Eastern
Exhibit 2

PUBLIC UTILITIES COMMISSION
OF OHIO

1988 JUL -8 P 2:48

FORECASTING & SITING

88-518-GA-FOR
0003

EASTERN NATURAL GAS COMPANY
Long-Term Forecast Report
4901:5-7-05

Submitted to the
PUBLIC UTILITIES COMMISSION OF OHIO
Division of Forecasting and Siting
July 8, 1988

By:
Eastern Natural Gas Company
6244 SR 85 East
Andover, Ohio 44003

TABLE OF CONTENTS

Page

LIST OF TABLES & FORMS ii

LIST OF EXHIBITS iii

LIST OF LIBRARIES iv

4901:5-7-04 GAS AND NATURAL GAS DEMAND FORECASTS

Introduction. 1-1

Federal Documents and Reports. 1-1

Compatibility With Other Filings. 1-1

Annual Report. 1-2

Demand Forecast Outputs 1-2

BTU Content 1-2

Range of Forecasts 1-2

Special Considerations 1-2

Energy Conservation 1-2

Forecast Documentation 1-3

Data Base 1-3

Assumptions and Special Information 1-3

4901:5-7-05 NATURAL GAS SUPPLY

Discussion of Gas Supply 2-1

Gas Supply Prices 2-1

Natural Gas Storage Facilities 2-1

Propane Facilities 2-2

Other Peaking Facilities 2-2

Self-Help Gas 2-2

4901:5-7-06 RESOURCE FORECASTS AND SITE INVENTORIES FOR GAS AND NATURAL GAS TRANSMISSION FACILITIES 2-3

4901:5-7-05(H) LONG-TERM STRATEGIC SUPPLY PLAN 3-1

LIST OF TABLES AND FORMS

	Page
Historical and Forecast Service Area Annual Gas Demand (MMCF/Year) (Form FG-1-1)	4-1
Historical and Forecast Annual Gas Demand by Industrial Sector (MMCF / Year) (Form FG-1-2)	4-2
Monthly Ohio Gas Sendout (MMCF) (Form FG-1-3)	4-3
Range of Forecasts for Residential & Commercial & Industrial & Total (MMCF/Year) (Form FG-1-4)	4-4
Peak Day Requirements (MMCF) (Form FG-1-5)	4-5
Self-Help and Other Transported Gas (MMCF) (Form FG-1-6)	4-6
Number of Year-End Customers 4901:5-7-04 (D) (2) (vii) (a)	4-7
Annual Gas Supply (MMCF/Year) (Form FG-2-1)	5-1
Gas Supply Prices ($/MCF) (Form FG-2-2)	5-2
Historical Peak and Forecast Design Day Supply (MMCF/Day) (Form FG-2-3)	5-3
Existing and Proposed Storage Facilities (In MMCF) (Form FG-2-4)	5-4
Propane Facilities (In Gallons) (Form FG-2-5)	5-5
Other Peaking Facilities (Form FG-2-6)	5-6
Characteristics of Existing Transmission Lines (Form FG-3-1)	5-7

LIST OF EXHIBITS

	Exhibit No.
FERC Form 2-A for 1987	6-1
EIA 176 Form For 1987	6-2
Service Agreement with National Fuel Gas Supply Corporation	6-3
Gas Exchange Agreement with National Fuel Gas Distribution Corp.	6-4
National Fuel Gas Supply Corporation FERC Gas Tariff RQ	6-5
Annual Report of Clearfield Ohio Holdings, Inc. for 3-31-87	6-6

LIST OF LIBRARIES

4. Ashtabula County
   Ashtabula County District Library
   Ashtabula OH 44004

91. Trumbull County
    Warren Public Library
    444 Mahoning Avenue N.W.
    Warren OH 44483

GAS AND NATURAL GAS DEMAND FORECASTS

Introduction

Eastern Natural Gas Company ("Eastern" or "Company") is an Ohio corporation engaged in the business of selling natural gas to approximately 5,800 residential, commercial, industrial and public authority customers in the eastern portion of Ashtabula and Trumbull counties. Eastern was acquired from National Fuel Gas Distribution Corporation on December 5, 1986. For further information, see FERC Docket CP86-351-000 and PUCO Case No. 85-1785-GA-ATR.

The natural gas requirements of the system are supplied under a service agreement between Eastern and National Fuel Gas Supply Corporation dated December 5, 1986 for a period of 20 years. The current year of this forecast is 1988. The data presented consists of (i) actual historical demand for the 5 years ended December 31, 1987, and (ii) estimated demand for the years 1988 through 1998, inclusive. The forecast is based upon normal weather conditions for the Company's service area. All gas volumes in this forecast are reported at 14.73 p.s.i.a.

Responsible Individual

The name and address for the Company and the name of the individual responsible for this report are as follows:

Eastern Natural Gas Company
6244 SR 85 East
Andover, OH 44003

Marsha R. Perelman

Federal Documents and Reports

Eastern is filing herewith copies of the following federal government reports:

EIA-176 FERC Form 2-A

Eastern is not required to file with any federal government agency the following reports:

FERC-15, EIA-191, EIA-457F, and SEC 10K.

Compatibility With Other Filings

There are no known discrepancies between the data shown in this filing and the data set forth in any filings with the Public Utilities Commission of Ohio.

The data in the federal reports are for thirteen months, due to the purchase of the system in early December of 1986 by Eastern.

Annual Report

Eastern is including with this filing the audited annual report for March 31, 1987 of the parent company, Clearfield Ohio Holdings, Inc.

Demand Forecast Outputs

The Company's natural gas demand forecast is presented on Form FG-1-1 for periods beginning five years before the current year and extending ten years into the future.

The current year's annual gas demand data (Year 0) is estimated for the entire 12 months.

The month-by-month forecasted demand for Years 0, 1 and 2 are presented on Form FG-1-3.

BTU Content

The average BTU content is 1028 per cubic foot. This is the number used by National Fuel Gas Supply Corporation in FERC filings for MCF to BTU demand conversions, and is consistent with current billing conversion factors.

Range of Forecasts

A range of natural gas demand forecasts is presented on Form FG-1-4 based on assumptions of weather being 10% warmer (5,904 heating degree days) and 10% colder (7,216 heating degree days) than the normal weather standard (6,560 heating degree days) used in developing the gas demand forecast. These ranges are presented for residential, commercial, and industrial customer classes as well as for total system load.

Special Considerations

Eastern's gas operations are independent of any other system and there are no affiliated or associated systems that are interconnected. The Long-Term Gas Forecast is not coordinated with any other party.

No computer modeling is used in preparing the Company's Long-Term Gas Forecast. Due to the small size of the company, the expense involved in contracting for statistical services and the sample data available at this time, Eastern is using manual methods for computing estimates in this forecast. The Company's three significant commercial/industrial gas customers were individually contacted and the information obtained from them was used in preparing the industrial portion of the forecast.

Energy Conservation

A conservation rate of 1% per year has been used for residential, commercial, and public authority customers throughout the forecast period. No conservation percentage was used for the industrial customers.

Forecast Documentation

Eastern utilized the American Gas Association's "A Simplified Approach To Forecast Gas Sales and Revenues" dated January, 1983 in preparation of this Long-Term Gas Forecast. The overall framework consists of analysis of past years' gas sales by customer class (residential, commercial, etc.) and by heating and non-heating sales.

The principal forecast technique involves "normalizing" base year (calendar 1987) heating related sales in the residential, commercial, industrial, interruptible, and "other" (public authority) customer classes. Normalizing sales is a process of reducing heating related usage to "normal" weather conditions by establishing the relationship between "normal" heating degree days and actual heating degree days experienced.

"Normal" degree day information is provided by the United States Department of Commerce, National Oceanic and Atmospheric Administration, Environmental Data and Information Service."Normal" heating degree days used in preparing the forecast are 6,560, this being the 30 year normal (1950-1980) established at the Youngstown, Ohio Observation Station. The Youngstown, Ohio Observation Station is the closest official reporting station compiling degree day information. Actual heating degree days are obtained monthly from the NOAA reports.

Data Base

All historical information for the years 1983 through 1986 inclusive was provided by National Fuel Gas Distribution Corporation. The configuration of Eastern's system prior to December 5, 1986 did not allow for separate measurement of deliveries to the Ohio customers. No actual Unaccounted-for Gas figures are available prior to this time. Historical data related to gas pricing for 1983 and 1984 is incomplete.
The following were used in the preparation of this forecast:

1. Customer Monthly Sales Recaps by Class for the past 5 years.
2. NOAA Reports for the Youngstown, Ohio reporting station.
3. Major industrial customer information obtained through phone calls.

Assumptions and Special Information

The Company's three large industrial gas customers were informally interviewed by phone for forecasting information. They were questioned regarding any specific yearly gas usage reduction goals, any significant production or equipment changes over the next ten years, and their projected gas usage over the forecast period. This information was then used in preparing individual forecasts for these customers, and these forecasts were incorporated into the industrial sales classification. None of the industrial customers presently have alternate fuel capabilities.

Natural gas was assumed to remain competitive with #2 fuel oil, propane, and electricity as a heating fuel source over the forecast period.

All data used in the preparation of this forecast was received, kept, recorded, and calculated in MCF.

There is at present one gas rate schedule available. The General Service Rate is applicable for service to customers of different sizes and service pressures.

No additional general service rate structures are anticipated, or

planned. A transportation rate will be available to any commercial or industrial customer who requests such rate consideration, but presently no gas is being transported. It is expected that in the future it will be necessary for the Company to seek rate adjustments when required and justified; however, precise information as to the timing and magnitude of these price increase requests is not now available.

The Company's rate structure is designed to promote increased consumption by non-residential consumers. The rate has four steps with decreasing costs associated with each succeeding block.

Based on contact with the Company's three large gas customers and local builders and developers, there is no major economic development or building growth incorporated in the Long-Term Gas Forecast.

Attached hereto is a table entitled Number of Year End Customers. This table presents the actual number of year-end customers of all classes for the last five years, and the projected year-end customer count for the forecast period.

4901:5-7-05 NATURAL GAS SUPPLY

Discussion of Gas Supply

Eastern sells natural gas only in the eastern portions of Ashtabula and Trumbull counties, including the villages of Andover, Yankee Lake, and Orangeville.

The natural gas requirements of the service area are supplied under a service agreement between Eastern and National Fuel Gas Supply Corporation under FERC Rate Schedule RQ. The company also purchases local gas from independent producers, as provided for in the contract with National Fuel Gas Supply. A maximum of 5% of local gas can be purchased in 1987, up to 10% in 1988, and 15% in 1989 and after can be purchased during the term of the contract to be utilized by Eastern for system supply.

A Gas Exchange Agreement with National Fuel Gas Distribution Corporation provides for the transportation of the gas purchased from National Fuel Gas Supply through the Pennsylvania lines of National Fuel Gas Distribution to Eastern's distribution system at no additional cost to the company. Eastern must redeliver back to the Pennsylvania system gas for a small number of customers.

The company has a Billing Demand of 10,298 dth and a Winter Service Minimum Requirement of 912,252 dth under Rate Schedule RQ at this time. This figure is recomputed every three years by National Fuel Gas Supply.

National Fuel Gas Supply Corporation officials have indicated to Eastern that they are able to meet Eastern's gas contract demand requirements through the forecast period.

National Fuel Gas Supply is not an open-access carrier at the present time. Eastern, therefore, is a full-requirements customer of the supplier. Transportation services are not available from them for moving supplies from other areas to Eastern for either system supply or for specific end-users. Eastern has discussed with National Fuel Gas the filing of a 7-C certificate to serve certain industrial customers, and the company continues to pursue this matter.

Local production volumes are presently around 5,500 mcf annually. Additional volumes are being sought from local producers, but the company is experiencing difficulty augmenting this supply source due to limited local drilling activity. The company has established as its goal the purchase of 5% of the annual supply requirement from local production.

The company's historical and projected gas supply volumes by source are shown on Form FG-2-1.

Gas Supply Prices

The Company's historical and projected gas supply prices are reflected on Form FG-2-2.

The projected supply prices were derived from limited historical information. The supplier was unwilling to provide estimates of pricing beyond the current year.

Natural Gas Storage Facilities

The Company has no storage facilities.

Propane Facilities

The Company has no propane facilities.

Other Peaking Facilities

The Company has no other peaking facilities.

Self-Help Gas

The company has no formal self-help plan for end-users. However it continues to discuss the development of local gas supplies with its largest commercial and industrial users.

RESOURCE FORECASTS AND SITE INVENTORIES FOR GAS AND NATURAL GAS TRANSMISSION FACILITIES

There are no transmission facilities in this system.

LONG-TERM STRATEGIC SUPPLY PLAN

Eastern Natural Gas will continue to rely on its present interstate pipeline supplier for a reliable long-term source of gas. The predominance of very high priority residential, small commercial, and public authority customers in our service area demands a stable pricing structure and peak day availability.

Eastern is presently making spot purchases of gas for system supply from local producers, and plans to take up to 5% of the annual load requirements from this source.

Certification

Statements of fact included in this information report are correct to the best of my knowledge and belief. All other matters contained in this report reflect the best judgment of Eastern Natural Gas Company at this time.

Print name of person responsible for report:

George W. Hersey, Jr.

July 8, 1988

Certificate of Service

I hereby certify that copies of this Long Term Forecast Report have been served by First Class Mail, postage prepaid, pursuant to Rule 4901:5-1-03 (F) to (I) of the Ohio Administrative Code this 8th day of July, 1988.

