P.U.C.O. NO. 7
(Cancels P.U.C.O. No. 6)

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

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SECTION I – SERVICE

1. Availability. Available to the extent of Company's gas supply and Company's gas distribution facilities in all territories where the Company's distribution facilities are located, to customers who contract for gas service under the terms and conditions stated herein, and subject to the Rules and Regulations filed by the Company from time to time with the Public Utilities Commission of Ohio, and subject to subsequent revision(s) having proper jurisdiction.

2. Application for Service. When a customer desires gas service, application shall be made to the Company specifying the date service is desired, the extent of the desired service's load, and the place where service is to be furnished. An oral application may be accepted by the Company, although a written application or agreement may be required at the option of the Company at the time of the application or at any later time. In no case shall the customer or his agent or employee turn on the gas service at the curb or meter or at any other company service point.

3. Service not Transferable. No person may commence the use of gas until after making new application for service. Any successor(s) in interest to a customer, including without limitation, heirs, executors, administrators, assignees, trustees, guardians, receivers, and conservators, shall be deemed to be a person(s) who must make application for service, provided that a successor(s) in interest whose rights arise from death or incompetence of a customer shall have thirty (30) days in which to make new application.

4. Continuity of Service. The Company will furnish necessary and adequate service and facilities in compliance with Section 4905.22 of the Ohio Revised Code. The Company shall make reasonable efforts to supply gas in constant and/or sufficient quantity and at adequate uniform pressure, but does not guarantee constant and/or sufficient supply or adequate or uniform pressure. The Company shall not be liable in damages for failure to supply quantity or pressure of gas or for interruptions or curtailments in service. The Company shall be relieved of its obligation to serve and may discontinue or modify service, if such failure or interruption is due to acts of God or the public enemy, military action, wars, insurrections, riots, civil disturbances, vandalism, strikes, fires, floods, washouts, explosions, acts or orders of any civil, judicial or military authorities, failure of gas supply or gas facilities, and without limitation by the foregoing, by accidents, contingencies, or other causes beyond the control of the Company.

Without incurring any liability therefore, the Company may also suspend service after reasonable notice, for such periods as may be reasonably necessary to make repairs to or changes in its plant, transmission or distribution systems or other property.

5. Service Not to be Distributed. No customer shall attach or use any appliance which may result in the injection of air, water or other foreign matter into the Company's lines and, without prior approval from the Company, no customer shall attach or use any appliance which may increase or decrease the pressure in the Company's lines to any extent as to interfere with continuous service to other customers.

6. No Customer Shall Sell to Another. The customer shall not supply or sell gas for use by any person or in any location other than that specified in the application for service.

7. Access to Premises. The Company and its authorized employees or agents shall have free access at all reasonable times to Company's facilities and at all of the premises in which gas supplied by the Company is used or is to be used.

8. Customer's Responsibility. Customer assumes all responsibility for property owned by the customer on customer's side of the point of delivery, generally the outlet side of the meter-set and the outlet side of the curb cock, or if there is no curb cock, the property or lot line, for the service supplied or taken, as well as for the installation and appliances used in connection therewith, and will save the Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on customer's side of the point of delivery.

9. Right-Of-Way and Line. Customer, without reimbursement, will make or procure conveyance to Company of right-of-way and installed lines satisfactory to Company across property between Company's line and Customer's property at the location where service is to be furnished, including property owned or controlled by customer for Company's distribution mains, extension thereof, or appurtenances necessary or incidental to the supplying of service to customer.

10. Charges and Payment for Temporary Service. In addition to regular payments for gas used, the customer shall pay the cost for all material, labor, and other necessary expense incurred by the Company in supplying gas service to the customer at his request for any temporary purpose or use.

11. Customer Indebted to Company. Subject to the requirements of Chapters 4901:1-17 and 4901:1-18, Ohio Administrative Code, service will not be supplied to any premises if at the time of application for service the applicant is indebted to Company for any service previously supplied at the same or other premises, until payment of such indebtedness or other arrangement satisfactory to the Company shall have been made.

12. Customer Shall Satisfactorily Secure Account. Subject to the requirements of Section 4933.17, Ohio Revised Code, and Chapter 4901:1-17, Ohio Administrative Code, and any subsequent amendment thereto, Company may require a customer to satisfactorily secure an account. In the event such security is required, the procedures with respect thereto shall be in accordance with orders of the Public Utilities Commission of Ohio, and any subsequent amendments thereto. Copies of such orders shall be made available for inspection upon the request or inquiry of any customer or applicant for service.

13. Company's Right to Refuse or to Disconnect Service. The Company, in addition to all other legal remedies, may terminate the service agreement and refuse or discontinue service to an applicant, consumer, or customer, for any of the following reasons:

(a) Upon the request of the customer for temporary disconnection of service for maintenance or other reasons. Customers should contact the Company as far as possible, but in no case less than three (3) business days, in advance of the time of requested disconnection.

(b) When the customer has moved from the premises, neglected to request disconnection of service and an investigation by the Company indicates that service is no longer required.

(c) When continued service would jeopardize the life or property of the customer, the Company, or the public, service may be disconnected without notice to the customer.

(d) When supplying gas to any consumer or customer creates a dangerous condition on the consumer's or customer's premises or where, because of conditions existing or created beyond the consumer's or customer's premises, termination of the supply of gas is reasonably necessary. Service will not be restored until such dangerous condition or conditions have been corrected.

(e) When providing service is in conflict or incompatible with any laws, regulations or orders of the Public Utilities Commission of Ohio, the State of Ohio or any political subdivision thereof, or of the Federal Government or any of its agencies.

(f) When a customer or applicant refuses to provide reasonable access to the premises or ignores repeated requests for access as set forth in Section I, Paragraph 7, Access to Premises, consistent with the provisions of Rule 4901:1-18-02(F)(1) and (2), Ohio Administrative Code.

(g) When in the sole opinion of the Company, the customer uses gas in a manner which interferes with gas service provided to other customers.

(h) For a violation of or refusal to comply with these Rules and Regulations Governing the Distribution and Sale of Gas as filed with the Public Utilities Commission of Ohio and/or special agreements or contracts between the customer and the Company.

(i) For non-payment of bills when due, for non-residential customers.

(j) For non-payment of bills when due, for residential customers, pursuant to the provisions of Chapter 4901:1-18, Ohio Administrative Code.

(k) In the event the consumer or customer resorts to theft or any fraudulent representation or practice in the obtaining of gas supplied, or is the beneficiary of any such fraudulent representation or practice; or the Company's meter, metering equipment, or other property used to supply the service has been damaged or tampered with by the consumer or customer, or his servants or agents.

