter, and all appliances used by consumers should be adjusted for consumption at this pressure.

When gas is supplied to commercial or industrial consumers at a pressure exceeding eight ounces, the meter measurements shall be corrected to a basis of eight ounces according to Boyle's Law.

III. In the event a meter ceases to register, the consumption for the period in question shall be estimated, taking into consideration the consumption during a comparable period.

IV. CURTAILMENT AND INTERRUPTION OF SERVICE

The Company recognizes its primary public service obligation to maintain gas service to all of its consumers and its obligation under its rate schedules is subject to such primary public service obligation. Therefore, when in the Company's judgment it does not or anticipates it will not have an adequate supply of gas necessary to serve the full demands of all of its consumers, it shall have the right to partially or completely curtail service to each of its classes of consumers in accordance with the order of curtailment set forth below. This rule does not apply to normal limitations on the use or interruption of interruptible service contemplated pursuant to the Company's interruptible service offerings.

A. Gas Shortage Curtailments

1. Order of Curtailment

a. The Company shall have the right to curtail its various classes of consumers, depending upon the severity of the natural gas shortage existing at the time, in accordance with the following five main categories of priorities.

(1) (a) All residential consumers.

(b) All commercial consumers where the peak day usage is less than 30 Mcf.

RULES AND REGULATIONS (CONTINUED)

- (2) (a) Large volume commercial plant protection requirements (where peak day usage is 30 Mcf or more) and all firm industrial plant protection requirements.
- (b) All other large volume commercial requirements not specified in (2) (a).
- (c) Small volume firm industrial requirements, where the average daily usage during any calendar month is 300 Mcf or less.
- (d) Firm industrial requirements for feedstock and process needs not specified in (2) (a) and (2) (c).
- (3) All industrial requirements not specified in (2), (4), and (5).
- (4) Firm industrial requirements, where alternate fuel capabilities can meet such requirements, and where daily usage is:
 - (a) More than 1,500 Mcf but less than 3,000 Mcf.
 - (b) 3,000 Mcf or more.
- (5) Service which is interruptible pursuant to the Company's tariff rate schedule.

The Company is obligated to completely curtail all consumers on a peak, monthly, seasonal, and annual basis in category (5) before any curtailment in category (4); curtail all consumers in category (4) before any curtailment in category (3); and so on; this sequence also applies to the various subdivisions within a category.

- 2. Determination of curtailment volumes: The total quantity subject to curtailment shall be determined prospectively by applying to the System deficiency the proportion that annual retail sales in West Virginia bear to total annual retail sales in the System.

B. Force Majeure Curtailment

In addition to A. above, the Company may discontinue or curtail gas service at any time if required in its judgment by severe weather conditions and/or other emergencies or force majeure situations.

RULES AND REGULATIONS (CONTINUED)

Volumes of gas sold under these conditions to residential and commercial consumers shall take priority over those sold to industrial consumers; and so far as operating conditions permit, available supplies of gas shall be dispatched in as equitable a manner as possible. Force majeure conditions and emergencies shall include among others, acts of God, hurricanes, floods, strikes, washouts, riots, sustained cold weather, freezing lines, broken lines, repairs, alterations to the Company's system, as well as any other similar causes affecting the Company's ability to deliver a full supply of gas to all of its consumers, not within the Company's control.

C. Unauthorized Overruns

1. When the monthly volumes of gas taken by any consumer are in excess of the Company specified authorized monthly volumes applicable to such consumer, the consumer shall pay, in addition to any charges otherwise payable, a penalty computed as follows:
 - a. For all consumers whose usage during the base year is 12,000 Mcf or more: a charge of \$10.00 per Mcf shall be applied to the penalty volumes (all volumes in excess of 103 percent of the authorized monthly volumes).
 - b. For all consumers whose usage during the base year is less than 12,000 Mcf: a charge of \$10.00 per Mcf shall be applied to the penalty volumes (all volumes in excess of 120 percent of the authorized monthly volumes).
2. The penalty volumes shall be reduced by the amount that the consumer's actual consumption during the first four months following the overrun is below the authorized monthly volumes for such four-month period.
3. Any consumer who objects to the payment of \$10.00 per Mcf for an unauthorized overrun, shall make his objection known to the Company and the Company shall then respond to the consumer to agree or disagree with specific reasons thereto. If the parties cannot settle the dispute within the terms of the approved tariff, such dispute may be tendered to the Public Service Commission for disposition under its formal complaint procedure.

RULES AND REGULATIONS (CONTINUED)

D. Exceptions and Exemptions

1. Exceptions to or exemptions from curtailment of deliveries to consumers may be permitted by the Company, with Public Service Commission approval, in the event that a community or employment area suffers significant diminution in employment as a result of permanent reduction or termination by an existing gas-using industrial or commercial consumer and there exists in that same community or area an industrial or commercial applicant seeking the same or a lesser quantity of gas.
2. In the event that some of the industrial consumers who have been curtailed under existing or prior plans, or who, for the purpose of conserving gas or in anticipation of future curtailment, have converted or may convert a portion of their noncritical gas usage to a fuel other than gas, or who may have effected conservation programs, thereby reducing their requirements, it is provided that in order that such action will not penalize an industrial consumer in the allocation of available gas supply to each category of use, such converted or conserved volumes shall be restored to the monthly usage figures in calculating base requirements and such volumes converted or conserved shall be considered as curtailed volumes.
3. Requests for extraordinary relief from curtailment where supplemental deliveries are required to forestall irreparable injury to life or physical property may be made directly to the Company and to the Public Service Commission. The consumer seeking extraordinary relief shall give all the facts available to justify a temporary supplemental delivery of natural gas, including volume, duration of need, purpose of need, efforts to secure other sources of natural gas or alternate fuels, and other pertinent information. The Public Service Commission will act with or without hearing, depending on the nature of the emergency, only after the Company has made its recommendation to grant or deny the request, with or without qualifications, after considering, among other things, the effect of a grant of such supplemental deliveries on its other consumers, which might create similar emergencies on such other consumers.

- V. The Company does not guarantee or undertake beyond the exercise of due diligence to render, to the extent of having complied with the provisions of this tariff, the orders of the Public Service Commission and its other public service obligations, adequate and fair service to meet the requirements of its consumers at all times and shall not be liable for failure so to do, beyond its available supply; nor shall it be

RULES AND REGULATIONS (CONTINUED)

liable for any injury to person or property from any cause arising inside the consumer's property line not the result of the negligence of the Company; nor shall it be liable for any injury to person or property arising from the use of gas by, or the supply of gas to, the consumer which is not the result of negligence on the part of the Company.

- VI. Bills will be rendered and be payable once each month. The Company may read any meter once each month, but ordinarily it will read meters of residential and commercial consumers once each two months. As to any consumers whose meter is read once each two months, the consumption for the first month of each bimonthly meter reading period shall be estimated on the basis of the consumer's previous usage, adjusted for weather conditions; and the consumption for the second month of each bimonthly meter reading period shall be determined by subtracting the first month's estimated consumption from the total actual consumption for the bimonthly period shown by the meter. The bill for each month shall be the result of applying to the consumption, determined as aforesaid, the applicable rates and charges contained in this tariff.

The consumer shall be obligated to pay the bill based on the estimated consumption as though the same was based on an actual meter reading, and failure to so pay shall subject the consumer and his service to Rule 4.8 - "Utility Discontinuance of Service" of the Commission Series 4 Rules and Regulations for the Government of Gas Utilities and Gas Pipeline Safety. Bills based on estimated readings shall be subject to adjustment for any unusual circumstances found to have affected the quantity of gas used.

