
RATE TSF - TRANSPORTATION SERVICE - FIRM

APPLICABILITY

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

APPLICATION REQUIREMENT

Each prospective customer must submit a written application, in a form acceptable to the Company, prior to the initiation of any transportation service. Upon receipt of a completed application and if the Company determines it is able to provide the service requested, the applicant and Company will enter into a Service Agreement.

AVAILABILITY

These rates are available to applicants who desire to obtain firm transportation service.

A Service Agreement for a minimum of 1 year must be executed by each applicant (hereinafter referred to as customer) as a condition to receiving transportation service. Such agreement will specify receipt and delivery points, as well as other conditions of receipt by the Company and delivery to the customer (applicant).

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

RATE

The rate for firm transportation service will be determined by negotiation between the Company and the Customer subject to the following limitations:

Maximum Rates:

For natural gas produced in West Virginia, the maximum rate (Benchmark Fully Distributed Cost Based Rate) is the sum of the following:

Monthly Reservation Charge - \$0.984 per MCF x one-twelfth of the
Annual Contract Quantity set forth in the
Service Agreement

Volumes Transported - \$2.953 per MCF.

For natural gas other than that produced in West Virginia, the maximum rate shall be the otherwise applicable sales tariff rate excluding the purchased gas commodity costs. For those customers who elect firm standby sales service, the maximum rate shall be the otherwise applicable sales tariff rate excluding all purchased gas costs.

RATE TSF - TRANSPORTATION SERVICE - FIRM (Continued)

TRANSPORTATION SWING SERVICE CHARGE

The Transportation Swing Charge is for the resources needed to make up the difference, on a daily basis, between the gas consumed by the customer and the gas actually delivered to the Company on behalf of the customer. This is an interruptible service.

1. Charge applicable to customers that do not choose Optional Daily Balancing Service or do not take Firm Standby Service will be charged:

\$0.18 for every Mcf consumed. (A)

2. Charge applicable to customers that choose Optional Daily Balancing Service will be charged:

\$0.18 for every Mcf consumed. (A)

3. No Swing Service charge will apply to customers purchasing Firm Standby Sales Service.

FINANCE CHARGE

If payment of a monthly bill has not been received within fifteen days from the date of mailing, a Finance Charge of 1.25 percent will be added to the unpaid balance each month until the entire bill is paid.

LIABILITY

The Company shall not be liable for any loss arising from or out of service under this tariff, including loss of gas in the possession of the Company. The Company makes no guarantee against, and assumes no liability for, interruptions of service. The Company also reserves the right to commingle gas of the customer with that of other suppliers.

The Company shall not be liable for loss of the customer's gas as a result of normal and prudent operations or steps taken to comply with any law, regulation, or order of any governmental agency having jurisdiction to regulate, allocate, or control gas supplies or the rendition of services thereunder, regardless of any defect in such law, regulation, or order.

FIRM STANDBY SALES SERVICE

Firm Standby Sales Service is available to transportation Customers upon request pursuant to the following terms and conditions and subject to availability of sufficient gas supply and system capacity. Customers who desire Firm Standby Sales Service must nominate a Maximum Daily Firm Quantity (MDFQ) in their service agreement with the Company.

(A) Denotes Advance

ISSUED: February 1, 2000

EFFECTIVE: March 1, 2000

J. T. EGLER
PRESIDENT

RATE TSF - TRANSPORTATION SERVICE - FIRM (Continued)

Daily Consumption in excess of such Customer's MDFQ is interruptible and subject to the provisions pertaining to the Company's right to limit daily consumption to volumes delivered to the Company on a transportation Customer's behalf. MDFQ nominations must be at a level which is reasonably sufficient to meet the customer's peak season daily demand. The Company reserves the right to require revisions to nominations which it has determined are insufficient. The Company at its discretion may allow customers to nominate MDFQs which are below anticipated season peak demands and in such cases may require separate piping and/or metering to segregate the customer's firm and interruptible loads and may require the customer to reimburse the Company for any cost incurred in making the necessary modifications. Customers receiving Firm Standby Sales Service shall pay a Standby Sales Reservation (SSR) charge as described below.

Monthly SSR Charge:

\$7.79 per Mcf of Maximum Daily Firm Quantity (D)

The SSR charge shall be redetermined annually during the course of the Company's 30-C proceeding. SSR charge revenue (exclusive of B&O Tax) shall be credited to purchased gas costs for the purpose of determining under or over collections of purchased gas cost pursuant to Rule 30-C.

A customer may discontinue Firm Standby Service, if the Company, in its sole discretion, can obtain any decrease in its transportation and storage entitlements or any combination thereof required to accommodate such transfer from Firm Standby Service and the customer provides written notice to the Company at least twelve months prior to the expiration date of the customer's Service Agreement.

The Company may require Firm Standby Sales Service for customers requesting interruptible transportation service in the event that such customers do not have alternate fuel capability.

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

INTERRUPTION OF TRANSPORTATION SERVICE - CUSTOMER PRIORITY

For purposes of interruption, the standing of all interruptible transportation customers is subordinate to that of any firm transportation customer.

TRANSPORTATION SERVICE BALANCING PROVISIONS

Balancing is available for inadvertent imbalances between the customer's metered consumption and the volume of gas supply and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. Customers must use best efforts to balance purchases, deliveries, and usage to avoid daily and monthly imbalances.

Daily Balancing Option

Daily balancing is an optional service available to any transportation customer that pays for a dedicated telephone line and \$100 for communication system costs, and all equipment, including installation, deemed necessary by the Company to administer and provide this service to the customer.