Service will not be restored until the consumer or customer has given satisfactory assurance that such theft, fraudulent, or damaging practice has been discontinued, and has paid to the Company an amount estimated by the

Company to be reasonable compensation for service stolen or fraudulently obtained and not paid for, and for any damage to property of the Company including any cost to repair the damage.

Failure of the Company to exercise any of its rights for the above reasons does not affect its right to resort thereafter to any remedies for the same or any future default or breach by the customer. Refusal of or disconnection of service is not an exclusive remedy. The Company may exercise any other appropriate remedy provided by law, including civil suit and/or criminal prosecution.

For residential customers, such rights shall be subject to the requirements of Chapter 4901:1-18, Ohio Administrative Code.

14. Disconnection of a Master-Metered Account for Non-Payment. Disconnection of service at a master-metered location shall be subject to the applicable provisions of Rule 4901:1-18-07, Ohio Administrative Code.

15. Change of Address of Customer. Customer shall give prior oral notice, followed within three business days thereof by written notice, of customer's intent to change customer's address, to Company prior to the date of change. Customer is responsible for all services supplied to the vacated premises until such notice has been received and Company has had reasonable time but not less than three business (3) days to discontinue service.

16. Information Relative to Service. Information relative to the service that will be supplied at a given location should be obtained from Company. Information given orally, in person or over the telephone, shall be subject to confirmation by these Rules and Regulations and the written communications of the Company.

17. Change of tenancy or ownership. At such time as the company is notified of a change of tenancy or ownership, whether such notice is given by the customer or otherwise, the company shall make a final meter reading and prepare a final bill. The former customer is responsible for all service supplied to the premises until such notice has been given and company has had a reasonable time to make a final meter reading. Reasonable time is defined as being not less than three (3) regular company business days after notification has been given to company.

(a). Transfer of uninterrupted service to a new applicant will be permitted, upon request of either the former customer or the new applicant, providing the new applicant properly applies for service and satisfactorily meets all company requirements of an Applicant For Service.

(b). Commencement of service to a new applicant shall not be delayed or denied by company to such applicant, which has properly applied for service and has satisfied all proper company requirements for said service, because of non-payment of final bill by former tenant or owner.

SECTION II – METERING AND BILLING

1. Quantity of Gas Delivered by Meter. Gas will be measured by a meter(s) installed by the Company, and said meter(s) shall be and remain the property of the Company. Subject to certain exceptions, enumerated below, consumption shall be determined on the basis of the meter registration, and bills shall reflect the consumption so registered. Any mistake in reading the registration, however, shall not have any effect on the liability for gas consumed as determined by a correct reading of the registration.

(a) Unit of Measurement. The unit of measurement shall be that quantity of gas which will occupy one cubic foot of volume at a pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute (thirty [30] inches of mercury), a base temperature of sixty degrees (60°) Fahrenheit, (520° absolute), and without adjustment for water vapor content. To determine the volume of gas delivered, factors such as those required for pressure, temperature, and specified gravity and deviation from Boyle's law, shall be applied.

(b) Non-metered Service. Without prejudice to the Company providing metered service, where warranted, the Company may provide gas light service on a non-metered basis, using for billing purposes the approximate average consumption of such appliance(s) at the Company's then-current applicable rate.

(c) Estimated Bill. When the meter is not read, the Company may estimate the quantity of gas consumed and render a bill for quantity.

(d) Correct Meter. A meter registering between three percent (3%) fast and three percent (3%) slow shall be deemed for all purposes to be registering correctly. A meter registering incorrectly shall be replaced by the Company at the Company's expense.

(e) Incorrect Meter Readings. During any period that incorrect registration can be established, the meter readings and bills based thereon shall be estimated and adjusted by the Company on the basis of all available information concerning the use of gas by the customer. If, as a result of such adjustment, overpayments or underpayments are shown to have occurred, the Company shall reimburse the customer in the amount of such overpayment, and, subject to the requirements of Section 4933.28, Revised Code, the customer shall pay the Company the amount of such underpayments. The Company shall continue to supply gas to the customer, and the customer shall continue to pay the amounts billed pending the adjustment.

2. Billing Periods. Bills will be rendered and will be payable once each month. The Company may read meters of residential and commercial customers 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 bimonthly meter reading period shall be determined by calculation on the basis of the customer's previous usage

adjusted for weather conditions; and the consumption for the second month of each bimonthly meter reading period shall be determined by subtracting the first month's calculated consumption from the total actual consumption for the bimonthly period as 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. Non-receipt of bills by customer does not release or diminish the obligation of customer with respect to payment thereof.

If the meter reader in any month is unable to gain access to the premises for the purpose of reading the meter, a calculated bill will be rendered and adjustment, if any, will be made by the Company when the meter is read. The number of calculated readings shall be limited to twelve consecutive months, and the customer's service, thereafter, is subject to discontinuance after due notice, consistent with the applicable provisions of Chapter 4901:1-18 of the Ohio Administrative Code.

3. Bill Format and Billing Procedure. The Company's policy on bill format and billing procedures shall comply with the applicable provisions of Rule 4901:1-18-09, Ohio Administrative Code, orders of the Public Utilities Commission, and Section 4905.30 of the Ohio Revised Code, as amended from time-to-time.

4. Payment of Bills. Bills shall be paid by the customer at any office of the Company during its regular office hours or to any one of the Company's authorized collecting agents during the regular office hours of such agent. Any remittance received by the Company by first class mail bearing a U.S. Postal Office cancellation date corresponding with or previous to the last date of the net payment period will be accepted by the Company as within the net payment period.

5. Removal By, and Change in Financial Status of, Customer. When the customer vacates the premises, or becomes bankrupt, when a receiver, trustee, guardian, or conservator is appointed for the assets of the customer, or when the customer makes an assignment for the benefit of creditors, the Company shall have the following rights: at the option of the Company and after reasonable notice, the right to shut off the gas and to remove its property from the customer's premises; and the further right, independent of or concurrent with the right to shut off, to demand immediate payment for all gas delivered to the customer and not paid for, and such amount shall become due and payable immediately upon such demand. For residential customers, such rights shall be subject to the requirements of Chapter 4901:1-18, Ohio Administrative Code.

6. Disconnection of Service to Residential Customers. Subject to the applicable provisions of Chapter 4901:1-18, Ohio Administrative Code, the Company reserves the right to disconnect service upon reasonable notice for non-payment of bills, failure to comply with Company's rules and regulations, or for so long as may be necessary to respond to emergencies and permit the repair or replacement of facilities. A copy of this rule is maintained at the offices of the Company and may be reviewed upon request.

