RULES AND REGULATIONS GOVERNING THE TRANSPORTATIONOF NATURAL GAS IN THE STATE OF OHIO

GAS TRANSPORTATION SERVICES

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Issued by
Spelman Pipeline Holdings, LLC
Martin K. Whelan, President

RULES AND REGULATIONS GOVERNING THE TRANSPORTATION OF NATURAL GAS IN THE STATE OF OHIO

GAS TRANSPORTATION SERVICE

1. Definitions.

As used herein in conjunction with transportation service, the following terms shall have the meanings indicated below:

A. "Btu" shall mean the British thermal unit as defined by international standards.

B. "Business Day" shall mean any weekday, excluding federal banking holidays.

C. "Cash-out Price" shall mean the standard by which prices are determined for cash-outs, imbalances, and any other penalties. The price shall be determined as follows:

UNDERDELIVERIES-the price for the last day of the month (for the month in which the "cash-out" occurred) for the "Mid-point Price" published in Gas Daily for "Dominion, South Point," plus Dominion's 100 percent load factor transportation rate plus Dominion's applicable shrinkage.

OVERDELIVERIES- the price for the last day of the month (for the month in which the "cash-out" occurred) for the "Mid-point Price" published in Gas Daily for "Chicago City-gates," plus the 100 percent load factor transportation rate on Crossroads Pipeline plus Crossroad's applicable shrinkage.

D. "Central Clock Time" (CT.) shall mean Central Standard Time adjusted for Daylight Savings Time.

E. "Company" means Spelman Pipeline Holdings, LLC its successors and assigns.

F. Customer" means any individual, governmental, public utility or other corporate entity taking transportation service for non-residential service hereunder.

G. "Dekatherm" or "Dth" means the Company's billing unit measured by its thermal value. A dekatherm is 1,000,000 Btus. Dekatherm shall be the standard unit for purposes of nominations, scheduling, invoicing, and balancing.

H. Delivery Point(s)" shall mean the specific measurement location(s) listed on the Service Agreement at which the Company delivers Customer-owned gas to Customer and Customer receives such gas from the Company.

I. "Delivery Volume" shall mean the volume of Gas actually nominated and confirmed at the Delivery Point(s) by or on behalf of the Customer.

J. "Firm" shall mean that each Dth the Customer nominates and the Company confirms at the Receipt Point(s), within the Customer's MDQ, will be delivered to the Customer's Delivery Point(s) minus the Company's Shrinkage without interruption except under Force Majeure conditions or an energy emergency declared by the Commission.

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K. "Gas" shall mean natural gas of interstate pipeline quality.

L. "Gas Day" or "Day" shall mean a period of 24 consecutive hours, beginning at 9:00 a.m. Central Clock Time, as adjusted for Daylight Savings Time, and the date of the Day shall be that of its beginning.

M. "Heating Value" shall mean the gross heating value on a dry basis, which is the number of British thermal units produced by the complete combustion at constant pressure of the amount of dry gas (gas containing no water vapor) that would occupy a volume of one Cubic Foot at 14.73 psia and 60° F with combustion air at the same temperature and pressure as the gas, the products of combustion being cooled to the initial temperature of the gas and air, and the water formed by combustion condensed to the liquid state.

N. "Imbalance" shall mean the daily difference between the Dths tendered by or for the Customer's account at the Receipt Point(s) minus the Company's Shrinkage and the confirmed nomination volumes allocated to the Customer at the Delivery Point(s).

O. "Interruptible" shall mean that each Dth the Customer nominates and the Company confirms at the Receipt Point(s), in excess of the Customer's MDQ, will be delivered to the Customer's Delivery Point(s) less the Company's Shrinkage, if the Company, using reasonable judgment, determines that capacity exists after all the Firm transport needs are accounted for to permit redelivery of tendered gas.

P. "Maximum Daily Quantity (or "MDQ)" shall mean the maximum daily natural gas quantity measured in Dth which the Customer shall be entitled to nominate during any 24-hour period. The Customer's MDQ shall be negotiated between the Customer and the Company and incorporated into the Customer's Service Agreement with the Company.

Q "Month" shall mean a calendar month beginning at 9:00 a.m. Central clock time on the first day of the calendar month and ending at 9:00 a.m. Central clock time the first day of the following calendar month.

R. "Nomination" shall mean the confirmed Quantity of Gas which the Customer shall arrange to have tendered to the Receipt Point(s) for redelivery by the Company to the Delivery Point(s). The Nomination shall include sufficient gas to account for the Company's Shrinkage.

S. "Operational Flow Order" or "OFO" shall mean a declaration made by the Company that conditions are such that the Company can only safely transport an amount of Gas during a calendar day equal to the amount of Gas which the Customer will actually deliver at the Receipt Point(s) on that calendar day. The Company shall only declare an Operational Flow Order if an upstream pipeline declares an operational flow order or otherwise.restricts the flow of Gas which normally would be delivered to the Company at the Receipt Point(s).

T. "Overrun" shall mean any volume of Gas actually transported to the Delivery Point(s) which, as measured on a daily basis, exceeds the MDQ established by the Service Agreement,

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U. "PUCO" or "Commission" means the Public Utilities Commission of Ohio, or any successor governmental authority.

V. "Quantity of Gas" shall mean the number of units of gas expressed in Dth unless otherwise specified.

W. "Processing" shall mean the stripping or extraction of moisture, helium, natural gasoline, butane, propane, and/or other hydrocarbons (except methane) from natural gas tendered by Customer at the Receipt Point(s).