George W. Hersey, Jr.
Eastern Natural Gas Company

Form FGI-1 Historical and Forecast Service Area Annual Gas Demand (MMCF/Year)

Company: Eastern Natural Gas Company
Average BTU Content:1028

	Year	Residential	End User(firm) Commercial	Industrial	Power Generation	Interruptible	Other	Company Use	Total Consumption	Storage Input	Losses	TOTAL
-5	83	698	203	407			77	1	1386		39	1425
-4	84	763	214	335			82	1	1395		39	1434
-3	85	706	206	213			73	1	1199		33	1232
-2	86	704	194	164			74	1	1137		32	1169
-1	87	705	215	184			72	1	1177		30	1207
0	88	759	218	150			75	1	1203		34	1237
1	89	764	219	150			75	1	1209		34	1243
2	90	763	220	150			75	1	1209		34	1243
3	91	767	220	150			75	1	1213		34	1247
4	92	771	221	150			75	1	1218		34	1252
5	93	772	222	150			75	1	1220		34	1254
6	94	773	223	150			75	1	1222		34	1256
7	95	774	224	150			75	1	1224		34	1258
8	96	774	224	150			75	1	1224		34	1258
9	97	774	225	150			75	1	1225		34	1259
10	98	775	225	150			75	1	1226		34	1260

Other category is only Public Authority usage

FGI-2: Historical and Forecast Annual Gas Demand By Industrial Sector (MMCF/Year)
Company: Eastern Natural Gas
Average BTU Content: 1028

	Year	Food & Kindred Products	Chemical & Allied Products	Petroleum & Coal Products	Rubber & Misc. Products	Stone, Clay, & Glass Products	Primary Metals	Fabricated Metal Products	Non-Electric Machinery	Electrical & Electronic Machinery	All Other Industrial	Total Industrial
-5	83											
-4	84											
-3	85											
-2	86											
-1	87											
0	88		This information is not available at this time									
1	89											
2	90											
3	91											
4	92											
5	93											
6	94											
7	95											
8	96											
9	97											
10	98											

Form FG1-3 Monthly Gas Sendout (MMCF)
Company: Eastern Natural Gas
Average BTU Content: 1028

	Year 0 1988	Year 1 1989	Year 2 1990
January	200	200	200
February	185	185	185
March	150	150	150
April	100	100	100
May	50	50	50
June	34	34	34
July	34	34	34
August	34	34	34
September	40	40	40
October	104	105	105
November	112	115	115
December	160	162	162
Total	1203	1209	1209

Form PGI-4 Range of Demand Forecasts (MMCF)
Company: Eastern Natural Gas

		Residential Sales			Commercial Sales			Industrial Sales			Total Sales		
	Year	Lowest	Most Likely	Highest	Lowest	Most Likely	Highest	Lowest	Most Likely	Highest	Lowest	Most Likely	Highest
0	88	699	759	819	273	294	315	150	150	150	1222	1203	1284
1	89	704	764	824	274	295	316	150	150	150	1128	1209	1290
2	90	703	763	823	275	296	317	150	150	150	1128	1209	1290
3	91	707	767	827	275	296	317	150	150	150	1132	1213	1294
4	92	711	771	831	276	297	318	150	150	150	1137	1218	1299
5	93	712	772	832	277	298	319	150	150	150	1139	1220	1301
6	94	713	773	833	278	299	320	150	150	150	1141	1222	1303
7	95	714	774	834	279	300	321	150	150	150	1143	1224	1305
8	96	714	774	834	279	300	321	150	150	150	1143	1224	1305
9	97	714	774	834	280	301	322	150	150	150	1144	1225	1306
10	98	715	775	835	280	301	322	150	150	150	1145	1226	1307

Residential +/- 10% = +/-60 mmcf Commercial +/- 10% = +/-21 mmcf

Form FGI-5: Historic Peak and Forecast Design Day Requirements (MMCF/Day)
Company: Eastern Natural Gas
Average BTU Content: 1028

	Year	Residential	Commercial	Industrial	Electric Power Generation	Other	Company Use	Total Consumption	Losses	Total
-5	83									9
-4	84									11
-3	85									10
-2	86									10
-1	87									10
0	88									10
1	89									10
2	90									10
3	91									10
4	92									10
5	93									10
6	94									10
7	95									10
8	96									10
9	97									10
10	98									10

PGI-6 Supply and Disposition of Self-Help and other Transported Volumes (MMCF)

	Year	(1) Ohio Produced Gas Transported Solely By Respondent To On-System Customers	(2) Ohio Produced Gas Transported From Other Company To Respondent For On-System Customers	(3) Other Volumes Transported By Respondent For On-system Customers	(4) Total Volumes Transported By Respondent For On-System Customers	(5) Ohio Produced Gas Transported Off-System By Respondent	(6) Other Volumes Transported By Respondent For Off-System Customers	(7) Total Volumes Transported By Respondent For Off-System Customers	(8) Total Volumes Transported
-5	83								
-4	84								
-3	85								
-2	86								
-1	87								
0	88	This form is not applicable to Eastern Natural Gas Company - No volumes transported							
1	89								
2	90								
3	91								
4	92								
5	93								

Number of Year-End Customers
Company: Eastern Natural Gas

	Year	Residential Heating	Commercial and Public Authority	Transportation and Industrial	Total
-5	83	5393	337	13	5743
-4	84	5368	346	12	5727
-3	85	5354	355	12	5721
-2	86	5334	358	13	5705
-1	87	5412	373	12	5797
0	88	5500	380	12	5892
1	89	5575	385	12	5972
2	90	5650	390	12	6052
3	91	5725	395	12	6132
4	92	5800	400	12	6212
5	93	5850	405	12	6267
6	94	5900	410	12	6322
7	95	5950	415	12	6377
8	96	6000	420	12	6432
9	97	6050	425	12	6487
10	98	6100	430	12	6542

Form FG2-1 Annual Gas Supply (MMCF/Year)
Company: Eastern Natural Gas
Average BTU Content:1028

	Year	Interstate Suppliers Nat. Fuel Gas	Intrastate Supplier or other	SNG	Ohio Production	Propane	Storage Withdrawal	Total
-5	83	1425			0			1425
-4	84	1434			0			1434
-3	85	1232			0			1232
-2	86	1169			0			1169
-1	87	1206			1			1207
0	88	1227			10			1237
1	89	1218			25			1243
2	90	1183			60			1243
3	91	1187			60			1247
4	92	1192			60			1252
5	93	1194			60			1254
6	94	1196			60			1256
7	95	1198			60			1258
8	96	1198			60			1258
9	97	1199			60			1259
10	98	1200			60			1260

Form FG2-2 Gas Supply Prices ($/MCF)
Company: Eastern Natural Gas
Average BTU Content:1028

Year	Interstate Suppliers Nat. Fuel Gas	Intrastate Supplier or other	SNG	Ohio Production	Propane	Storage Withdrawal	Total
-5 83							
-4 84	1983 and 1984 information is not available from National Fuel Gas Supply Corp.						
-3 85	4.239			n/a			4.239
-2 86	3.763			n/a			3.763
-1 87	2.796			2.443			2.794
0 88	2.93			2.74			2.92
1 89	3.08			2.88			3.07
2 90	3.23			3.02			3.22
3 91	3.39			3.17			3.38
4 92	3.56			3.33			3.55
5 93	3.74			3.50			3.73
6 94	3.93			3.68			3.92
7 95	4.13			3.86			4.12
8 96	4.34			4.05			4.33
9 97	4.56			4.25			4.55
10 98	4.79			4.46			4.78

5% Annual Inflation Rate assumed for 1989 through 1998

Form FGL-2: Historical Peak and Forecast Design Day Supply (MMCF/Day)
Company: Eastern Natural Gas

	Year	INTERSTATE SUPPLIERS Nat. Fuel Gas	Intrastate Supplier or other	SNG	Ohio Production	Propane	Storage Withdrawal	Total
-5	83	9						9
-4	84	11						11
-3	85	10						10
-2	86	10						10
-1	87	10						10
0	88	10						10
1	89	10						10
2	90	10						10
3	91	10						10
4	92	10						10
5	93	10						10
6	94	10						10
7	95	10						10
8	96	10						10
9	97	10						10
10	98	10						10

Form FG2-4: Existing and Proposed Storage Facilities (In MMCF)
Company: Eastern Natural Gas

Reservoir Name (Percent Ownership)	Location	Capacity: Cushion (Base) Gas	Capacity: Working (Top) Gas	Total	Completion Date

This form is not applicable to Eastern Natural Gas Company

Form FG2-5: Existing and Proposed Propane Facilities (In Gallons)
Company: Eastern Natural Gas

Facility Name	Location	Capacity	Completion Date

This form is not applicable to Eastern Natural Gas Company

Form FG2-6: Other Peaking Facilities
Company: Eastern Natural Gas

Facility Name	Location	Capacity	Completion Date

This form is not applicable to Eastern Natural Gas Company

Form FG3-1: Characteristics of Existing Transmission Lines
Company: Eastern Natural Gas

Name and Number	Point of Origin and Terminus	Size and Capacity	Line Length	Associated Facilities	Year Installed	Class Designation of Pipeline (OPS)

This form is not applicable to Eastern Natural Gas Company

Form Approved
OMB No. 1902-0030
(Expires 9/30/90)

FERC FORM NO. 2-A: ANNUAL REPORT OF NONMAJOR NATURAL GAS COMPANIES

This report is mandatory under the Natural Gas Act, Sections 10(a) and 16, and 18 CFR 260.2. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company)	Year of Report
EASTERN NATURAL GAS COMPANY	1987

FERC FORM NO. 2-A (ED. 12-87)

TABLE OF CONTENTS

PART	TITLE	PAGE
	Instructions	2
I	Identification	3
II	Attestation	3
III	Comparative Balance Sheet	4-5
IV	Statement of Income for the Year	6-8
V	Statement of Retained Earnings	9
VI	Statement of Changes in Financial Position	10-11
VII	Notes to Financial Statements	12-13
VIII	Data on Security Holders and Voting Powers	14
IX	Data on Officers and Directors	14
X	Accumulated Provision for Depreciation, Depletion and Amortization of Utility Plant	15
XI	Capital Stock Data	15
XII	Long-Term Debt Data	15
XIII	Gas Sales Data for the Year	16
XIV	Gas Operations and Maintenance Expenses	16
XV	Sales for Resale - Natural Gas	17
XVI	Gas Purchases	18
XVII	Gas Account - Natural Gas	19
XVIII	Utility Plant Data	20
XIX	General Information on Plant and Operations	21
XX	Footnote Data	22

SUBSTITUTE PAGES FOR NONMAJOR RESPONDENTS USING ACCOUNTS DESIGNATED FOR MAJOR CLASSIFICATION (Part 201)

III	Comparative Balance Sheet (110-113)
IV	Statement of Income for the Year (114-117)
V	Statement of Retained Earnings for the Year (118-119)
XVIII	Gas Plant in Service (204-209)
X	Accumulated Provision for Depreciation of Gas Utility Plant (219)
XIII	Gas Operating Revenues (300-301)
XV	Sales for Resale (310-311)
XIV	Gas Operation and Maintenance Expenses (320-325)
XVI	Gas Purchases (327)
XVII	Gas Account - Natural Gas (520-521)

PART I: IDENTIFICATION

01 Exact Legal Name of Respondent: EASTERN NATURAL GAS COMPANY

02 Year of Report: 1987

03 Previous Name and Date of Change (If name changed during year): —

04 Address of Principal Business Office at End of Year (Street, City, State, Zip Code): 6244 ST. RTE 85 EAST ANDOVER. OHIO 44003

05 Name of Contact Person: STAN BELL

06 Title of Contact Person: GENERAL MANAGER

07 Address of Contact Person (Street, City, State, Zip Code): SAME

08 Telephone of Contact Person, Including Area Code: 216-293-5920

09 This Report Is: (1) ☒ An Original (2) ☐ A Resubmission

10 Date of Report (Mo, Da, Yr): MAR 31 88

11 Name of Officer Having Custody of the Books of Account: ROBERT PARK

12 Title of Officer: ASST. CONTROLLER

13 Address of Officer Where Books of Account Are Kept (Street, City, State, Zip Code): C/O CLEARFIELD ENERGY RADNOR CORPORATE CENTER #5 RADNOR PA 19087

14 Name of State Where Respondent Is Incorporated: OHIO

15. Date of Incorporation (Mo, Da, Yr): NOV 19, 1985

16 If applicable, Reference to Law Incorporated Under: —

17 Explanation of Manner and Extent of Corporate Control (If the respondent controls or is controlled by any other corporation, business trust, or similar organization)

100% OWNED BY CLEARFIELD HOLDINGS OF OHIO (SAME ADDRESS AS LINE 13)

PART II: ATTESTATION

The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.