7. Disconnection of Service to Non-Residential Customers. Disconnection of service to non-residential customers is subject to the applicable provisions of Sections I, II, III, and VI of Pike Natural Gas Company Tariff, P.U.C.O. No. 7.

8. Payment Arrangements and Responsibility. The Company shall notify a customer whose account is delinquent that such customer may make application to the Company for an extended payment arrangement. In addition to the extended payment plans available under Chapter 4901:1-18-04, Ohio Administrative Code, the Company may exercise discretion in other arrangements, including uniform payment or budget plan billing based on reasonable criteria, including:

(a) The amount of the delinquent account.

(b) The length of time that the balance has been outstanding.

(c) The customer's recent payment history.

(d) The reasons why the customer has not made payment.

(e) Any other relevant factors concerning the circumstances of the customer.

SECTION III – PHYSICAL PROPERTY

1. Service Lines. The general term "service line" commonly designates the complete line or connection between the Company's line and the customer's location, up to and including the meter connection at the customer's location. It consists of two distinct parts, (a) the service line connection, and (b) the customer service line.

(a) Service Line Connection

The service line connection consists of the connection of the customer service line at the Company's line. This connection shall be made by the Company or its representative, at the customer's expense, but the service line connection shall remain the property of the Company. It shall include a valve for stopping the flow of any gas into the customer service line.

(b) Customer Service Line

The customer service line consists of the pipeline from the service line connection and up to and including the meter connection. The customer's service line shall be installed at the customer's expense, and any part of it not contained within the customer's property at the location where service is furnished shall be conveyed to the Company and shall become and remain the property of the Company in accordance with Section I, Paragraph 8. The Company shall have the right to prescribe the specifications, size, location, and termination points of the customer's service line. The customer shall remain liable for the maintenance of and imperfections in, and for damage, injury or loss resulting, directly or indirectly, from the escape of gas from that part of the customer service line contained within the customer's property.

2. Pressure Regulators. Where service is provided from intermediate or medium pressure lines, the Company shall furnish the necessary pressure regulator(s), which regulator(s) shall remain the property of the Company.

Where service is provided from medium or high pressure lines, the customer shall, at the customer's expense, provide and install a suitable regulator(s) for reducing the pressure. The regulator(s) shall be installed in the manner required by the Company, and it shall become the property of the Company.

At the customer's expense, the customer shall install and maintain substantial housing acceptable to the Company in size and design for the regulator(s) and the meter(s) to protect them from the weather, vandalism, or other harm.

If it becomes necessary to construct, operate, and maintain a heater on the inlet side of the medium or high pressure regulator(s) to maintain satisfactory operation of the regulator(s), the gas used in such heater shall be at the expense of the customer and shall be taken from the outlet side of the meter serving the customer.

3. Meter Furnished. The Company will furnish each customer with a meter of such size and type as the Company may determine will adequately serve the customer's requirements, and such meter shall be and will remain the property of the Company, and the Company shall have the right to replace the meter as the Company may deem necessary.

4. Meter Location. The Company shall determine the location of the meter, which shall ordinarily be outside of any enclosed building and shall be accessible to the Company without the necessity of customer presence or approval.

When changes in a building or arrangement therein render the meter inaccessible or exposed to hazards, the Company may require the customer, at the customer's expense, to relocate the meter setting together with any portion of the customer's service line necessary to accomplish such relocation.

5. Only Company Can Connect Meter. The owner or customer shall not permit anyone who is not an authorized agent of the Company to connect or disconnect the Company's meters, regulators, or gauges or in any way alter or interfere with the Company's meters, regulators, or gauges.

6. Customer Piping. The customer shall install, own and maintain, at the customer's expense, the customer piping from the outlet of the meter to gas burning equipment.

7. Appliances. The customer shall install and maintain all gas-burning equipment at the customer's expense.

8. Standards for Customer's Property. The customer's service line, piping, fittings, valves, connections, equipment venting, and all associated equipment shall be installed with materials and workmanship which meet the reasonable requirements of the Company and shall be subject to inspection or test by the Company. The Company shall have no obligation to establish service until after inspection and testing which demonstrates compliance with requirements of the Company with respect to the facilities in place at the time of the test.

The first inspection or test at any premises, including both service lines and customer piping, shall be without charge to the customer. In the case of leak, error, patent defect, or other unsatisfactory condition resulting in the disapproval of the line or piping by the Company, the necessary correction shall be made at the customer's expense; followed by inspection and testing again of the service piping by the Company. Each additional inspection and test, when required after the correction, shall be subject to a charge covering the cost thereof.

9. Discontinuance of Supply on Notice of Defect in Customer's Property. If the customer's service line, piping, pressure regulators, fittings, valves, connections, equipment, venting and any other associated equipment on a customer's premises is defective or in such condition as to constitute a hazard, the Company, upon notice to the Company of such defect or condition and reasonable notice to the customer, may discontinue the supply of gas to such customer until such defect or condition has been rectified by the customer in compliance with the reasonable requirements of the Company.

10. No Responsibility for Material or Workmanship. The Company shall not be responsible for maintenance of or of any imperfect material or defective or faulty workmanship in the customer's service line, piping, pressure regulators, fittings, valves, connections, equipment, venting and any other associated equipment. Further, the Company shall not be responsible for any loss or damage arising from inadequate or improper maintenance or from imperfect material or defective or faulty workmanship.

11. Inspection of Altered Piping. It shall be the duty of the customer to notify the Company promptly of any additions, changes, alterations, remodeling, or reconstruction affecting gas piping on the customer's premises.

12. Extension of Distribution Mains

(A) For the purposes of this provision applicants for domestic service shall be divided into classes, a follows:

(1) An applicant who will utilize gas as the major source of energy for space heating and for base load such as water heating, cooking, refrigeration, incineration or drying (hereinafter referred to as "Class 1 Applicant"); and

(2) Any other applicant (hereinafter referred to as a "Class 2 Applicant").

The Company will extend its distribution mains on any dedicated street or highway without cost up to but no more than a distance of two hundred (200) feet for each Class 1 Applicant, and up to but not more than one hundred (100) feet for each Class 2 Applicant. Upon application for a domestic service extension of main in excess of two hundred (200) feet for each Class 1 Applicant, and one hundred (100) feet for each Class 2 Applicant, the Company may enter into a line extension agreement providing for a deposit with the Company of a sum deemed adequate by the Company to cover the cost to be incurred by it for that portion of the extension in excess of the footages which the Company will construct without cost to the applicant. The amount of deposit shall be determined by multiplying the excess footage as hereinabove determined by the average cost per foot to the Company of two (2) inch distribution main installed during the preceding calendar year. The sum so deposited shall be subject to refund on the basis of the cost per foot deposited multiplied by two hundred (200) for each additional Class 1 Applicant, and one hundred (100) for each additional Class 2 Applicant who becomes a bona fide customer connected to the extension but not to laterals there from or to further extensions thereof. The classification of the applicant shall be finally determined by the Company at the time the applicant becomes a bona fide customer connected to the extension.