VII. LOAD ADDITION RESTRICTIONS

- A. When anticipated gas supplies are not sufficient to serve all consumers, the Company reserves the right to limit or deny load additions to existing or new commercial and industrial consumers who use in excess of 30 Mcf per day. When gas becomes available to serve such new or additional load, priority shall be given as follows:
1. For newly constructed multifamily commercial buildings.
 2. For other newly constructed commercial buildings.
 3. For existing commercial buildings where the present fuel use violates air pollution regulations established by appropriate governmental agencies.

RULES AND REGULATIONS (CONTINUED)

4. For existing industrial establishments where the present fuel use violates air pollution regulations established by appropriate governmental agencies.
 5. For all other commercial and industrial uses.
- B. Priority will be given in each category in the order in which application therefore was registered with the Company, provided the new load is connected within twelve months after notice from the Company that it may be served. Applications not initially approved by the Company shall be kept on file by class of priority and date received. Any applicant whose application for gas service is subsequently approved shall notify the Company in writing within 30 days after the date of such notice of approval of his intention to accept gas service; otherwise, such approved application shall be void.
- C. From time to time, the Company may have volumes of gas available to it which, in its judgment, should not be disposed of through firm service related to lower priority uses, but should be kept available for future anticipated sale for higher priority uses; however, such reserved volumes may be sold by the Company to lower priority users on a temporary, off-peak, or interruptible basis consistent with negotiated gas sales and transportation agreements.
- D. When the evidence available to the Company reasonably indicates that a consumer has hereafter connected additional gas-consuming equipment in violation of this policy, the Company may discontinue all service to such consumer, upon ten days' written notice, until such additional gas consuming equipment has been disconnected.
- E. Exceptions to the preceding load additions restrictions may be permitted by the Company, with Commission approval, in the event that a community or employment area suffers a significant diminution in employment as a result of permanent reduction or termination of operations by an existing gas-using industrial or commercial consumer and there exists in that same community or area an industrial or commercial applicant seeking the same or a lesser quantity of gas.

VIII. STANDARD SAFETY REQUIREMENTS CONCERNING CUSTOMER CONNECTIONS

"Installation Standards- Gas Piping and Appliances Customers' Premises," Equitable Gas Company, dated July 1979, as now in effect, and all amendments thereto and modifications thereof hereafter made.

IX. FIELD TAP SERVICE

(N)

- A. Definition. Field Tap Service is natural gas service to retail customers where the Company's meter and appurtenant facilities are connected to a production, gathering, or transmission pipeline owned by a third party rather than connected to distribution facilities owned by the Company.
- B. Peoples' Duty Respecting the Quality and Quantity of Gas. The Company has no control over the quality and quantity of the natural gas to be delivered to a Field Tap Customer's premises and makes absolutely no warranty, express or implied, that the natural gas made available to Customer is of pipeline quality or suitable for the purposes desired by Customer; provided, that if the gas delivered to Customer's meter has insufficient natural or artificial odor, the Company will install, operate and maintain an odorizing device at the meter set assembly if necessary to meet federal and state standards.
- C. Gas Not of Pipeline Quality. The gas delivered to a Field Tap Customer's premises may not be of a heating value or other quality considered within the standards set forth in interstate pipelines' FERC gas tariffs for pipeline quality gas. The Company has no duty to deliver gas of pipeline quality to a Field Tap Customer's premises and shall have no liability resulting from Customer's use of gas not of pipeline quality including but not limited to (a) service interruptions and the consequences thereof and (b) the malperformance of or extraordinary wear and tear on gas appliances and the consequences thereof.

(N) Indicates New.

Issued by authority of an Order of the Commission in Case No. 15-0258-G-T, dated May 7, 2015, effective May 7, 2015.

PEOPLES GAS WV LLC
375 North Shore Drive, Suite 600
Pittsburgh, PA 15212

Original Sheet No. 9
P. S. C. W. Va. No. 1

RULES AND REGULATIONS (CONTINUED)

SHEET NOS. 9 THROUGH 15 HAVE NOT BEEN ISSUED,
BUT ARE BEING RESERVED FOR FUTURE USE

Issued by authority of an Order of the Commission in Case No. 15-0258-G-T,
dated May 7, 2015, effective May 7, 2015.

ISSUED: February 23, 2015

EFFECTIVE: May 7, 2015

LIST OF GAS LINE EXTENSIONS AND APPLICABLE MONTHLY SURCHARGES

<u>Extension No.</u>	<u>Location</u>	<u>Monthly Surcharge</u>
4	Along State Route 31, Hammond	\$ 0.20
9	Private Road and Private Property, Villa Nova	0.30
12	State Route 13/20, Rosemont	0.20
13	State Route 31/4, Union District, Marion County	0.05
15	U.S. Route 119, Hornor	0.25
18	State Route 60, Bentons Ferry	0.25
22	Along State Route 73, Boothsville to Eldora	0.35
32	State Route 31, Hammond	0.25
34	State Routes 27 and 12/2, Shinnston	0.30
35	State Route 19/6, Gypsy	1.45
39	State Route 19/2, Enterprise	0.15
40	State Route 77, Rosemont	0.40
41	State Route 66 and unnamed Streets, Colfax	0.30
44	State Route 77 and Creek Street, Flemington	2.35
A-8	Richmond Avenue, Blueville	2.80
50	"O" Street, Rosemont	0.10
52	"T" Street, Valley View Acres, Bentons Ferry	0.15
61	State Route 33 and Private Property, Winfield	0.35
67	State Routes 9, 9/1, Various Streets and Private Property, Lucretia	0.10
73	State Routes 8, 8/2, and Private Road, Shinnston	1.30
81	U.S. Route 50, Bridgeport	0.20
90	"E" Street, Webster	0.75
95	Linden Lane, Fairmont	0.90
97	U.S. Route 50, Grafton	0.10
A-5	State Routes 88/2, 88/3, etc., Fairmont Route 4	0.55
A-6	State Routes 72/8, Montana Mines	0.20
A-9	Rosemary Turner, Courthouse District	3.84

PEOPLES GAS WV LLC
375 North Shore Drive, Suite 600
Pittsburgh, PA 15212

Original Sheet No. 17
P. S. C. W. Va. No. 1

THIS PAGE IS BEING RESERVED FOR FUTURE USE.

ISSUED: December 9, 2013

EFFECTIVE: December 18, 2013

BUDGET PAYMENT PLAN

Residential customers using gas as their primary source for either space heating or cooling may elect to pay their bills in accordance with the Company's Budget Payment Plan, subject to conditions hereinafter provided. Qualified customers may join, or terminate participation in, the Budget Payment Plan at any time during the year.

Customers in arrears in payments for gas service are not qualified to participate in the Budget Payment Plan, unless permitted to do so by the Company. In addition, the Company may remove from the Budget Payment Plan any customer who fails to make two or more budget payments in any 12-month billing period.

Monthly budget payments are based upon actual or if unavailable estimated annual usage at the customer's premises, adjusted for normal temperatures, and priced at the Company's currently approved rates. Monthly budget payments are subject to modification at quarterly intervals to reflect changes in the customer's usage pattern and at any time of the year whenever Commission approved rates become effective.

At the end of each budget year, any debit or credit balance in the customer's account, determined by the difference between billings based upon actual usage and the budget payments for said budget year, is applied in equal amounts to the budget payment for the next succeeding 12-month period. If the customer's participation in the Budget Payment Plan terminates and the customer's account has a credit balance, the customer may elect to receive a refund or to have the credit applied against future gas bills; if the customer's account has a debit balance, the debit amount will become due and payable immediately.

SCHEDULE "A" - GENERAL SERVICE

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for general service to all residential and commercial customers.

RATE

The monthly charge for service hereunder shall consist of a Service Charge plus a Commodity Charge as set forth below.

Service Charge

\$8.50 per residential customer month.

\$12.50 per commercial customer per month.