01 Name: MICHAEL PARK

02 Title: PRESIDENT

03 Signature:

04 Date Signed (Mo, Da, Yr): MAR 31 88

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

PART III: COMPARATIVE BALANCE SHEET

	Assets and Other Debits (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)
01	Utility Plant (101 - 107, 114, 118)	—	4,681,380
02	Accumulated Provision for Depreciation and Amortization (110, 119)		1,256,825
03	NET UTILITY PLANT (Enter total of line 01 less 02)		3,424,535
04	Utility Plant Adjustments (116)		
05	Gas Stored Underground - Noncurrent		
06	Nonutility Property (121)		
07	Less Accumulated Provision For Depreciation and Amortization - Credit (122)		
08	Other Investments and Special Funds (124-129)		
09	Current and Accrued Assets:		
10	Cash and Working Funds (130)		(65,670)
11	Temporary Cash Investments (136)		
12	Notes and Accounts Receivable 141, 142, 143, 145, 146) (Report amounts applicable to associated companies in a footnote.)		915,087
13	Accumulated Provision for Uncollectible Accounts - Credit (144)		
14	Plant Materials and Operating Supplies (154)		
15	Gas Stored (164.1, 164.2)		
16	Prepayments (165)		
17	Miscellaneous Current and Accrued Assets (174)		95,170
18	TOTAL CURRENT AND ACCRUED ASSETS (Enter total of lines 10 thru 17)		944,587
19	Deferred Debits:		
20	Unamortized Debt Expense (181)		
21	Extraordinary Property Losses (182.1)		
22	Unrecovered Plant and Regulatory Study Costs (182.2)		
23	Miscellaneous Deferred Debits (186)		175,269
24	Deferred Losses from Disposition of Utility Plant (187)		
25	Unamortized Loss on Reacquired Debt (189)		
26	Accumulated Deferred Income Taxes (190)		
27	Unrecovered Purchased Gas Costs (191)		
28	Unrecovered Incremental Gas Costs (192.1)		
29	Unrecovered Incremental Surcharge (192.2)		
30	TOTAL DEFERRED DEBITS (Enter total of Lines 20 thru 29)		175,269
31	TOTAL ASSETS AND OTHER DEBITS (Enter total lines 03 thru 08, 18 and 30)		4,544,391

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART III: COMPARATIVE BALANCE SHEET (Continued)

	Liabilities and Other Credits (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)
01	Common Stock Issued (201)		1,700,000
02	Preferred Stock Issued (204)		
03	Miscellaneous Paid-In Capital (211)		
04	Installments Received on Capital Stock (212)		
05	Discount on Capital Stock—Debit (213)		
06	Capital Stock Expense—Debit (214)		
07	Retained Earnings (215-216)		(137,373)
08	Reacquired Capital Stock—Debit (217)		
09	Noncorporate Proprietorship (218)		
10	TOTAL PROPRIETARY CAPITAL (Enter total of lines 01 thru 09)		1,562,627
11	Bonds (221)		
12	Advances From Associated Companies (223)		
13	Other Long-term Debt (Specify in footnote) (224) SEE PAGE 15		1,750,000
14	Unamortized Premium on Long-term Debt (225)		
15	Unamortized Discount on Long-term Debt—Debit (226)		
16	TOTAL LONG-TERM DEBT (Enter total of lines 11 thru 15)		1,750,000
17	Other Noncurrent Liabilities:		
18	Obligations Under Capital Leases - Noncurrent (227)		
19	Accumulated Provision for Property Insurance (228.1)		
20	Accumulated Provision for Injuries and Damages (228.2)		
21	Accumulated Provision for Pensions and Benefits (228.3)		
22	Accumulated Miscellaneous Operating Provisions (228.4)		
23	Accumulated Provision for Rate Refunds (229)		
24	TOTAL OTHER NONCURRENT LIABILITIES (Enter Total of Lines 18 thru 23)		—
25	Current and Accrued Liabilities:		
26	Notes and Accounts Payable (Report amounts applicable to associated companies in a footnote) (231 - 234)		7,790
27	Customer Deposits (235)		8,856
28	Taxes Accrued (236)		68,979
29	Interest Accrued (237)		13,873
30	Miscellaneous Current and Accrued Liabilities (242)		938,440
31	Obligations Under Capital Leases-Current (243)		
32	TOTAL CURRENT AND ACCRUED LIABILITIES (Enter total of lines 26 thru 31)		1,037,938
33	Deferred Credits:		
34	Customer Advances for Construction (252)		
35	Other Deferred Credits (253)		
36	Accumulated Deferred Investment Tax Credits (255)		
37	Deferred Gains from Disposition of Utility Plant (256)		
38	Unamortized Gain on Reacquired Debt (257)		
39	Accumulated Deferred Income Taxes (281 to 283)		195,529
40	TOTAL DEFERRED CREDITS (Enter total of lines 34 thru 39)		195,529
41	TOTAL LIABILITIES AND OTHER CREDITS (Enter total of lines 10, 16, 24, 32 and 40)		4,544,391

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART IV: STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in the Other Utility column (h, i or j, k) in a similar manner to a utility department. Spread the amount(s) over lines 01 to 20 as appropriate. Include these amounts in column (b) and (c) totals.

2. Report amounts for account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413.

3. Provide an explanation in Part VII, Notes to Financial Statements, of such unsettled rate proceedings where a contingency exists that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects; include an explanation for the major factors which affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power or gas purchases.

	Account (a)	Total (d to k) Current Year (b)	Total (d to k) Change From Previous Year (c)	Electric Utility Current Year (d)	Electric Utility Change From Previous Year (e)
01	UTILITY OPERATING INCOME				
02	Operating Revenues (400)	1,428,784			
03	Operating Expenses:				
04	Operating Expense (401)	1,027,564			
05	Maintenance Expense (402)	59,045			
06	Depreciation Expense (403)	121,065			
07	Amortization Expense (Specify by account:)				
08					
09					
10					
11	Taxes Other Than Income Taxes (408.1)	291,139			
12	Federal Income Taxes (409.1)	(97,972)			
13	Other Income Taxes (409.1)				
14	Provision For Deferred Income Taxes (410.1)	(9587)			
15	Provision For Deferred Income Taxes - Credit (411.1)				
16	Investment Tax Credit Adjustments - Net (411.4)				
17	Gains From Disposition of Utility Plant (411.6)				
18	Losses From Disposition of Utility Plant (411.7)				
19	TOTAL UTILITY OPERATING EXPENSES (Enter total of lines 04 thru 18)	1,391,254			
20	Net Utility Operating Income (Enter total of line 02 less 19)	37,530			

Name of Respondent	This Report Is:	Date Report (Mo, Da, Yr)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PAY IV: STATEMENT OF INCOME FOR THE YEAR (Continued)

4. Provide an explanation in Part VII, Notes to Financial Statements, of significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases and a summary of the adjustments made to balance sheet, income, and expense accounts.
5. If any notes appearing in the report to stockholders are applicable to the statement of income, either include such notes in an attachment, or enter such data in Part VII.
6. Provide an explanation in Part VII, Notes * * * of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the approximate dollar effects of such changes.

Gas Utility		Other Utility		Other Utility			
Current Year (f)	Change From Previous Year (g)	Current Year (h)	Change From Previous Year (i)	Current Year (j)	Change From Previous Year (k)	Account	
							01
						(400)	02
							03
						(401)	04
						(402)	05
						(403)	06
							07
							08
							09
							10
						(408.1)	11
						(409.1)	12
						(409.1)	13
						(410.1)	14
						(411.1)	15
						(411.4)	16
						(411.6)	17
						(411.7)	18
						TOTAL	19
						NET	20

Name of Respondent	This Report Is:	Date Report (Mo, Da, Yr)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART IV: STATEMENT OF INCOME FOR THE YEAR (Continued)

	Account (a)	Total Current Year (b)	Total Change From Previous Year (c)
20	Net Utility Operating Income (Carried Forward from line 20, page 6)	37,530	
21	OTHER INCOME AND DEDUCTIONS		
22	Other Income:		
23	Nonutility Operating Income (415-418)		
24	Interest and Dividend Income (419)		
25	Allowance for Other Funds Used During Construction (419.1)		
26	Miscellaneous Nonoperating Income (421)		
27	Gain on Disposition of Property 421.1)		
28	TOTAL OTHER INCOME (Enter total of lines 23 thru 27)	—	
29	Other Income Deductions:		
30	Loss on Disposition of Property (421.1)		
31	Miscellaneous Amortization (425)		
32	Miscellaneous Income Deductions (426.1 - 426.5)		
33	TOTAL OTHER INCOME DEDUCTIONS (Enter total of lines 30 thru 32)	—	
34	Taxes Applicable to Other Income and Deductions:		
35	Taxes Other Than Income Taxes (408.2)		
36	Federal Income Taxes (409.2)		
37	Other Income Taxes (409.2)		
38	Provision for Deferred Income Taxes (410.2)		
39	Provision for Deferred Income Taxes - Credit (411.2)		
40	Investment Tax Credit Adjustments - Net (411.5)		
41	Investment Tax Credits (420)		
42	TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS (Enter total of lines 35 thru 41)	—	
43	Net Other Income and Deductions (Enter total of line 28 less 33 and 42)	—	
44	INTEREST CHARGES		
45	Interest on Long-term Debt (427)	174,903	
46	Amortization of Debt Discount and Expense (428)		
47	Amortization of Loss on Reacquired Debt (428.1)		
48	Amortization of Premium on Debt - Credit (429)		
49	Amortization of Gain on Reacquired Debt - Credit (429.1)		
50	Interest on Debt to Associated Companies (430)		
51	Other Interest Expense (431)		
52	Allowance For Borrowed Funds Used During Construction - Credit (432)		
53	Net Interest Charge (Enter total of lines 45 thru 52)	174,903	
54	Income Before Extraordinary Items (Enter total of lines 20 and 43, less 53)	(137,373)	
55	EXTRAORDINARY ITEMS		
56	Extraordinary Income (434)		
57	Extraordinary Deductions - Debit (435)		
58	Net Extraordinary Items (Enter total of line 56 less 57)		
59	Income Taxes - Federal and Other (409.3)		
60	Extraordinary Items After Taxes (Enter total of line 58 less 59)	—	
61	NET INCOME (Enter total of lines 54 and 60)	(137,373)	

Name of Respondent	This Report Is:	Date Report (Mo., Da., Yr)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART V: STATEMENT OF RETAINED EARNINGS

1. Report on this part all changes in appropriated and unappropriated retained earnings for the year.
2. Identify each credit and debit made during the year by identifying the retained earnings account in which the credit and debit is recorded (accounts 433, 436-439 inclusive). Also, identify the contra primary account affected. First list account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow the adjustments by credit then debit items, in that order.
3. Report dividends for each class and series of capital stock. Show amounts of dividends per share.
4. Report separately in column (a) the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
5. Explain in a footnote, the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
6. If any notes appearing in the report to stockholders are applicable to this statement, either include such notes in an attachment or enter such data in Part VII. Notes to Financial Statements.
7. Enter on line 20 the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.

	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (216)		
01	Balance Beginning of Year		—
02	Adjustments to Retained Earnings (439)		
03			
04			
05			
06			
07	Balance Transferred from income (433)		(137,373)
08	Appropriations of Retained Earnings (436)		
09			
10	Dividends Declared—Preferred Stock (437)		
11			
12	Dividends Declared—Common Stock (438)		
13	—		
14	Balance End of Year *(Enter total of lines 01 thru 13)*		(137,373)
	APPROPRIATED RETAINED EARNINGS (215) *State below balance and purpose of each reserved and appropriated retained earnings (amount) at end of year. Give accounting entries for any applications of retained earnings during the year.*		
15			
16			
17			
18			
19	TOTAL APPROPRIATED RETAINED EARNINGS *(Enter total of lines 15 thru 18)*		—
20	TOTAL APPROPRIATED RETAINED EARNINGS—AMORTIZATION RESERVE, FEDERAL (215.1)		—
21	TOTAL APPROPRIATED RETAINED EARNINGS (215, 215.1) *(Enter total of lines 19 and 20)*		—
22	TOTAL RETAINED EARNINGS (215, 215.1, 216) *(Enter total of lines 14 and 21)*		(137,373)

Name of Respondent	This Report Is:	Date Report (Mo., Da., Yr)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART VI. STATEMENT OF CHANGES IN FINANCIAL POSITION

1. This statement is not restricted to those items which are noncurrent in nature. It is intended that this statement be flexible enough in nature so that latitude can be given, under the classification of "Other," to allow for disclosure of all significant changes and transactions, whether they are within or without the current asset and liability groups.
2. If the notes to the funds statement in the respondent's annual report to stockholders are applicable in every respect to this statement, such notes should be attached to page 12.
3. Under "Other" specify significant amounts and group others.
4. Codes Used:
   (a) Such as net increase-decrease in working capital, etc., other than changes in short term investments shown as item 4(e).
   (b) Bonds, debentures and other long-term debt.
   (c) Net proceeds or payments.
   (d) Include commercial paper.
   (e) Identify separately such items as investments, fixed assets, intangibles, etc.
5. Enter on page 12 clarifications and explanations.