X. "Receipt Point(s)" shall mean those measurement locations where Customer-owned gas enters the Company's system.

Y "Service Agreement" shall mean an individual contract that each Customer shall sign with the Company prior to commencement of Transportation Service that identifies the Receipt Point(s) and Delivery Point(s) and stipulates the type and terms of service to be provided by the Company,

Z. "Shrinkage" shall mean the quantity of Gas required by the Company to replace the estimated quantity of Gas, which is required for compressor fuel, processing fuel, and lost-or-unaccounted-for Gas when transporting and/or processing the tendered quantities. These percentages shall be set forth in Customer's Service Agreement(s), and each calendar year beginning after the calendar year in which the Service Agreement was executed may be adjusted effective January 1 by the Company to reflect its operating experience.

AA. "Short Term Firm Service" shall mean available transportation service on a firm basis for a time period of 31 days or less.

BB. "Spelman Pipeline Holdings, LLC System" or "Spelman System" shall mean all natural gas pipelines operated by the Company, or any expansion, additions to, or replacement of these pipelines

CC. "Transportation Service" shall mean the type of service offered to Customers to move natural gas from Receipt Point(s) to Delivery Point(s) via the Spelman System. Transportation Service may be Firm Short Term Firm or Interruptible.

DD. "Written Notice" shall mean a legible communication received by the intended recipient of the communication by United States mail, express courier, or confirmed facsimile. Written Notice may also be provided by Email, but shall not be effective until such time as (a) the Email is acknowledged by the intended recipient; (b) or a copy of such Email is received by the intended recipient by US mail, express courier, or facsimile.

2. Applicability

Transportation service pursuant to this Tariff is available to industrial, commercial, governmental, public utility or other corporate entity Customers who execute a Service Agreement with the Company in the form shown in Appendix A, demonstrate that they have the ability to tender natural gas to the Receipt Point(s), and have made suitable arrangements for such tendered volumes to be received at the Delivery Point(s) called for in the Service Agreement.

3. Term

Customers that elect to request service will be required to execute a written Service Agreement prior to the commencement of any service. Unless otherwise agreed, Service Agreements subject to rates established in Section 7 of this Tariff shall provide for a primary term of one (1) year, continuing thereafter on a month-to-month basis subject to cancellation by the Company or the Customer on 30 days' written notice or as otherwise agreed by Company.

In keeping with the Commission's current policy, service contracts filed for the Commission's approval as special arrangements under Section 4905.31, Ohio Revised Code shall go into effect upon filing. The term of Service Agreements for special arrangements, unless otherwise stated in the Service Agreement, shall commence upon filing for approval of the Commission by the Company.

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4. Types of Service and Capacity

Transportation Service. The Company shall offer Firm Transportation service if the Company using good industry practice believes it has sufficient pipeline capacity available after accounting for the projected demand of the existing Firm service load. The Company shall offer Interruptible Transportation service to all Customers who request such service, meet the tariff standards and execute a Service Agreement.

Where the Company has agreed to provide a Customer with Firm Transportation service, the Service Agreements shall specify the Company's pipeline capacity allocated to and reserved on behalf of the Customer for redelivery of the Customer's supply in terms of the MDQ that can be tendered to the Receipt Point(s) on a daily basis, and the maximum amount which can be transported to a particular Delivery Point. A Customer may have several Delivery Points, but the aggregate of the daily Firm accessible Delivery Points must equal or exceed the Receipt Point(s) MDQ, adjusted for Shrinkage.

The Company shall have no obligation to accept any Nomination in excess of the Customer's MDQ. If requested by the Customer, the Company may accept a nomination and subsequent tender of an amount in excess of the Customer's MDQ if the Company reasonably believes it can physically accommodate the request.

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5. Delivery and Transportation

The Customer shall arrange with its Gas suppliers to have Gas tendered to the Receipt Point(s) for redelivery to the Delivery Point(s) in a volume designed to match the Customer's nomination at the Delivery Point(s) plus Shrinkage for each Day in an amount not to exceed the Customer's MDQ. The Company shall then redeliver, on a firm basis, such quantities, less the Company's Shrinkage, to the Customer at the Delivery Point(s) as specified in the Customer's Service Agreement. Service under the Service Agreement(s) shall be governed by: 1) this Tariff; 2); the Service Agreements and 3) the rules and orders of the Commission.

For planning purposes, the Customer shall provide Written Notice, at least three (3) business days prior to the start of each calendar Month, to the Company of the amount of Gas it forecasts to transport during the upcoming Month.

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The Customer shall submit its Nomination to the Company by no later than 11:30 am Central Clock Time for Gas flow the following day. This Nomination should correspond to scheduled deliveries the Customer makes on the upstream interstate pipeline and downstream local gas distribution and/or interstate pipeline company operating the applicable Delivery Point(s). Should the Customer desire to modify its Nomination either on the current Day or after the Nomination deadline for Gas flow the following day, the Company shall make every attempt to accommodate the Customer's request provided the Company can confirm such quantities with the upstream pipeline at the Receipt Point(s) and downstream entity at the Delivery Point(s).

After the Customer tenders gas or causes gas to be tendered to the Company at the Receipt Point(s) specified in the Service Agreement, the Company shall be deemed to be in control and possession of the gas until thermally equivalent quantities (less Shrinkage) are redelivered to the Customer or for the account of the Customer at the Delivery Point(s). The Customer shall have no responsibility with respect to any gas deliverable by the Company or on account of anything, which may be, done, happen, or arise with respect to such gas until the Company redelivers such gas to the Customer or for the account of the Customer. The Company shall have no responsibility with respect to such gas before the Customer tenders or causes such gas to be tendered to the Company or after the Company redelivers such gas to the Customer or for the account of the Customer, or on account of anything which may be done, happen, or arise with respect to such gas before such delivery or after such redelivery.