Commodity Charge

All Mcf: \$7.689 per Mcf

The above rates include a purchased gas cost rate of \$3.06 per Mcf.

MINIMUM CHARGE

The minimum monthly charge shall be the service charge.

FINANCE CHARGE

If payment of a monthly bill has not been received within twenty days from the date of mailing, a Finance Charge of 1.25 percent will be added to the unpaid balance each month until the entire bill is paid.

OTHER CHARGES

This schedule is subject to other charges as set forth in this tariff.

SPECIAL REDUCED RATE RESIDENTIAL SERVICE (SRRRS)

Reduced rates are available under this Schedule in accordance with the SRRRS Rider as set forth on Sheet No. 44.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time where not inconsistent with any specific provision hereof are a part of this rate schedule.

(D) indicates decrease

SCHEDULE "C" - INDUSTRIAL SERVICE

Applicable to entire territory served.

AVAILABILITY OF SERVICE

Available for general service to all industrial customers. Industrial customer is one engaged in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power.

RATE

The monthly charge for service hereunder shall consist of a Service Charge plus a Commodity Charge as set forth below.

Service Charge

\$62.50 per customer per month.

Commodity Charge

All Mcf: \$7.127 per Mcf

The above rates include a purchased gas cost rate of \$3.06 per Mcf.

MINIMUM CHARGE

For all customers, the monthly minimum shall be the service charge.

If service is discontinued at the request of a customer or because of non-payment of bills, the Company shall not be under any obligation to resume service to the same customer at the same premises within 12 months, unless it shall receive payment of an amount equal to the minimum charge for each month of the intervening period.

OTHER CHARGES

This schedule is subject to other charges as set forth in this tariff.

FINANCE CHARGE

If payment of a monthly bill has not been received within twenty days from the date of mailing, a Finance Charge of 1.25 percent will be added to the unpaid balance each month until the entire bill is paid.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time where not inconsistent with any specific provision hereof are a part of this rate schedule.

(D) Indicates decrease

Issued by Order of the Public Service Commission of West Virginia in
Case No. 16-1061-G-30C dated December 28, 2016

ISSUED: December 28, 2016

EFFECTIVE: December 29, 2016

SCHEDULE "F" -FLEXIBLE LARGE VOLUME SERVICE (INTERRUPTIBLE)
APPLICABILITY

This rate shall be applicable throughout the territory served by the Company.

AVAILABILITY

This rate is available when the Company, in its sole discretion, determines that it has gas supply that it cannot sell pursuant to Tariff Schedule "A" - General Service or "C" - Industrial Service.

Under such circumstances, the Company is permitted to sell such gas at reduced rates to commercial and industrial customers who have the capability of using an alternate source of energy in lieu of the Company's natural gas in the same application, the price of which per million BTU is below the price set forth in Schedule "A" or "C".

Customers to whom gas will be made available under the provisions of this rate shall be required to enter into a Service Agreement with the Company.

RATE

The applicable rate will be determined by the Company each month in the month preceding the delivery of gas.

The rate shall not be any more than the applicable Schedule "A" or "C" rate. The rate shall not be any less than the higher of the sum of the current average commodity cost of purchased gas and the West Virginia B&O Tax, or the equivalent rate for the other energy forms available to the customer in lieu of the Company's natural gas. The ACA component of purchased gas cost recoverable from Rate A and Rate C customers pursuant to the Company's annual Rule 30-C Filings shall be reduced for each month of the ACA period by an amount equal to the Rate F sales volume for the month multiplied by the Company's average commodity cost of gas for the corresponding month. Purchased gas demand costs shall not be allocated to Rate F sales for the purpose of determining purchased gas cost recoverable from Rate A and Rate C customers. The volumes, revenue, and commodity cost of gas under this schedule shall not be included for the purpose of projecting purchased gas cost applicable to other tariff schedules.

TERM OF AGREEMENT

At least one year.

FACILITIES

Customers will reimburse the Company for the addition, alteration, and installation of facilities and/or equipment deemed necessary by the Company to administer and provide service to the customer. Customer will pay the cost of maintaining Company facilities devoted solely to serving customer.

SCHEDULE "F" - FLEXIBLE LARGE VOLUME SERVICE (INTERRUPTIBLE) (Continued)

FINANCE CHARGE

If payment of a monthly bill has not been received within twenty days from the date of mailing, a Finance Charge of 1.25 percent will be added to the unpaid balance each month until the entire bill is paid.

RULES AND REGULATIONS

The Company's Rule and Regulations in effect from time to time where not inconsistent with any specific provision hereof are a part of this rate schedule.

MINIMUM AND EXCESS CHARGE

The Service Agreement will allow for the notification by the Company of monthly minimum and maximum quantities and the rate for gas to be made available hereunder.

1. The monthly charge shall be equal to the quantity delivered times the monthly rate, but in no case shall such charge be less than the specified minimum quantity times the monthly rate. In case of interruption on the part of the Company or complete or partial suspension of operation by the customer due to strikes, fires, floods, explosions, or other similar casualties, the said monthly minimum charge shall be reduced in direct proportion to the ratio of the number of days of complete or partial suspension of operation to the number of days in the billing period, but in no event shall said minimum be less than \$25.
2. Any quantity of gas taken during any month in excess of the monthly maximum quantity specified shall be billed at the applicable Rate Schedule "A" or "C".

SPECIAL PROVISIONS

1. This rate is only available to customers who present to the Company a written bid or price quotation for delivered fuel from their supplier applicable to the following month. If the customer is unable to obtain a written bid, such fact must be certified to the Company, and the name of the alternate fuel supplier must be provided.
2. Service under this schedule is interruptible and will be provided only when in the opinion of the Company sufficient facilities and gas supply are economically available. The Company maintains sole discretion to determine the appropriate allocation of service to customers during periods of interruption.
3. Gas service under this rate may be interrupted by the Company upon not less than 24 hours of notice, unless unforeseen conditions affecting the Company's gas system require shorter notice. In the event that service interruption is required and the customer fails to comply, the customer shall pay the Company \$10.00 per Mcf of unauthorized overrun plus any additional costs incurred by the Company as a result of the customer's failure to comply.

RATE TSF - TRANSPORTATION SERVICE - FIRM

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company.

APPLICATION REQUIREMENT

Each prospective customer must submit a written application, in a form acceptable to the Company, prior to the initiation of any transportation service. Upon receipt of a completed application and if the Company determines it is able to provide the service requested, the applicant and Company will enter into a Service Agreement.

AVAILABILITY

These rates are available to applicants who desire to obtain firm transportation service.

A Service Agreement for a minimum of 1 year must be executed by each applicant (hereinafter referred to as customer) as a condition to receiving transportation service. Such agreement will specify receipt and delivery points, as well as other conditions of receipt by the Company and delivery to the customer (applicant).

Service will be provided by the Company based on available pipeline capacity and the customer delivering suitable gas into the Company's distribution system. Gas transported by the Company shall be and remain the property of the customer.

RATE

The rate for firm transportation service will be determined by negotiation between the Company and the Customer subject to the following limitations:

Maximum Rates:

For natural gas produced in West Virginia, the maximum rate (Benchmark Fully Distributed Cost Based Rate) is \$2.64 per Mcf for Commercial customers and \$1.92 per Mcf for Industrial customers.

For natural gas other than that produced in West Virginia, the maximum rate shall be the otherwise applicable average per Mcf sales tariff rate excluding the purchased gas commodity costs. For those customers who elect firm standby sales service, the maximum rate shall be the otherwise applicable average per Mcf sales tariff rate excluding all purchased gas costs.

RATE TSF - TRANSPORTATION SERVICE - FIRM (Continued)

TRANSPORTATION SWING SERVICE CHARGE

The Transportation Swing Charge is for the resources needed to make up the difference, on a daily basis, between the gas consumed by the customer and the gas actually delivered to the Company on behalf of the customer. This is an interruptible service.

