LEATHERSTOCKING GAS COMPANY

LLC GENERAL TARIFF

Rules and Rate Schedules

Governing the Furnishing of

Gas Service in the Counties of

Susquehanna and Bradford, Pennsylvania

NOTICE

This Tariff Supplement increases the Gas Cost Rate.

2. CHANGES MADE BY THIS SUPPLEMENT

Supplement No. 30 increases the Gas Cost Rate ("GCR") from 36.335¢ to 44.360¢ per Ccf.

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4. TERRITORY TO WHICH TARIFF APPLIES

COUNTY	TOWNSHIP	BOROUGH	
Susquehanna	Great Bend	Great Bend	
		Hallstead	
	New Milford	New Milford	
	Bridgewater	Montrose	
	Oakland	Oakland	
		Susquehanna	
	Harmony	Lanesboro	
	Harford		(C)

5. ABBREVIATIONS AND DEFINITIONS

5.1 ABBREVIATIONS

Btu	British Thermal Unit(s)
Cf	Cubic Feet
Ccf	Hundred Cubic Feet
Mcf	Thousand Cubic Feet

5.2 DEFINITIONS

(1) Applicant – A person not currently receiving service who applies for service provided by the Company or any adult occupant whose name appears on the mortgage, deed, or lease of the property for which the utility service is requested.

(2) Billing month - A period of not less than 26 and not more than 35 days.

(3) Billing period - A billing period shall be a billing month.

(4) Commission - Pennsylvania Public Utility Commission.

(5) Contribution In Aid of Construction or CIAC - Shall have the meaning and purposes specified in Rules 6.4(B) and 17.0, and as employed by the Commission in ratemaking proceedings and utilities generally in establishing or expanding service to new delivery points pursuant to the request of a customer or customers.

(6) Company - Means LEATHERSTOCKING GAS COMPANY LLC.

(7) Construction Build-Out CIAC Fee or CBOCF- Shall have the meaning and purposes specified in Rules 6.4(B) and 17.0. It is a non-refundable Contribution In Aid of Construction.

5. ABBREVIATIONS AND DEFINITIONS (continued)

5.2 DEFINITIONS (continued)

(8) Customer - Means a present Customer of, or an applicant for, the Company's service.

(9) Cycle billing - A system of billing employed by a Company, which results in the normal rendition of bills for Company service, to a group or portion of all customers on different or specified day of any one billing period.

(10) Delinquent Account - Charges for Company service which have not been paid in full by the due date stated on the bill or otherwise agreed upon; provided that an account shall not be deemed delinquent if: prior to the due date a payment or settlement agreement with the Company has been entered into by the residential customer; a timely filed notice of dispute is pending before the Company; or pursuant to time limits provided in this Section, an informal or formal complaint is timely filed with, and is pending before, the Commission.

(11) Discontinuance of Service - The cessation of service with the consent of the residential customer and otherwise in accordance with Section 14.2 of this tariff (relating to discontinuance of service).

(12) Dispute - A residential customer's or occupant's grievance about the Company's application of any provision covered by this section, including but not limited to such subjects as credit determinations, deposit requirements, the accuracy of meter readings or bill amounts, or the proper party to be charged. If, at the conclusion of an initial inquiry, the residential customer or occupant indicates satisfaction with the resulting resolution, the contact will not be considered a dispute.

(13) Dwelling - A house, apartment or single meter multi-unit structure being supplied with residential service.

(14) Emergency - An unforeseen combination of circumstances requiring temporary discontinuance of service in order to effect repairs or maintenance, or to eliminate an imminent threat to life, health, safety or property.

(15) Franchise- Shall mean an area or territory granted by this Commission by means of approving a certificate of public convenience or other temporary or emergency rights or certificate authorizing the provision of natural gas service for compensation.

(16) Household Income - The combined gross income of all adults in a residential household who benefit from the Company's service.

(17) Municipality – A political subdivision such as a City, Township, Borough or Town, but shall not mean a County.

(18) Non-Residential Service – All service that is not residential service.

5. ABBREVIATIONS AND DEFINITIONS (continued)

5.2 DEFINITIONS (continued)

(19) Notice or Termination Notice - A written statement which in conspicuous print, clearly and fully includes the following information when applicable:

(a) The reason for the proposed termination.

(b) An itemized statement of all amounts currently due, including any required deposit.

(c) A statement that a specific reconnection fee will be required to have service restored after it has been terminated if such a reconnection fee is a part of the Company's tariff on file with the Commission.

5. ABBREVIATIONS AND DEFINITIONS (continued)

(d) A date on or after which service will be terminated unless: payment in full is received, the grounds for termination are otherwise eliminated, a settlement or payment agreement is entered or a dispute is filed with the Company or the Commission.

(e) A statement that the residential customer should immediately contact the Company to attempt to resolve the matter, including the address and telephone number where questions may be filed and payment and settlement agreements entered into with the Company.

(f) The following statement: "If, AFTER discussing your problem with the Company you remain dissatisfied, you may file a complaint with the Public Utility Commission. TO AVOID TERMINATION OF SERVICE PENDING RESOLUTION OF A DISPUTE THIS COMPLAINT MUST BE FILED BEFORE THE PROPOSED DATE FOR TERMINATION OF YOUR SERVICE. You may file a complaint by telephoning the Public Utility Commission at 800-692-7380 or by writing to the following address:

Pennsylvania Public Utility Commission
Box 3265
Harrisburg, Pennsylvania 17120.

(g) A serious illness notice, in a form prescribed by the Commission.

(20) Occupant - Any person who resides in the premises to which Company service is provided.

(21) Payment Agreement - An agreement whereby a residential customer who admits liability for billed service is permitted to amortize or pay the unpaid balance of the account in one or more payments.

5. ABBREVIATIONS AND DEFINITIONS (continued)

5.2 DEFINITIONS (continued)

(22) Person - An individual, partnership, corporation, association, including any lessee, assignee, trustee, receiver, executor, administrator and other successors in interest.

(23) Physician - An individual licensed under the laws of the Commonwealth of Pennsylvania to engage in the practice of medicine and surgery in all of its branches within the scope of the act of June 3, 1911 (P.L. 639) relating to medicine and surgery as amended, or in the practice of osteopathy or osteopathic surgery within the scope of the act of March 19, 1909 (No. 29) as amended.

(24) Premises or Affected Premises - Unless otherwise indicated, the residence of the occupant.

(25) Residential Customer - A natural person in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed or lease of the property receiving residential service.

(26) Residential Service - Company service supplied to a dwelling including service provided to a commercial establishment if concurrent service is provided to a residential premises attached thereto. Company service provided to a hotel or motel shall not be considered residential service.

(27) Settlement Agreement - A mutually satisfactory settlement of any claim or dispute, reduced to writing and signed by the parties or their representatives. The settlement agreement offered by the Company shall state immediately preceding the space provided for the residential customer's name and in boldface print at least two point sizes larger than any other used thereon: "If you are not satisfied with this agreement, do not sign it. You may file a complaint before the Public Utility Commission without making yourself subject to retaliation by the Company.

(28) Termination of Service - Cessation of service, whether temporary or permanent, without the consent of the residential customer.

(29) Gas Main or Main Extension - Is the piping system used for the distribution of gas and owned by the Company which (a) is located within the limits of any public highway or on a private right of way, and (b) is used or useful for supplying two or more Gas Services.

(30) Gas Service - Is the pipe and accessory equipment from the main to the outlet fitting of the Company's meter.

RULES AND REGULATIONS

6. HOW TO OBTAIN SERVICE

6.1 APPLICATIONS

An application for service may be made by the owner or occupant of any building or premises at any office of the Company or via fax, telephone or internet (website). The Company will require that applications be in writing on the form prescribed by the Company. An application or agreement for service shall not be modified or affected by any promise or representation, oral or written, by an unauthorized agent or employee of the Company. Contracts for service shall not be transferable or assignable.

