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RULES AND REGULATIONS

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(C) Indicates Change

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RULES AND REGULATIONS (CONTINUED)

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(C) Indicates Change

EQUITABLE GAS COMPANY

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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.

EQUITABLE GAS COMPANY

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RULES AND REGULATIONS - (CONTINUED)

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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 ratepayers and the request is not for special utility service. "Special utility service" shall include (a) a request for utility service when the applicant has an installed alternative fuel capability; (b) a request for utility service when the applicant is already receiving natural gas service from another Pennsylvania public utility; (c) a request for utility service from an applicant located in an area in which another natural gas utility is authorized to serve the applicant; (d) a request for utility service by a builder or developer of a residential lot plan who is requesting an extension of the Company's facilities in anticipation of future homeowners' need for natural gas supplies; (e) any request for service by an applicant who, in the Company's view, is unlikely to remain on the Company's system for a sufficient period of time to justify the extension. In the case of requests for a "special utility service," 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.

Even if an applicant's request is not for a "special utility service," the Company may request a CIAC to the extent that the applicant's projected contributions to the Company's costs over the three years immediately following the completion of the extension do not cover the full cost of the extension; provided that the full cost of the extension shall not include the cost of the meter or company (main to curb) service line which shall be borne by the Company. If the Company

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RULES AND REGULATIONS - (CONTINUED)

1.2 Applications For Service Extension of Mains (Continued)

requests a CIAC from an applicant whose request is not for "special utility service," and additional volumes 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.

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. (C)

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. (C)

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.

(C) Indicates Change.

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RULES AND REGULATIONS - (Continued)

1.6 Service Application

(C)

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, prior to or as a condition of providing service, a cash deposit 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. The Company shall not be required to provide service if the Applicant fails to pay the full amount of the cash deposit. 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.

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EQUITABLE GAS COMPANY

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RULES AND REGULATIONS - (Continued)

1.7 Deposits and Advance Payments (Continued)

(C)

- 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, or for a maximum period of twenty-four (24) months. A timely payment history is established when a customer has paid in full and on time for twelve (12) consecutive months.

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 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) Indicates Change.

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ISSUED: October 18, 2005

EFFECTIVE: December 17, 2005

D. L. FRUTCHEY  
SENIOR VICE PRESIDENT

EQUITABLE GAS COMPANY

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RULES AND REGULATIONS - (Continued)

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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.

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

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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.

(C)

## 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.

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(C) Indicates Change.

EQUITABLE GAS COMPANY

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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.

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RULES AND REGULATIONS - (CONTINUED)3.6 Customer Complaints

(C)

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.

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(C) Indicates Change.

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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 (C)

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.

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 (C)

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.

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(C) Indicates Change.

EQUITABLE GAS COMPANY

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RULES AND REGULATIONS - (Continued)

6.1 Disconnection (Continued)

(e) Dangerous Conditions

(C)

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

(f) Dishonorable Tender of Payment After Receiving Termination Notice

(C)

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.

(C) Indicates Change.

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ISSUED: October 18, 2005

EFFECTIVE: December 17, 2005

D. L. FRUTCHEY  
SENIOR VICE PRESIDENT

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RULES AND REGULATIONS - (Continued)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. (C)

(b) Commercial (C)

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

(c) Industrial (C)

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 an 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.

(C) Indicates Change.

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RULES AND REGULATIONS - (Continued)

6.3 Transfer and Connection Fees

(C)

(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.

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(C) Indicates Change.

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RULES AND REGULATIONS - (CONTINUED)

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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

(C)

(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.

(C) Indicates Change

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RULES AND REGULATIONS - (CONTINUED)

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(C)

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.

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.

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(C) Indicates Change

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RULES AND REGULATIONS - (CONTINUED)

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.

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

EQUITABLE GAS COMPANY

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RULES AND REGULATIONS - (CONTINUED)

6.6 Final Bill (Continued)

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.

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

Curtailement 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 curtailement 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.

EQUITABLE GAS COMPANY

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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.

EQUITABLE GAS COMPANY

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RULES AND REGULATIONS - (CONTINUED)

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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.

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(C) Indicates Change.

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ISSUED: January 6, 1998

J. T. EGLER  
CHIEF OPERATING OFFICER

EFFECTIVE: January 7, 1998

EQUITABLE GAS COMPANY

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RULES AND REGULATIONS - (CONTINUED)

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7.3 Base Period Volumes

Monthly entitlement volumes shall be established for each 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.

EQUITABLE GAS COMPANY

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RULES AND REGULATIONS - (CONTINUED)

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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.

EQUITABLE GAS COMPANY

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RULES AND REGULATIONS - (CONTINUED)

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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)

EQUITABLE GAS COMPANY

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RULES AND REGULATIONS - (CONTINUED)

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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.

EQUITABLE GAS COMPANY

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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</u>	<u>Penalty for Excess Takes</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,

EQUITABLE GAS COMPANY

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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.

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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 Sign-Up Procedures

A Pool Administrator must notify the Company, either in written, telephonic, or electronic form, in order to initiate delivery service on behalf of a prospective delivery service customer. The notice shall include the customer's name and address and account number. (C)

Pool Administrators shall obtain the customer's consent in a verifiable form before submitting notice to the Company. If a customer is applying directly to the Company for delivery service, a signed request is required. The Company agrees to respond in-hand and in writing to the Pool Administrator within 10 working days of receipt of all notices. Service will either be granted or denied. If service is granted by the Company, the Pool Administrator will begin flowing gas for its new customers on the first day of the following calendar month. If the Company denies service under the requested rate schedule, the Company shall provide a detailed explanation supporting its decision. The Pool Administrator and the Company agree to work together to resolve discrepancies or mismatches in the notice process within a 30 day period.