1. Charge applicable to customers that do not choose Optional Daily Balancing Service or do not take Firm Standby Service will be charged:

 \$0.18 for every Mcf consumed.
2. Charge applicable to customers that choose Optional Daily Balancing Service will be charged:

 \$0.18 for every Mcf consumed.
3. No Swing Service charge will apply to customers purchasing Firm Standby Sales Service.

RATE TSF - TRANSPORTATION SERVICE - FIRM (Continued)

FINANCE CHARGE

If payment of a monthly bill has not been received within fifteen days from the date of mailing, a Finance Charge of 1.25 percent will be added to the unpaid balance each month until the entire bill is paid.

LIABILITY

The Company shall not be liable for any loss arising from or out of service under this tariff, including loss of gas in the possession of the Company. The Company makes no guarantee against, and assumes no liability for, interruptions of service. The Company also reserves the right to commingle gas of the customer with that of other suppliers.

The Company shall not be liable for loss of the customer's gas as a result of normal and prudent operations or steps taken to comply with any law, regulation, or order of any governmental agency having jurisdiction to regulate, allocate, or control gas supplies or the rendition of services thereunder, regardless of any defect in such law, regulation, or order.

FIRM STANDBY SALES SERVICE

Firm Standby Sales Service is available to transportation Customers upon request pursuant to the following terms and conditions and subject to availability of sufficient gas supply and system capacity. Customers who desire Firm Standby Sales Service must nominate a Maximum Daily Firm Quantity (MDFQ) in their service agreement with the Company.

Daily Consumption in excess of such Customer's MDFQ is interruptible and subject to the provisions pertaining to the Company's right to limit daily consumption to volumes delivered to the Company on a transportation Customer's behalf. MDFQ nominations must be at a level which is reasonably sufficient to meet the customer's peak season daily demand. The Company reserves the right to require revisions to nominations which it has determined are insufficient. The Company at its discretion may allow customers to nominate MDFQs which are below anticipated season peak demands and in such cases may require separate piping and/or metering to segregate the customer's firm and interruptible loads and may require the customer to reimburse the Company for any cost incurred in making the necessary modifications. Customers receiving Firm Standby Sales Service shall pay a Standby Sales Reservation (SSR) charge as described below.

RATE TSF - TRANSPORTATION SERVICE - FIRM (Continued)

Monthly SSR Charge:

\$7.79 per Mcf of Maximum Daily Firm Quantity

The SSR charge shall be redetermined annually during the course of the Company's 30-C proceeding. SSR charge revenue (exclusive of B&O Tax) shall be credited to purchased gas costs for the purpose of determining under or over collections of purchased gas cost pursuant to Rule 30-C.

A customer may discontinue Firm Standby Service, if the Company, in its sole discretion, can obtain any decrease in its transportation and storage entitlements or any combination thereof required to accommodate such transfer from Firm Standby Service and the customer provides written notice to the Company at least twelve months prior to the expiration date of the customer's Service Agreement.

The Company may require Firm Standby Sales Service for customers requesting interruptible transportation service in the event that such customers do not have alternate fuel capability.

The customer shall be liable for any additional charges which arise out of the provision of transportation. Any charge, penalty or obligation imposed by a pipeline transporter or supplier as a result of the monthly or daily balancing of the customer's deliveries and consumption shall be paid by the customer in addition to the applicable charges as set forth elsewhere under this schedule.

INTERRUPTION OF TRANSPORTATION SERVICE - CUSTOMER PRIORITY

For purposes of interruption, the standing of all interruptible transportation customers is subordinate to that of any firm transportation customer.

TRANSPORTATION SERVICE BALANCING PROVISIONS

Balancing is available for inadvertent imbalances between the customer's metered consumption and the volume of gas supply and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. Customers must use best efforts to balance purchases, deliveries, and usage to avoid daily and monthly imbalances.

RATE TSF - TRANSPORTATION SERVICE - FIRM (Continued)

Daily Balancing Option

Daily balancing is an optional service available to any transportation customer that pays for a dedicated telephone line and \$100 for communication system costs, and all equipment, including installation, deemed necessary by the Company to administer and provide this service to the customer.

At the request of the customer, the Company will provide financing for the cost of installing automated meter reading devices for a period of no more than one year at a rate not to exceeding the interest rate earned on customer deposits by the Company.

- (1) All gas consumed by the customer is subject to the Swing Service Charge applicable to daily balancing service.
- (2) A daily imbalance will exist when (a) a customer's consumption in a day falls short of the daily gas supply available for the customer's use (daily supply excess), or (b) a customer's consumption in a day exceeds the daily gas supply available for the customer's use in a day (daily supply shortfall). The daily gas supply available is equal to gas delivered to the Company for the customer's use plus or minus any monthly supply excess or shortfall carried forward and allocated to that day.
- (3) A daily supply excess or shortfall greater than eight percent (8%) of the customer's consumption for a day shall be charged the following rate:

\$0.37 per Mcf of daily supply excess or shortfall.
- (4) Monthly balancing provisions also apply to Daily Balancing Service.

Monthly Balancing

All transportation customers, including customers that choose the Daily Balancing Service, shall be subject to the following monthly balancing provisions.

- (1) A monthly imbalance will exist when (a) a customer's consumption in a month falls short of the gas supply available for the customer's use in a month (monthly supply excess) or (b) a customer consumes more gas than the gas supply available for the customer's use in a month (monthly supply shortfall).

RATE TSF - TRANSPORTATION SERVICE - FIRM (Continued)

- (2) A monthly supply excess equal to, or less than, three and one half percent (3.5%) of the customer's consumption for a month shall be carried forward to the following month and added to the gas delivered to the Company for the customer's use for that month to arrive at the total gas supply available to the customer for the month.
- (3) A monthly supply shortfall equal to, or less than, three and one half percent (3.5%) of the customer's consumption for a month shall be carried forward to the following month and subtracted from the gas delivered to the Company for the customer's use for that month to arrive at the total gas supply available to the customer for the month.
- (4) A monthly supply shortfall in a customer's gas supply greater than the amount that can be carried forward to the following month shall be purchased by the Company from the customer (Cash-in) or purchased by the customer from the Company (Cash-out) at the following prices:
- (a) Cash-In Price: The price paid by the Company for a customer's supply excess shall be equal to eighty-five percent (85%) of the sum of the lowest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point for the month, plus the transportation costs, including retainage.
- (b) Cash-Out Price: The price paid by the customer to satisfy its supply shortfall shall be equal to one hundred twenty-five percent (125%) of the sum of the highest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point for the month, plus the transportation costs, including retainage, plus any applicable B&O Tax.

General Balancing Provisions

- (1) Upon termination of any transportation rate schedule or service, (a) customer must use any supply excess within thirty (30) days or the Company shall purchase it at the cash-in price for the month it is purchased; or (b) customer must purchase any supply shortfall from the Company at the cash-out price for the month service is terminated.

RATE TSF - TRANSPORTATION SERVICE - FIRM (Continued)

- (2) During periods when service to sales customers is threatened, the Company may limit the transportation customer's daily consumption to the volumes delivered to the Company on the transportation customer's behalf. This limitation may include restriction of the transportation customer's use of any supply excess previously delivered on the transportation customer's behalf. In the event that the Customer fails to comply, the Customer shall pay to the Company \$10.00 per Mcf of unauthorized overrun plus any additional costs incurred by the Company as a result of the Customer's failure to comply.
- (3) All rates set forth in this rate schedule that are billed on a volumetric, per Mcf, basis will be billed using metered volumes, either actual or estimated. Cash-in and cash-out prices cover only gas supply costs as defined herein.