Upon acceptance by the Company of a Customer's application for service and in each case upon the Customer's compliance with all applicable rules, regulations, terms and conditions, as required for the availability and beginning of service under the Service Classification applied for, the Company will supply service as may be required for the building or premises for which service is requested.

6.2 PERMITS

The Company will make application for any necessary highway permits for installing its service facilities and shall not be required to furnish service until a reasonable time after such permits are granted. The Customer, at his expense, must obtain and present to the Company for registration satisfactory easements, rights of way, permits (except highway permits), consents, or certificates necessary to give the Company access to his installation and equipment and to enable its service to be connected therewith, or for other purposes in connection with the supply of service. Also, the Customer, at his expense, must secure all permits, municipal and otherwise, required by law for the installation and operation of equipment utilizing the service on his premises.

6.3 TEMPORARY SERVICE

When service is to be used at a site where the needed facilities will not be used for permanent supply, such as for entertainments, construction purposes or other activities of limited duration, the cost of installation and removal of all facilities, less salvage value, shall be borne by the Customer, and a sufficient amount to cover this cost shall be paid in advance.

RULES AND REGULATIONS

6. HOW TO OBTAIN SERVICE (continued)

6.4 MAIN EXTENSIONS

(A) Ownership and Maintenance

The Company will install, own and maintain all mains, service pipes, service connections and other facilities within the territorial limits of any street, avenue, road or right-of-way that is for any highway purpose under the jurisdiction of a legislative body.

(B) Construction Build-Out CIAC Fee (CBOCF)

For facilities extensions establishing or creating a new point of delivery, to the extent warranted by the revenue anticipated from the customers to be supplied, proposed by the Company due to sufficient anchor and other intermediate customers' wants or requests for service, a ten (10) year, non-refundable CBOCF shall apply, in lieu of the General Extension Charge permitted in subsection (C) of Rule 6.4. Such CBOCF appears for each municipality at Rule 17 of this tariff along with the start and end date of the CBOCF for each municipality that has commenced. Rule 17 will be updated by supplement as service is rolled-out to each municipality in an existing or subsequently added franchise.

The CBOCF shall apply on a municipality-by-municipality basis starting when the first customer is served and commencing to each customer upon its taking service. A municipality shall mean a political subdivision such as a Township, Borough, City, or Town, but shall not mean a County. The CBOCF period will commence upon the date the first customer in the municipality receives natural gas service and will end ten (10) years later for that customer and for all customers who receive such service in the municipality during that 10 year CBOCF period. As an example, if the first customer receives natural gas service in the relevant municipality within the Company's franchise on August 31, 2013, the CBOCF period for this franchise municipality would expire August 31, 2023 for that customer and any customers that have taken service after the first customer in the municipality subject to the CBOCF. If, during the ten (10) year period of the CBOCF, a new or different customer takes service from a location or meter previously subject to the CBOCF, the new or different customer will be responsible to pay the CBOCF for location or meter point for the remainder of the ten (10) year term.

RULES AND REGULATIONS

6. HOW TO OBTAIN SERVICE (continued)

6.4 MAIN EXTENSIONS (continued)

(C) General Extension Policy

The Company's obligation to extend its facilities to a new point of delivery is limited to the assumption of new investment to the extent warranted by the revenue anticipated from the customer to be supplied. The Company shall only expend an amount equal to five times "revenues" as used in this subsection (C) which shall be the estimated annual base revenues plus any estimated CBOCF, if applicable, less any amount expended, and not reimbursed by the customer, for the service. Should the estimated cost of the extension exceed this limit, the customer shall be required to pay (i.) the CBOCF, if applicable, for the remaining period of the CBOCF for the municipality where the requesting customer's facilities extension is located plus (ii.) the excess to the Company prior to the commencement of construction. In addition, the Company will be permitted to take into account other consideration given by customer such as granting of easements or rights-of-way, etc., in its determination of the Customer contribution required. For purposes of this section, base revenues shall be defined as total revenues less revenue obtained from the gas cost rate for the applicable service classification, and any surcharge. "Revenues" will be determined by applying the appropriate rates, charges, and CBOCF if applicable to the estimated consumption for said customer to be supplied.

The Company will estimate consumption based on customer supplied information concerning the types of usage. The information contained in the following table will be used in estimating residential consumption. Any uses not included in the table and non-residential consumption will be estimated using the best available information and generally accepted engineering practices.

Type of Use	Consumption
Range	12-24 Mcf per year
Water Heater	32-40 Mcf per year
Clothes Dryer	5-10 Mcf per year
Space Heating	(BTUH rating x 0.00126) Mcf per year

All or part of the cost of any extension which is financed by a customer, except for a CBOCF, may be refunded to him if within ten years from the completion of construction another customer takes service requiring the use of the extension. The amount to be refunded shall be determined based on the additional annual base revenues to be obtained from any new customer in the same manner the original contribution was determined.

Any customer obtaining and taking service under this subsection (C) shall not be subject to the CBOCF provided for in 6.4(B) above, unless a CBOCF for the municipality where the requesting customer's facilities extension is located is applicable and in effect.

RULES AND REGULATIONS

6. HOW TO OBTAIN SERVICE (continued)

6.4 MAIN EXTENSIONS (continued)

(D) Voluntary Prepayments of CBOCF, CIAC Grants Or Similar Non-Investor Supplied Funding For Rate Base.

Nothing in Section 6.4 shall prevent a customer from voluntarily paying the balance, a portion of the balance not presently due, or the entire amount of the CBOCF at the time service starts or before the CBOCF period ends.

Nor shall this section prevent the Company from using or accepting in its reasonable discretion grants or similar funding donations as a CIAC or prospective customers using grants or similar funding donations to contribute as a CIAC in whole or in part, any extension or construction of facilities to meet a customer or customers' facilities extension request or requests.

6.5 CASH DEPOSITS FOR NON-RESIDENTIAL CUSTOMERS

Deposits may be required from Customers taking service for a period of less than thirty days, in an amount equal to the estimated gross bills for such temporary period. Deposits may be required from all other Customers provided that, in no instance, may deposits be required in excess of the estimated gross bill for any single billing period plus one month (the maximum period not to exceed four months) with a minimum of $5.00.

Deposits shall be returned to the depositor when he shall have paid undisputed bills for service over a period of twelve consecutive months; and any Customer having secured the return of a deposit shall not be required to make a new deposit unless the service has been discontinued and the Customer's credit standing impaired through failure to comply with tariff provisions.

The payment of any undisputed bill, within the meaning of the Public Utility Law, shall be payment of the bill with or without discount or penalty, within thirty days following the period for which the bill was rendered or payment within thirty days following presentation of the bill, or the payment of any contested bill, payment of which is withheld beyond the period herein mentioned and the dispute is terminated substantially in favor of the Customer and payment made by the Customer within ten days thereafter.

Interest will be paid on deposits at the rate of nine percent per annum without deduction for any taxes thereon. Upon deposits held for more than a year, the Company will pay to the patron, annually, the interest accrued thereon.

RULES AND REGULATIONS

6. HOW TO OBTAIN SERVICE (continued)

6.6 CREDIT AND DEPOSIT PROCEDURES FOR APPLICANTS AND RESIDENTIAL CUSTOMERS

(A) General

A utility shall provide residential service without requiring a deposit when the applicant satisfies one of the following requirements:

(1) *Prior utility payment history.* The applicant has been a recipient of utility service of a similar type within a period of 24 consecutive months preceding the date of the application and was primarily responsible for payment for the service, so long as:

(i) The average periodic bill for the service was equal to at least 50% of that estimated for new service.

(ii) The service of the applicant was not terminated for nonpayment during the last 12 consecutive months of that prior service.

(iii) The applicant does not have an unpaid balance from that prior service.