Where a main extension is necessary to provide service availability to plots or real estate subdivisions and such main extension is not deemed justified at the Company's expense, the owners or promoters of such

plots of lots or real estate subdivisions shall enter into a line extension agreement and shall deposit with the Company the estimated cost of such extension. This deposit will be refunded at the average cost of two hundred (200) feet for each bona fide customer connected to the extension but not to laterals there from or to further extensions thereof who will utilize gas for base load purposes and as the major source of energy for space heating and at the average cost of one hundred (100) feet for any other bona fide customer connected to the extension but not to laterals there from or to further extensions thereof. The classification of the customer shall be determined by the Company at the time he is connected to the extension. No refunds shall be paid after the expiration of ten (10) years from the date of the agreement.

Where a main extension is requested for service for commercial or industrial purposes and such main extension is determined by the company to be economically feasible, the applicant or applicants may enter into a main extension agreement and shall deposit with the Company the estimated cost of such extension. This deposit will be refunded at the rate of forty percent (40%) of the annual revenue received for gas consumed directly from the extension, such refunds to be made semi-annually for a period not to exceed ten (10) years from the date of the extension agreement.

In no case shall the total of refunds exceed the amount deposited for the extension. Deposits will not draw interest. All extensions shall be the property of the company.

(B) Other Extension Options

(1) Class 1 Applicants and Class 2 Applicants who are residential customers who apply for and contract to use service for one year or more: The Company may extend a distribution main in excess of two hundred (200) feet without charge to an individual customer whose monthly volume shall be in excess of the minimum use as specified within the applicable tariff under which service will be provided and the Company has existing adequate peak demand capabilities, as required by the customer. In the event the Company's applicable tariff does not contain a minimum use volume, then the monthly minimum bill, exclusive of customer charges and the cost of purchased gas, shall be one and one-half percent (1.5%) of the cost of the main extension. The customer will be obligated to receive service for a minimum term, which will allow the Company to recover the cost of the main extension excluding the two hundred (200) feet referred to above. The customer shall be billed the minimum amount or volume for each month during the minimum term as specified in the agreement. In the event the customer terminates service prior to the expiration of the minimum term of service, the Company may charge the difference between the cost of the main extension and revenue received

from the customer, exclusive of customer charges and the cost of purchased gas, as a termination charge. All customers connecting to the main extension during the minimum term shall bear equal responsibility for the monthly cost of the main extension, adjusted for the two hundred (200) feet contributed by the Company.

(2) Class 2 Applicants who apply for and contract to use service for one year or more:

(a) Existing Subdivisions and New Non-Joint Trench Subdivisions. When an extension of the Company's main to serve an applicant amounts to more than one hundred (100) feet per customer, the Company may require the total cost of the footage in excess of one hundred (100) feet per customer to be deposited with the Company by the applicant based on the estimated cost per foot for main extensions.

The applicant will be reimbursed under the following plan:

Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension agreement, the Company shall refund to the customer, who paid for the excess footage, the cost of the one hundred (100) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed, but in no case shall the total amount refunded exceed the amount paid the Company. There shall be no refunds after the end of the said ten (10) year period.

(b) New Joint Trench Subdivisions. When an extension of the Company's approach and/or internal mains is necessary to serve a new subdivision, the Company will perform a net present value (NPV) analysis of the construction costs and the revenue to be received from each customer to be connected to the new mains. For purposes of the NPV calculation, the Company will assume that a complete build-out of the subdivision will occur in five years. If the NPV is positive, no deposit will be required for the new subdivision and the NPV will be credited toward the calculation of the deposit requirement for any approach main that may be required. If the NPV is negative, the amount of the NPV must be deposited for construction of the mains to serve the new subdivision. Any deposit made when the NPV is negative is eligible for a refund due to subsequent connections or extensions under the following plan:

Each year for a period of up to but not exceeding ten (10) years, which begins on the effective date of the main extension agreement, the Company shall refund to the customer who paid for the excess footage an amount reflecting the positive impact of subsequent connections or extensions to the main extension. The Company will determine the positive impact of a subsequent connection or extension by analyzing the

estimated cost and corresponding revenues resulting from the subsequent connection or extension. This amount will be paid when the first customer is connected to the subsequent connection or extension.

(C) The Company shall have no obligation to make any extensions during the months of December, January, February, or March.

(D) Nothing contained herein shall be construed to prohibit the Company from making extensions under different arrangements provided such arrangements have been approved by the Public Utilities Commission of Ohio.

(E) Nothing contained herein shall be construed as to prohibit the Company from making, at its expense, greater extensions than herein prescribed, should its judgment so dictate, provided like free extensions are made to other customers under similar circumstances.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio, as provided by law.

SECTION IV - GENERAL

1. Miscellaneous Charges. The following charges shall apply to all classes of customers:

(a) Connection and Reconnection Charge. Unless otherwise specifically stated herein, a charge of $30.00 shall be collected in advance of reconnecting or reestablishing gas service, where service has been terminated for any reason other than safety-related reasons.

The Company shall reconnect or reestablish gas service on the same day a customer so requests, provided: (1) the request is made during normal business hours, and (2) the request and satisfactory proof of any deposits and payments are provided at the Company's local office prior to 12:30 p.m. on the day service is to be reconnected or reestablished.

The Company may require a customer to complete or update an application for service when the Company deems necessary before the Company establishes, reestablishes or reconnects gas service.

(b) Collection Charge. The Company shall advise a customer subject to disconnection for non-payment of the possibility of being assessed a collection charge at the time an employee accepts a payment at the customers' premises. Notice of this collection charge shall appear on the disconnection notice or accompany the disconnection notice sent to the customer. If payment is made to an employee whose authorized purpose was to disconnect service and who is authorized to accept such payment, or to an employee dispatched to the premises to accept payment, a charge of twenty dollars ($20.00) may be assessed once for every such visit and shall be payable at the time of such visit.

(c) Dishonored Check Charge. Whenever a customer pays a bill by check and the check is returned to the Company by the customer's financial institution for lack of sufficient funds in the customer's account, there shall be a dishonored check charge assessed for each check returned. Such customer shall be charged seventeen dollars ($17.00) for processing the dishonored check.