SPECIAL PROVISIONS

1. This transportation will be provided on a continuing basis except as follows:
- a. Service may be interrupted when pipeline operating constraints dictate; or
 - b. Service may be interrupted during periods of natural gas shortages.
 - (i) In the event of a natural gas supply shortage, the transportation customer shall agree to sell its natural gas supply to the Company at the higher of the Company's weighted average cost of gas, or the customer's own cost. The customer will be required to furnish a copy of the customer's supply contract or other evidence of price to the Company upon request.
2. Gas transported under this rate schedule shall be considered the last gas through the meter for billing purposes.
3. The Company will retain, as allowance for transportation shrinkage, 7.0 percent of the total volume delivered into its system on behalf of the customer. The Company may, in its sole discretion, flex the retainage percentage to competitively situated customers.

RATE TSF - TRANSPORTATION SERVICE - FIRM (Continued)

4. Gas of suitable quality must be provided by the Customer at receipt points designated by the Company.
 - a. Pressures, volumes, and times of receipt shall be specified in the Service Agreement with the customer.
5. Customer shall reimburse the Company for the addition, alteration, and installation of facilities and/or equipment the Company deems necessary to administer and provide transportation service to the customer. Customer will pay the cost of maintaining Company facilities devoted solely to the customer.
6. If the Company incurs any charges from its pipeline suppliers which are attributable to the utilization of this transportation service by a customer, then such customer shall be billed its pro rata share of those charges.
7. To the extent that customers elect to utilize transportation service available under this rate schedule in lieu of service provided from system gas supply, the Company maintains no duty to provide retail service to a transportation customer who declines to elect Firm Standby Service.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision thereof, are a part of this rate schedule.

RATE TSI - TRANSPORTATION SERVICE - INTERRUPTIBLE

APPLICABILITY

These rates shall be applicable throughout the territory served by the Company.

APPLICATION REQUIREMENT

Each prospective customer must submit a written application, in a form acceptable to the Company, prior to the initiation of any transportation service. Upon receipt of a completed application and if the Company determines it is able to provide the service requested, the applicant and Company will enter into a Service Agreement.

AVAILABILITY

These rates are available to applicants who desire to obtain interruptible transportation service.

A Service Agreement for a minimum of 1 year must be executed by each applicant (hereinafter referred to as customer) as a condition to receiving transportation service. Such agreement will specify receipt and delivery points, as well as other conditions of receipt by the Company and delivery to the customer (applicant).

Service will be provided by the Company based on available pipeline capacity and the customer delivering suitable gas into the Company's distribution system. Gas transported by the Company shall be and remain the property of the customer.

RATE

The rate for interruptible transportation service will be determined by negotiation between the Company and the Customer subject to the following limitations:

Maximum Rates:

For natural gas produced in West Virginia, the maximum rate (Benchmark Fully Distributed Cost Based Rate) is \$2.64 per Mcf for Commercial customers and \$1.92 per Mcf for Industrial customers, plus the applicable transportation swing service charge.

For natural gas other than that produced in West Virginia, the maximum rate shall be the otherwise applicable average per Mcf sales tariff rate excluding the purchased gas commodity costs. For those customers who elect firm standby sales service, the maximum rate shall be the otherwise applicable average per Mcf sales tariff rate excluding all purchased gas costs.

RATE TSI - TRANSPORTATION SERVICE - INTERRUPTIBLE (Continued)

TRANSPORTATION SWING SERVICE CHARGE

The Transportation Swing Charge is for the resources needed to make up the difference, on a daily basis, between the gas consumed by the customer and the gas actually delivered to the Company on behalf of the customer. This is an interruptible service.

1. Charge applicable to customers that do not choose Optional Daily Balancing Service or do not take Firm Standby Service will be charged:

 \$0.18 for every Mcf consumed.
2. Charge applicable to customers that choose Optional Daily Balancing Service will be charged:

 \$0.18 for every Mcf consumed.
3. No Swing Service charge will apply to customers purchasing Firm Standby Sales Service.

FINANCE CHARGE

If payment of a monthly bill has not been received within fifteen days from the date of mailing, a Finance Charge of 1.25 percent will be added to the unpaid balance each month until the entire bill is paid.

LIABILITY

The Company shall not be liable for any loss arising from or out of service under this tariff, including loss of gas in the possession of the Company. The Company makes no guarantee against, and assumes no liability for, interruptions of service. The Company also reserves the right to commingle gas of the customer with that of other suppliers.

The Company shall not be liable for loss of the customer's gas as a result of normal and prudent operations or steps taken to comply with any law, regulation, or order of any governmental agency having jurisdiction to regulate, allocate, or control gas supplies or the rendition of services thereunder, regardless of defect in such law, regulation, or order.

RATE TSI - TRANSPORTATION SERVICE - INTERRUPTIBLE (Continued)

FIRM STANDBY SALES SERVICE

Firm Standby Sales Service is available to transportation Customers upon request pursuant to the following terms and conditions and subject to availability of sufficient gas supply and system capacity. Customers who desire Firm Standby Sales Service must nominate a Maximum Daily Firm Quantity (MDFQ) in their service agreement with the Company.

Daily Consumption in excess of such Customer's MDFQ is interruptible and subject to the provisions pertaining to the Company's right to limit daily consumption to volumes delivered to the Company on a transportation Customer's behalf. MDFQ nominations must be at a level which is reasonably sufficient to meet the customer's peak season daily demand. The Company reserves the right to require revisions to nominations which it has determined are insufficient. The Company at its discretion may allow customers to nominate MDFQs which are below anticipated season peak demands and in such cases may require separate piping and/or metering to segregate the customer's firm and interruptible loads and may require the customer to reimburse the Company for any cost incurred in making the necessary modifications. Customers receiving Firm Standby Sales Service shall pay a Standby Sales Reservation (SSR) charge as described below.

Monthly SSR Charge:

\$7.79 per Mcf of Maximum Daily Firm Quantity

The SSR charge shall be redetermined annually during the course of the Company's 30-C proceeding. SSR charge revenue (exclusive of B&O Tax) shall be credited to purchased gas costs for the purpose of determining under or over collections of purchased gas cost pursuant to Rule 30-C.

A customer may discontinue Firm Standby Service, if the Company, in its sole discretion, can obtain any decrease in its transportation and storage entitlements or any combination thereof required to accommodate such transfer from Firm Standby Service and the customer provides written notice to the Company at least twelve months prior to the expiration date of the customer's Service Agreement.

The Company may require Firm Standby Sales Service for customers requesting interruptible transportation service in the event that such customers do not have alternate fuel capability.

RATE TSI - TRANSPORTATION SERVICE - INTERRUPTIBLE (Continued)

The customer shall be liable for any additional charges which arise out of the provision of transportation. Any charge, penalty or obligation imposed by a pipeline transporter or supplier as a result of the monthly or daily balancing of the customer's deliveries and consumption shall be paid by the customer in addition to the applicable charges as set forth elsewhere under this schedule.

INTERRUPTION OF TRANSPORTATION SERVICE - CUSTOMER PRIORITY

For purposes of interruption, the standing of all interruptible transportation customers is subordinate to that of any firm transportation customer.

TRANSPORTATION SERVICE BALANCING PROVISIONS

Balancing is available for inadvertent imbalances between the customer's metered consumption and the volume of gas supply and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. Customers must use best efforts to balance purchases, deliveries, and usage to avoid daily and monthly imbalances.

Daily Balancing Option

Daily balancing is an optional service available to any transportation customer that pays for a dedicated telephone line and \$100 for communication system costs, and all equipment, including installation, deemed necessary by the Company to administer and provide this service to the customer. At the request of the customer, the Company will provide financing for the cost of installing automated meter reading devices for a period of no more than one year at a rate not exceeding the interest rate earned on customer deposits by the Company.