The Company has the capability of determining in advance if short-term firm capacity will exist on its system for specified future dates, and the technical ability to make short-term arrangements. An existing shipper or a member of the general public may request short term firm transportation service. Such service will be available on a non-discriminatory basis. The Company will post its available firm capacity on a daily basis up to one month in advance on its internet website. The Company will make its short-term firm capacity available at a posted price that reflects market prices, but does not exceed three times the highest authorized special arrangement rate that has been approved by the Commission. To make full use of available short-term firm capacity, the Company may accept less than the posted price to avoid the capacity otherwise being underutilized. If the short term firm capacity is over-subscribed at the posted price, it will be awarded in the order in which bids nominations were received on a first-come, first-served basis.

Customers who have currently effective Service Agreements or who have pre-qualified must contact the Company and nominate the desired short term firm capacity for the dates requested. If short term firm capacity is available, the Company and the Customer will execute a Service Agreement or if a currently effective Service Agreement for short term capacity is in place, the Company will confirm the transaction by sending a written confirmation to the Customer.

The Company will offer interruptible service using unutilized transportation after both the Firm and Short Term Firm requirements have been met.

6. Shrinkage

Unless otherwise agreed, the Customer shall have the right to retain, pursuant to this Tariff, 100% of the gas delivered to the Receipt Point(s), less the Shrinkage.

7. Transportation Rate

FIRM TRANSPORTATION SERVICE:

Demand Charge (fixed charge paid regardless of volumes transported):	$.50 x MDQ x number of days in the month
Commodity Charge (paid only on quantity transported):	$.10 per Dth
Unauthorized Daily Overrun Charge:	$.50 per Dth

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INTERRUPTIBLE TRANSPORTATION SERVICE:

Commodity Charge (paid only on quantity transported): $.50 per Dth

OPTIONAL ELECTRONIC MEASUREMENT SERVICE

For each Delivery Point electronically measured: $125 per month

Customers who elect this service must provide and pay for a dedicated telephone line and the necessary power to operate such electronic measurement and telemetering equipment. The meter, electronic measurement device and associated telemetering equipment shall be and remain the property of the Company. The Company will install and maintain the electronic measurement and telemetering equipment.

Customers who elect this optional service shall agree to continue it for a minimum period of thirty six (36) months or until the Delivery Point is no longer in use for transportation service from Company, whichever first occurs.

The Company, at its sole discretion, may offer services at rates that are downwardly flexible from the maximum rates in Section 7. The rate may be flexed between the upper bound of the basic rate and a lower bound that recovers all variable costs of service and provides a contribution to the Company's fixed costs of providing service. Such reduced rates may be determined based on competitive services available to the customer, the quality (firm or interruptible) of service and the Company's need to achieve load preservation or the economic recovery of costs of the Company.

The Company may also enter into and submit for Commission approval Special Arrangements with Customers pursuant to Section 4905.31, Ohio Revised Code and in compliance with its provisions.

TAXES

Unless excluded from taxable gross receipts by Ohio Revised Code Section 5727.33(B) or any subsequent amendment or modification to or substitution for that section, the Company will collect the statutory gross receipts tax on all revenues invoiced for service rendered hereunder.

8. Imbalances

The following shall apply unless otherwise agreed to by the Company and Customer in the executed Service Agreement:

Customer shall be entitled to take, at the Delivery Point(s) on a daily basis the tendered quantity at the Receipt Point(s) minus the Shrinkage. The Service Agreement shall set out the time period in which the volumes tendered minus the Shrinkage will be balanced against the volumes take at the Delivery Point(s). When the amount of natural gas tendered at the Receipt Point(s) minus the Shrinkage exceeds the amount redelivered to the Delivery Point(s) for the period of time listed in the Service Agreement for balancing, then the Company may at its option elect to carry over the surplus for subsequent redelivery at a specified time, or cash-out the Imbalance by paying the Customer the Cash-out Price for each Dth minus a percentage penalty as determined from the chart below for the surplus amount. If the amount of natural gas tendered to the Receipt Point(s) minus the Shrinkage for the period of time listed in the Service Agreement for balancing is less than the amount of natural gas taken by the Customer at the Delivery Point(s), then the Company may it its option elect to carry over the deficiency or require that the Customer be cashed out by paying the Company the Cash-out Price for each Dth plus a percentage penalty as determined from the chart below for the amount the Customer has overtaken.

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Percentage Imbalance Penalty	Penalty
0-10%:	No penalty for cash-Outs
10-20%:	Ten Percent (10%) penalty fee on all Dth cashed-out
More than 20%:	Twenty Percent (20%) penalty fee on all Dth cashed-out

9 Title to Gas.

Any Customer taking natural gas transportation service pursuant to this schedule warrants that it has title to the gas delivered to Company free and clear of all claims, liens and encumbrances, and covenants and agrees to indemnify and hold harmless Company from all suits, actions, debts, accounts, damages, costs, losses, liens, judgments, orders, attorneys fees, expenses and liabilities arising from or attributable to the adverse claims of any and all other persons or parties to such gas.

The Customer and the Company each assume full responsibility and liability for the maintenance and operation of their respective facilities, equipment and real and personal property and each party shall indemnify and save harmless the other party from all liability and expense on account of any and all damage, claims or actions, including injury to and death of persons, arising from any act or accident in connection with the installation, presence, maintenance and operation of the facilities, equipment and real and personal property of the indemnifying party; provided however, that neither party agrees to indemnify the other party for the negligence or intentional misconduct of the other party, its agents, servants or employees.