(d) Late Payment Charge. If a payment of a bill due is not received by the Company offices or by the Company's authorized agent on or before the specified payment date, which shall be the date of the Company's next scheduled meter reading date whether actual or estimated, an additional amount of 1.5% (one and one-half percent) of the unpaid balance on the subsequent bill will become due and payable as part of the customer's total obligation. This provision is not applicable to unpaid account balances of customers enrolled in payment plans pursuant to Section 4901:1-18-04, Ohio Administrative Code.

(e) Tie-In Charge. If a tie-in is required to restore service to the same customer whose service line was cut and plugged because of repeated detection of unauthorized use of service, a charge of $300.00 or the actual amount incurred by the Company to restore service, whichever is less, shall be assessed to the customer. Upon customer contact, the Company will inform the customer of this charge. Unauthorized use of service includes:

(1) Detection of turning on the meter by the customer after non-pay turn-off by the Company,

(2) Detection of turning on the meter and the curb valve by the customer after non-pay turn off by the Company, and;

(3) Detection of by-passing the meter inlet and outlet connections after removal of the meter by the Company.

(f) Meter Test Charge. If a meter is tested at the request of a customer and the result demonstrates that the meter was operating within accepted tolerances (plus or minus 3%), the customer shall be charged the actual cost of the test. The customer will be advised of this meter test charge at the time of the request for the test. If the meter was not operating within accepted tolerances, there shall be no charge for the test or removal.

(g) Trip Charge. Whenever the Company makes a service call to a customer's premise, the customer shall be assessed a fee consisting of the average hourly total trip cost, including equipment, for the most recent six (6) month period, with a one-half hour minimum. The customer shall be advised of this charge before the company employee comes to the premise. This charge will not apply to trips caused by a customer report of a gas odor.

2. These Rules and Regulations are subject to and incorporate herein all orders, rules, and regulations applicable to the Company, issued or established from time-to-time by the Public Utilities Commission of Ohio.

3. The Company reserves the right to modify, alter, or amend these Rules and Regulations, and further reserves the right to make other rules and regulations as the Company may deem necessary, prudent, or convenient in the conduct of the Company's business, as approved by the Public Utilities Commission of Ohio.

SECTION V - TRANSPORTATION SERVICES & STANDBY/PARTIAL SERVICE

1. Definitions. As used in conjunction with the following services, the following terms shall have the meanings indicated below:

(a) The term "gas" shall mean the gas which is provided to the customer's plant, and made available to the Company under this Special Arrangement.

(b) The term "month" shall mean calendar month.

(c) The term "Ccf" shall mean one hundred (100) cubic feet of gas with the unit of volume utilized for measurement purposes being based upon one (1) cubic foot of gas at a pressure of fourteen and six-tenths (14.6) pounds per square inch absolute with corrections for super compressibility and at a temperature of sixty (60) degrees Fahrenheit.

(d) The term "Delivery Point" shall mean the location at which the Company shall first receive the customer's gas supply.

(e) The term "Redelivery Point" shall mean the location where gas is metered at the customer's premises for billing purposes.

(f) The term "Nomination" shall mean the quantity of gas which the customer will have delivered to the Delivery Point for redelivery by the Company for the relevant period. It is understood that the ultimate Nomination each month must take into account the Company's allowance for unaccounted-for-gas ("UFG") and any similar reductions made by other transporters.

(g) The term "Imbalance" shall mean the monthly difference between the quantity received by the Company at the Delivery Point and the quantity consumed by the customer as measured at the Redelivery Point. It is understood that quantity received by the Company at the Delivery Point must exceed the quantity measured at the Redelivery Point by the amount of the adjustment required by Section V, Paragraph 6. An imbalance exists when actual receipts adjusted for unaccounted-for gas are either greater or less than actual deliveries. The term "month" or "monthly" shall have the same meaning as established by the supplier that makes the customer's gas available to the Company at the Delivery Point.

(h) The term "Commission" shall mean the Public Utilities Commission of Ohio.

(i) The term "firm" shall indicate the quality of service provided under the terms and conditions of this Agreement with the Company providing service absent a *force majeure* condition.

(j) The term "interruptible" shall indicate the quality of service provided under the terms and conditions of this Agreement with the Company providing service only when available each day based upon the sole judgment of the Company. Whenever the Company determines that such is desirable for operational, gas supply, capacity, or safety considerations, the Company may discontinue service under this Agreement provided that the Company shall attempt to provide verbal notice of such discontinuation. The Company's failure to continue service under this Agreement and its failure to provide notice prior to discontinuance of service shall not give rise to any claim, cause of action or right in customer being well within the nature of service provided hereunder.

(k) The term "Index" shall be the monthly value determined based on the published price for the Appalachian Region. This price is reported as the "Bid Week Price" for the month in which deliveries are made as reported in the first issue of "Natural Gas Week". Specifically, the price will be reported as the "Appalachian Pooled Price" under the Columbia Gas Transmission Company section. In the event this publication ceases to exist as a convenient reference, the value shall be determined based on accepted industry practice as applied to the determination of prices for first of the month spot purchases from the same region and delivered to Columbia Gas Transmission Company unless the parties otherwise agree, in writing, upon another specific publication. In addition to Index value applicable to the service supplied hereunder, the customer shall reimburse the Company for all gas supply, transportation, storage, balancing, penalties or other costs which are incurred by the Company as a direct result of the customer's load or usage characteristics.

(l) The term "Decatherm" shall be the Company's billing unit measured by its thermal value. A Decatherm or Dth is ten (10) therms. It shall be proper for the Company to rely upon the heating value measurements or assumptions provided to the Company by upstream suppliers for purposes of the Company's determination of the heating value of gas received by the customer. The Company shall not be required to install any equipment to measure heating value at the customer's premises for the purpose of converting volumetric measurements into Dth.

2. Description of Services. Transportation service consists of delivery of the customer-owned or supplied natural gas volumes injected by the customer into the Company's facilities for redelivery by the Company. Except pursuant to standby or partial service, where and when available, the Company provides no assurance of continued delivery of natural gas in the event of interruption of the customer's supply. Subject to capacity constraints, transportation service hereunder is available to the Company's customers who: (1) enter into a transportation service agreement; (2) have annual average usage in excess of 10 Mcf (100 Ccf) per day; and (3) have purchased or otherwise arranged for a supply of natural gas of acceptable quality from a supplier other than the Company. The customer must qualify for transportation service under the P.U.C.O. Gas Transportation Program Guidelines and must have requested that the Company transport such gas and have provided for the delivery of such gas to a point on the Company's existing system which is acceptable to the Company for redelivery at a point on the Company's system which is acceptable to the Company. The Company reserves the right to decline

requests to provide such services whenever, in the Company's judgment, rendering such service would be detrimental to the operation of its system. Notwithstanding this tariff offering, the Company shall continue to enter into transportation service arrangements pursuant to R.C. 4905.31 when, in its judgment, the circumstance warrants a specific arrangement to address the nature of the service to be provided. The different types of transportation service are as follows:

(a) Firm service. The Company shall allocate and reserve pipeline capacity of the Company's facilities on behalf of the customer for redelivery of the customer's supply for consumption by the customer.