- (1) All gas consumed by the customer is subject to the Swing Service Charge applicable to daily balancing service.
- (2) A daily imbalance will exist when (a) a customer's consumption in a day falls short of the daily gas supply available for the customer's use (daily supply excess), or (b) a customer's consumption in a day exceeds the daily gas supply available for the customer's use in a day (daily supply shortfall). The daily gas supply available is equal to gas delivered to the Company for the customer's use plus or minus any monthly supply excess or shortfall carried forward and allocated to that day.

RATE TSI - TRANSPORTATION SERVICE - INTERRUPTIBLE (Continued)

- 3) A daily supply excess or shortfall greater than eight percent (8%) of the customer's consumption for a day shall be charged the following rate:

\$0.37 per Mcf of daily supply excess or shortfall.

- (4) Monthly balancing provisions also apply to Daily Balancing Service.

Monthly Balancing

All transportation customers, including customers that choose the Daily Balancing Service, shall be subject to the following monthly balancing provisions.

- (1) A monthly imbalance will exist when (a) a customer's consumption in a month falls short of the gas supply available for the customer's use in a month (monthly supply excess) or (b) a customer consumes more gas than the gas supply available for the customer's use in a month (monthly supply shortfall).
- (2) A monthly supply excess equal to, or less than, three and one half percent (3.5%) of the customer's consumption for a month shall be carried forward to the following month and added to the gas delivered to the Company for the customer's use for that month to arrive at the total gas supply available to the customer for the month.
- (3) A monthly supply shortfall equal to, or less than, three and one half percent (3.5%) of the customer's consumption for a month shall be carried forward to the following month and subtracted from the gas delivered to the Company for the customer's use for that month to arrive at the total gas supply available to the customer for the month.
- (4) A monthly supply shortfall in a customer's gas supply greater than the amount that can be carried forward to the following month shall be purchased by the Company from the customer (Cash-in) or purchased by the customer from the Company (Cash-out) at the following prices:
- (a) Cash-In Price: The price paid by the Company for a customer's supply excess shall be equal to eighty-five percent (85%) of the sum of the lowest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point for the month, plus the transportation costs, including retainage.

RATE TSI - TRANSPORTATION SERVICE - INTERRUPTIBLE (Continued)

- (b) Cash-Out Price: The price paid by the customer to satisfy its supply shortfall shall be equal to one hundred twenty-five percent (125%) of the sum of the highest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point for the month, plus the transportation costs, including retainage, plus any applicable B&O Tax.

General Balancing Provisions

- (1) Upon termination of any transportation rate schedule or service, (a) customer must use any supply excess within thirty (30) days or the Company shall purchase it at the cash-in price for the month it is purchased; or (b) customer must purchase any supply shortfall from the Company at the cash-out price for the month service is terminated.
- (2) During periods when service to sales customers is threatened, the Company may limit the transportation customer's daily consumption to the volumes delivered to the Company on the transportation customer's behalf. This limitation may include restriction of the transportation customer's use of any supply excess previously delivered on the transportation customer's behalf. In the event that the Customer fails to comply, the Customer shall pay to the Company \$10.00 per Mcf of unauthorized overrun plus any additional costs incurred by the Company as a result of the Customer's failure to comply.
- (3) All rates set forth in this rate schedule that are billed on a volumetric, per Mcf, basis will be billed using metered volumes, either actual or estimated. Cash-in and cash-out prices cover only gas supply costs as defined herein.

SPECIAL PROVISIONS

1. This transportation will be provided on a best efforts basis and may be interrupted as follows:
- a. When pipeline operating constraints dictate; or
- b. During periods of pipeline supply shortages.
- (i) In the event of a natural gas supply shortage, the transportation customer shall agree to sell its natural gas supply to the Company at the higher of the Company's weighted average cost of gas, or the customer's own cost. The customer will be required to furnish a copy of the customer's supply contract or other evidence of price to the Company upon request.

RATE TSI - TRANSPORTATION SERVICE - INTERRUPTIBLE (Continued)

2. Gas transported under this rate schedule shall be considered the last gas through the meter for billing purposes.
3. The Company will retain as allowance for transportation shrinkage 7.0 percent of the total volume delivered into its system on behalf of the customer. The Company may, in its sole discretion, flex the retainage percentage to competitively situated customers.
4. Gas of suitable quality must be provided by the Customer at receipt points designated by the Company.
 - a. Pressures, volumes, and times of receipt shall be specified in the Service Agreement with the customer.
5. Customer shall reimburse the Company for the addition, alteration, and installation of facilities and/or equipment the Company deems necessary to administer and provide transportation service to the customer. Customer will pay the cost of maintaining Company facilities devoted solely to serving customer.
6. If the Company shall incur any charges from its pipeline suppliers which are attributable to the utilization of this transportation service by the customer, then such customer shall be billed its pro rate share of those charges.
7. To the extent that customers elect to utilize transportation service available under this rate schedule in lieu of service provided from system gas supply, the Company maintains no duty to provide retail service to a transportation customer who declines to elect Firm Standby Service.

RULES AND REGULATIONS

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision thereof, are a part of this rate schedule.

RATE IPS - INTERRUPTIBLE POOLING SERVICE

1. AVAILABILITY

Service under this rate schedule is available to anyone who aggregates two or more customers in accordance with this rate schedule, who demonstrates to the Company's satisfaction that it has met the creditworthiness standards defined within this Tariff, and who has entered into a Pooling Service Agreement with the Company.

2. TYPE OF SERVICE

This is a customer aggregation service whereby a creditworthy third party, the Pool Operator, takes assignment on behalf of a transportation customer of the customer's nomination and balancing responsibilities and, under separate contractual agreement with the Company, aggregates the customer's gas deliveries and consumption with those of other transportation customers within contiguous sections of the Company's distribution system for the purposes of calculating imbalances on the Company's system.

3. SERVICE CONDITIONS

3.1 Operational Restrictions

Interruptible pooling is limited to customers physically located within one of the following designated pooling areas on the Company's system: Grafton, West Union and Buckhannon/Weston. Customers participating in a pool must all be physically located within the same pooling area of the Company's distribution system.

The Company reserves the right to change the operational or geographic area in which accounts may be aggregated if at any future time any service or operational requirement necessitates such a change.

3.2 Scheduling of Service

All transportation volumes received for Pool Operator's account will be nominated to the Company in advance. All volumes received for Pool Operator's account must be measurable on a monthly basis, unless the daily balancing option is elected, in which case volumes received must be measured on a daily basis.

New interruptible transportation pooling customers, including interruptible transportation pooling customers that pay firm standby, shall be required to pay for all costs and equipment necessary to install automated metering to ensure meters can be read on a calendar month basis.

RATE IPS - INTERRUPTIBLE POOLING SERVICE (CONTINUED)

3.3 Balancing

The Pool Operator shall pay all applicable balancing charges and penalties that are set forth in the Company's tariff. For the purposes of determining monthly imbalances of the transportation pool, the Company will use the BTU conversion factor utilized in the Company's most recent Rule 30C proceeding.

Daily Balancing Option:

Daily balancing is an optional service available to any interruptible transportation pool consistent with the Company's currently effective daily balancing option under Rate Schedules TSF and TSI.

All gas consumed by the pool is subject to the Swing Service Charge applicable to daily balancing service.

A daily imbalance will exist when (a) a pool's consumption in a day falls short of the daily gas supply available for the pool's use (daily supply excess), or (b) a pool's consumption in a day exceeds the daily gas supply available for the pool's use in a day (daily supply shortfall). The daily gas supply available is equal to gas delivered to the Company for the pool's use plus or minus any monthly supply excess or shortfall carried forward and allocated to that day.

A daily supply excess or shortfall greater than eight percent (8%) of the pool's consumption for a day shall be charged the following rate:

\$0.37 per Mcf of daily supply excess or shortfall.