10. Operational Flow Orders

In the event any one of the following occur: 1) any Upstream Interstate Pipeline supplying the Company declares a Force Majeure event or an operational flow order; 2) the Commission or the Governor declare an energy emergency; or 3) if weather and usage conditions create a situation in which the Company reasonably believes that it cannot accommodate an imbalance from the Customer, the Company may issue an Operational Flow Order. During an Operational Flow Order the Customer may only tender and receive those volumes which the Company believes the Customer can actually both tender to the Receipt Point(s) and receive at the Delivery Point(s) on a daily basis. The Company will use its best efforts to avoid an Operational Flow Order if reasonably possible, and maintain the Operational Flow Order for as limited a period of time as is reasonably possible.

11. Measurement and Quality

Billings for all receipts and deliveries hereunder shall be made on a thermal basis in Dth. In converting thermal units to Mcf, Company shall have the right to rely upon the heat content calculation employed by the interstate pipeline or intrastate pipeline, if any, tendering volumes on Customer's behalf at the Receipt Point(s), or in the event Customer is injecting natural gas directly into Company's system at a Receipt Point interconnecting with a local production well or a gathering system, then the heat content calculation shall be based on testing of samples of gas taken at the receipt point not less frequently than annually. Customer shall be responsible to pay the cost of such testing.

The gas made available to Company by Customer for redelivery shall be of quality equal to or better than the quality specifications of the upstream pipeline interconnect with the Receipt Point(s). The Gas delivered by the Company to the Customer at the Delivery Point(s) shall be odorized with mercaptan, shall be of interstate pipeline quality and shall, at a minimum, be commercially free from oil, water, air, salt, dust, gum, gum-forming constituents, harmful or noxious vapors, or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment at the Delivery Points or downstream of the Delivery Points.

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The Gas shall not contain in excess of:

a. Seven (7) pounds of water per million cubic feet of gas;
b. Four percent (4%) by volume of a combined total to carbon dioxide and nitrogen components; provided, however, that the total carbon dioxide content shall not exceed one and twenty-five one hundredths percent (1.25%) by volume;
c. Twenty five hundredths (0.25) grains of hydrogen sulfide per one hundred (100) feet of gas; and
d. Ten (10) grains of total sulfur per one hundred (100) cubic feet of gas.

The gas delivered shall have a total heating value of not less than 1,000 BTU per standard cubic foot, and shall have a utilization factor of one thousand, three hundred (1,300) plus or minus six percent (6%). The utilization factor shall be calculated by dividing the BTU of the gas adjusted for moisture, divided by the square root of the specific gravity.

12. Billing and Payment.

On or before the tenth (10th) day of each calendar month, the Company shall render to the Customer a statement setting forth the total quantity of Gas nominated by the Customer and confirmed by the Company pursuant to this Tariff during the immediately preceding Month, the billing rate and the amount due. Billing statements shall be deemed as rendered when such statements are deposited by the Company with the U.S. Mail for first-class delivery, as evidenced by the postmark date; or deposited by the Company with an overnight courier service for delivery to the Customer; or sent via facsimile machine to the Customer; or hand-delivered to the Customer's street address.

Both the Customer and the Company have the right to examine, at reasonable times agreed to by both parties, any books, charts, records or other pertinent information of the other to the extent necessary to verify the accuracy of any charge, computation, and statement made pursuant to any of the provisions within this Tariff.

If it shall be found that at any time or times the Customer has been overcharged or undercharged in any form whatsoever under this Section and the Customer has actually paid the bills containing such overcharge or undercharge, the Company shall refund the amount of any such overcharge or the Customer shall pay the amount of any such undercharge within thirty (30) days after final determination of such amounts. In the event an error is discovered in the amount billed in any statement rendered by the Company, such error shall be adjusted within thirty (30) days from the date of discovery of such error but in any event within six (6) months from the date of such statement with a three (3) month rebuttal period.

The Customer shall make payment to the Company for services purchased during the preceding month and billed pursuant to the provisions of this Tariff on or before the twenty-fifth (25th) day of the month, unless otherwise agreed to by the parties. Payment shall be made by wire transfer of Federal Funds at such bank account designated by the Company, except when such day of the month is a Saturday, Sunday or federal bank holiday, in which case payment is due on the following Business Day. All such payments shall be considered to have been made on the date when the Company has use of such funds.

If the rendering of the bill is delayed after the tenth (10th) day of the month following the month of actual delivery, then the time of payment shall be extended by the same number of days as the delay. If the Customer is responsible for the delay, the provisions of the previous paragraph remain as applicable.

If the Customer, in good faith, disputes the amount of any such invoice or any part thereof, the Customer will pay such amount as it concedes to be correct: provided, however, if the Customer disputes the amount due, it must provide supporting documentation acceptable in Industry practice to support the amount paid or disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

If the Customer fails to remit the full amount when due, the amount not paid by the due date shall be increased by 1.5 percent (1.5%) of the amount not timely paid each month.

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The Company reserves the right to review the Customer's credit worthiness at any time. Upon request, but not more than twice in any 12-month period, the Customer must provide current financial credit information. If the Customer's current financial or credit status will not support the level of service contracted for, the Company may request that the Customer post the appropriate amount of collateral. Collateral may be in the form of a prepayment, cash deposit, letter of credit, creditworthy parent guarantee or other security acceptable to the Company.

13. General Terms and Conditions.

A. Services provided under this schedule are subject to all Federal, State of Ohio and local laws and to the orders, rules and regulations of any federal, State or local agencies having jurisdiction thereof.