(2) *Ownership of real property.* The applicant owns or has entered into an agreement to purchase real property located in the area served by the utility or is renting the applicant's place of residence under a lease of 1 year or longer in duration, unless the applicant has an otherwise unsatisfactory credit history as a utility customer within 2 years prior to the application for service.

(3) *Credit information.* The applicant provides information demonstrating that the applicant is not an unsatisfactory credit risk.

(i) The absence of prior credit history does not, of itself, indicate an unsatisfactory risk.

(ii) The utility may request and consider information including:

(A) The name of the employer of the applicant.

(B) The place and length of employment.

(C) Residences during the previous 5 years.

(D) Letters of reference.

(E) Credit cards.

(F) Significant source of income other than from employment.

RULES AND REGULATIONS

6. HOW TO OBTAIN SERVICE (continued)

6.7 TAXES ON CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER ADVANCES

Any contribution in aid of construction, customer advance or other like amounts received from the customer, which shall constitute taxable income as defined by the Internal Revenue Service will have the income taxes segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with a CIAC or customer advance will not be charged to the specific contributor of the capital.

RULES AND REGULATIONS

(Reserved For Future Use)

RULES AND REGULATIONS

(Reserved For Future Use)

RULES AND REGULATIONS

(Reserved For Future Use)

RULES AND REGULATIONS

7. LOCATION

7.1 LOCATION

The Company will determine the location and specify the type and manner of installation and connection of the service and metering equipment and will furnish this information to the Customer upon request. The Customer shall furnish and maintain a suitable space for service and metering equipment, readily accessible to authorized Company employees. Each separately metered building shall be supplied through an individual service pipe.

7.2 SERVICES INSTALLED BY COMPANY

The Company will lay service pipe from its main to the Customer's property line free of charge. Where buildings are designed and used for year-round occupancy, the Company will run 100 feet of service pipe on the Customer's property free of charge. For service requiring more than 100 feet of pipe, the Customer shall pay, in advance of construction, the cost of installing that part of the service pipe which is in excess of 100 feet from the street line. However, where the anticipated annual revenue from a building exceeds $200, one additional foot of service pipe will be installed by the Company free of charge for each additional $4 of anticipated annual revenue. For purposes of this section, base revenues shall be defined as total revenues less revenues obtained from the gas cost rate, revenues attributable to the base cost of gas included in the commodity charges of the applicable service classification, and any surcharge. These provisions are applicable to necessary replacements of service pipe, but where the location of such pipe is changed at the request of the Customer, the Customer shall bear the entire expense thereof. Whenever, at the Customer's request, a service pipe is provided by the Company as above through which service is not immediately desired, said Customer shall bear the entire reasonable expense of installing the service pipe and accessories, but he shall be entitled to a refund whenever gas service is begun for that part of the expense which, as hereinbefore stated, the Company customarily assumes in the case of a service for immediate use. Such refund shall be the cost of said service pipe and accessories, less depreciation at the rate of 3 percent per annum for the period which said pipe has been in the ground.

7.3 SERVICES INSTALLED BY OTHERS

Where the Customer makes arrangements for those other than the Company to install service pipe, the work shall be done subject to the approval of the Company.

RULES AND REGULATIONS

8. PIPING AND EQUIPMENT

8.1 PIPING, APPARATUS AND INSPECTION

All inside piping and apparatus from the meter outlet and a proper location for the Company's meter and other apparatus shall be furnished and maintained by the Customer in accordance with the requirements of the Company and any Pennsylvania State law and/or municipal regulation that may be in force, and it shall be a condition precedent to the initial and continuing supply of service by the Company that the Company may seal such service, and that such seal shall not be broken or in any way interfered with by the Customer.

The Company reserves the right to make an inspection of premises before rendering service in order to see that its rules are complied with. Neither by inspection or non-rejection, nor in any other way, does the Company give any warranty, express or implied, as to the adequacy, safety or other characteristics of any structures, equipment, pipes, appliances or devices owned, installed or maintained by the Customer or leased by the Customer from third parties.

8.2 INCREASED CAPACITY

The Customer shall give the Company reasonable advance notice, in writing, of any proposed increase in service required, stating the amount, character and expected duration of time the increased service will be required. If such increase necessitates added or enlarged facilities (other than metering equipment) for the sole use of the Customer, the Company may require the Customer to make a reasonable contribution to the cost of adding or enlarging the facilities whenever the Customer fails to give assurance, satisfactory to the Company, that the taking of the increased service shall be of sufficient duration to render the supply thereof reasonably compensatory to the Company.

RULES AND REGULATIONS

9. METERING AND BILLING

9.1 ACCESS TO CUSTOMER'S PREMISES

The Company's authorized employees or agents shall have free access, at all reasonable times, to its meters or other property, and to all the piping and equipment owned by the Customer or anyone else, and installed on the Customer's premises, for the purpose of inspecting or testing the same or to repair, change or remove any of the Company's property.

9.2 IDENTIFICATION OF EMPLOYEES

Company employees or agents authorized to enter upon its Customers' premises are provided with identification cards which will be shown upon request. Customers are advised not to admit to their premises anyone claiming to represent the Company unless he can produce a proper identification card.

9.3 METERS

Gas supplied shall be measured by meters furnished, installed, and maintained by the Company.

Metered Service:

Service rendered through each meter installed shall be subject to a separate minimum charge and all rate provisions of the Service Classification applicable shall be applied separately to the service supplied through each meter. The above shall not, however, apply where the Company, for purposes of testing or on account of the special character of installation, desires to install more than one meter for measuring service supplied to a Customer under one rate classification.

9.4 METER READING

The Company will endeavor to read all meters at regular bi-monthly intervals.

Where the Company is unable to gain access to a meter, a notice stating this fact, and showing the scheduled date of the next meter reading, will be left on the premises. On request, the Company will furnish meter reading cards for residential Customers to report their meter readings.

All readings by an automatic meter-reading device shall be deemed actual meter readings.

RULES AND REGULATIONS

9. METERING AND BILLING (continued)

9.5 RENDERING OF BILLS

Rates and Charges are stated on a monthly basis as set forth in the Service Classifications. For billing purposes, a monthly period will be considered as 26 - 35 days. In determining the charges for billing periods other than a monthly period, the monthly rates, as stated in the Service Classification, are prorated on the basis of thirtieths of a month.

Bills for service will be rendered monthly. Bills for residential service for any month in which no meter reading is taken are rendered on an estimated basis. When the Company is unable to obtain meter readings on regular reading dates, bills are rendered (1) on readings by Customers if said readings are received on or before the date shown on the meter indexing card, or (2) on estimated readings. Amounts billed on the basis of such estimates are subject to adjustment in accordance with the next meter readings obtained by the Company.

In case any meter for any reason fails to register the full use of service by the Customer for any period of time, the usage of service by the Customer for the period may be estimated by the Company on the basis of available data, and the Customer billed accordingly.

9.6 LATE PAYMENT CHARGE

The Company may impose late payment charges on any bill not paid within five days of the due date at the rate of one and one-half percent (1.5%) per month on the overdue balance of the bill. The interest rate, when annualized, will not exceed 18% simple interest per annum.

9.7 CHANGE OF RATE

Service Classifications and Rules and Regulations under which Customers are served are subject to such changes as may be lawfully made. Customers taking service under a rate schedule so revised shall thereafter take and pay for service in accordance with the provisions of the revised or superseding schedule so established.

RULES AND REGULATIONS

9. METERING AND BILLING (continued)

9.8 BUDGET BILLING

(1) All residential and non-residential customers, unless otherwise prohibited, may elect to pay for service taken in accordance with the following provisions:

a. The customer will make equal monthly payments during the Budget.

b. If at the end of the Budget Year, the amount paid by the customer is less than the amount due for actual service rendered:

(i) The balance due for residential customers, customers who are a condominium association, cooperative housing corporation, and master metered gas heated multifamily dwelling units during the time that such units are either owned by the Federal Department of Housing and Urban Development or subject to a first mortgage held or guaranteed by that agency shall be billed to and payable by the customer during the next six (6) monthly billing periods; or

(ii) The balance due for all other customers will be billed in the month ending the budget year and shall be payable by the customer in full at that time.

c. If at the end of the Budget Year, the amount paid by the customer is greater than the amount due for actual service rendered, the Company shall apply a credit to the customer's account equal to the amount overpaid or, at the customer's request, shall refund an amount equal to the overpayment.