Line No.	SOURCES OF FUNDS *(See Instructions for Explanation of Codes)* (a)	Amounts (b)
1	Funds from Operations	
2	Net Income	(137,373)
3	Principal Non-Cash Charges (Credits) to Income	
4	Depreciation and Depletion	121,065
5	Amortization of *(Specify)*	
6	Provision for Deferred or Future Income Taxes (Net)	195,529
7	Investment Tax Credit Adjustments	
8	Less Allowance for Other Funds Used During Construction	
9	Other (Net)	
10		
11		
12		
13		
14		
15		
16		
17	TOTAL Funds from Operations *(Enter Total of lines 2 thru 16)*	179,221
18	Funds from Outside Sources (New Money)	
19	Long-Term Debt (b) (c)	1,750,000
20	Preferred Stock (c)	
21	Common Stock (c)	1,700,000
22	Net Increase in Short-Term Debt (d)	
23	Other (Net)	
24		
25		
26		
27		
28		
29		
30		
31	TOTAL Funds from Outside Sources *(Enter Total of lines 19 thru 30)*	3,450,000
32	Sale of Non-Current Assets (e)	
33		
34	Contributions from Associated and Subsidiary Companies	
35	Other (Net) (a)	
36		
37		
38		
39		
40		
41		
42		
43	TOTAL Sources of Funds *(Enter Total of lines 17, 31, 32 thru 42)*	3,629,221

Name of Respondent	This Report Is:	Date of Report (Mo., Da., Yr.)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART VI. STATEMENT OF CHANGES IN FINANCIAL POSITION (Continued)

Line No.	APPLICATION OF FUNDS (a)	Amounts (b)
44	Construction and Plant Expenditures (Including Land)	
45	Gross Additions to Utility Plant (Less Nuclear Fuel)	
46	Gross Additions to Nuclear Fuel	
47	Gross Additions to Common Utility Plant	3,545,600
48	Gross Additions to Nonutility Plant	
49	Less Allowance for Other Funds Used During Construction	
50	Other	
51	TOTAL Applications to Construction and Plant Expenditures (Incl Land) (45 thru 50)	3,545,600
52	Dividends on Preferred Stock	
53	Dividends on Common Stock	
54	Funds for Retirement of Securities and Short-Term Debt	
55	Long-term Debt (b) (c)	
56	Preferred Stock (c)	
57	Redemption of Capital Stock	
58	Net Decrease in Short-term Debt (d)	
59	Other (Net)	
60	WORKING CAPITAL	83,621
61		
62		
63		
64		
65		
66	Purchase of Other Non-Current Assets (e)	
67		
68		
69	Investments in and Advances to Associated and Subsidiary Companies	
70	Other (Net) (a):	
71		
72		
73		
74		
75		
76		
77		
78	TOTAL Applications of Funds *(Enter Total of Lines 51 thru 77)*	3,629,221

Name of Respondent	This Report Is:	Date of Report (Mo., Da., Yr.)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART VII. NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Changes in Financial Position, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, *Utility Plant Adjustments*, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Where Accounts 189, *Unamortized Loss on Reacquired Debt*, and 257, *Unamortized Gain on Reacquired Debt*, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform Systems of Accounts.

5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 6-11, such notes may be attached hereto.

EASTERN ACQUIRED THE OHIO ASSETS OF NATIONAL FUEL GAS IN DEC. 1986.

REF: FERC DOCKET CP 86-351-000

PUC OHIO CASE 85-1785-GA-ATR

Name of Respondent	This Report Is:	Date of Report (Mo., Da., Yr)	Year of Report
EASTERN NATURAL GAS	(1) ☐ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART VII: NOTES TO FINANCIAL STATEMENTS (Continued)

Name of Respondent	This Report Is:	Date of Report (Mo., Da., Yr)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART VIII: DATA ON SECURITY HOLDERS AND VOTING POWERS

Report below the names and addresses of the ten stockholders of the respondent (company), who, at the end of the report year, had the greatest voting powers in the respondent (company). State the number of votes each would have had a right to cast on December 31 of the report year, if a meeting were then in order. If any such holder is held in trust, give the nature of the trust and the beneficial owner. If other securities have voting rights at the end of the report year, report similar information for such securities. Report in the Comments column the total votes of all securities with voting powers.

	Name (a)	Address (b)	Number of Votes (c)	Comments (d)
01	CLEARFIELD	RADNOR CORPORATE CTR 5	100%	
02	HOLDINGS OF OHIO	RADNOR PA 19087		
03				
04				
05				
06				
07				
08				
09				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				

PART IX: DATA ON OFFICERS AND DIRECTORS

Report below the title and name of the officers and directors of the respondent (company) whose salaries were $50,000 or more at the end of the report year (list officers first). If there were any changes during the year, report the title, name and address of the previous officer or director and date of change in the comments column. Designate by asterisk (*) officers who are directors; list other directors who are not officers. Report the salary (for the year) for each officer, and the fees for each director listed.

	Title (a)	Name of Officer or Director (b)	Salary and/or Fee (c)	Comments (d)
01	NONE			
02				
03				
04				
05				
06				
07				
08				
09				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				

Name of Respondent	This Report Is:	Date Report (Mo., Da., Yr.)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART X: ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

	Name of Utility Department (a)	AT ACQUISITION Balance at Beginning of Year (b)	Depreciation and Amortization Accruals for Year (c)	Net Charges for Plant Retired During Year (d)	Other Items Debit or Credit (Explain in Footnote) (e)	Balance at End of year (f)
01	Gas (110)	1,135,760	121,065	—	—	1,256,825
02	Other Utility Department (119) (Specify):					
03						
04						
05						
06						
07						

PART XI: CAPITAL STOCK DATA

(Column f refers to total amount outstanding without reduction for amounts held by respondent. Omit cents)

	Class and Series of Stock (a)	Number of Shares Authorized (b)	Par Value Per Share of Par Value Stock (c)	Stated Value Per Share of Nonpar Stock (d)	Outstanding Per Balance Sheet: Shares (e)	Outstanding Per Balance Sheet: Amount (f)
01	COMMON	1700	10,000		1700	1,700,000
02						
03						
04						
05						
06						
07						
08						
09						
10						
11						
12						
13						

PART XII: LONG-TERM DEBT DATA

	Class and Series of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding Per Balance Sheet (d)	Interest for Year: % Rate (e)	Interest for Year: Amount (f)
01	TERM LOAN	12/86	12/88	1,750,000	10.0	174,903
02						
03						
04						
05						
06						
07						
08						
09						
10						
11						
12						
	TOTAL			1,750,000		174,903

Name of Respondent	This Report Is:	Date of Report (Mo., Da., Yr.)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/87	Dec. 31, 1987

PART XIII: GAS SALES DATA FOR THE REPORT YEAR

(Column (d) refers to the average of the 12 monthly numbers of customers)

	Class of Service (a)	Revenues (b)	Amount (Mcf at 14.73 psia at 60°F) (c)	Average Number of Customers (d)
01	Residential Sales (480)	3,294,447	799,372	5227
02	Commercial and Industrial Sales (481)	1,822,427	512,712	358
03	Interdepartmental Sales (484)	—	—	—
04	TOTAL SALES TO ULTIMATE CONSUMERS *(Enter total of lines 01 thru 03)*	5,116,874	1,312,084	5585
05	Sales for Resale (483)		—	
06	TOTAL SALES OF GAS *(Enter total of lines 04 and 05)*	5,116,874	1,312,084	5585
07	Other Operating Revenues (487-495) *(specify)*:			
08				
09				
10				
11				
12	TOTAL GAS OPERATING REVENUES (400) *(Enter total of lines 06, 08 thru 11)*	5,116,874	1,312,084	5585

PART XIV: GAS OPERATION AND MAINTENANCE EXPENSES

	Item (a)	Operation (b)	Maintenance (c)	Total (b + c) (d)
01	Production Expenses			
02	Manufactured Gas Production (710-743) *(Submit schedule)*		—	
03	Natural Gas Production and Gathering (750, 755, 758-764, 769.1)			
04	Products Extraction (776, 792)			
05	Exploration and Development (795-798)			
06	Other Gas Supply Expenses			
07	Natural Gas Purchases (799)	3,692,089		3,692,089
08	Other Gas Purchases (805)			
09	Purchased Gas Cost Adjustments (805.1)	(3999)		(3,999)
10	Incremental Gas Cost Adjustments (805.2)			
11	Purchased Gas Expenses (807)			
12	Gas Withdrawn from Underground Storage — Debit (808.1)			
13	Gas Delivered to Underground Storage — Credit (808.2)			
14	Gas Used in Utility Operations — Credit (812.1)			
15	Other Gas Supply Expenses (813)			
16	TOTAL OTHER GAS SUPPLY EXPENSES *(Enter total of lines 07 thru 15)*	3,688,090		3,688,090
17	TOTAL PRODUCTION EXPENSES *(Enter total of lines 02 thru 05, and line 16)*	3,688,090		3,688,090
18	Storage Expense (814-839) *(Submit schedule by accounts)*			
19	Transmission Expenses (850-868)			
20	Distribution Expenses (870-895)	470,503	59,045	529,548
21	Customer Accounts Expenses (902-904)	193,592		193,592
22	Customer Service and Informational Expenses (906)			
23	Sales Expenses (917)			
24	Administrative and General Expenses (920-935)	363,469		363,469
25	TOTAL GAS OPERATION AND MAINTENANCE EXPENSES *(Enter total of lines 17 thru 24)*	1,027,564	59,045	1,086,609

Name of Respondent	This Report Is:	Date of Report (Mo., Da., Yr.)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART XV: SALES FOR RESALE—NATURAL GAS (Account 483)

1. Report particulars (details) concerning sales of natural gas during the year to other gas utilities for resale. Sales to each customer should be identified in column (c) where applicable, by rate schedule designation contained in the company's tariff.
2. Natural gas, for the purposes of this report, means either natural gas unmixed, or any mixture of natural and manufactured gas.
3. Enter in point of delivery, column (b), the name of city or town and state, and other such designation necessary to enable identification on maps of respondent's pipeline system.
4. Designate in a footnote any sales which are other than firm sales, i.e., sales for storage, etc.
5. Where consolidated bills for more than one point of delivery are rendered under an FERC rate schedule, indicate the several points of delivery in column (b) and report the remainder of the information on a consolidated basis corresponding to the billing. Where, however, consolidated bills for more than one point of delivery are not rendered under an FERC rate schedule, the required information must be furnished for each point of delivery.
6. Designate in a footnote if Btu per cubic foot rate of gas is different for any delivery point from that shown in the heading of column (d).

	Name of Other Gas Utility (Designate by asterisk associated companies) (a)	Point of Delivery (City or Town, and State) (b)	FERC Tariff Rate Schedule Designation (c)	Mcf of Gas Sold (Approximate Btu per cu. ft. at 14.73 psia 60°F) (d)	Revenue for Year (See #5 above) (e)	Average Revenue Per Mcf (In cents) (f)
01						
02						
03	NONE					
04						
05						
06						
07						
08						
09						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						

Name of Respondent	This Report Is:	Date of Report (Mo., Da., Yr.)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART XVI: GAS PURCHASES (Accounts 799-805.2)

1. Report particulars (details) of gas purchases during the report year.
2. Natural gas, for the purposes of classification, means either natural gas unmixed, or any mixture of natural and manufactured gas.
3. Provide totals for the following prescribed accounts:

   799 Natural Gas Purchases
   805 Other Gas Purchases
   805.1 Purchased Gas Cost Adjustments
   805.2 Incremental Gas Cost Adjustments

4. For column (b), state the volume of purchased gas as finally measured for purposes of determining the amount payable for the gas. Include current years receipts of make-up gas that was paid for in prior years.
5. For the column (c), enter the total dollar amounts paid and previously paid for the volumes of gas entered in column (b).
6. For column (d), enter the average cost per Mcf to the nearest hundredth of a cent [(column c ÷ column b) × 100)].

	Account Title and Number (a)	Mcf of Gas Purchased (Approximate Btu per cu. ft. at 14.73 psia 60°F) (b)	Amount (Omit cents) (c)	Average Amount Per Mcf [(c ÷ b) × 100] (d)
01	Natural Gas Purchases (799)	1,354,912	3,692,089	2.7249
02	Other Gas Purchases (805)			
03	Purchased Gas Cost Adjustments (805.1)		(3,999)	
04	Incremental Gas Cost Adjustments (805.2)			
05	TOTAL	1,354,912	3,688,090	2.7222

PART XVII: GAS ACCOUNT—NATURAL GAS

1. The purpose of this part is to account for the quantity of natural gas received and delivered by the respondent. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
2. Enter in column (b) the Mcf as reported in parts indicated for the respective items of receipts and deliveries. Also indicate by footnote the volumes of gas which did not incur FERC regulatory costs by showing (1) the local distribution volumes delivered to the local distribution company portion of the reporting pipeline by another jurisdictional pipeline; (2) the volumes which the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities, and which the reporting pipeline received through gathering facilities, distribution facilities or intrastate facilities, but not through any of the intrastate portion of the reporting pipeline; and (3) the gathering line volumes which were destined for the interstate market or which were not transported through any interstate portion of the reporting pipeline.
3. If the respondent operates two or more systems which are not interconnected, separate pages should be submitted for each system.
4. Also indicate by footnote (1) the system supply volumes of gas which are stored by the reporting pipeline during the reporting year and also reported as sales transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply volumes of gas which are stored by the reporting pipeline during the reporting year and which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage volumes.
5. Also indicate the volumes of pipeline production field sales which are included in both the company's total sales figure and the company's total transportation figure (lines 11 and 13-15 of page 19).