B. The Company, at its sole election, may terminate service under this schedule in the event Customer failed to cause its gas supply made available to Company at the Receipt Point(s) to match the gas supply consumed at the Delivery Point(s). The imbalance charges specified herein shall not be construed as Company's exclusive remedy in the event that Customer fails to fulfill its balancing obligations. In addition, nothing herein shall preclude Company from waiving an imbalance rate or charge provided Customer has undertaken reasonable efforts to eliminate the imbalance condition, the frequency and magnitude of the imbalance condition does not, in the Company's judgment, indicate Customer is utilizing the imbalance to obtain an economic advantage related to the cost of natural gas or transportation and related services or the imbalance condition does not disadvantage other customers or Company

If the Company believes that the Customer may be creating imbalances on the Company's system in order to obtain an economic advantage. It will notify the Customer and any involved marketer in writing of such belief and the Customer will have the opportunity to respond. If, within the sixty (60) day period following such notice, the Company concludes that the Customer has engaged in such imbalance activity, the Company may terminate Gas Transportation Service by giving the Customer and any involved marketer ten (10) days' notice prior to the end of the calendar month.

C. With reasonable prior notice, Customer shall have the right to review the records of the Receipt Point(s) meter(s) and/or Delivery Point(s) meter(s), during normal business hours. Either Customer or Company may, at its election, have any or all of the Receipt Point(s) meter(s) and/or Delivery Point(s) meter(s) tested for accuracy and adjusted in accordance with good industry practice. If the meters test within 2% or better of accurate measurement, then the cost of the test shall be paid by Party requesting the test. If the meters are found to be inaccurate by more than 2%, the Party owning the meter shall pay for the test. No adjustment based upon meter inaccuracies shall be made for delivery charges or natural gas imbalances unless a meter tests inaccurate by more than 5%. Any such billing correction shall only be to the 2% error level for a period of time no longer than to the last meter testing or six months, whichever is less.

D. No waiver by the Company or the Customer of one or more defaults by the other of the provisions of service under this schedule shall be construed as a waiver of any other or further default or defaults, whether of a like or a different character.

E. The Company is also subject to the Commission's current Gas Transportation Guidelines which are incorporated by reference in this tariff.

F. Except with regards to a Customer's obligation to make payment, neither Customer nor Company shall be liable to the other for failure to perform a Firm obligation to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension of the obligation.

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Force Majeure shall include, but shall not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, or explosions; (ii) breakage or accident or necessity of repairs or routine maintenance to machinery or equipment or lines of pipe; (iii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iv) interruption of firm transportation and/or storage by upstream interstate pipeline(s); (v) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (vi) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction. Customer and Company shall make reasonable efforts to avoid the adverse impacts of a Force Majeure event and to promptly resolve any such event once it has occurred in order to resume performance.

Neither Customer nor Company shall be entitled to the benefit of the provision of Force Majeure to the extent performance is affected by any or all of the following circumstances: (1) the curtailment of interruptible or secondary firm transportation unless primary, in-path, firm transportation is also curtailed; (ii) the party claiming Force Majeure failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship. The Customer or Company claiming Force Majeure shall not relieve either party from meeting all payment obligations.

Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be entirely within the sole discretion of the party experiencing such disturbances.

A party claiming Force Majeure must provide prompt notice to the other party. Initial notice may be given orally; however, written notification with reasonably full particulars of the event or occurrence claimed to constitute Force Majeure is required as soon as reasonably possible. Upon providing written notification of Force Majeure to the other party, the affected party will be relieved of its obligation to make or accept delivery of Gas, as applicable, to the extent and for the duration of the Force Majeure event, and neither party shall be deemed to have failed in such obligation to the other during such occurrences or event.

APPENDIX A

TRANSPORTATION SERVICE AGREEMENT No. _____

THIS AGREEMENT made and entered into as of the _____day of _____, 20__, by and between SPELMAN PIPELINE HOLDINGS, LLC. ("Company") and _____, ("Customer") (sometimes jointly referred to as "Parties").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Transportation Service to be Rendered. In accordance with the provisions of the effective applicable transportation service provisions of Company's Tariff, on file with the Public Utilities Commission of Ohio (PUCO), and the terms and conditions herein contained, Company shall receive the quantities of gas requested by Customer to be transported and shall redeliver said gas to Customer's Delivery Point(s). The Point(s) of Receipt, Customer's Delivery Point(s), the Maximum Daily Quantity (MDQ) if applicable and the quality of service shall be set forth in Section 7 of this Transportation Service Agreement.

Section 2. Incorporation of Tariff Provisions. This Transportation Service Agreement shall be subject to and governed by the provisions of the Company's Tariff Gas P.U.C.O. No. 1, as the same may be amended or superseded from time to time, which is incorporated herein by this reference.

Section 3. Regulation. This Transportation Service Agreement is contingent upon the receipt and continuation of all necessary regulatory approvals and authorizations. This Agreement shall become void or expire, as appropriate, if any necessary regulatory approval or authorization is not so received or continued.

Section 4. Term. This Transportation Service Agreement shall have a commencement date of _____ _____, 20__ and shall continue for a period of _____ from the commencement date,

Section 5. Notices. Any notices, except those relating to billing or interruption of service, required or permitted to be given hereunder shall be effective only if delivered personally to an officer or authorized representative of the party being notified, or if mailed by certified mail, facsimile transmission confirmed by ordinary mail or e-mail confirmed by ordinary mail to the address provided in Section 7(E) of this Agreement.

Section 6. Cancellation of Prior Agreements. This agreement supersedes and cancels, as of the effective date herein, any previous service agreements between the parties hereto.