(b) Interruptible service. The Company shall accept the customer's supply for redelivery to the customer based on available capacity of the Company's facilities. Interruptible capacity shall be determined after considering all capacity commitments relative to general service and firm transportation services.

(c) Standby or partial service. Company may provide, based upon the physical availability of natural gas supply, a standby or back-up service for a transportation service customer who does not have a sufficient alternative fuel supply in the event of interruption of the customer-owned or supplied natural gas transported through Company's facilities.

3. Standby and Partial Service Rate

Availability. Available and applicable, unless otherwise agreed by Company, to any customer which has obtained delivery of natural gas from a source other than the Company's distribution system or in addition to Company.

Facilities Charge

The monthly Facilities Charge shall be one hundred fifty dollars ($150.00).

Commodity Charge

The Commodity Charge shall be equal to the commodity cost component of the Company's currently-effective GCR rate plus any per Ccf charges which are applicable to Company's General Service Customers. The Commodity Charge shall be billed on the basis of the customer's per Ccf usage for the current billing month.

Base Rate Demand Charge (D-1)

The Base Rate Demand Charge (D-1) shall be equal to the usage sensitive charges in Company's General Service Rate plus any charges contained in riders which are applicable to the General Service Rate.

Gas Cost Demand Charge (D-2)

The Gas Cost Demand Charge (D-2) shall be equal to the average per Ccf demand and fixed cost component of the Company's currently-effective GCR Rate.

Billing Determinants

The billing determinants for the Facilities Charge shall be equal to the number of billing meters for the location receiving service under this rate.

The billing determinants for the Commodity Charge shall be based upon volumes actually consumed as measured by the meter at the customer's premises.

The billing determinants for the Base Rate Demand Charge (D-1) and the Gas Cost Demand Charge (D-2) shall be based upon the highest of the following:

(a). The actual volumetric measurement for the current billing period;

(b). The contract demand agreed to by Company and the customer;

(c). One hundred percent (100%) of the maximum daily volumetric measurement recorded during the months of May, June, July, August and September. In the event daily measurement information is not available, maximum daily volumetric measurement shall be equal to the maximum monthly volumetric measurement during the period November through March divided by the number of days in said month.

In addition to all other rates and charges applicable to the service hereunder, the customer shall reimburse Company for all gas supply, transportation, storage, balancing, penalties or other costs which are incurred by Company as a direct result of the customer's load or usage characteristics.

Plus, all delivered gas shall be subject to an adjustment per one hundred cubic feet (CCF) as set forth on:

Gross Receipts Tax Rider

All bills rendered pursuant to this tariff will be adjusted to provide for the recovery of the Company's gross receipts tax liability of said bills through the application of the gross receipts tax rider specified on Sheet No. 29 of this tariff. This gross receipts tax rider shall not be applicable to customers that are statutorily exempt from the payment of the gross receipts tax.

Late Payment Charge

If applicable, an additional late payment charge shall be assessed as provided in Section IV, Paragraph 1(d), of the Company's Rules and Regulations Governing the Distribution and Sale of Gas.

Service Reestablishment Charge

Subject to the provisions of Section II, Paragraph 7 herein, if service under this rate schedule is discontinued at the request of the customer, the Company shall not be under any obligation to resume service to the same customer on the same premises until the customer has made payment of an amount equal to the monthly customer charge for each month of the intervening period, but not to exceed twelve (12) months.

4. New Facilities. Where necessary, and as the customer and the Company agree, the Company may construct additions, replacements or betterments of its facilities in order to accommodate the volumes of gas delivered to and by the Company on the customer's behalf; the Company may bill the customer for the cost thereof or as the parties may otherwise agree; and the customer agrees to pay such costs within thirty (30) days after receipt of the Company's bill, or as the parties may otherwise agree. The Company may own such additions, replacements or betterments except for the part of the customer's service line contained within the customer's property at the location where service is to be furnished.

5. Banking and Balancing. Unless otherwise agreed, the customer's monthly gas utilization at the Redelivery Point shall equal the monthly amount of gas the customer provides to the Company at the Delivery Point (subject to adjustment for the allowance for unaccounted-for-gas) plus or minus five percent (5%). For each Dth of positive or negative Imbalance in excess of five percent (5%) each month (hereinafter referred to as "Excess Imbalance"), the customer shall pay to the Company an Imbalance fee as specified below.

(a) If a negative Excess Imbalance exists, the customer shall be obligated to pay to the Company a sum (in addition to all other charges specified herein) equal to the total amount of the negative Imbalance multiplied by the following schedule of rates and charges:

Percentage Imbalance Level	Charges
0-5	(No Purchase)
>5-10	1.10 x Index
>10-20	1.30 x Index
>20	1.50 x Index

This additional charge does not entitle the customer to rely upon the Company to secure a supply of gas or provide "back-up" or supplemental gas service but merely represents a means of eliminating the Imbalance condition to the extent the Company has gas available to it to do so without imposing additional costs on system supply customers.

(b) If a positive Excess Imbalance (actual monthly receipts adjusted for unaccounted-for gas more than five percent (5%) greater than actual monthly deliveries) is not eliminated in the month following its creation, the customer hereby authorizes the Company to purchase the Excess Imbalance according to the following schedule:

Percentage Imbalance Level	Sales Price
0-5	(No Sale)
>5-10	.9 x Index
>10-20	.7 x Index
>20	.5 x Index

6. Unaccounted-For-Gas. The customer shall have a right to retain, pursuant to an approved arrangement, 100% of the gas delivered to the Company, less the average system-wide unaccounted-for-gas percentage, or a different percentage when such is justified by the Company in any application approved by the Commission pursuant to either Sections 4905.31 or 4909.18, Revised Code. The Company recalculates its average system-wide unaccounted-for-gas percentage annually.

7. Title to Gas. Any customer taking transportation service pursuant to this Tariff thereby warrants the title to the gas delivered to the Company and covenants and agrees to indemnify the Company for and save it harmless from all suits, actions, debts, account, damages, costs, losses and expenses arising from or attributable to the adverse claims of any and all other persons or parties to such gas.