(2) The Budget Year will be the twelve-month period beginning with the billing month the customer initially enrolls in budget billing.

(3) The monthly budget payment will normally be adjusted at the end of the Budget Year to reflect any changes in the Company's charges or the customer's usage during the Budget Year. The Company may also adjust the monthly budget payment during the Budget Year should conditions warrant a change.

(4) When a customer elects budget billing for both gas and electric service, the monthly budget payment will be based on the combined cost of providing gas and electric service.

(5) Should a customer fail to make a monthly budget payment when due, the Company shall have the right to cancel the budget billing plan. Upon cancellation any overpayment will be credited to the customer's account and any deficiency shall be due and payable.

RULES AND REGULATIONS

10. LIMITATIONS OF SERVICE CLASSIFICATIONS

10.1 RESIDENTIAL SERVICE

Service will be supplied under a residential service classification to any single family residence or apartment occupied as the home, residence or sleeping place of one or more persons, and to any private garage, guest house or similar accessory building located on the same premises served through the same meter as such residence. Each such private residence shall be served under a separate service agreement through a separate meter.

If any portion of the premises, as described above in Section 5.2(24), is used for business or professional purposes, the applicable residential service classification is available for service to the entire premises.

10.2 SUBMETERING

Gas service will not be supplied for resale, remetering (or submetering) or other disposition to others, except that a Customer may furnish gas service for the use of his tenants or other occupants provided such Customer shall not resell, make a specific charge for or remeter (or submeter) or measure any of the gas so redistributed or furnished.

10.3 GAS EMERGENCY PLAN

(A) Definitions

The following words and terms, when used in this section have the following meanings unless the text clearly indicates otherwise:

(1) Alternate fuel - Any fuel other than natural gas.

(2) Alternate fuel capability - The installed and operable ability to use any fuel other than natural gas on a time sensitive basis.

(3) Commercial use - Gas usage by customers engaged primarily in the sale of goods and services including consumption by office buildings, institutions and government agencies.

(4) Essential human needs - Gas usage in any building where persons normally dwell including residences, apartment houses, dormitories, hotels, hospitals and nursing homes.

(5) Firm service - Natural gas service offered to consumers under tariffs or contracts that anticipate no interruption.

RULES AND REGULATIONS

10. LIMITATIONS OF SERVICE CLASSIFICATIONS (continued)

10.3 GAS EMERGENCY PLAN (continued)

(6) Industrial use - Gas usage by customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.

(7) Interruptible service - Natural gas services that can be temporarily discontinued under term and conditions specified by tariff or contract.

(8) Plant protection use - Minimum usage of natural gas required to prevent physical harm to an industrial or commercial consumer's facility, or danger to personnel at the facility, when the protection cannot be afforded through the use of an alternate fuel. Plant protection use includes usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.

(9) Residential use - Gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating or other domestic purpose.

(B) Natural Gas Emergency Planning

(1) The Company has available for Commission inspection a Natural Gas Emergency Plan ("Plan") reflecting its unique operational characteristics and design criteria. The Plan contains simplified and understandable rules and regulations so that all of the Company's customers can respond in order to protect themselves and their property in the event of a crisis. The Company shall file revisions to the Plan when and as appropriate, or as directed by the Commission.

(2) The Plan includes provisions addressing:

(a) emergency load shedding;

(b) voluntary usage reductions, for example, reducing space or water heating temperatures to levels specified by the Company;

(c) mandatory usage reduction for certain customers consistent with Section 10.3(C) below;

(d) issuance of periodic reports to the media concerning the existing natural gas emergency;

(e) notice to affected customers of the expected initiation of emergency actions under Section 10.3(C) below; and

(f) a procedure for focusing emergency measures to confined geographic or operational portions, segments or zones of the Company's system where a natural gas emergency exists.

RULES AND REGULATIONS

10. LIMITATIONS OF SERVICE CLASSIFICATIONS (continued)

10.3 GAS EMERGENCY PLAN (continued)

(3) The Plan specifies the procedures the Company shall use to provide notices to affected customers. After the Company determines the appropriate response, the Company shall issue notices to affected customers as soon as reasonably possible. All notices shall be prepared consistent with the Commission's plain language policy.

(C) Emergency Action

(1) An emergency exists whenever the aggregate demand of firm service customers on the Company's system or confined segment of the system exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands, and the actual or threatened excess creates an immediate threat to the Company's system operating integrity with respect to Priority 1 customers as defined in Section 10.3(C)(9).

(2) If, in the sole judgment of the Company, there is sufficient time, the Company shall use reasonable business and operational efforts to: interrupt all interruptible services, issue operational flow orders, and call for voluntary usage reductions by all customers before taking any action under subsection (3) below. The Company shall take these three actions sequentially to the extent feasible.

(3) In the event of an emergency, the Company may require each commercial and industrial retail customer that is not a Priority 1 customer, as defined in Section 10.3(C)(9), to reduce its consumption of gas.

(a) The reduction required shall be determined by the Company without regard to priorities of use, as necessary to minimize the potential threat to public health and safety.

(b) The minimum authorized usage may not be lower than the minimum usage of firm service necessary for plant protection use.

(c) When all other service has been curtailed except for Priority 1 service and the Company continues to be unable to meet Priority 1 requirements, the Company shall exercise its judgment as to any further curtailment that may be necessary and shall utilize measures designed to minimize harm to customers if curtailments to plant protection use are found to be necessary.

RULES AND REGULATIONS

10. LIMITATIONS OF SERVICE CLASSIFICATIONS (continued)

10.3 GAS EMERGENCY PLAN (continued)

(C) Emergency Action (continued)

(4) Mandatory reductions shall be for a period specified by the Company until further notice. The Company may change a customer's authorized usage, upon notice, at any time during an emergency.

(5) Mandatory reductions shall be for a maximum duration of five business days unless extended by Commission order. As an alternative to extending mandatory reductions, the Commission may order the Company to initiate priority-based curtailments as described in Section 10.3(C)(9).

(6) In determining whether to order the Company to initiate priority-based curtailments, the Commission will examine whether the Company did the following:

(a) interrupted all interruptible services;

(b) issued operational flow orders; and

(c) called for voluntary usage reductions by all customers.

(7) Upon issuance by the Commission of an order to initiate priority-based curtailments, the Company shall provide all affected customers the maximum notice possible, via telephone, fax or electronic data interchange, specifying the curtailment percentage of the customer's firm gas service and resulting allowances as may be the case.

(8) Upon issuance by the Commission of an order to initiate priority-based curtailments, the available gas supplies to the Company shall be prorated, if practicable, among its customers according to the following priorities of use:

(a) customers in a higher priority category shall not be curtailed until all customers falling into a lower priority category have been restricted to plant protection use levels, unless operational circumstances or physical limitations warrant a different result; and

(b) where only a partial restriction of a classification is required, implementation shall be pro-rata, to the extent practical under the circumstances.

RULES AND REGULATIONS

10. LIMITATIONS OF SERVICE CLASSIFICATIONS (continued)

10.3 GAS EMERGENCY PLAN (continued)

(C) Emergency Action (continued)

(9) Following are the priority categories, listed in descending order, pertaining to the curtailment of firm services:

(a) Priority 1, service for essential human needs use; and

(b) Priority 2, firm services not included in essential human needs use.