APPENDIX A

Section 7. Contract Data

A. PRIMARY POINTS OF RECEIPT INTO SPELMAN PIPELINE HOLDINGS, LLC:

Gate Station	Township	County
1)		
2)		
3)		

B. DELIVERY POINTS FROM SPELMAN PIPELINE HOLDINGS, LLC:

Gate Station	Township	County
1)		
2)		
3)		

C. TRANSPORTATION SERVICE - VOLUME DETAIL

Quality of Service: FIRM (____) INTERRUPTIBLE (____)

Shrinkage: 3.5 %; each calendar year during the term hereof as that term may be extended pursuant to Section 4 of this Transportation Service Agreement, Company may adjust this shrinkage percentage effective January 1 to reflect its operating experience.

Maximum Daily Quantity (MDQ): _____ Dth

D. TRANSPORTATION SERVICE RATE

Pursuant to the flexible rate authority granted in Spelman Pipeline Holdings, LLC's Tariff, P.U.C.O. No. 1, the maximum contractual volumetric rate hereunder is set at $ _____per Dth commencing on the commencement date for deliveries on behalf of Customer.

D. NOTICES

To Spelman Pipeline Holdings, LLC:	To. Customer:
Spelman Pipeline Holdings, LLC	[Customer Name]
Attention: Martin K. Whelan, President	Attention: [Contact Name]
8500 Station St Suite 100	[Mailing Address]
Mentor, OH 44060	[Telephone Number]
(740) 862-3300	[Fax Number}
mwhelan@neogas.com	[E-mail Address]

IN WITNESS WHEREOF, the parties hereto have accordingly and duly executed this Agreement as of the date hereinafter first mentioned.

CUSTOMER NAME	SPELMAN PIPELINE HOLDINGS, LLC
By:	By:
[PRINT NAME]	[PRINT NAME]
Title:	Title:

APPENDIX B

GAS TRANSPORTATION PROGRAM GUIDELINES

The following standards and guidelines: (1) will be utilized to determine whether arrangements for furnishing natural gas or synthetic gas meet the reasonableness requirements of Section 4905.31, Revised Code; and (2) will be considered in applications made pursuant to Section 4909.18, Revised Code. However, the guidelines should not be understood or interpreted as barring the submission or approval of any arrangement which has been agreed to between the public utility (also referred to as the local distribution company) and a customer, a group of customers, or a previously unserved customer (hereafter referred to as "party").

These guidelines are intended to facilitate gas transportation within the state of Ohio. They do not supplant approved curtailment or emergency plans or activities.

These guidelines are intended to provide broad guidance while individual transportation tariffs and special contract language may detail specific terms and conditions.

(1) Each gas or natural gas utility subject to the jurisdiction of the Commission that elects to provide transportation of gas shall do so on a non-discriminatory basis subject to the capacity of its system. Transportation services will be available pursuant to tariffs filed with and approved by the Commission. Such tariffs shall specify all rates and charges for both firm and interruptible transportation services. A range of rates may be published as part of the tariff. The range shall specify a minimum and a maximum transportation rate. The minimum rate shall cover the variable costs of serving a customer plus make a contribution to total company fixed costs. Only arrangements which vary from the tariff or which involve agency gas service or utility brokerage operations shall be filed in accordance with section 4905.31, Revised Code. The utility will periodically publish and file with the Commission, no less often than annually, a list of the unbundled and optional transportation services that it provides, and make such list available upon request.

(a) End-users who satisfy the definition of human needs and public welfare customers, as set forth in this appendix, must purchase backup supply service from the local gas distribution company (LDC), or have arranged for alternative natural gas capacity and reliable delivery of commodity from another supplier, or have alternative fuel capability, or have a combination thereof sufficient to maintain minimal operations.

(b) Those end-users who do not satisfy the definition of human needs and public welfare customers or those customers who utilize the services of the LDC for transportation only are not required to have backup supplies.

(c) Rates for backup supply, provided by the utility, shall be cost based. Backup supply shall be considered as the same priority, class, subdivision or category as that customer would be entitled to receive as a firm sales customer of the utility.

(d) Customers who elect to relieve the LDC of the merchant function by engaging in gas transportation or bypass should bear the market risks of the choices that they make about sources of supply. Thus, while the utility retains an obligation to provide to its transportation customers transportation and related services, the public utility's obligation to provide commodity to these customers is on a best efforts basis and does not include an obligation to provide commodity service under the GCR regulated system supply as replacement of transportation or bypass volumes at prevailing GCR rates. All costs incurred by the utility in providing commodity to these customers should be borne by the customers who were provided such service.

(e) The public utility is responsible for safeguarding the interests of all system customers by establishing reasonable procedures and mechanisms for making transportation customers responsible for balancing, on a timely basis, transportation gas deliveries with the transportation customer's consumption. The transportation customer is responsible for fully compensating the LDC, on behalf of the system sales customers, and other transportation customers as applicable, for any additional costs incurred as a result of that transportation customer's unreasonable imbalance between delivery and consumption. The reasonableness of such procedures and mechanisms are subject to evaluation by the Commission.

(F) TO STRENGTHEN THE KNOWLEDGE BASE AMONG TRANSPORTATION CUSTOMERS, AND SCHOOLS IN PARTICULAR, LDC'S SHOULD DEVELOP INFORMATION PROGRAMS - SUCH AS BROCHURES AND FORUMS, AS APPROPRIATE - TO ACQUAINT POTENTIAL TRANSPORTATION PARTICIPANTS, ON AN ANNUAL BASIS, WITH OPERATIONAL REQUIREMENTS, COSTS, LIABILITIES, AND BENEFITS OF ENGAGING IN NATURAL GAS TRANSPORTATION.

LDC'S SHALL FILE, ANNUALLY BY DECEMBER 31ST, WITH THE STAFF, A RECORD OF INFORMATIONAL PROGRAMS PERFORMED AND COPIES OF ANY MATERIALS UTILIZED IN THIS INFORMATIONAL EFFORT.