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART XVI: GAS ACCOUNT—NATURAL (Continued)

01 Name of System:

	Item (a)	Amount of Mcf (14.73 psia at 60°F) (b)
02	GAS RECEIVED	
03	Natural Gas Produced	—
04	Purchased Gas *(Enter total of above column b, line 05, Part XVI, Gas Purchases)*	1,354,912
05	Other Receipts *(Specify)*:	
06		
07		
08		
09	TOTAL RECEIPTS *(Enter total of lines 03 thru 08)*	1,354,912
10	GAS DELIVERED	
11	Natural Gas Sales *(Transcribe entry from page 16, line 12, column c, Part XIII, Gas Sales Data)*	1,312,084
12	Other Deliveries *(Specify)*:	
13		
14		
15		
16	TOTAL DELIVERIES *(Enter total of lines 11 thru 15)*	1,312,084
17	Unaccounted for	42,828
18	TOTAL DELIVERIES AND UNACCOUNTED FOR *(Enter total of lines 16 and 17)*	1,354,912

PART XVII: GAS ACCOUNT FOOTNOTE DATA

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART XVIII: UTILITY PLANT DATA

	Item (a)	Balance at Beginning of Year (b)	Additions During Year (c)	Retirements During Year (d)	Transfers and Adjustments (e)	Balance at End of Year (f)
01	Gas Utility Plant:					
02	Gas Plant in Service:					
03	Intangible Plant (301-303)					
04	Production Plant:					
05	Manufactured Gas Production Plant (304-320)					
06	Natural Gas Production Plant:					
07	Natural Gas Production and Gathering Plant (325.1-338)					
08	Products Extraction Plant (340-347)					
09	TOTAL PRODUCTION PLANT *(Enter total of lines 05 thru 08)*					
10	Storage Plant:					
11	Underground Storage Plant (350.1-357)					
12	Other Storage Plant (360-363)					
13	Transmission Plant (365.1-371)					
14	Distribution Plant (374-387)	4,566,538	114,842	—	—	4,681,380
15	General Plant (389-399)					
16	TOTAL GAS PLANT IN SERVICE (101) *(Enter total of lines 03, 09, 11 thru 15)*	4,566,538	114,842			4,681,380
17	Property Under Capital Leases (101.1)					
18	Gas Plant Purchased (102)					
19	Gas Plant Sold (102)					
20	Gas Plant in Process of Reclassification (103)					
21	Gas Plant Leased to Others (104)					
22	Gas Plant Held for Future (105)					
23	Construction Work in Progress—Gas (107)					
24	Gas Plant Acquisition Adjustments (114)					
25	Other Gas Plant Adjustments (116) *(Explain)*					
26	TOTAL GAS UTILITY PLANT *(Enter total of lines 16 thru 25)*	4,566,538	114,842			4,681,380
27	Other Utility Plant Departments (118) *(Specify)*					
28						
29						
30						
31	TOTAL UTILITY PLANT *(Enter total of lines 26 thru 30)*	4,566,538	114,842			4,681,380

Name of Respondent	This Report Is:	Date of Report (Mo., Da., Yr.)	Year of Report
EASTERN NATURAL GA.	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART XIX. GENERAL INFORMATION ON PLANT AND OPERATIONS

1. In the space below provide a brief description of the plant and operations of the respondent (company).
2. State the name and location of the fields in which the respondent operates, the number of acres of operated gas lands, number of gas wells, miles of gathering lines, miles of transmission lines, number and capacity of compressor stations, and other information which will give a general idea of the size and nature of the facilities operated by the respondent (company) in the production, gathering, and transmission of natural gas.
3. Provide particulars (details) concerning any important portions of the respondent's natural gas plant, other than natural gas leaseholds, which are held under any title other than full ownership.
4. If the respondent engages in the local distribution of natural or mixed gas at retail level, state the names of the communities in which such service is rendered and the number of residential, commercial, and industrial customers at the end of the report year in each community.
5. Provide particulars (details) covering any important changes in the scope of respondent's operations during the report year.

DISTRIBUTION SYSTEM IN THE EASTERN PORTION OF ASHTABULA AND TRUMBELL COUNTIES, OHIO.

SYSTEM WAS ACQUIRED FROM NATIONAL FUEL GAS IN DEC 1986.

Name of Respondent	This Report Is:	Date of Report (Mo., Da., Yr.)	Year of Report
EASTERN NATURAL GAS	(1) ☒ An Original (2) ☐ A Resubmission	3/31/88	Dec. 31, 1987

PART XX. FOOTNOTE DATA

Page Number (a)	Part Number (b)	Item Number (c)	Column Number (d)	Comments (e)
				NONE

U.S. DEPARTMENT OF ENERGY
ENERGY INFORMATION ADMINISTRATION

Form Approved
OMB No. 19050175
Expires: 12/31/90

SHORT FORM

ANNUAL REPORT OF NATURAL AND SUPPLEMENTAL GAS SUPPLY AND DISPOSITION, 19 87

This report is mandatory under the Federal Energy Administration Act of 1974 (Public Law 93-275). Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. See Section VI of the instructions for confidentiality statement.

EIA USE

Affix mailing label or enter mail address

Control (ID) No. _____

IA COPY. Tear out, complete, and return to:

nergy Information Administration
ail Station: BG-094 FORSTL
.S. Department of Energy
/ashington, D.C. 20585
ttn: Form EIA-176

Name: Eastern Natural Gas
Operations in (State): Ohio
Street or Post Office Box: P.O. Box 377
City, State, Zip Code: Fairsburg, Ohio 43522
Attention: Robert Park

PART I: IDENTIFICATION

1.0 Control No. | 2.0 Company Name: Eastern Natural Gas | 3.0 Report State: Ohio | EIA | 4.0 Resubmittal ☐ Date:

5.0 Company status, name, and/or address change or correction. (Check appropriate box.)

- a. ☒ Name and address on mailing label are correct.
- b. ☐ Change name, attention line, and/or mail address as indicated below.
- c. ☐ Company was sold to, or merged with, company entered below.
- d. ☐ Company went out of business. Customer accounts taken over by company entered below.
- e. ☐ Other changes, corrections, or comments: _____

.1 Change mail address to:

- a. Company name: _____
- b. Operations in (State): _____
- c. Street or Post Office Box: _____
- d. City, State, Zip Code: _____
- e. Attention: _____

.0 Contact person:

Name: Robert Park
Telephone Number: Area Code 215 No. 293-0410 Ext. _____

ART II: CERTIFICATION AND DISCLOSURE STATEMENT

.0 I certify that (Check appropriate box):

- a. ☒ The information provided herein and appended hereto is true and accurate or, where indicated on the form, reasonable estimates to the best of my knowledge.
- b. ☐ My company does not meet any of the criteria set forth in Section II, "Who must submit," of the instructions and is therefore not required to complete and submit a Form EIA-176 for the report State.
- c. Does the information supplied on this form contain trade secrets and/or confidential commercial information? ☐ Yes ☒ No

0 Name: M Park | 3.0 Title: Pres

0 Signature: M Park | 5.0 Date: 20/6/88

de 18, USC 1001, makes it a crime for any person knowingly and willingly to make to any agency or department of the United States any false, fictitious fraudulent statements as to any matter within its jurisdiction.

ANNUAL REPORT OF NATURAL AND SUPPLEMENTAL GAS SUPPLY AND DISPOSITION, 19 87

1.0 Control No. | 2.0 Company Name: Eastern Natural Gas | 3.0 Report State: Ohio | EIA | 4.0 Resubmittal ☐ Date:

PART III: TYPE OF COMPANY AND GAS ACTIVITIES OPERATED IN THE REPORT STATE

1.0 Type of Company (check one)

- a. ☒ Investor owned distributor
- b. ☐ Municipally owned distributor
- c. ☐ Interstate pipeline
- d. ☐ Intrastate pipeline
- e. ☐ Storage operator
- f. ☐ SNG plant operator
- g. ☐ Integrated oil and gas
- h. ☐ Producer
- i. ☐ Gatherer
- j. ☐ Processor
- k. ☐ Other (specify) _____

2.0 Gas Activities Operated On-system Within the Report State (check all that apply)

- a. ☐ Produced Natural Gas
- b. ☐ Gathered
- c. ☐ Processed
- d. ☐ Purchased
- e. ☐ Transported Interstate
- f. ☐ Transported Intrastate
- g. ☐ Stored Underground
- h. ☐ Stored LNG
- i. ☐ Injected Propane-air
- j. ☐ Produced SNG
- k. ☐ Imported
- l. ☐ Exported
- m. ☐ Delivered for Resale
- n. ☒ Delivered directly to consumers
- o. ☐ Other (specify) _____

PART IV: SUPPLY OF NATURAL AND SUPPLEMENTAL GAS RECEIVED WITHIN OR TRANSPORTED INTO REPORT STATE

	Volume (Mcf at 14.73 psia)	e or f	Cost (Dollars)	e or f
2.0 On-system purchases received:				
2.1 From producers, gatherers, and/or gas processors	5600	e	14,403	
2.2 From pipeline, distribution, and/or storage operators	1,349,312	e	3,673,687	
2.3 From synthetic natural gas plants or SNG pipeline				
7.0 Other sources of supply (specify): (Source and/or kind of fuel)				
(Continue on Part VI, if more space is needed)				
8.0 Total Supply within report State	1,354,912	e		

PART V: DISPOSITION OF NATURAL AND SUPPLEMENTAL GAS WITHIN OR TRANSPORTED OUT OF REPORT STATE

	(Number of consumers)	Volume (Mcf at 14.73 psia)	e or f	Cost or Revenue (Dollars)	e or f
4.0 Used in pipeline, storage and/or distribution operations					
9.0 Delivered directly to consumers: (Type of transaction and consumer)					
9.1 Residential sales	5227	799,372		3,284,447	
9.2 Commercial sales	358	512,712		1,822,427	
9.3 Industrial sales					
9.4 Electric utility sales					
10.0 Average heat content of gas delivered directly to consumers (Btu per cubic foot) 1024 Btu					
11.0 Other disposition (specify)					
(Continue on Part VI, if more space is needed)					
12.0 Total disposition accounted for		1,312,084			
13.0 Unaccounted for gas supply (+) or disposition (-)		42,828			

EXHIBIT 6-

EXHIBIT 6-3

SERVICE AGREEMENT
FOR SALE OF GAS

This Agreement made this 5th day of December, 1986, by and between National Fuel Gas Supply Corporation, a Pennsylvania corporation, having its office and principal place of business at 1100 State Street, Erie, Pennsylvania 16512, hereinafter called "Seller" and Eastern Natural Gas Company, an Ohio corporation, having its office and principal place of business at c/o P.O. Box 377, Frazeysburg, Ohio 43822, hereinafter called "Buyer".

WITNESSETH

ARTICLE I
Quantities

Beginning on the date on which deliveries of gas are commenced hereunder and thereafter for the remaining term of this Agreement, Seller will deliver to Buyer and Buyer will take and pay Seller for natural gas required by Buyer within the limitations set forth in this Article. Such natural gas requirements shall be those requirements for serving customers served by the Ohio distribution properties of National Fuel Gas Distribution Corporation sold to Buyer, as of the date of transfer thereof to Buyer, less any Ohio gas purchases by Buyer from wells physically attached to such Ohio distribution properties as of the date of transfer; provided, however, that Buyer shall be permitted to increase its purchases of Ohio gas by a volume equal to 5% of Buyer's requirements each calendar year until such purchases comprise 15% of Buyer's requirements.

ARTICLE II

Rate

For all gas purchased by Buyer from Seller hereunder, Buyer shall pay Seller in accordance with Rate Schedule RQ contained in Seller's effective FERC Gas Tariff or any effective superseding Rate Schedule. Said Rate Schedule or superseding Rate Schedule and any revisions thereof which shall be filed and made effective shall apply to and become a part of this Agreement. Seller shall have the right to propose to and file with the Federal Energy Regulatory Commission, or other body having jurisdiction, changes and revisions of any effective Rate Schedule or to propose and file superseding Rate Schedules for the purpose of changing the rate, charges and other provisions thereof effective as to Buyer.

ARTICLE III

Term of Agreement

Seller will commence deliveries of gas hereunder on the date this Agreement becomes effective as an executed Service Agreement, and the sale and purchase of gas hereunder shall continue for a period of twenty (20) years from such date and from year to year thereafter, until terminated by either Seller or Buyer upon twelve months' prior written notice to the other specifying a termination date.

ARTICLE IV

Delivery Points and Measurement

Seller shall deliver gas to Buyer at the interconnection of Seller's Line T and Buyer's facilities in Ashtabula County, Ohio, and the interconnection between Seller's Line H-M-175 and Buyer's

facilities in Trumbull County, Ohio. In addition, Seller shall deliver gas for the account of Buyer to National Fuel Gas Distribution Corporation ("Distribution") at various points of delivery between Seller and Distribution in Mercer County, Pennsylvania. The gas delivered at such points of delivery shall be at the pressure existing in Seller's pipelines.

Each billing period, the quantity of gas sold by Seller to Buyer shall be determined by:

(1) adding the quantity of gas delivered by Seller to Buyer at the stations located at the Line T and Line H-M-175 interconnections to the quantity delivered by Distribution to Buyer pursuant to the Gas Exchange Agreement of this date between Distribution and Buyer ("the Exchange Agreement") at Measuring Station 208 (located near South State Line Road) and Measuring Station 206 (located at Lincoln Avenue);

(2) subtracting from this sum the quantities of gas delivered by Buyer to Distribution pursuant to the Exchange Agreement at the Addison Avenue Measuring Station, Measuring Station 207 (located near Buckeye Road) and Measuring Station 205 (located near Pennsylvania Route 718);

(3) adding to this total the quantity of gas consumed by retail customers of Buyer who receive gas which is, according to the measurements provided by the above-referenced stations, in the possession of Distribution; and

(4) subtracting from this total the quantity of gas consumed by retail customers of Distribution who receive gas which is, according to the measurements provided by the above-referenced stations, in the possession of Buyer.

Quantities consumed by retail customers will be established by monthly meter readings and the actual heat content of gas consumed as determined by the measurement station at the source delivery point. Buyer agrees to use its best efforts to obtain and provide Seller with all required meter readings in a timely manner. Seller will be responsible for obtaining all required readings from Distribution.