(D) Liability

(1) The Company may restrict or discontinue service in accordance with this Section 10.3 without hereby incurring any penalty or liability for any loss, injury or expense that may be sustained by the customer except when the restriction or discontinuation of service is a result of the Company's willful or wanton misconduct.

(2) The Company may discontinue service, for the duration of an emergency, to a customer that continues to take gas in violation of the rules found in this Section 10.3.

(E) Penalties for Unauthorized Use of Gas

If a customer exceeds its authorized consumption of gas during a period of emergency, the customer shall pay a penalty equal to the higher of a) $25.00 per Mcf plus the cost of gas or b) $45.00 per Mcf. For the purposes of this provision, the cost of gas shall be equal to the highest daily “Midpoint” rate of the “Louisiana-Onshore South”, “Tennessee” receipt points for the appropriate day as published in Gas Daily in the table “Daily Price Survey” plus the Company’s weighted average cost of transportation and fuel losses at 100% load factor.

RULES AND REGULATIONS

11. LIABILITY

11.1 COMPANY LIABILITY

(A) Continuity of Supply

The Company will endeavor at all times to provide a regular and uninterrupted supply of service, but should it interrupt the supply of service for the purpose of making repairs or improvements in any part of its system to promote the general good of the service or the safety of the public, or should the supply of service be interrupted or fail, by reason of any cause whatsoever beyond its control, the Company shall not be liable for damages, direct or consequential, resulting from such interruption or failure of service.

(B) Customer's Equipment

Neither by inspection or non-rejection, nor in any other way does the Company give any warranty, express or implied, as to the adequacy, safety or other characteristics of any structures, equipment, pipes, appliances or devices owned, installed or maintained by the Customer or leased by the Customer from third parties.

(C) Company Equipment and Use of Service

The Company will not be liable for any injury, casualty or damage resulting in any way from the supply or use of gas or from the presence or operation of the Company's structures, equipment, pipes, appliances or devices on the Customer's premises, except injuries or damages resulting from the negligence of the Company.

11.2 CUSTOMER OBLIGATIONS

(A) Company Property

The Customer shall exercise reasonable diligence in protecting the Company's property on his premises, and may be liable to the Company in case of loss or damage caused by his negligence or that of his employees.

(B) Interference with Company Property

The Customer shall not disconnect, change connections, make connections or otherwise interfere with the Company's meters or other property or permit the same to be done by other than the Company's authorized employees.

(C) Notification of Leaks

The Customer shall immediately notify the Company at its office of any escape of gas in or about the Customer's premises.

RULES AND REGULATIONS

12. TERMINATION OF SERVICE

12.1 TERMINATION OF SERVICE FOR NON-RESIDENTIAL CUSTOMERS

All Customers are required to notify the Company to prevent liability for service used by succeeding tenants when vacating their premises. Upon receipt of such notice, the Company will read the meter and further liability for service used on the part of the vacating Customer will cease.

12.2 TERMINATION OF SERVICE FOR RESIDENTIAL CUSTOMERS

(A) Grounds for Authorized Termination of Service

Following the notice requirements set forth in subparagraph 12.3 A, the Company's service to any dwelling may be terminated for any of the following actions of residential customer:

(1) Nonpayment of an undisputed delinquent account.

(2) Failure to complete payment of a deposit, provide a guarantee or establish credit worthiness.

(3) Failure to permit access to meters, service connections and other property of the Company at all reasonable times for the purpose of replacement, maintenance, repair or meter reading.

(4) Failure to comply with the material terms of a payment agreement.

(5) Tendering payment that is subsequently dishonored under 13 PA. C.S. Section 3502 or tendering payment with an access device, as defined in 18 PA. C.S. Section 4106(D), which is unauthorized, revoked, or canceled.

(B) Grounds for Immediate Termination of Service

The Customer’s service may be immediately terminated without notice for any of the following actions of the residential customer:

(1) Unauthorized use of the Company service delivered on or about the affected dwelling.

(2) Fraud or material misrepresentation of identity for the purpose or obtaining Company service.

(3) Tampering with meters or other Company equipment.

(4) Violating any tariff provisions on file with the Commission, so as to endanger the safety of any person or the integrity of the energy delivery system of the Company.

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (continued)

12.2 TERMINATION OF SERVICE FOR RESIDENTIAL CUSTOMERS (continued)

(C) Conditions for Not Terminating Service

(1) Evidence is present which indicates that payment has been made.

(2) A serious illness or medical condition exists at the premises.

(3) A dispute or complaint is properly pending.

(4) The employee is authorized to receive payment and payment in full is tendered in any reasonable manner.

(D) Days Termination of Service is Prohibited

Except in emergencies, or terminations under Section 12.2 (B), service shall not be terminated during the following periods:

(1) Friday, Saturday or Sunday.

(2) On a bank holiday or on the day preceding a bank holiday.

(3) On a holiday observed by the Company or on the day preceding such holiday. A holiday observed by the Company shall mean any day on which the business office of the Company is closed to observe a legal holiday, to attend Company meetings or functions, or for any other reason.

(4) On a holiday observed by the Commission or on the day preceding such holiday.

(E) Winter Termination Procedures

During the period of December 1 through March 31, utilities subject to this subchapter shall conform to the provisions of this section. The covered utilities may not terminate service between December 1 and March 31 except as provided in this section or § 56.338 (relating to exception for terminations based on occurrences harmful to person or property).

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (continued)

12.2 TERMINATION OF SERVICE FOR RESIDENTIAL CUSTOMERS (continued)

(1) *Termination notices.* The utility shall comply with 52 Pa. Code §§ 56.331—56.335 including personal contact, as defined in § 56.333 (relating to personal contact), at the premises if occupied.

(2) *Request for permission to terminate service*. If at the conclusion of the notification process defined in 52 Pa. Code §§ 56.331—56.335, a reasonable agreement cannot be reached between the utility and the customer, the utility shall register with the Commission, in writing, a request for permission to terminate service, accompanied by a utility report as defined in 52 Pa. Code § 56.382 (relating to contents of the utility company report). At the same time, the utility shall serve the customer a copy of the written request registered with the Commission.

(3) *Informal complaints.* If the customer has filed an informal complaint or if the Commission has acted upon the utility's written request, the matter shall proceed under 52 Pa. Code §§ 56.391—56.394 (relating to informal complaint procedures). Nothing in this section may be construed to limit the right of a utility or customer to appeal a decision by the Bureau of Consumer Services (BCS) under 66 Pa.C.S. § 701 (relating to complaints) and 52 Pa. Code §§ 56.401—56.403 and 56.441.

(4) *Survey of premises previously terminated.* For premises where heat related service has been terminated prior to December 1 of each year, covered utilities shall, within 90 days prior to December 1, survey and attempt to make post-termination personal contact with the occupant or a responsible adult at the premises and in good faith attempt to reach an agreement regarding payment of any arrearages and restoration of service.

(5) *Reporting of survey results.* Utilities subject to this subchapter shall file a brief report outlining their pre-December 1 survey and personal contact results with the BCS on or before December 15 of each year. Each utility shall update the survey and report the results to the BCS on February 1 of each year to reflect any change in the status of the accounts subsequent to the December 15 filing. For the purposes of the February 1 update of survey results, the utility shall attempt to contact by telephone, if available, a responsible adult person or occupant at each residence in a good faith attempt to reach an agreement regarding payment of any arrearages and restoration of service.

(6) *Landlord ratepayer accounts.* During the period of December 1 through March 31, a utility subject to this subchapter may not terminate service to a premises when the account is in the name of a landlord ratepayer as defined at 66 Pa.C.S. § 1521 (related to definitions) except for the grounds in 52 Pa. Code § 56.338.