Monthly balancing provisions also apply to Daily Balancing Service.

Monthly Balancing Option:

All transportation pools served under this Rate Schedule shall be subject to the following monthly balancing provisions:

RATE IPS - INTERRUPTIBLE POOLING SERVICE (CONTINUED)

- (1) A monthly imbalance will exist when (a) a pool's consumption in a month falls short of the gas supply available for the pool's use in a month (monthly supply excess) or (b) a pool consumes more gas than the gas supply available for the pool's use in a month (monthly supply shortfall).
- (2) A monthly supply excess equal to, or less than, three and one half percent (3.5%) of the pool's consumption for a month shall be carried forward to the following month and added to the gas delivered to the Company for the pool's use for that month to arrive at the total gas supply available to the pool for the month.
- (3) A monthly supply shortfall equal to, or less than, three and one half percent (3.5%) of the pool's consumption for a month shall be carried forward to the following month and subtracted from the gas delivered to the Company for the pool's use for that month to arrive at the total gas supply available to the pool for the month.
- (4) A monthly supply shortfall in a pool's gas supply greater than the amount that can be carried forward to the following month shall be purchased by the Company from the Pool Operator (Cash-in) or purchased by the Pool Operator from the Company (Cash-out) at the following prices:
 - (a) Cash-In Price: The price paid by the Company for a customer's supply excess shall be equal to eighty-five percent (85%) of the sum of the lowest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point for the month, plus the transportation costs, including retainage.
 - (b) Cash-Out Price: The price paid by the customer to satisfy its supply shortfall shall be equal to one hundred twenty-five percent (125%) of the sum of the highest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point for the month, plus the transportation costs, including retainage, plus any applicable B&O Tax.
- (5) All rates set forth in this rate schedule that are billed on a volumetric basis may be billed using cycled metered volumes, either actual or estimated. Cash-in and cash-out prices cover only gas supply costs as defined herein.

RATE IPS - INTERRUPTIBLE POOLING SERVICE (CONTINUED)

3.4 Contract Duration

The Pool Operator's Pooling Service contract with the Company shall be for a term of service of no less than twelve months. Notwithstanding any contract duration provision contained in a service agreement between the customer and the Pool Operator, the Company may process any customer request to return to retail service or to transfer to a pool maintained by another Pool Operator, and the Company assumes no liability for such action.

3.5 Creditworthiness

Upon request of the Company, the Pool Operator shall provide to the Company, on a confidential basis, financial documents such as annual reports, and 10K reports, along with appropriate trade and banking references. The Pool Operator also agrees to allow the Company to conduct a credit investigation as to Pool Operator's creditworthiness. These requirements to supply information and conduct credit investigations are in addition to the requirement that the Pool Operator provide to the Company a security deposit deemed appropriate by the Company. The amount of the deposit will not exceed one-sixth of the estimated annual exposure for the associated Pool and may be adjusted from time to time. The Company shall require the Pool Operator to adjust the amount of the security deposit as customers are added to the pool.

3.6 Customer Eligibility

Human Needs End Users, as defined herein, are not eligible for Interruptible Gas Transportation Pooling Service, unless such Customer pays the applicable Standby Charge for the Rate Schedule for which the Customer qualifies, or has Alternate Fuel Capability. Such Alternate Fuel Capability shall be sufficient to provide necessary protection of public health, safety, and welfare of the involved inhabitants at such facility for a period of no less than seven days, and acknowledgment of the above is required to be given to the Company by Customer. The following customers are eligible to participate in an interruptible pool:

- 1) Any interruptible customer receiving transportation service on the Company's system prior to October 3, 2000.
- 2) Commercial and Industrial customers that request and are eligible to receive interruptible transportation service.

RATE IPS - INTERRUPTIBLE POOLING SERVICE (CONTINUED)

For purposes of pooling eligibility a "human needs enduser" is defined as follows: An enduser whose facilities are used for residential dwelling on either a permanent or transitory basis; commercial and governmental endusers of a residential nature; and other endusers who are predominantly engaged in activities that are necessary for public health and safety. Such facilities shall include, but are not limited to: residences, apartment buildings, correctional institutions, schools, hospitals, nursing homes, hotels/motels. Such facilities may include civil and governmental endusers whose facilities are required in the performance of protecting and preserving the public health and safety, such as emergency operations centers.

3.7 Customers Switching Pools

Customers may switch pools for an administrative fee of \$10.00 and upon filing written notice 20 (twenty) working days prior to the start of the customer's next billing cycle.

4. RATES

In addition to any applicable balancing charges, standby charges or penalties, the Pool Operator shall be subject to the following charges:

- a) A one time non-refundable Pool Operator initiation fee of \$120 per pool;
- b) A monthly Pool Operating Fee of \$7 per customer based upon the number of customers in the pool; and
- c) An inter-pool transfer fee of \$.20 per Mcf of gas transferred from one pool to another pool that is not in the same pooling area of the Company's system. This fee will be billed to the Pool Operator receiving the gas. No inter-pool transfer fee will be charged on the transfer of gas between pools within the same pooling area of the Company's system.

LOCAL TAX SURCHARGE

When any municipal corporation or other tax levying corporation or political subdivision of the State imposes any license tax, excise tax, privilege tax, use tax, franchise fee or tax, or other tax, fee, or service charge based upon the revenues received by this Company within the territorial limits of such corporation or other political subdivision, such taxes, exactions or fees shall be billed as a "surcharge" to the customers receiving service within such territorial limits.

Whenever a change occurs in the imposition or rate of any such tax, exaction, or fee, the Company shall file a revision of the appropriate tariff sheet with the Commission as soon as practicable after the Company has been notified that such new or changed rates will be applied, said sheet to become effective thirty (30) days after filing.

The monthly bills of customers receiving service in the following municipalities or political subdivisions shall include a surcharge based on the following effective surcharge rates:

Municipality	B&O Tax		Excise Tax	
	Local Tax Percent	Effective Surcharge Percent (1)	Local Tax Percent/Effective Surcharge Percent	Exemptions
Burnsville	3%	3.236%		
Fairmont	3%	3.236%	2%	a, b, c, d, e
Glenville	3%	3.236%	2%	e
Grafton	3%	3.236%		
Hundred			2%	a, c, d
Pleasant Valley			2%	a, b, c, d
Shinnston	3%	3.236%	2%	a, b, c, d, e
West Union			2%	
Whitehall			2%	c, d
Worthington			2%	a, b, c, d, e

(1) Computed as follows:
$$\frac{\text{Local Tax Rate (\%)}}{100\% - (\text{State Tax Rate \%} + \text{Local Tax Rate \%})}$$

- a) Not applicable for purchase of public utility service by a public utility for resale.
- b) Not applicable for purchases of public utility service by the United States of America, the state of West Virginia and the political subdivisions, municipalities, boards, commissions, authorities, and public corporations thereof.
- c) Not applicable for the purchase of tangible personal property such as appliances or the like, as distinguished from the public service supplied.
- d) Does not apply to nonrecurring or one time charges.
- e) No tax shall be imposed on service exceeding \$20,000 to any single purchaser in a given calendar month.

RIDER

SPECIAL REDUCED RATE RESIDENTIAL SERVICE (SRRRS)

RATES

The rates in Schedule "A" - General Service shall be reduced by 20 percent for eligible residential customers during the billing months of December each year through April of the following year which correlate to a calendar month during which a customer is eligible.

ELIGIBILITY

Residential customers receiving financial assistance under (a) Social Security Supplemental Security Income (SSI), (b) Aid to Families with Dependent Children (AFDC), (c) Aid to Families with Dependent Children - Unemployed (AFDC-U), or (d) Food Stamp recipients sixty years of age or older are eligible for SRRRS.