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(C) Indicates Change

ISSUED: August 15, 2000

EFFECTIVE: October 1, 2000

J. T. EGLER  
PRESIDENT

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RULES AND REGULATIONS - (Continued)

Each Pool Administrator will be obligated to keep on file written evidence of each customer's enrollment with that Pool Administrator, which evidence shall be available for Company review at any time, upon 24 hours' notice.

The Company will provide to a Pool Administrator a confirmed list of added and deleted customers in its Pool by the 15th of the month prior to each service month via an electronic media. At the same time, the Company agrees, for existing customers, to provide the last fourteen (14) months of consumption information or, for new Company customers, estimated volumes. Further, the Company will provide its capacity assignment levels, to each Pool Administrator as defined in Rate FPS at the same time.

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. (C)

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.

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(C) Indicates Change.

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RULES AND REGULATIONS - (Continued)

11.4 Shrinkage

The Company's retention allowance for delivery service shrinkage is 6.0 percent of the total volume delivered into its system on behalf of commercial and industrial customers and 8.0 percent of the total volume delivered into its system on behalf of all other customers. 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.

(C)

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. 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 first to the Company's portion of the bill because the Company retains the obligation to serve.

The Company will bill customers each month for Distribution services. A Pool Administrator may elect to have the Company bill for its commodity charges on this monthly statement. An Agreement for this consolidated billing service must be completed 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 installment payments of amounts due to the Company under an existing payment plan.

(C)

(C) Indicates Change.

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RULES AND REGULATIONS - (Continued)

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. (C)

(C) Indicates Change.

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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.

(C)

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

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(C) Indicates Change

EQUITABLE GAS COMPANY

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RULES AND REGULATIONS - (Continued)

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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.

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.

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RULES AND REGULATIONS - (Continued)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.

11.15

Reserved for future use.

(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 Customers Switching Suppliers

Customers may switch gas suppliers upon filing written notice to the Company 25 working days prior to the start of the customer's next service month.

The Company will refer all customers who orally contact the Company to switch natural gas suppliers to the selected natural gas supplier in order to initiate the change.

Once a customer is buying gas from a Pool Administrator, the Company agrees to contact the customer's existing Pool Administrator, if a notice to switch to another Pool is received on behalf of a customer and consent is verified with the customer in a manner consistent with the Commission's currently effective guidelines regarding Customer Consent to a Change of Natural Gas Supplier.

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(C) Indicates Change.

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RULES AND REGULATIONS - (Continued)11.19 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.

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

11.20 Creditworthiness

(C)

In order to commence pooling service or continue pooling service on the Company's system, the Company may require a Pool Administrator to meet the following creditworthiness criteria and provide one of the following credit enhancements chosen by the Company. The Company will apply creditworthiness criteria and credit enhancements 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) 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. An exception can be made for a Pool Administrator who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act, but only as adequate assurances that the Company's billing under the Agreement will be paid promptly as a cost of administration under the federal court's jurisdiction.

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(C) Indicates Change

ISSUED: August 15, 2000

J. T. EGLER  
PRESIDENT

EFFECTIVE: October 1, 2000

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RULES AND REGULATIONS - (Continued)

(d) 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 B+, Pool Administrator must provide written notification to the Company within two working days of any such initiated or imposed action.

(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.

## Credit Enhancements:

(C)

- (i) A security deposit equal to the aggregated pool Maximum Daily Quantity times \$4.00 per Dth times 60 days.
- (ii) A payment in advance equal to the amount calculated in (i).
- (iii) An irrevocable letter of credit drawn upon a bank acceptable to the Company.

11.21 Acceptable Business Practices

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.

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RULES AND REGULATIONS - (Continued)11.21 Acceptable Business Practices (Cont)

(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.

11.22 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.

11.23 Consumption Information

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

(C)

11.24 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.

11.25 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.

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(C) Indicates Change

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RULES AND REGULATIONS - (Continued)11.25 Standards of Conduct (continued)

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.

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.

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11.25 Standards of Conduct (continued)

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.

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;

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11.25 Standards of Conduct (continued)

- 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.

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.

EQUITABLE GAS COMPANY

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11.25 Standards of Conduct (continued)

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.

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.

EQUITABLE GAS COMPANY

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11.25 Standards of Conduct (continued)

(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.

11.26 Privacy of Customer Information (C)

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.

Thirty days prior to the release of customer information, customer will be notified and given the opportunity to restrict the release of customer information. Customers may restrict the release of customer information by returning a signed form, orally or electronically.

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.

11.27 Partial Payments (C)

If the Company is billing natural gas supply service on behalf of a third party natural gas supplier, the Company will apply partial payments in accordance with the Commission's currently effective Guidelines for Maintaining Customer Service.

11.28 Customer Complaints with Natural Gas Suppliers (C)

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) Indicates Change

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ISSUED: August 15, 2000

J. T. EGLER  
PRESIDENT

EFFECTIVE: October 1, 2000

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