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (continued)

12.2 TERMINATION OF SERVICE FOR RESIDENTIAL CUSTOMERS (continued)

(7) *Reporting of deaths at locations where utility service was previously terminated.* Throughout the year, utilities subject to this subchapter shall report to the Commission when, in the normal course of business, they become aware of a household fire, incident of hypothermia or carbon monoxide poisoning or another event that resulted in a death and that the utility service was off at the time of the incident. Within 1 working day of becoming aware of an incident, the utility shall submit a telephone or electronic report to the Director of the BCS including, if available, the name, address and account number of the last customer of record, the date of the incident, a brief statement of the circumstances involved and, if available from an official source or the media, the initial findings as to the cause of the incident and the source of that information. The BCS or Commission may request additional information on the incident and the customer's account. Information submitted to the Commission in accordance with this paragraph shall be treated in accordance with 66 Pa.C.S. § 1508 (relating to reports of accidents) and may not be open for public inspection except by order of the Commission, and may not be admitted into evidence for any purpose in any suit or action for damages growing out of any matter or thing mentioned in the report.

(F) Unauthorized Termination of Service

Unless expressly and specifically authorized by the Commission, service shall not be terminated nor will a termination notice be sent for any of the following reasons:

(1) Nonpayment for concurrent service of the same class received at a separate metering point.

(2) Nonpayment for a different class of service received at the same or a different location. Service may be terminated however, when, under the Company's tariff, a change in classification is necessitated upon the completion of construction work previously billed at a different rate applicable during construction.

(3) Nonpayment, in whole or in part: for leased or purchased merchandise, appliances, or special services, including but not necessarily limited to merchandise and appliance installation fees, rental, and repair costs; of meter testing fees; of special construction charges; and of other non-recurring charges that are not essential to delivery or metering of service.

(4) Nonpayment of bills for delinquent accounts of the prior residential customer at the same address.

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (continued)

12.2 TERMINATION OF SERVICE FOR RESIDENTIAL CUSTOMERS (continued)

(5) Nonpayment of, or failure to restore a deposit applied to, a delinquent account which is based all or in part on a "make-up" bill for previously unbilled Company service, resulting from: Company billing error, meter failure, leakage that could not reasonably have been detected or loss of service not caused by the residential customer or occupant; or two or more consecutively estimated bills, if the "make-up" bill exceeds the otherwise normal, estimated bill by 50%. This section shall not prohibit termination where the Company reviews the bill with the residential customer and offers to enter a payment agreement which may, at the residential customer's option, extend: at least as long as the period during which the excess amount was accrued; or at least as long as necessary so that the quantity of service billed in any one billing period will not be greater than the normal estimated quantity for such period plus 50%.

(6) Noncompliance with a payment agreement prior to the due date of the bill, which forms the basis of the agreement.

(7) Nonpayment of charges for Company service furnished more than two years prior to the date the bill is rendered.

(8) Nonpayment for residential service already furnished in the name or names of persons other than the residential customer, unless a court, district justice or administrative agency has determined that the residential customer is legally obligated to pay for the service previously furnished. This section shall not affect a Company's creditor rights and remedies otherwise permitted by law.

(9) Nonpayment of charges calculated on the basis of estimated billings, unless the estimated bill was required because Company personnel were unable to gain access to the affected premises to obtain an actual meter reading on two occasions and have made a reasonable effort to schedule meter reading at a time convenient to the residential customer or occupant.

(10) Nonpayment of delinquent accounts: which accrued over two billing periods or more; which remain unpaid in whole or in part for six months or less; and which amount to a total delinquency of less than $25.

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (continued)

12.3 NOTICE PROCEDURES - TERMINATION FOR RESIDENTIAL CUSTOMERS

(A) Notice Requirements for Authorized Termination of Service

Prior to a termination of service under Section 12.2 (A) above, the Company shall:

(1) Provide written notice of the termination to the residential customer at least 10 days prior to the date of the proposed termination. The termination notice shall remain effective for 60 days.

(2) Shall attempt to contact the residential customer or occupant, either in person or by telephone, to provide notice of the proposed termination at least three days prior to the scheduled termination. Phone contact shall be deemed complete upon attempted calls on two separate days to the residence between the hours of 7 A.M. and 9 P.M. if the calls were made at various times of the day.

(3) During the months of December through March, unless personal contact has been made with the residential customer or the responsible adult by personally visiting the residential customer's residence, the Company shall, within forty-eight hours of the scheduled date of termination, post a notice of the proposed termination at the service address.

(4) After complying with paragraphs (2) and (3) above, the Company shall attempt to make personal contact with the residential customer or responsible adult at the time of termination.

(5) If a prior contact has not been made with a responsible adult occupant either at the residence of the customer, as required under 52 Pa. Code § 56.334 (relating to procedures immediately prior to termination) or at the affected dwelling, the employee may not terminate service but shall conspicuously post a termination notice at the residence of the customer and the affected dwelling, advising that service will be disconnected not less than 48 hours from the time and date of posting.

The termination shall not be delayed for failure to make personal contact.

(B) Post Termination Notice Requirements

Upon termination, the Company shall make a good faith effort to provide a post termination notice to the customer or a responsible person at the affected premises, and in the case of a single meter, multiunit dwelling, the Company shall conspicuously post the notice at the dwelling, including in common areas when possible.

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (continued)

12.3 NOTICE PROCEDURES - TERMINATION FOR RESIDENTIAL CUSTOMERS (continued)

(C) Notice When Dispute Pending

The Company shall not mail or deliver a notice of termination, if a notice of dispute has been filed and is unresolved, and if the subject matter of the dispute forms the grounds for the proposed termination. Any notice mailed or delivered in contravention of this section shall be void.

(D) Procedures Upon Residential Customer or Occupant Contact Prior to Termination

(l) If at any time after the issuance of the initial termination notice and prior to the actual termination of service, a residential customer or occupant contacts the Company concerning a proposed termination, an authorized Company employee shall fully explain:

(a) The reasons for the proposed termination;

(b) All available methods for avoiding a termination, including:

(i) tendering payment in full or otherwise eliminating grounds for authorized termination; and

(ii) entering a settlement or payment agreement;

(c) The residential customer's right to file a dispute with the Company, and, thereafter, an informal complaint with the Commission;

(d) The procedures for resolving disputes and informal complaints, including the address and telephone number of the Company and the following address and telephone number of the Commission: Public Utility Commission, Box 3265, Harrisburg, Pennsylvania 17120, telephone number 800-692-7380.

(e) The residential customer's duty to pay any portion of a bill which he does not honestly dispute; and

(f) The medical emergency procedures.

(2) The Company through its employees, shall exercise good faith and fair judgment in attempting to enter a reasonable settlement or payment agreement, or otherwise equitably to resolve the matter. Factors to be taken into account when attempting to enter into a reasonable settlement or payment agreement shall include, but not be limited to, the size of the unpaid balance, the residential customer's ability to pay, the residential customer's payment history and the length of time over which the bill accumulated.

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (continued)

12.3 NOTICE PROCEDURES - TERMINATION FOR RESIDENTIAL CUSTOMERS (continued)

(E) Use of Termination Notice Solely as Collection Device Prohibited

The Company shall not threaten to terminate service when it has no present intent to terminate service or when actual termination is prohibited under this section; notice of the intent to terminate shall be used only as a warning that service will in fact be terminated in accordance with the procedures set forth by this section unless the residential customer or occupant remedies the situation which gave rise to the Company's enforcement efforts.

12.4 EMERGENCY PROVISIONS FOR RESIDENTIAL CUSTOMERS

(A) General Provision

The Company shall not terminate, or refuse to restore, service to any premises when any occupant therein is certified by a physician or nurse practitioner to be seriously ill or afflicted with a medical condition that will be aggravated by a cessation of failure to restore service.

(B) Postponement of Termination Pending Receipt of Certificate

If, prior to termination of service, the Company employee is informed that an occupant is seriously ill or is afflicted with a medical condition that will be aggravated by a cessation of service and that a medical certification will be procured, termination shall not occur for at least three days. Service may be terminated if no certification is produced within that three-day period.