PERIOD OF ELIGIBILITY

A customer shall not be eligible to receive SRRRS until the month requested (with proof of eligibility), except that eligibility for SRRRS for the billing months of December 1983 through April 1984 can be established at any time provided that application is made on or before May 15, 1984. In addition, an eligible customer must reapply for SRRRS following any period during which such customer did not receive service under this Rider.

PROOF OF ELIGIBILITY

Customers requesting SRRRS are required to provide proof of their eligibility which has been confirmed by the West Virginia Department of Human Services.

Revision No. 3
to
P.S.C. KY. No. 1

PEOPLES GAS KY LLC

RATES FOR FURNISHING

NATURAL GAS

AT

Connections along Kentucky West Virginia Gas Company's pipeline system in Eastern Kentucky included in Peoples Gas KY LLC's service area.

FILED WITH THE PUBLIC SERVICE COMMISSION

OF

KENTUCKY

Issued December 17, 2013
Through the issuance of this tariff Peoples Gas KY LLC adopts the tariff of Equitable Gas.

Issued by: PEOPLES GAS KY LLC

By: Morgan K. O'Brien
President
375 North Shore Drive, Suite 600
Pittsburgh, PA 15212

RATE

Customer: Various

Expiration: See "Special Conditions"

Point of Delivery:

At connection along Kentucky West Virginia Gas Company's well connection and gathering system in Eastern Kentucky included in Peoples Gas KY LLC's service area.

Rate:

Customer Service Charge: \$7.50

All Mcf	<u>Base Rate</u> \$2.1322	+	<u>Gas Cost Recovery Rate*</u> \$4.2561 per MCF	=	<u>Total Rate</u> \$6.3883	(I)
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The minimum monthly bill shall be \$7.50.

*The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 4 and 5 of this tariff.

The following adjustment shall be made to the above rates:

- (1) Customer bills may also include gross receipts license taxes as authorized under the Kentucky Education Reform Act of 1990.

Gas delivered pursuant to this tariff is from pipelines owned and operated by Peoples Gas KY LLC's supplier and all gas sold hereunder is made available by said supplier. Other than the meter, service tap, saddle and first service shut off valve, which shall be owned and maintained by Peoples Gas KY LLC, all other approved equipment and material required for service under this tariff shall be furnished, installed, and maintained by the customer at the customer's expense and shall remain the customer's property. At the customer's option, Peoples Gas KY LLC will furnish and install this other equipment, but this other equipment shall be paid for, owned and maintained by the customer. Such other equipment shall include, but is not limited to, the line from the service tap to the point of use, gas regulation equipment, and desiccant tanks or other moisture control equipment as

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EFFECTIVE: February 1, 2017

Filed in compliance with the
Commission's Order at Case No.
2016-00436 entered January 23, 2017.

Issued By: _____
Carol Scanlon
Rate Consultant

approved and required by Peoples Gas KY LLC. Peoples Gas KY LLC shall have the right to abandon gas service to any customer served from any line which is no longer operated by its supplier for any reason whatsoever. All gas sold and delivered under this Tariff shall be delivered at the varying pressures of Peoples Gas KY LLC's supplier's pipeline, and it shall be the responsibility of the customer to supply, maintain, and operate the necessary regulator and related equipment for the customer's use.

(I) Indicates Increase.

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Carol Scanlon
Rate Consultant

PURCHASED GAS ADJUSTMENT

The rate authorized herein is based upon the wholesale cost of gas to Peoples Gas KY LLC as computed upon the rate of Kentucky West Virginia Gas Company then currently in effect under Federal Power Commission tariffs for interstate business. For the purpose of this purchased gas adjustment clause, this rate shall be considered as the base rate for purchased gas. In the event there is an increase in this base rate, Peoples Gas KY LLC shall within thirty days from the time it receives notice of the proposed change file with this Commission the following information:

- (1) A copy of the Federal Power Commission tariff, effecting the change in the base rate and a statement relative to the effective date of such proposed change.
- (2) A statement setting out the details of gas purchased under the provisions of the base rate for the previous twelve months showing billing under the base rate and under the proposed revised rate applicable to this service.
- (3) A balance sheet as of the end of the latest twelve month period and a statement of operating expenses and revenues in the same detail as reported to this Commission in the Utility's Annual Report.
- (4) Such other information as this Commission may request for a proper determination of the purchased gas adjustment.

ISSUED: December 17, 2013
EFFECTIVE: December 17, 2013

Issued By: _____
Carol Luniewski
Rate Analyst

PURCHASED GAS ADJUSTMENT CLAUSE
(Continued)

Definitions

For purposes of this tariff:

- a. "Average Expected Cost" is the cost of purchased gas which results from the application of supplier rates currently in effect, or reasonably expected to be in effect during the calendar quarter, on purchased gas volumes during the twelve-month period ending with the reporting period to which the GCR will apply, divided by the corresponding sales volume. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the Company may make appropriate adjustments to its calculations. Any adjustments of this type shall be described in the quarterly Gas Cost Recovery Report.
- b. "GCR" means the quarterly updated gas cost recovery rate and is the sum of the expected gas cost component plus the supplier refund adjustment plus the actual cost adjustment plus the balancing adjustment; i.e., $GCR = EGC + RA + ACA + BA$.
- c. "Calendar Quarters" means each of the four three-month periods of (1) February, March, and April; (2) May, June, and July; (3) August, September, and October; (4) November, December, and January.
- d. "Reporting Period" means the three-month accounting period that ended approximately sixty (60) days prior to the filing date of the updated gas cost recovery rates; i.e., the calendar quarters ended April 30, July 31, October 31, and January 31 of each year.

Gas Cost Recovery Rate (GCR):

Expected Gas Supply Cost (EGC)	4.4854	(I)
Refund Adjustment (RA)	0.0000	
Actual Cost Adjustment (ACA)	(0.3010)	(I)
Balance Adjustment (BA)	0.0717	(I)
Total Gas Cost Recovery Rate per Mcf	<u>4.2561</u>	(I)

(I) Indicates Increase. (R) Indicates Reduction

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Issued By: _____
Carol Scanlon
Rate Consultant

Title: Budget Payment Plan

Purpose: Provide a plan to spread a customer's annual gas service cost over twelve equal monthly payments in lieu of monthly billings based on actual usage; whereby any difference in the actual amount due and the fixed amount paid each month shall be payable in full each year upon receipt of the June billing.

Plan: 1. If at any time the Rate under which the Company purchases gas service at wholesale is modified, the Company may make a corresponding modification in the rate for service hereunder and the budget payment amount shall be adjusted accordingly.

2. If at any time the Rate and/or Terms and Conditions as set forth in the Company's Rate are adjusted or changed and said adjustments and/or changes are approved by the Kentucky Energy Regulatory Commission said adjustments and/or will become effective and supersede, cancel and replace rates and/or terms and conditions provided in existing rate prior to the effective date as set forth in the Energy Regulatory Commission's Order approving the adjustments and/or changes.

3. The monthly budget payments are subject to change where a trend develops indicating the amount set up is insufficient to result in a reasonable balance due in the June Billing period; at which time, the difference in the fixed amount and actual cost of gas service is payable in full.

4. The Consumer shall make payment each month in the full amount of the Budget Payment as stated herein, irregardless of any accumulated charges or credits for actual use. The accumulated charges or credits shall be adjusted on the June billing. Should the Consumer fail to make such budget payments by due date, service will be discontinued and entire balance becomes due and payable before service is restored. The Consumer shall be ineligible for future billings under the Budget Payment Plan.

5. This agreement shall continue from year to year, unless terminated by either party giving to the other notice in writing, subject to the provision stated in 4 above.

ISSUED: December 17, 2013
EFFECTIVE: December 17, 2013

Issued By: /s/ Carol Luniewski
Rate Analyst