ARTICLE V
Cancellation of Prior Agreements

This Agreement supsersedes and cancels the following Agreements between the parties: None

ARTICLE VI
Miscellaneous

1. No modification of the terms and provisions of this Agreement shall be or become effective except by the execution of written contracts.

2. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

3. Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of

Seller or of Buyer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise no assignment of this Agreement or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party.

4. Except as herein otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement, or any notice which either party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered or certified mail to the Post Office address of the parties hereto, as the case may be, as follows:

Seller: National Fuel Gas Supply Corporation
Attention: Corporate Secretary
10 Lafayette Square
Buffalo, New York 14203

Buyer: Eastern Natural Gas Company
P.O. Box 377
Frazeysburg, Ohio 43822

or at such other address as either party shall designate by formal written notice. Routine communications, including monthly statements and payments, shall be considered as duly delivered when mailed by either registered, certified, or ordinary mail.

5. This Agreement and the respective obligations of the parties hereunder are subject to valid law, orders, rules, and regulations of duly constituted authorities having jurisdiction.

6. The subject headings of the Articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.

7. The interpretation and performance of this Contract shall be in accordance with the laws of the State of Pennsylvania.

8. The parties agree that for billing purposes, the "Billing Demand" or "Minimum Monthly Demand" (as those terms are used in Seller's Rate Schedule RQ) applicable to Buyer shall be set initially at 10,298 dt; and the "Winter Requirements Quantity" or "Minimum Winter Requirement Quantity" (as those terms are used in Seller's Rate Schedule RQ) shall be set initially at 912,252 dt.

9. Seller shall be entitled to recover, from Buyer, Seller's reasonable attorney's fees incurred in bringing legal action against Buyer for collection of amounts due but unpaid hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed by their proper officers thereunto duly authorized as of the date first above written.

ATTEST:

NATIONAL FUEL GAS SUPPLY CORPORATION
(Seller)

By _____
Senior Vice President

_____
Secretary

Attest:

EASTERN NATURAL GAS COMPANY
(Buyer)

By _____
Vice President

_____
Secretary

EXHIBIT 6-

GAS EXCHANGE AGREEMENT

AGREEMENT dated as of this 5th day of December, 1986 between EASTERN NATURAL GAS COMPANY, an Ohio corporation ("Eastern"), and NATIONAL FUEL GAS DISTRIBUTION CORPORATION, a New York corporation ("Distribution")

WITNESSETH:

WHEREAS, Eastern and Distribution have entered into an agreement, as amended, providing for the sale by Distribution and the purchase by Eastern of certain pipelines (the "Ohio Lines") and other assets (the "Purchased Assets") now employed by Distribution to distribute natural gas to retail customers located within the State of Ohio (the "Asset Purchase Agreement"); and

WHEREAS, Distribution currently purchases much of the natural gas distributed to such customers and other retail customers located within the Commonwealth of Pennsylvania from National Fuel Gas Supply Corporation, a Pennsylvania corporation ("Supply"), pursuant to the terms of a Service Agreement for the Sale of Gas dated November 1, 1974 (the "Distribution Service Agreement"); and

WHEREAS, Eastern is, contemporaneously herewith, completing the purchase of assets described aforesaid and entering into a Service Agreement for Sale of Gas (the "Eastern Service Agreement") with Supply providing for the sale by Supply and purchase by Eastern of Eastern's requirements for natural gas and the continuance, pursuant thereto, of the natural gas service to the retail customers serviced by the Purchased Assets; and

WHEREAS, in order to effect the orderly and effective delivery of such natural gas, it is necessary that some such be transported over and through certain pipelines located within the Commonwealth of Pennsylvania and retained by Distribution following the sale of such assets (the "Pennsylvania Lines"); and

WHEREAS, a certain portion of the natural gas supplied by Supply to Eastern, directly and through the Pennsylvania Lines, is in turn required by Distribution to provide service to certain of its customers located within the Commonwealth of Pennsylvania; and

WHEREAS, a certain portion of such natural gas which is returned to Distribution for distribution and sale within the Commonwealth of Pennsylvania is in turn required by Eastern to provide service to certain of its customers

located within the State of Ohio who are not otherwise connected to the Purchased Assets; and

WHEREAS, the parties hereto have agreed, upon the terms set forth herein, to the exchange of such natural gas.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. Transportation of Gas.

(a) Distribution agrees that all natural gas purchased by Eastern from Supply (the "Eastern Gas"), under and subject to the Eastern Service Agreement, may be transported (to the extent necessary) through the Pennsylvania Lines without charge or fee to Eastern.

(b) Eastern agrees that all natural gas purchased by Distribution (the "Distribution Gas"), under and subject to the Distribution Service Agreement, may be transported (to the extent necessary) through the Ohio Lines, without charge or fee to Distribution, provided, that the obligation of Eastern to transport the Distribution Gas is subject to the performance by Supply of the Eastern Service Agreement and the performance by Distribution of this Agreement.

(c) Eastern and Distribution shall not be obligated to transport and redeliver quantities of gas through their respective lines substantially in excess of the quantities required by each of Eastern and Distribution, respectively, during the 1986-1987 heating season.

2. Installation and Maintenance of Metering Stations.

(a) In order to compute the amounts of natural gas transported from Supply to Eastern through the Pennsylvania Lines, by Eastern to Distribution through the Ohio Lines and, in turn, by Distribution to Eastern through the Pennsylvania Lines, Distribution AND EASTERN HAVE ~~has~~ installed measuring equipment at the metering stations (the "Metering Stations" and individually a "Metering Station") described in Exhibit A hereto and located at the places indicated (and designated by reference thereto) on the map attached hereto as Exhibit B. Metering Stations C, D and F shall be maintained and operated by Eastern and Metering Stations E and G shall be maintained and operated by Distribution. The party to this Agreement maintaining and operating a Metering Station or Metering Stations is hereafter referred to as the "Operator" of such Metering Stations and the other party is hereafter referred

to as the "Receiver" with respect to the same Metering Stations.

(b) Eastern and Distribution shall each have access to the Metering Stations at all reasonable hours, but the calibration and adjusting thereof and changing of recording materials shall be the responsibility of the Operator. Upon request of the Receiver, all volume and temperature records used in the measurement of gas transported pursuant hereto shall be mailed or delivered to the Receiver for checking and calculating. Such records shall be mailed or returned to the Operator within thirty (30) days after receipt thereof by the Receiver. The Receiver may install, maintain and operate such check measurement equipment as it may desire at each Metering Station at which it is the Receiver, but such equipment shall not interfere in any way with the operation of the Operator's measurement equipment hereunder. All calibrating and adjusting of the Receiver's measuring equipment shall be done by the Receiver.

(c) The Receiver shall have the right to be present at the time of installing, testing, cleaning, changing, repairing, inspecting, calibrating or adjusting done in connection with the measuring equipment which is used in measuring deliveries hereunder. The Operator shall

give the Receiver at least ten (10) days' prior written notice thereof.

(d) If, for any reason, the Operator's measuring equipment is out of service or out of repair so that the quantity of gas is not correctly indicated by the reading thereof, the gas delivered during the period such measuring equipment is out of service or repair shall be estimated and agreed upon on the basis of the best data available, using the first of the following methods which is feasible:

(i) By using the registration of any check measuring equipment if installed and accurately registering; or

(ii) By correcting the error if the percentage of error is ascertainable by calibration, tests or mathematical calculations; or

(iii) By estimating the quantity of deliveries by comparison with deliveries during preceding periods under similar conditions when the meter was registering accurately.

(e) The accuracy of the measuring equipment at the point of delivery shall be tested annually or whenever requested by any party hereto. If any such test shall be

requested by either Eastern or Distribution and, upon such test, the measuring equipment in question shall be found to be registering correctly or shall be found to be inaccurate by less than one and one-half percent (1-1/2%), the cost of such test shall be charged to and borne by the requesting party; otherwise, the cost of all such tests shall be borne by the Operator.

(f) If, upon any test, the measuring equipment in the aggregate is found to be inaccurate by less than one and one-half percent (1-1/2%), then any previous reading of such equipment shall be considered correct in computing the deliveries of gas hereunder, but such equipment shall be immediately adjusted to record accurately. If, upon any test, the measuring equipment shall be found to be inaccurate by one and one-half percent (1-1/2%) or more, then any previous reading of such equipment and any payments based on such previous readings shall be corrected to zero error for any period which is definitely known or agreed upon. If the period is not definitely known and agreed upon, such corrections shall be for a period covering the last half of the time elapsed since the last test.

(g) The Operator shall preserve or cause to be preserved for a period of at least six (6) years all test

data, charts or other similar records for the mutual use of both parties.

3. Establishment of System.

(a) Within twenty-four (24) hours of the closing of the Asset Purchase Agreement Distribution shall read the meters at each Metering Station.

~~(b) Immediately following such readings the measuring equipment at each Metering Station shall by set at zero if reasonably possible.~~

(b) All natural gas thereafter transported from Supply to Eastern and Distribution in accordance with the Eastern Service Agreement and the Distribution Service Agreement, respectively, shall thereafter be subject to the terms hereof.

4. State Line Road Customers.

(a) Eastern agrees with Distribution that the Purchased Assets include that portion of the natural gas distribution main in Ohio lying in the bed of State Line Road (the "State Line Main") located along the border of Pennsylvania and Ohio.

(b) From and after closing on the Asset Purchase Agreement, all service lines serving customers of Distribution shall be the responsibility of Distribution

commencing at the point of connection with the State Line Main.

(c) From and after closing on the Asset Purchase Agreement, all service lines serving customers of Eastern shall be the responsibility of Eastern commencing at the point of connection with the State Line Main.

(d) Title to, and custody of, all gas delivered to customers of Distribution receiving gas from those portions of the State Line Main included in the Ohio Lines shall pass to Distribution at the point of connection between the State Line Main and the respective service lines serving such Pennsylvania customers. Title to, and custody of, all gas delivered to customers of Eastern receiving gas from those portions of the State Line Main included in the Pennsylvania Lines shall pass to Eastern at the point of connection BETWEEN THE STATE LINE MAIN AND THE ~~of~~ the respective service lines serving such Ohio customers.

(e) Within twenty-four (24) hours of the closing of the Asset Purchase Agreement, Distribution shall read the meters of all future customers of Eastern who will receive natural gas from a Pennsylvania segment of the State Line Main and all customers of Distribution who will receive natural gas from an Ohio segment of the State Line Main.

Thereafter meters of customers within the Commonwealth of Pennsylvania receiving gas from the State Line Main shall be read monthly by Distribution and meters of such customers within the State of Ohio shall be read monthly by Eastern. Both parties agree timely to provide reports of such readings to Supply. In the event any meter or meters of customers of Distribution or Eastern are out of service or out of repair for all or any portion of any month, the quantity of gas delivered to such customer or customers for such period shall be estimated by comparison with deliveries during preceding periods under similar conditions when the meter or meters were registering accurately.

(f) Eastern and Distribution each agree to promptly report to the other any evidence of leaks in the State Line Main and any service lines connected thereto.

5. Term. This Agreement shall continue in effect so long as the Eastern Service Agreement remains in effect.

6. Indemnification; Insurance. Eastern and Distribution each agree to indemnify and hold the other harmless from and against all claims, suits and demands, including, without limitation, costs, expenses and reasonable attorneys fees, arising out of or connected with the

ownership, operation and control of the Ohio Lines in the case of Eastern, including without limitation the service lines interconnected with the State Line Main used to deliver gas to Ohio customers of Eastern, and the Pennsylvania Lines in the case of Distribution, including, without limitation, the service lines interconnected with the State Line Main used to deliver gas to Pennsylvania customers of Distribution as provided in Section 5 hereof. At all times during the term of this Agreement, Eastern shall, at its own expense, maintain in force primary general comprehensive liability insurance with an insurance company licensed to do business in the State of Ohio. The coverage of such insurance shall include all liability assumed by Eastern under this Agreement and shall be subject to limitation of no less than $1,000,000 per occurrence. At any time during the term of this Agreement, Eastern shall, upon request, provide Distribution with a certificate of insurance or other evidence satisfactory to Distribution showing that such insurance coverage is in effect.

7. Force Majeure.

(a) Neither Distribution or Eastern shall be liable in damages to the other for discontinuance of deliveries hereunder occasioned by, or in consequence of, any acts of

God, strikes, lockouts, acts of public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, line freeze-ups, temporary failure of gas supply, the binding order of any court or governmental authority and any other cause, whether of the kind herein enumerated, or otherwise and whether caused or occasioned by, or happening on account of, the act or omission of one of the parties to this Agreement or some person or concern not a party thereto, not within the reasonable control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

(b) Such causes or contingencies affecting the performance of this Agreement by either party, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause

in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies relieve either party of liability unless such party shall give notice and full particulars of the same in writing or by telegraph to the other party as soon as possible after the occurrence relied on.

8. Quality of Gas. All gas delivered by Distribution to Eastern and by Eastern to Distribution pursuant to this Agreement shall meet the quality standards of the gas delivered by Supply pursuant to the Eastern Supply Agreement and Supply's effective FERC Gas Tariff referred to therein, which is incorporated herein by reference, provided, however, that the obligations of Eastern hereunder shall be subject to the performance by Supply of the Eastern Service Agreement.

9. Entire Agreement. This Agreement constitutes the entire agreement relating to the exchange of natural gas between the parties hereto subject to the provisions of the Eastern Service Agreement with respect to the computation of gas transported and delivered. No modification of the terms and provisions of this Agreement shall be or become effective except by the execution of a written amendment hereto.