SECTION VI – GAS SHORTAGE CURTAILMENT

1. Priority of Service. The following classifications set forth the rules of the Company governing the curtailment of gas service to the various classes of customers in the event of a gas shortage. The Company may curtail or discontinue gas service in accordance with this classification without incurring liability for any subsequent loss or damages which the customer may sustain through such curtailment or discontinuation.

Class A Customers

Class A customers include any service account where the use of natural gas is for space heating of a permanent residence or for use by a governmental agency or public service organization that provides emergency or life support services. Human needs customers shall include permanent residences, hospitals, nursing homes, and residential correctional institutions.

Class B Customers

Customers using gas in schools, motels and hotels, churches, and similar institutions, federal, state, county, municipal and public buildings, theaters, stores, restaurants, bakeries, and all types of Commercial Establishments. In the event of a shortage of gas, Class B customers shall have preference over Class C customers.

Class C Customers

Customers using gas in industrial or manufacturing facilities, including gas used for space heating by such customers, and customers using gas in field operations for the production or transportation of oil or gas or for the generation of power. Gas service to customers under this classification shall be subject to discontinuance or curtailment at any time, temporarily or permanently, in whole or in part, to protect or conserve the supply of gas for Class A and B customers.

SECTION VII – RATE SCHEDULES

1. Counties served. Index to counties served and applicable rate sheets.

Hillsboro Division	Waverly Division
Clinton County	Jackson County
Fayette County	Pike County
Highland County	Ross County
	Scioto County

2. General Service Residential Rate – GSR

Availability. Available and applicable to all residential customers who consume gas for household purposes and who have properly completed an application for service within the service area covered by this tariff, who will be serviced from existing Company facilities, for total gas requirements, for a single location, of a single customer, regardless of use.

Monthly Charges

The monthly customer charge shall be $15.00 for each customer location.

Plus $0.06319 per Ccf for all Ccf of gas;

Plus, all delivered gas shall be subject to an adjustment per one hundred cubic feet (CCF) as set forth on:

Sheet No. 30, Rider PIPP, Percentage of Income Payment Plan.
Sheet No. 31, Uncollectible Expense Rider
Sheet No. 32, Rider GCR, Gas Cost Recovery Rate.
Sheet No. 33, Demand Side Management Rider

Gross Receipts Tax Rider

All bills rendered pursuant to this tariff will be adjusted to provide for the recovery of the Company's gross receipts tax liability of said bills through the application of the gross receipts tax rider specified on Sheet No. 29 of this tariff. This gross receipts tax rider shall not be applicable to customers that are statutorily exempt from the payment of the gross receipts tax.

Late Payment Charge

If applicable, an additional late payment charge of 1.5% (one and one-half percent) of the overdue unpaid balance shall be assessed as provided in Section IV, Paragraph 1(d), of the Company's Rules and Regulations Governing the Distribution and Sale of Gas.

Service Reestablishment Charge

Subject to the provisions of Section II, Paragraphs 6 and 7 herein, if service under this rate schedule is discontinued at the request of the customer, the Company shall not be under any obligation to resume service to the same customer on the same premises until the customer has made payment of an amount equal to the Reconnection Charge specified in Section IV(1)(a) above.

2A. General Service Commercial Rate – GSC

Availability. Available and applicable to all non-residential and commercial customers who consume gas for non-household purposes, who do not qualify for the Industrial Service Rate (IS), and who have properly completed an application for service within the service area covered by this tariff, who will be serviced from existing Company facilities, for total gas requirements, for a single location, of a single customer, regardless of use.

Monthly Charges

The monthly customer charge shall be $15.00 for each customer location.

Plus $0.16401 per Ccf for all Ccf of gas;

Plus, all delivered gas shall be subject to an adjustment per one hundred cubic feet (CCF) as set forth on:

Sheet No. 30, Rider PIPP, Percentage of Income Payment Plan.
Sheet No. 31, Uncollectible Expense Rider
Sheet No. 32, Rider GCR, Gas Cost Recovery Rate.
Sheet No. 33, Demand Side Management Rider

Gross Receipts Tax Rider

All bills rendered pursuant to this tariff will be adjusted to provide for the recovery of the Company's gross receipts tax liability of said bills through the application of the gross receipts tax rider specified on Sheet No. 29 of this tariff. This gross receipts tax rider shall not be applicable to customers that are statutorily exempt from the payment of the gross receipts tax.

Late Payment Charge

If applicable, an additional late payment charge of 1.5% (one and one-half percent) of the overdue unpaid balance shall be assessed as provided in Section IV, Paragraph 1(d), of the Company's Rules and Regulations Governing the Distribution and Sale of Gas.

Service Reestablishment Charge

Subject to the provisions of Section II, Paragraphs 6 and 7 herein, if service under this rate schedule is discontinued at the request of the customer, the Company shall not be under any obligation to resume service to the same customer on the same premises until the customer has made payment of an amount equal to the Reconnection Charge specified in Section IV(1)(a) above.

3. Industrial Service Rate - IS

Availability

Available and applicable to all industrial customers provided that:

(a) Customer has properly completed an application for service within the service area covered by this tariff.

(b) Will be serviced from existing Company facilities, for total gas requirements, for a single location, of a single customer, regardless of use.

(c) Service can be rendered within the limits of the Company's operating conditions and facilities;

(d) Customer's consumption during one of the two most recent Annual Periods (November through October billing cycles) was at least 18,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 18,000 Mcf per year during future Annual Periods. In addition, at least 50% of Customer's annual consumption must be consumed in the seven billing months of April through October, or Customer has previously executed a Commercial or Industrial Gas Service Agreement with Company, which was in effect immediately prior to the initiation of service hereunder.

(e) Company may, at its option, waive the requirement that 50% of the annual consumption occur during the seven months of April through October where such waiver is necessary in order to serve a load which would not otherwise be served by Company, provided that at least 40% of Customer's annual consumption occurs during the months of April through October.

Monthly Charges

The monthly customer charge shall be one hundred fifty dollars ($150.00) for each customer location.

Plus $0.16000 per Ccf for the first 5000 Ccf per account per month;
Plus $0.04662 per Ccf for all gas over 5000 Ccf per account per month.

Plus, all delivered gas shall be subject to an adjustment per one hundred cubic feet (Ccf) as set forth on:

Sheet No. 30, Rider PIPP, Percentage of Income Payment Plan.
Sheet No. 32, Rider GCR, Gas Cost Recovery Rate.

Gross Receipts Tax Rider

All bills rendered pursuant to this tariff will be adjusted to provide for the recovery of the Company's gross receipts tax liability of said bills through the application of the gross receipts tax rider specified on Sheet No. 29 of this tariff. This gross receipts tax rider shall not be applicable to customers that are statutorily exempt from the payment of the gross receipts tax.