(C) Medical Certifications

Certifications initially may be written or oral. The residential customer shall obtain a letter from a licensed physician or nurse practitioner and promptly forward it to the Company. All certifications, whether written or oral, must include the following:

(1) The name and address of the residential customer in whose name the account is registered;

(2) The name and address of the person with the medical condition and his or her relation to the residential customer and/or occupant;

(3) The nature and anticipated length of the affliction; and

(4) The name, office address and telephone number of the certifying physician or nurse practitioner.

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (continued)

12.4 EMERGENCY PROVISIONS FOR RESIDENTIAL CUSTOMERS (continued)

(D) Length of Postponement; Renewals

Service shall not be terminated for the time period specified in a medical certification provided that the maximum length of the certification shall be 60 days.

(1) Time period not specified. If no length of time is specified, or if the time period is not readily ascertainable, service shall not be terminated for at least 60 days.

(2) Renewals. Certifications may be renewed in the same manner and for the same time period as provided in Sections 12.4(B) and 12.4(C) of this tariff (relating to postponement of termination pending receipt of certificate and medical certifications).

(E) Restoration of Service

When service is required to be restored under Sections 12.4(A) - 12.4(C) of this tariff relating to emergency provisions, the Company shall make a diligent effort to have service restored on the day of receipt of the medical certification. In any case, service shall be restored within twenty-four hours. The Company shall have employees available or on call to restore service in emergencies.

(F) Residential Customer's Duty to Pay Bills

Whenever service is restored or termination postponed pursuant to the medical emergency procedures, the residential customer shall retain a duty to equitably arrange to make payment on all bills.

(G) Termination Upon Expiration of Medical Certification

When the initial and all renewal certifications have expired, the original ground for termination shall be revived and the Company may terminate service without additional written notice, if notice previously has been mailed or delivered pursuant to the notice requirements of this tariff.

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (continued)

12.4 EMERGENCY PROVISIONS FOR RESIDENTIAL CUSTOMERS (continued)

(H) Company's Right to Petition the Commission

(1) The Company may petition the Commission for waiver from the medical certification procedures for the following purposes:

(a) Contest the validity of a certification. To request an investigation and hearing by the Commission or its designee when the Company wishes to contest the validity of certification.

(b) Terminate service prior to expiration of certification. To request permission to terminate service for the residential customer's failure to equitably arrange to make payments on all bills.

(2) The Company shall continue to provide service while a final Commission adjudication on the petition is pending.

12.5 TERMINATION AT ANY PREMISES OTHER THAN THE RESIDENTIAL CUSTOMER'S RESIDENCE

(A) General Rule

Unless the affected occupants agree to a proposed termination, or the residential customer states in writing that the affected premises are unoccupied, on a form conspicuously bearing notice that information provided by the residential customer will be relied upon by the Pennsylvania Public Utility Commission in administering a system of uniform service standards for public utilities, and that any false statements made therein are criminally punishable, the Company shall not terminate service to a single meter multi-unit dwelling or any premises that is not the residential customer's residence, except in compliance with the following provisions, in addition to all other notice and procedural provisions in Section 12.3 of this tariff (relating to notice procedures prior to termination):

(1) Notice requirements. At least ten days prior to the proposed termination, the Company shall conspicuously post notice at the affected dwelling. When permissible, notice should be posted in common areas of the dwelling.

(2) Notification of health officials. Simultaneous with the posting of notice as required by paragraph (1) of this section, the Company shall mail a copy of said notice to the agencies listed below, which serve the community in which the affected premises are located:

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (continued)

12.5 TERMINATION AT ANY PREMISES OTHER THAN THE RESIDENTIAL CUSTOMER'S RESIDENCE (continued)

(a) The Department of Licenses and Inspections of any city of the first class.

(b) The Department of Public Safety of any city of the second class, second class A, or third class.

(c) The city or county Public Health Department.

(d) The grantees of Emergency Energy Funds from the Community Services Agency.

(3) Notice contents. In addition to other required provisions of the Section, a notice pursuant to this section shall include a statement that the occupants are not responsible for the delinquencies of the residential customer and the data on or after which service will be terminated unless:

(a) Payment in full is received from the residential customer or the grounds for termination are otherwise eliminated; or

(b) A settlement or payment agreement is entered into between the residential customer and the Company; or

(c) The occupants agree to subscribe for future service individually and this can be accomplished without a major revision in distribution facilities or additional right-of-way acquisitions; or

(d) Where separate service cannot be instituted without a major revision in distribution facilities or additional right-of-way acquisitions, the occupants agree to be jointly and severally responsible for the full amount of all future bills for service at the affected dwelling. The consent of these occupants must be knowing and voluntary.

(4) Where the residential customer arranges to make payment in accordance with Paragraph (3)(a) or (b) of this section or where the occupants agree to subscribe for future service in accordance with Paragraph (3)(c) or (d) of this section, the Company shall consider the original grounds for termination eliminated and shall be prohibited from terminating service pursuant to those grounds. This section shall not affect the creditors' rights and remedies of the Company otherwise permitted by law.

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (continued)

12.5 TERMINATION AT ANY PREMISES OTHER THAN THE RESIDENTIAL CUSTOMER'S RESIDENCE (continued)

(5) Reduction of deposit. When occupants at a single meter multifamily dwelling agree to pay all future bills for service provided in Paragraph (3)(d) of this section, and when any responsible person in a residential unit establishes credit and the amount of any required deposit or guarantee shall be reduced pro rata, based on the number of residential units contained in the dwelling.

12.6 THIRD PARTY NOTIFICATION FOR RESIDENTIAL CUSTOMERS

(A) Third Party Notification

The Company shall permit its residential customers to designate a consenting individual or agency which is to be sent, by the Company, a duplicate copy of all reminder notices, past due notices, delinquent account notices, or termination notices of whatever kind issued by the Company. When contact with a third party is made, the Company shall advise the third party of the pending action and the efforts which must be taken to avoid termination. The Company shall institute and maintain a program:

(1) To allow residential customers to designate third parties to receive copies of a residential customer's or group of residential customers notices of termination of service;

(2) To advise customers of the availability of such a third party notification program and to encourage their use thereof; and

(3) To solicit community groups and police to accept third party notices in order to assist in preventing unnecessary terminations and protecting the public health and safety.

RULES AND REGULATIONS

13. REFUSAL OR DISCONTINUANCE OF SERVICE TO NON RESIDENTIAL CUSTOMERS

(A) The Company reserves the right to refuse or discontinue service to nonresidential customers under the following conditions:

(1) If any bills for service or for changes in extension contracts or in arrears and a five-day notice written notice has been served on the Customer either by delivering the same personally or by mailing the same in a postpaid wrapper addressed to the Customer at premises where service is rendered, or at last known address,

(2) If the Company shall deem such action necessary to protect itself from fraud,

(3) If the customer fails to comply with the Company's rules and regulations,

(4) If the Customer fails to comply with the ordinances or regulations of municipal or other duly constituted authorities pertaining to such service or to property of the Customer used in connection therewith, or fails to supply at his expense proper certificate of compliance with such ordinances or regulations at the Company's request,

(5) If prior indebtedness of a Customer for service at the same or another location is not paid in full before service is established,

(6) If a former Customer who is indebted to the Company attempts by some agency, relationship, or otherwise, to obtain service, the Company reserves the right to refuse service until payment is made of all money said Customer owes the Company,

(7) If a successor to a Customer connected to a main extension constructed under the provision hereinbefore stated refuses to pay the amount allocable to him in addition to the Service Classification rates and charges,

(8) If a Customer's piping or appliances are found to be in a dangerous or unsafe condition service may be discontinued without notice.

RULES AND REGULATIONS

14. INTERRUPTION AND DISCONTINUANCE OF SERVICE TO RESIDENTIAL CUSTOMERS

14.1 INTERRUPTION OF SERVICE

The Company may temporarily interrupt service where necessary to effect repairs or maintenance, to eliminate an imminent threat to life, health, safety, or substantial property damage, or for reasons of local, State or national emergency.