(G) IT IS NOTED THAT SCHOOL FACILITIES OFTEN FUNCTION AS EMERGENCY SHELTERS. ALL LDC'S PROVIDING TRANSPORTATION SERVICE ARE REQUIRED TO IDENTIFY ALL SCHOOL FACILITIES WITHIN THEIR SERVICE TERRITORY, ENGAGING IN NATURAL GAS TRANSPORTATION, AND DESIGNATED AS EMERGENCY SHELTERS, AND COORDINATING THIS LIST ANNUALLY WITH THE PUBLIC UTILITIES COMMISSION OF OHIO EMERGENCY/OUTAGE COORDINATOR AND THE RESPECTIVE LOCAL COUNTY EMERGENCY MANAGEMENT DIRECTOR. THIS LIST SHOULD PROVIDE COMPLETE LOCATIONAL DETAILS AND POINTS OF CONTACT. IN THE ABSENCE OF BACK-UP SERVICE, IN AN EMERGENCY, THESE FACILITIES WOULD BE ENTITLED TO SPECIAL CONSIDERATION FOR GAS SUPPLY ONLY IF THEY WERE ACTIVATED AS EMERGENCY SHELTERS.

(2) The party making available supplies of natural gas or synthetic gas should have the following commodity and capacity rights and be subject to the following conditions:

(a) To the extent that a party makes supplies of natural or synthetic gas available, the party shall have a right to retain, pursuant to an approved arrangement, 100% of the gas delivered to the transporting utility or utilities, less the average system-wide unaccounted-for gas percentage, or a different percentage when such is justified by the utility in any application approved by the Commission pursuant to either Sections 4905.31 or 4909.18, Revised Code.

(b) Planning for system supply customers shall not assume that the gas supply or capacity entitlement of transportation customers will or can be used to meet system supply customers' design requirements unless a transportation customer has agreed otherwise. This will be reviewed in each company's LTFR filings and/or GCR proceedings.

(c) Absent a condition that creates a clear and present danger to the LDC's ability to meet the demands of human needs and public welfare customers, the gas supply of a transportation customer shall be accepted and delivered by an LDC according to the terms of the applicable contract or tariff. Any interruption in the service

entitlement of a transportation customer resulting from such a condition shall be remedied as quickly as reasonably possible and must be preceded by the exhaustion of other reasonable alternatives to avoid the involuntary interruption of service.

(d) In the event all or any portion of a supply or capacity entitlement is not available to a transportation customer as a result of the direct action of the LDC pursuant to (2)(c), other than in cases of force majeure, the transportation customer not receiving the entitlement shall be entitled to compensation from the LDC. Compensation should take into consideration the cost incurred for interstate and intrastate capacity entitlements, if any, the cost of the commodity purchased, the incremental cost incurred by a transportation customer to obtain substitute energy, if an alternative is available and used, and any premium required by the market for the time of the capture.

(e) The transportation party shall be responsible, either directly or indirectly, for all costs and risks associated with the field or plant development, production, storage and delivery of the volumes to the public utility. The transportation party shall also be responsible for compensating the LDC, for the benefit of its system sales customers, when the transporting party uses gas to which it is not entitled. Compensation should take into consideration the cost incurred for interstate and intrastate capacity entitlements, if any, the cost of the commodity purchased, and any premium required by the market for the time of the capture.

(3) If the party is a customer of the transporting local distribution company and satisfies the definition of a human needs and public welfare customer, the application must specify the type of alternative fuel the customer has available (i.e., backup service from the utility, alternative natural gas capacity and reliable commodity supplier, fuel oil, propane, coal, or other energy source).

(4) The utility shall maintain separate accounts or subaccounts for expenses of and for all equipment installed or property devoted to the production, collection, transmission, and delivery of natural or synthetic gas pursuant to an arrangement between a party and a public utility.

Agency or brokerage staff of the utility shall not restrain competition by using information involving non-LDC brokerage

or producer sales obtained through the exercise of the utility's transportation function in competing against those same non-LDC brokers or producers. Where such restraint of competition occurs, agency or brokerage sales may be canceled.

(5) Any application for the approval of an agreement between a party and a public utility or any agreement issued in accordance with published transportation tariffs shall specifically set forth the following:

(a) The manner in which the public utility's existing and pending restrictions relating to the curtailment of existing service or the extension of new service would be altered or modified if the proposed arrangement were approved by the Commission.

(b) The areas where the arrangement is at variance with the guidelines used to judge the reasonableness of such arrangement, and the reasons that the variance is deemed necessary.

(c) The name, address, and telephone number of the party.

(d) The nature and extent of any interest which each party to the arrangement holds in any other party to the arrangement, or in any public utility subject to the jurisdiction of the Commission.

(e) The location of the intended points of consumption.

(f) Where an arrangement renews or replaces a previous transportation arrangement, the application should specify the case number under which the previous arrangement was filed with the Commission and the date of the entry approving the arrangement.

(g) Types of services and rates charged and minimum and maximum volumes.

(h) Each arrangement, filed pursuant to Section 4905.31, Revised Code, entered into between a party and a public utility for furnishing natural or synthetic gas, shall provide that no alteration, modification, assignment, or termination shall be made without specific approval of the Commission.

(i) The portions of the transportation service provided on a firm and an interruptible basis, as indicated in the transportation agreement.

(j) The method and manner of compensating the transporting party in the event of an appropriation of gas pursuant to the public utility's curtailment plan and/or contractual arrangement, as indicated in the transportation agreement.

(k) The arrangements, reasonable and non-punitive, between the customer and the public utility which are necessary for the public utility to manage its system and service so that the transportation customers service does not adversely affect other customers and/or the integrity of the system.