10. Parties; Assignment. This Agreement shall be binding upon the parties hereto and any company which shall

succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of any of the parties hereto. Any such company shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Any party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise no assignment of this Agreement or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other parties.

11. Notices. Except as herein otherwise provided, any notice, request or demand provided for in this Agreement, or any notice which either party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered or certified mail to the address of the parties hereto, as the case may be, as follows:

If to Eastern:

6244 St. Route 85 East
Box 969
Andover, Ohio 44003

If to Distribution:

10 Lafayette Square
Buffalo, New York 14213
Attn: Corporate Secretary

or such other address as any party shall designate by written notice.

12. Applicable Law. The interpretation and performance of this Agreement shall be in accordance with the laws of the Commonwealth of Pennsylvania. This Agreement and the respective obligations of the parties hereto shall be subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

13. Headings. The subject headings of this Agreement are inserted for the purpose of convenient reference and are not intended to be part of the Agreement or to be considered in any interpretation of the same.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their proper officers

thereunto duly authorized as of the date first above written.

EASTERN NATURAL GAS COMPANY

By: _____
President

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

By: _____
Secretary

EXHIBIT A

Beginning from North to South along the State line, the following described metering points will be in effect:

A) ANDOVER & WILLIAMSVILLE, OHIO - SUPPLY FROM NATIONAL FUEL GAS COMPANY (SUPPLY)

Metering station located approximately 500 feet north of Township Road 300, West Shenango Township, Crawford County, Pennsylvania, tapping National Fuel Gas Company's 6" Line "T".

This metering point is designed for a maximum throughput of 125,000 cubic feet per hour at a maximum pressure of 300 psig.

B) ORANGEVILLE, HARTFORD & KINSMAN, OHIO - SUPPLY FROM NATIONAL FUEL GAS COMPANY (SUPPLY)

Metering station located approximately 200 feet east of Pennsylvania Route #718 in South Pymatuming Township, Mercer County, Pennsylvania, tapping National Fuel Gas Company's 6" Line "HM-175".

This metering point is designed for a maximum throughput of 100,000 cubic feet per hour at a maximum pressure of 175 psig.

C) FIVE POINT AREA OF SHARON, PENNSYLVANIA - SUPPLY FROM EASTERN NATURAL GAS COMPANY

Metering station located approximately 40 feet south of centerline of Pennsylvania State Route #718 in South Pymatuming Township, Mercer County, Pennsylvania, tapping an intermediate pressure distribution feed line that crosses into Pennsylvania and terminates there. It will feed some homes in the Sharpsville suburb of Sharon, Pennsylvania area that may have experienced supply limitations from a source of gas in Pennsylvania.

This metering point is designed for a maximum throughput of 15,000 cubic feet per hour at a maximum line pressure of 50 psig.

D) BUCKEYE ROAD, PENNSYLVANIA - SUPPLY FROM EASTERN NATURAL GAS COMPANY

Metering station located on north side of Legislative Route #43103 approximately 100 feet east of Township Road #312 in South Pymatuming Township, Mercer County, Pennsylvania,

tapping an intermediate pressure distribution feed line that crosses in Pennsylvania and terminates there. It will feed approximately ten Pennsylvania distribution customers who would otherwise be isolated from a natural gas supply.

This metering point is designed for a maximum throughput of 1,000 cubic feet per hour at a maximum line pressure of 50 psig.

E) BROOKFIELD TOWNSHIP, MASURY AND HUBBARD TOWNSHIP, OHIO - SUPPLY FROM NATIONAL FUEL GAS COMPANY (DISTRIBUTION)

Metering station located 150 feet east of N. State Line Road on Lincoln Avenue in City of Sharon, Mercer County, Pennsylvania, tapping an intermediate pressure distribution feed line that is terminated before entering the State of Ohio. It will feed residential areas of Brookfield and Hubbard Townships, Ohio, that would otherwise be isolated from a natural gas supply.

This metering point is designed for a maximum throughput of 21,000 cubic feet per hour at a maximum line pressure of 50 psig.

F) SOUTHWEST SHARON, PENNSYLVANIA - SUPPLY FROM EASTERN NATURAL GAS COMPANY

Metering station located on Addison Avenue, approximately 200 feet west of U.S. Route 62 in Brookfield Township, Trumbull County, Ohio, tapping a 6" intermediate pressure distribution feed line that is terminated before crossing into Pennsylvania. It will provide an additional gas supply to a residential section of Sharon, Pennsylvania that may have had supply problems because of the severing of "crossover" lines in that area.

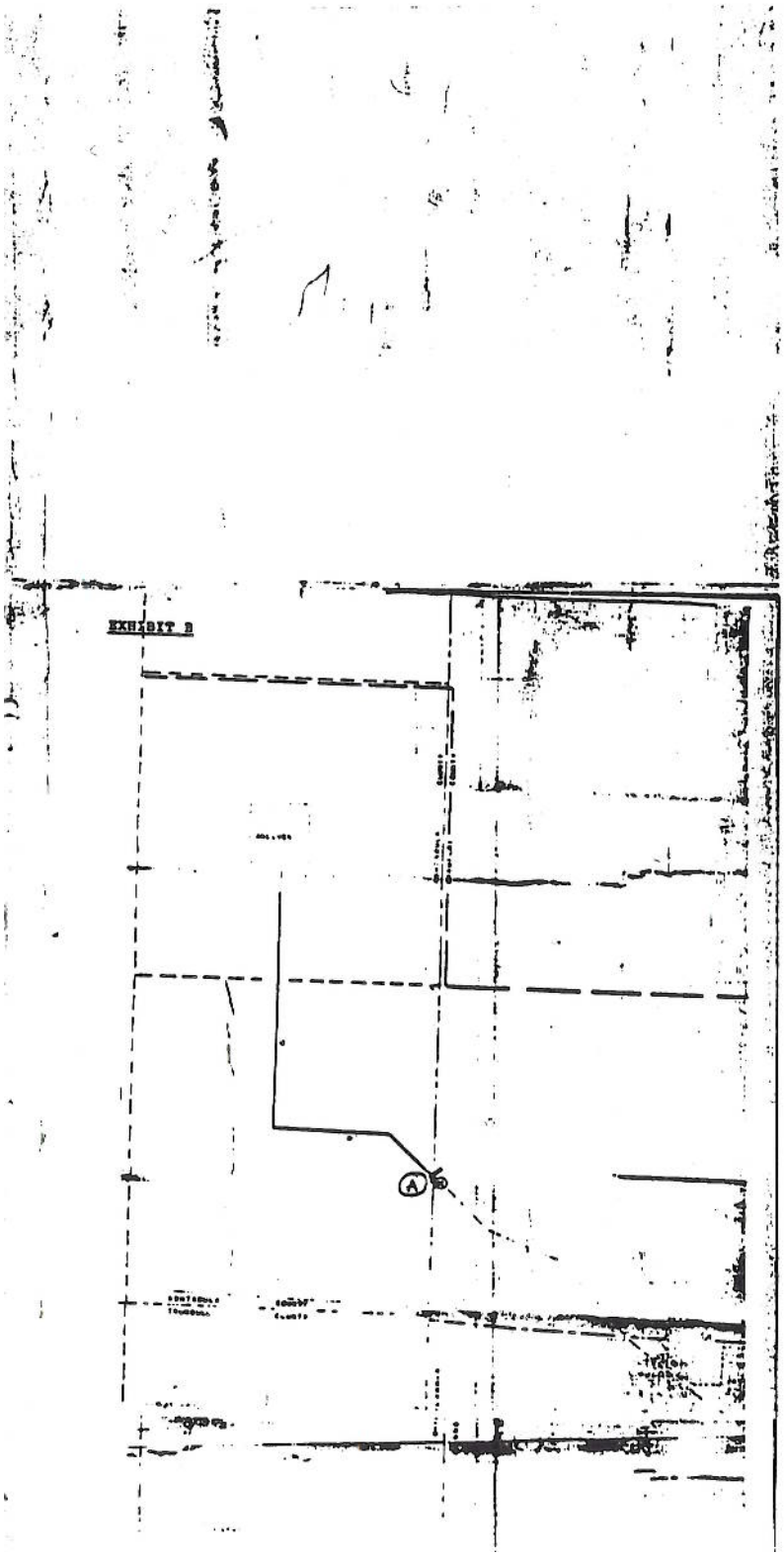
This metering point is designed for a maximum throughput of 40,000 cubic feet per hour at a maximum line pressure of 50 psig.

G) COALBURG, BROOKFIELD AND YANKEE LAKE, OHIO - SUPPLY FROM NATIONAL FUEL GAS COMPANY (DISTRIBUTION)

Metering station located 50 feet east of S. State Line Road in Hickory Township, Mercer County, Pennsylvania, tapping an 8" high pressure feed pipeline.

This metering point is designed for a maximum throughput of 500,000 cubic feet per hour at a maximum line pressure of 150 psig.

EXHIBIT B



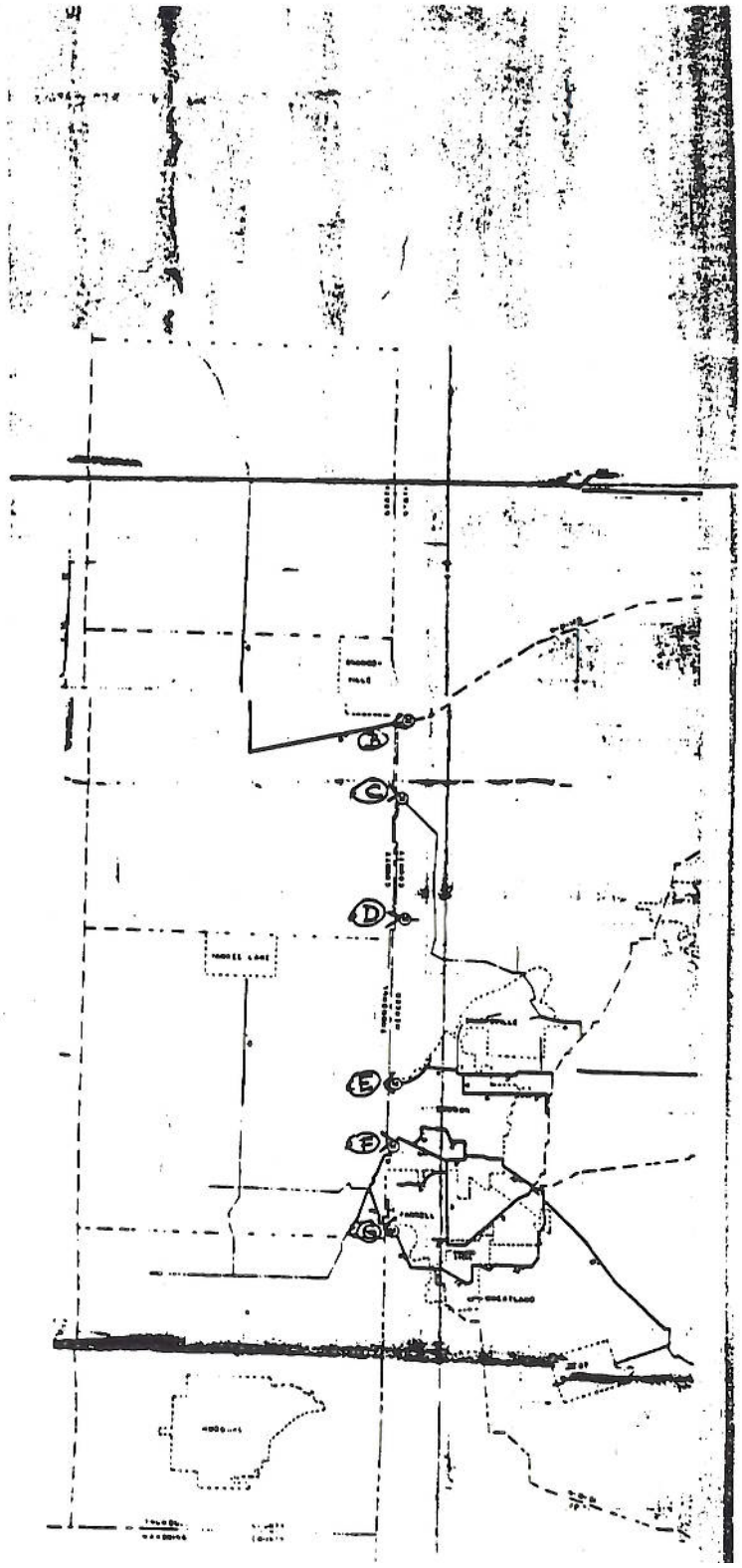


EXHIBIT 6-5

RATE SCHEDULE RQ
REQUIREMENTS SERVICE

1. AVAILABILITY

This Rate Schedule is available for the purchase of natural gas for resale from National Fuel Gas Supply Corporation (hereinafter called "Seller"), to any distributing or pipeline company (hereinafter called "Buyer), under the following conditions:

(a) When, either directly or through third parties, the gas is delivered by Seller to Buyer, in Seller's service area identified on the map contained on Sheet 3 of this Tariff.

(b) When Buyer and Seller have or enter into a Contract for the purchase and sale of natural gas in the form of the Service Agreement contained in this Tariff.

2. APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all natural gas delivered by Seller to Buyer under the terms of the executed Service Agreement. Service rendered hereunder, within the delivery limitations of the executed Service Agreement, shall be on a firm basis.

Deliveries at the various delivery points by Seller to Buyer shall be in accordance with dispatching arrangements made from time to time by dispatchers of Seller and Buyer.