(D) Denotes Decrease

RATE TSF - TRANSPORTATION SERVICE - FIRM (Continued)

At the request of the customer, the Company will provide financing for the cost of installing automated meter reading devices for a period of no more than one year at a rate not to exceeding the interest rate earned on customer deposits by the Company.

- (1) All gas consumed by the customer is subject to the Swing Service Charge applicable to daily balancing service.
- (2) A daily imbalance will exist when (a) a customer's consumption in a day falls short of the daily gas supply available for the customer's use (daily supply excess), or (b) a customer's consumption in a day exceeds the daily gas supply available for the customer's use in a day (daily supply shortfall). The daily gas supply available is equal to gas delivered to the Company for the customer's use plus or minus any monthly supply excess or shortfall carried forward and allocated to that day.
- (3) A daily supply excess or shortfall greater than eight percent (8%) of the customer's consumption for a day shall be charged the following rate:

\$0.37 per Mcf of daily supply excess or shortfall.
- (4) Monthly balancing provisions also apply to Daily Balancing Service.

Monthly Balancing

All transportation customers, including customers that choose the Daily Balancing Service, shall be subject to the following monthly balancing provisions.

- (1) A monthly imbalance will exist when (a) a customer's consumption in a month falls short of the gas supply available for the customer's use in a month (monthly supply excess) or (b) a customer consumes more gas than the gas supply available for the customer's use in a month (monthly supply shortfall).
- (2) A monthly supply excess equal to, or less than, three and one half percent (3.5%) (C) of the customer's consumption for a month shall be carried forward to the following month and added to the gas delivered to the Company for the customer's use for that month to arrive at the total gas supply available to the customer for the month.
- (3) A monthly supply shortfall equal to, or less than, three and one half percent (3.5%) (C) of the customer's consumption for a month shall be carried forward to the following month and subtracted from the gas delivered to the Company for the customer's use for that month to arrive at the total gas supply available to the customer for the month.
- (4) A monthly supply shortfall in a customer's gas supply greater than the amount that can be carried forward to the following month shall be purchased by the Company from the customer (Cash-in) or purchased by the customer from the Company (Cash-out) at the following prices:
 - (a) Cash-In Price: The price paid by the Company for a customer's supply excess (C) shall be equal to eighty-five percent (85%) of the sum of the lowest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point for the month, plus the transportation costs, including retainage.
 - (b) Cash-Out Price: The price paid by the customer to satisfy its supply (C) shortfall shall be equal to one hundred twenty-five percent (125%) of the sum of the highest Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point for the month, plus the transportation costs, including retainage, plus any applicable B&O Tax.

(C) Denotes Change

RATE TSF - TRANSPORTATION SERVICE - FIRM (Continued)

General Balancing Provisions

- (1) Upon termination of any transportation rate schedule or service, (a) customer must use any supply excess within thirty (30) days or the Company shall purchase it at the cash-in price for the month it is purchased; or (b) customer must purchase any supply shortfall from the Company at the cash-out price for the month service is terminated.
- (2) During periods when service to sales customers is threatened, the Company may limit the transportation customer's daily consumption to the volumes delivered to the Company on the transportation customer's behalf. This limitation may include restriction of the transportation customer's use of any supply excess previously delivered on the transportation customer's behalf. In the event that the Customer fails to comply, the Customer shall pay to the Company \$10.00 per Mcf of unauthorized overrun plus any additional costs incurred by the Company as a result of the Customer's failure to comply.
- (3) All rates set forth in this rate schedule that are billed on a volumetric, per Mcf, basis will be billed using metered volumes, either actual or estimated. Cash-in and cash-out prices cover only gas supply costs as defined herein.

SPECIAL PROVISIONS

1. This transportation will be provided on a continuing basis except as follows:
 - a. Service may be interrupted when pipeline operating constraints dictate; or
 - b. Service may be interrupted during periods of natural gas shortages.
 - (i) In the event of a natural gas supply shortage, the transportation customer shall agree to sell its natural gas supply to the Company at the higher of the Company's weighted average cost of gas, or the customer's own cost. The customer will be required to furnish a copy of the customer's supply contract or other evidence of price to the Company upon request.
2. Gas transported under this rate schedule shall be considered the last gas through the meter for billing purposes.
3. The Company will retain, as allowance for transportation shrinkage, 7.0 (C) percent of the total volume delivered into its system on behalf of the customer. The Company may, in its sole discretion, flex the retainage percentage to competitively situated customers.
4. Gas of suitable quality must be provided by the Customer at receipt points designated by the Company.

(C) Denotes Change

RATE TSF - TRANSPORTATION SERVICE - FIRM (Continued)

- a. Pressures, volumes, and times of receipt shall be specified in the Service Agreement with the customer.
5. Customer shall reimburse the Company for the addition, alteration, and installation of facilities and/or equipment the Company deems necessary to administer and provide transportation service to the customer. Customer will pay the cost of maintaining Company facilities devoted solely to the customer.
6. If the Company incurs any charges from its pipeline suppliers which are attributable to the utilization of this transportation service by a customer, then such customer shall be billed its pro rata share of those charges.
7. To the extent that customers elect to utilize transportation service available under this rate schedule in lieu of service provided from system gas supply, the Company maintains no duty to provide retail service to a transportation customer who declines to elect Firm Standby Service.

RULES AND REGULATIONS

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

(C) Denotes Change

ISSUED: NOVEMBER 30, 1997

J. T. EGLER
CHIEF OPERATING OFFICER

EFFECTIVE: DECEMBER 1, 1997