(L) WITH RESPECT TO SCHOOL SYSTEMS ENGAGING IN NATURAL GAS TRANSPORTATION SERVICES WITHOUT LDC PROVIDED BACK-UP SERVICES, TO INSURE ADEQUATE COMMUNICATION AND UNDERSTANDING AMONG THE PARTIES PROVIDING EACH SEGMENT OF THIS SERVICE AND THE SCHOOL SYSTEM'S GOVERNING BODY, THE COMMISSION REQUIRES THAT A SCHOOL BOARD RESOLUTION WHICH ACKNOWLEDGES THE RISKS, THE RESPONSIBILITIES, AND THE POTENTIAL CONSEQUENCES OF ENGAGING IN NATURAL GAS SUPPLY AND TRANSPORTATION ARRANGEMENTS BE FILED ANNUALLY WITH THE LOCAL DISTRIBUTION COMPANY AND THAT SAID RESOLUTION ACCOMPANY ANY FILING, WITH THE COMMISSION, OF A CONTRACT PURSUANT TO RC 4905.31.

(6) Any application for the approval of a transportation agreement shall conform to the requirements of Section 4905.31, Revised Code.

(7) Each gas or natural gas utility that elects to offer transportation service shall provide rates for firm and interruptible service. Initial filings for such rates may be downwardly flexible from a basic transportation rate, which is defined as the otherwise applicable service and rate schedule less all GCR-related costs and less optional services. The rate may be flexed between an upper bound of the basic transportation service rate and a lower bound that recovers all variable costs of service and provides a contribution to the utility's fixed costs of providing service. Transportation rate flexibility should be used as an opportunity to optimize revenue. Where gas-related services such as supply back-up are contracted for, the cost of providing such service shall be in addition to the basic transportation rate.

For contracts submitted to the Commission under Section 4905.31, Revised Code, the transportation rate may take effect upon the filing of the agreement with the Commission, but the agreement would remain subject to subsequent approval.

(a) Information regarding the transportation rates will be treated confidentially by the Commission Staff in any application for approval of a transportation arrangement; pursuant to Section 4905.31, Revised Code, when it can be demonstrated by the utility that disclosure of the negotiated rate will jeopardize the utility's ability to optimize revenue in future rate negotiations.

All documents and records in the possession of the Commission are public records. Thus, it is only under extraordinary circumstances that material in the Commission's possession may be held in confidential status.

If there is a request for rate confidentiality, the request shall accompany the application. The rate which is the subject of the request will be treated as confidential pending a Commission finding regarding the propriety of the request.

IN MAKING AN APPLICATION FOR CONFIDENTIAL TREATMENT, THE LDC SHOULD CONSULT WITH APPROPRIATE STAFF TO INSURE COMPLIANCE WITH CURRENT FILING REQUIREMENTS.

(b) Each utility shall maintain information and accounts sufficient to identify total transportation service revenue actually recovered and that which would have been recovered but for the use of transportation rate flexibility.

(c) A local distribution company may establish its gas transportation schedule(s) pursuant to an application(s) found to be in accordance with Section 4909.18, Revised Code. In establishing its gas transportation tariff schedule(s), the local distribution company should disclose all services and related expenses, such as administration, which occur in addition to the otherwise applicable service and rate, and those services and related expenses which need not be performed when compared with the otherwise applicable service and rate. Any such application(s) must include a complete

description of all required services and documentation of associated expenses which result directly and exclusively from the provision of the transportation service(s) which is the subject of the application.

(8) The Commission believes that the provisions of these guidelines provide the utility with adequate means to meet competitive realities and to maintain the revenue contribution of customers receiving the services. The Commission will use the rate case proceeding to scrutinize the appropriateness of recovery of any revenue deficiency from the general service customers, which deficiency arose from the loss of customers and/or from the use of pricing flexibility.

(9) Definitions

(a) Administration Fee - The charge and corresponding accounting entry which represent the actual cost of administering gas transportation service and its obligations.

(b) Agency Gas Service - A function by the local distribution company wherein the LDC acts as agent for the consumer for the procurement of gas or as agent for a producer for the sale of gas.

(c) Human Needs and Public Welfare Customer - A customer whose facilities are used for residential dwelling on either a permanent or temporary basis; commercial customers of a residential nature; other customers whose service locations are places of the kind, where the element of human welfare is the predominant factor; and civil and governmental customers whose facilities are required in the performance of protecting and preserving the public health, safety and welfare. Such facilities shall include, but are not limited to houses, apartment buildings, correctional institutions, hospitals, nursing homes, and charitable institutions. Specifically excluded are hotels and motels used for temporary lodging and not used as a principal place of residence on a monthly or yearly basis; AND PRIMARY, SECONDARY, AND OTHER NON-RESIDENTIAL SCHOOLS.

(d) Minimal Operations - Maintenance supply of natural gas sufficient to allow a human needs and public welfare customer, who does not have a 24-hour residence requirement, to meet average worst day maintenance heating requirements based on the heating degree days

record for the closest location to the building site. Supply of natural gas sufficient to allow those facilities with a residential function to provide the full requirements of the residential heating load plus maintenance levels for the non-residential portions of the facility.

(e) Optional Services - The offering of services in addition to services provided for in the basic transportation rate.

(f) Unbundled Services - The offering of the separate or individual components of transportation and related services and corresponding rates and charges.

(g) Utility Brokerage Operations - Activities of an agency which is subordinate to an LDC, or subordinate to a pipeline or other holding company having organizational connection to the LDC; and which engages in commodity transactions separate from those activities normal to operation of the Gas Cost Recovery system supply.