Late Payment Charge

If applicable, an additional late payment charge of 1.5% (one and one-half percent) of the overdue unpaid balance shall be assessed as provided in Section IV, Paragraph 1(d), of the Company's Rules and Regulations Governing the Distribution and Sale of Gas.

Service Reestablishment Charge

Subject to the provisions of Section II, Paragraph 7 herein, if service under this rate schedule is discontinued at the request of the customer, the Company shall not be under any obligation to resume service to the same customer on the same premises until the customer has made payment of an amount equal to the monthly customer charge for each month of the intervening period, but not to exceed twelve (12) months.

4. Transportation Service Rate - TS

Availability.

Available and applicable to all industrial customers provided that:

(a) Customer has properly completed an application for service within the service area covered by this tariff;

(b) Customer has obtained delivery of natural gas from a source other than the Company's distribution system or in addition to Company;

(c) Service can be rendered within the limits of the Company's operating conditions and facilities;

(d) Customer's consumption during one of the two most recent Annual Periods (November through October billing cycles) was at least 18,000 Mcf, or Customer presents evidence demonstrating to Company's satisfaction that it will consume at least 18,000 Mcf per year during future Annual Periods. In addition, at least 50% of Customer's annual consumption must be consumed in the seven billing months of April through October, or Customer has previously executed an Industrial Gas Service Agreement with Company, which was in effect immediately prior to the initiation of service hereunder.

(e) Company may, at its option, waive the requirement that 50% of the annual consumption occur during the seven months of April through October where such waiver is necessary in order to serve a load which would not otherwise be served by Company, provided that at least 40% of Customer's annual consumption occurs during the months of April through October.

Monthly Charges

The monthly customer charge shall be one hundred fifty dollars ($150.00) for each customer location.

Plus $0.16000 per Ccf for the first 5,000 Ccf per account per month;
Plus $0.04662 per Ccf for all gas over 5,000 Ccf per account per month.

The Company, at its sole discretion, may offer transportation services at rates that are downwardly flexible from the maximum rates above. The rate may be flexed between the upper bound of the basic transportation 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.

Plus, all delivered gas shall be subject to an adjustment per one hundred cubic feet (Ccf) as set forth on:

Gross Receipts Tax Rider

All bills rendered pursuant to this tariff will be adjusted to provide for the recovery of the Company's gross receipts tax liability of said bills through the application of the gross receipts tax rider specified on Sheet No. 29 of this tariff. This gross receipts tax rider shall not be applicable to customers that are statutorily exempt from the payment of the gross receipts tax.

Late Payment Charge

If applicable, an additional late payment charge of 1.5% (one and one-half percent) of the overdue unpaid balance shall be assessed as provided in Section IV, Paragraph 1(d), of the Company's Rules and Regulations Governing the Distribution and Sale of Gas.

Service Reestablishment Charge

Subject to the provisions of Section II, Paragraph 7 herein, if service under this rate schedule is discontinued at the request of the customer, the Company shall not be under any obligation to resume service to the same customer on the same premises until the customer has made payment of an amount equal to the monthly customer charge for each month of the intervening period, but not to exceed twelve (12) months.

The above rates do not reflect any sale of gas service from Company to customer, but are agreed to transportation charges. As a result of actions by the Federal Energy Regulatory Commission, Company may be authorized to recover so-called pipeline supplier take-or-pay or transition costs from some or all of its system supply or full requirements customers. In the event that the Commission does not permit the full recovery of transition or take-or-pay costs from system supply or full requirements customers, Company may add an additional charge per Ccf or Dth to customer's monthly invoice to permit Company to recover the non-system supply portion of such costs from transportation customers such as Customer. The additional charge per Ccf or Dth so added shall be determined on the same basis as the similar charge which is applicable to system supply customers unless the parties otherwise agree. In addition to all other rates and charges specified herein, customer shall reimburse Company for all costs incurred by company as a result of variations between the amount of gas consumed by customer and the amount of customer's gas delivered to Company at the

5. Gross Receipts Tax Rider

Applicability. Applicable to all charges billed by the Company under Rate Schedules GS, IS, TS, and Standby and Partial Service, including miscellaneous charges and all applicable rider rates, except that this rider shall not be billed to those customers statutorily exempted from the payment of gross receipts taxes.

All bills rendered shall be adjusted to include the effect of the Ohio excise tax on gross receipts billings at a rate of 4.9587%.

4. Interim Emergency and Temporary Rider for Recovery of Percentage of Income Plan Costs.

In addition to all other rates and charges applicable to the service provided under the Company's General Service and Industrial Service Rate Schedules governing the distribution and sale of gas, customers receiving service pursuant to the General Service and Industrial Service Rate Schedules shall pay an additional amount per Ccf for the recovery of Percentage of Income Plan ("PIPP") costs. The monthly PIPP charge was established in accordance with the order of the Public Utilities Commission of Ohio in Case No. 15-0414-GA-PIP. The current PIPP charge is ($0.00823) per Ccf.

7. Uncollectible Expense Rider

Applicability. Applicable to all volumes served under the General Service Residential Rate (GSR) and General Service Commercial Rate (GSC). An additional charge shall be applied to all volumes for service rendered to recover costs associated with uncollectible accounts arising from those customers responsible for paying the Uncollectible Expense Rider. The Company shall file an application with the Public Utilities Commission of Ohio requesting approval to change the rate if the Company determines that an adjustment of more than plus or minus ten percent is needed to adjust for prior period over- or under-collections. The current Uncollectible Expense Rider rate is $0.03241 per Ccf.

8. Gas Cost Recovery (GCR)

Applicability. To all sales customers subject to the Gas Cost Recovery (GCR) as determined in accordance with Chapter 4901:1-14, Ohio Administrative Code, (GCR Regulations).

a. Rates for natural gas consumption in accordance with PUCO Case No. 04-1338-GA-UNC

   i. Hillsboro Division
      1. Effective rate from December 1, 2016 through December 31, 2016
         $ 0.51053 per Ccf

   ii. Waverly Division
      1. Effective rate from December 1, 2016 through December 31, 2016
         $ 0.34918 per Ccf

9. Demand Side Management Rider

APPLICABILITY

To all sales customers under the Company's General Service Rate Schedules (GSR and GSC).

DESCRIPTION

An additional charge, for all gas consumed, to fund the costs associated with the implementation of cost-effective energy efficiency programs made available to all residential and small commercial customers under the General Service Rate Schedules (GSR and GSC).

RATE

A charge of $.95 per month to be applied per General Service (Rates GSR and GSC) Rate schedule accounts.