3. RATE

3.1 The applicable per Dth charges set forth in that portion of the currently effective Sheet No. 4 of this Tariff which relate to this Rate Schedule are incorporated herein.

3.2 For all service rendered under this Rate Schedule during each month, Buyer shall pay Seller the sum of the following:

(a) Demand Charge: a charge per month per Dth of Billing Demand as defined in Section 5 of this Rate Schedule.

RATE SCHEDULE RQ
REQUIREMENTS SERVICE
(Cont'd)

3. RATE (Cont'd)

(b) Winter Requirement Quantity Charge: a charge per month per Dth of Winter Requirement Quantity as defined in Section 6 of this Rate Schedule.

(c) Commodity Charge: a charge per Dth for all gas delivered during the billing month.

4. MINIMUM MONTHLY BILL

The Minimum Monthly Bill shall consist of the sum of the Demand Charge and Winter Requirement Quantity Charge for the billing month.

5. DETERMINATION OF BILLING DEMAND

5.1 Billing Demand. The Billing Demand for any billing month shall be the amount as set forth on Sheet No. 9.

5.2 Minimum Demand. The Minimum Demand shall not be less than that stated on Sheet No. 9.

5.3 Other Rules. Any unexpected excess in deliveries above those which would otherwise have been received by Buyer, attributable to (1) the failure or malfunctioning of measuring or control equipment; (2) the breakage of pipelines or equipment of either Buyer or Seller or of a pipeline supplier of Seller; or (3) Seller's telemetering equipment not accurately indicating the actual flow of gas, shall be considered as delivered quantities for billing under Buyer's commodity rate, but excluded from quantities utilized in determining the Billing Demand.

6. DETERMINATION OF WINTER REQUIREMENT QUANTITY

6.1 Winter Requirement Quantity. The Winter Requirement Quantity for any billing month shall be the quantity as stated on Sheet No. 9 except for the month of March.

6.2 Minimum Winter Quantity. The Minimum Winter Quantity shall be that stated on Sheet No. 9.

RATE SCHEDULE RQ
REQUIREMENTS SERVICE
(Cont'd)

7. DEFINITIONS

7.1 Winter Period. The Winter Period shall be the 151 consecutive days beginning on November 1.

8. DEMAND CHARGE AND WINTER REQUIREMENT QUANTITY CHARGE ADJUSTMENTS

8.1 Daily Deliveries. In the event Buyer takes on any day during a billing month, a quantity of gas in excess of Buyer's Billing Demand for that month, Buyer shall pay Seller a Demand Adjustment per Dth for such excess take in addition to the charges otherwise payable under this Rate Schedule.

8.2 Winter Period Deliveries. In the event Buyer takes during any Winter Period a total quantity of gas in excess of Buyer's Winter Requirement Quantity for the billing month of March, Buyer shall pay Seller a Winter Requirement Quantity Adjustment per Dth for such excess in addition to the charges otherwise payable under this Rate Schedule. Any such payment shall be billed with the bill for the March billing month, and payable with the payment of such month.

8.3 The applicable per Dth charge for Demand Adjustment and Winter Requirement Adjustment are set forth on the currently effective Sheet No. 4 of this Tariff and are hereby incorporated herein.

9. HEAT CONTENT

Refer to Section 2 of the General Terms and Conditions.

10. MEASUREMENT BASE

Refer to Section 3 of the General Terms and Conditions.

11. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff apply to and are made a part of this Rate Schedule.

RATE SCHEDULE RQ
REQUIREMENTS SERVICE
(Cont'd)

12. BUYER'S MINIMUM DEMAND AND MINIMUM WINTER QUANTITY

Buyer	Minimum Monthly Demand Dth	Minimum Monthly Winter Requirement Quantity Dth
National Fuel Gas Distribution - New York	761,920	67,461,441
National Fuel Gas Distribution - Pennsylvania	452,542	35,512,193
Peoples Natural Gas Company	13,044	822,483
Mercer Gas Company	3,499	253,962
North East Heat & Light Company	7,279	441,402
Cook Forest Gas Company	123	9,077
Eastern Natural Gas Company	10,298	912,252

Rates Applicable to Rate Schedule in FERC Gas Tariff
First Revised Volume No. 1

All RATES ARE PER DTH EXCEPT T-1 WHICH IS PER MCF

Rate Schedule (1)	Rate Component (2)	Base Tariff Rate (3)	Purchase Gas Adjustment: Current Adjustment (4)	Purchase Gas Adjustment: Cumulative Adjustment (5)	Purchase Gas Adjustment: Surcharge Adjustment (6)	Adjustment Under Section 18 (7)	Adjustment Under Section 20 (8)	Rate After Current PGA Adjustments (9=3+5+6+7+8)
CD & RQ Demand		86.76	80.04	(81.17)				85.59
	Demand Adj.	44.45 ¢	0.26 ¢	(7.69)¢				36.76 ¢
	Winter Req. Quantity	0.89 ¢						0.89 ¢
	Winter Req. Quantity	10.68 ¢						10.68 ¢
	Commodity	308.66 ¢	(24.70)¢	(94.03)¢	(24.74)¢	1.46 ¢	0.20 ¢	191.55 ¢
T-1		29.56 ¢				1.51 ¢	0.21 ¢	31.28 ¢
SI	Commodity	331.77 ¢	(24.57)¢	(97.88)¢	(24.74)¢	1.46 ¢	0.20 ¢	210.81 ¢
I-1	Commodity	331.77 ¢	(24.57)¢	(97.88)¢	(24.74)¢	1.46 ¢	0.20 ¢	210.81 ¢

Current Demand Cost of Gas from Pipeline Suppliers applicable to CD & RQ Rate Schedules	83.46
Current Commodity Cost of Gas from Pipeline Suppliers, Producers and Production applicable to CD & RQ Rate Schedules	189.52 ¢
Current Cost of Gas Applicable to I-1 and SI	200.83 ¢
Non-Variable Cost in Commodity Rate Per Order 380	23.84 ¢

ARTHUR ANDERSEN & CO.

CLEARFIELD OHIO HOLDINGS, INC.

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 1987

TOGETHER WITH AUDITORS' REPORT

ARTHUR ANDERSEN & CO.
PHILADELPHIA, PENNSYLVANIA

AUDITORS' REPORT

To the Shareholders and Board of Directors of
Clearfield Ohio Holdings, Inc.:

We have examined the consolidated balance sheet of CLEARFIELD OHIO HOLDINGS, INC. (an Ohio corporation) AND SUBSIDIARIES as of March 31, 1987 and the related consolidated statements of income, shareholders' equity and changes in financial position for the period from inception (November 27, 1985) to March 31, 1987. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Clearfield Ohio Holdings, Inc. and subsidiaries as of March 31, 1987 and the results of their operations and the changes in their financial position for the period from inception (November 27, 1985) to March 31, 1987, in conformity with generally accepted accounting principles.

Arthur Andersen & Co.

Philadelphia, Pa.,
November 9, 1987.

EXHIBIT 6-6

CLEARFIELD OHIO HOLDINGS, INC.

AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET -- MARCH 31, 1987

ASSETS

CURRENT ASSETS:	
Cash	$ 8,837
Accounts receivable-	
Trade	1,291,849
Other	173,079
Total current assets	1,473,765
PROPERTY AND EQUIPMENT:	
Land and buildings	96,301
Pipelines and related facilities	4,559,986
Machinery and equipment	11,110
	4,667,397
Less- Accumulated depreciation	(1,183,570)
Property acquisition adjustment, net	(99,721)
Net property and equipment	3,384,106
OTHER ASSETS	115,657
	$4,973,528

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:	
Bank overdraft	$ 434,432
Accounts payable and accrued liabilities	931,415
Rate refunds due customers	15,735
Customer deposits and other	13,762
Total current liabilities	1,395,344
NOTE PAYABLE TO BANK	1,750,000
COMMITMENTS	
SHAREHOLDERS' EQUITY:	
Preferred stock, $5,000 par value, 1,050 shares authorized, 350 shares issued and outstanding	1,750,000
Common stock, no par value, 400 shares authorized, issued and outstanding	4,000
Retained earnings	74,184
Total shareholders' equity	1,828,184
	$4,973,528

The accompanying notes are an integral part of this statement.

CLEARFIELD OHIO HOLDINGS, INC.

AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

FOR THE PERIOD FROM INCEPTION (NOVEMBER 27, 1985) TO MARCH 31, 1987

REVENUES	$2,868,017
COSTS AND EXPENSES:	
Purchased gas	1,629,164
Operating	1,006,694
Depreciation and amortization	36,404
General and administrative	133,948
Interest	50,446
	2,856,656
Income before income taxes	11,361
INCOME TAXES	1,704
NET INCOME	$ 9,657

The accompanying notes are an integral part of this statement.

CLEARFIELD OHIO HOLDINGS, INC.

AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM INCEPTION (NOVEMBER 27, 1985) TO MARCH 31, 1987

	Preferred Stock	Common Stock	Retained Earnings	Total
BALANCE				
Sale of common stock	$ -	$4,000	$ -	$ 4,000
Sale of preferred stock	1,750,000	-	-	1,750,000
Adjustment for acquisition of related company (Note 4)	-	-	64,527	64,527
Net income	-	-	9,657	9,657
BALANCE, MARCH 31, 1987	$1,750,000	$4,000	$74,184	$1,828,184

The accompanying notes are an integral part of this statement.

CLEARFIELD OHIO HOLDINGS, INC.

AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE PERIOD FROM INCEPTION (NOVEMBER 27, 1985) TO MARCH 31, 1987

WORKING CAPITAL WAS PROVIDED BY:	
Operations-	
Net income	$ 9,657
Add- Depreciation and amortization	36,404
Total working capital provided from operations	46,061
Increase in note payable to bank	1,750,000
Sale of common stock	4,000
Sale of preferred stock	1,750,000
Acquisition of related company	64,527
Total working capital provided	3,614,588
WORKING CAPITAL WAS USED FOR:	
Purchases of property and equipment, net	95,510
Acquisition of property and equipment from National Fuel Gas Distribution Corporation	3,325,000
Increase in other assets	115,657
Total working capital used	3,536,167
INCREASE IN WORKING CAPITAL	$ 78,421
CHANGES IN WORKING CAPITAL CONSISTED OF INCREASES IN:	
Current assets-	
Cash	$ 8,837
Accounts receivable-	
Trade	1,291,849
Other	173,079
	1,473,765
Current liabilities-	
Bank overdraft	434,432
Accounts payable and accrued liabilities	931,415
Rate refunds due customers	15,735
Customer deposits and other	13,762
	1,395,344
INCREASE IN WORKING CAPITAL	$ 78,421

The accompanying notes are an integral part of this statement.

CLEARFIELD OHIO HOLDINGS, INC.

AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1987

(1) BACKGROUND:

Clearfield Ohio Holdings, Inc. (COHI) was incorporated in Ohio on November 27, 1985 and on April 1, 1986 acquired 100% of the stock of Southeastern Natural Gas Company (see Note 4). On December 5, 1986, Clearfield Ohio Holdings, Inc., through its wholly owned subsidiary, Eastern Natural Gas Company, acquired certain property and equipment from National Fuel Gas Distribution Corporation (National) for $3,300,000 plus legal costs.

COHI and its subsidiaries are referred to herein as the Companies. There was no activity at COHI during the period from November 27, 1985 to March 31, 1986.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Business-

The Companies transport and distribute natural gas using facilities owned by the Companies or rented from an affiliated company. The Companies maintain their accounts in conformity with the accounting requirements and rate-making practices prescribed by the Public Utilities Commission of Ohio (PUCO).

Principles of Consolidation-

The consolidated financial statements include the accounts of COHI and its subsidiaries. All significant intercompany transactions and accounts have been eliminated.

Property and Equipment-

Due to regulatory considerations, the property and equipment acquired from National are stated at their original cost less accumulated depreciation at the date of acquisition. The difference between the cost of the assets purchased and the net book value at the date of acquisition of $100,561 has been reflected in the accompanying balance sheet as a property acquisition adjustment and is being amortized over a 40-year period.

Routine repairs and maintenance of property and replacement of minor items of property are charged to expense as incurred.

Depreciation-

The provision for depreciation of utility property and equipment is based primarily on depreciation rates as approved by the PUCO applied on a straight-line basis. The composite percentage applied to the depreciable property balance was 2.34% in fiscal 1987.

Revenues and Purchased Gas-

Revenues are recorded monthly for gas transportation services provided to transportation customers and as billed to customers based on meter readings taken near month-end. In addition, included in revenues and other accounts receivable is an estimate of unbilled revenues at yearend based upon the difference between the last billing in fiscal 1987 and known gas consumption in March 1987. The revenues include charges for gas costs billed to customers through gas cost recovery clauses.

COHI's wholly owned subsidiary, Eastern Natural Gas Company is subject to a gas cost recovery clause and records gas cost as an expense as it is recovered through cost adjustment billings to customers. The portion of gas costs recoverable in future periods or advance recovery which is refundable in future periods is deferred. Rate refunds and related interest are deferred in the period received and refunded to customers through cost adjustments to billings in a manner prescribed by the PUCO. The PUCO regulations also provide for annual hearings concerning gas purchases and cost recovery.

(3) BANK BORROWINGS:

During fiscal 1987, the Companies entered into two loan agreements with a bank. The first agreement provided the Companies with $1,750,000 to fund a portion of the purchase price of the property and equipment acquired from National (see Note 1). The note will mature on December 5, 1988, but can be extended, by mutual consent, for successive one-year terms. Interest is at prime plus 1%.