(A) Interruption with Prior Notice

Where the Company knows in advance of the circumstances requiring the service of interruption, prior notice of the cause and expected duration of the interruption shall be given to residential customer and occupants who may be affected.

(B) Interruption without Prior Notice

Where service must be interrupted due to unforeseen circumstances, notice of the cause and expected duration of the interruption shall be given as soon as possible, to residential customer and occupants who may be affected.

(C) Notification Procedures

Where residential customers and occupants are to be notified pursuant to this section, the Company take all responsible steps, such as personal contact, phone contact, and use of the mass media, to notify affected residential customers and occupants of the cause and expected duration of the interruption.

(D) Permissible Duration

Service may be interrupted for only such periods of time as are necessary to protect the health and safety of the public, to protect property, or to remedy the situation which necessitated the interruption; and service shall be resumed as soon as possible thereafter.

RULES AND REGULATIONS

14. INTERRUPTION AND DISCONTINUANCE OF SERVICE TO RESIDENTIAL CUSTOMERS (continued)

14.2 DISCONTINUANCE OF SERVICE

The Company may discontinue service without prior written notice under the following circumstances:

(A) Residential Customer's Residence

When a residential customer requests a discontinuance at his or her residence, when the residential customer and members of his or her household are the only occupants.

(B) Other Premises or Dwellings

(1) When a residential customer requests discontinuance: at a dwelling other than his or her residence; or at a single meter multi-family residence, whether or not his or her residence but in either case, only under the following conditions:

(a) The residential customer states in writing that the premises are unoccupied and such statement shall be on a form conspicuously bearing notice that information provided by the residential customer will be relied upon by the Pennsylvania Public Utility Commission in administering a system of uniform service standards for public utilities, and that any false statements are punishable criminally; or

(b) The occupant(s) affected by proposed cessation inform the Company orally or in writing of their consent to the discontinuation.

(2) Where the conditions set forth in subsection (1) of this paragraph have not been met, the residential customer will continue to be responsible for payment of bills until the Company terminates service in accordance with Section 12.6(A) of this tariff (relating to general rule).

RULES AND REGULATIONS

15. RESTORATION OF SERVICE

15.1 RESTORATION OF SERVICE

(A) Requirements for Residential Reconnection

When service to a dwelling has been terminated, the utility shall reconnect service within 24 hours after receiving one of the following:

(1) Full payment of an outstanding charge plus the reconnection fee specified in the utility's tariff on file with the Commission. Outstanding charges and the reconnection fee may be amortized over a reasonable period of time. Factors to be taken into account include, but are not limited to:

(i) The size of the unpaid balance.

(ii) The ability of the customer to pay.

(iii) The payment history of the customer.

(iv) The length of time over which the bill accumulated.

(2) Payment of amounts currently due according to a payment agreement, plus a reasonable reconnection fee, which may be a part of the payment agreement. The utility may apply the procedure in paragraph (1), if the payment history indicates that the customer has defaulted on at least two payment agreements, an informal complaint decision or a formal complaint order. For purposes of this section, neither an amortization of a make-up bill under 52 Pa. Code § 56.264 (relating to previously unbilled utility service) or the definition of ''billing month'' in 52 Pa. Code § 56.252 (relating to definitions) nor a payment agreement that has been paid in full by the customer, are to be considered defaults. Budget billing plans and amortization of budget plan reconciliation amounts under 52 Pa. Code § 56.262(7) (relating to meter reading; estimated billing; customer readings) may not be considered defaults for the purposes of this section.

(3) Adequate assurances that any unauthorized use or practice will cease, plus full payment of the reasonable reconnection fee of the utility, which may be subject to a payment agreement and compliance or adequate assurance of compliance with an applicable provision for the establishment of credit or the posting of deposits or guarantees.

(4) Service shall be restored within 24 hours for erroneous terminations or upon receipt by the utility of a valid medical certification. Erroneous terminations include instances when the grounds for termination were removed by the customer paying the amount needed to avoid termination prior to the termination of the service.

RULES AND REGULATIONS

15. RESTORATION OF SERVICE (continued)

15.1 RESTORATION OF SERVICE (continued)

(5) Service shall be restored within 24 hours for terminations and reconnections occurring after November 30 and before April 1.

(6) A customer or applicant of a city natural gas distribution operation whose household income does not exceed 135% of the Federal poverty level shall be reinstated under this section only if the customer or applicant enrolls in the customer assistance program of the city natural gas distribution operation. This requirement may not apply if the financial benefits to the customer or applicant are greater if served outside of that assistance program.

(7) A utility shall provide for and inform the applicant or customer of a location where the customer may make payment to restore service. A utility shall inform the applicant or customer that conditions for restoration of service may differ if someone in the household is a victim of domestic violence with a protection from abuse order or is seriously ill or affected by a medical condition which will be aggravated without utility service.

(B) Requirements for Non-Residential Reconnection

When service to a non-residential building has been terminated, the Company shall inform the applicant where payment can be made to restore service and shall reconnect service after receiving full payment of any outstanding charges plus a reconnection fee of $27.00.

15.2 PERSONNEL AVAILABLE TO RESTORE SERVICE

The Company shall have adequate personnel available between 9 a.m. and 5 p.m. on each working day, or for a commensurate period of eight consecutive hours, to restore service when required under this Section.

RULES AND REGULATIONS

16. DISPUTES: TERMINATION DISPUTES: INFORMAL AND FORMAL COMPLAINTS FOR RESIDENTIAL CUSTOMERS

16.1 GENERAL PROVISIONS

(A) Dispute Procedures

Any notice of dispute, including termination disputes, shall proceed in the first instance, according to the provisions set forth in this Section.

(1) If, at any time prior to the actual termination of service, a residential customer advises the Company that he or she disputes any matter covered by this Section, including but not limited to credit determinations, deposit requirements, the accuracy of Company metering or billing, or the proper party to be charged, the Company shall attempt to resolve the dispute in accordance with 16.2(A) of this Section (relating to general rule).

(2) Termination Stayed

Except as otherwise provided in this Section, where a termination dispute or complaint has been properly filed in accordance with the provisions of this section (relating to disputes: termination disputes: informal and formal complaints), termination shall be prohibited until resolution of the dispute or complaint.

(B) Time For Filing a Termination Dispute

To be timely filed, a termination dispute must be filed prior to actual termination of service.

(C) Effect of Failure to Timely File a Termination Dispute

Failure to timely file a notice of dispute, except for good cause, may constitute a waiver of any applicable rights to retain service without complying with the Company's termination notice or conference report and may constitute a waiver of any rights to file a complaint in accordance with this Section.

RULES AND REGULATIONS

16. DISPUTES: TERMINATION DISPUTES: INFORMAL AND FORMAL COMPLAINTS FOR RESIDENTIAL CUSTOMERS (continued)

16.2 COMPANY DISPUTE PROCEDURES

(A) General Rule

Upon initiation of a dispute covered by this section, the Company shall:

(1) Not issue a termination notice based on the disputed subject-matter;

(2) Investigate the matter using methods reasonable under the circumstances, which may include telephone or personal conferences or both with the residential customer or occupant;

(3) Make a diligent attempt to negotiate a reasonable payment agreement if the residential customer or occupant claims a temporary inability to pay an undisputed bill. Factors which shall be considered in the negotiation of any payment agreement shall include, but not be limited to, the size of the unpaid balance, the residential customer's ability to pay, the residential customer's payment history and the length of time over which the bill accumulated;

(4) Provide the residential customer or occupant with the information necessary for an informed judgment, including but not limited to relevant portions of tariffs, statements of account, and results of meter tests; and

(5) Within 30 days of the initiation of the dispute, issue its report to the complaining party. Such reports shall be in writing and shall be sent to the complaining party, if requested, or if the Company deems it necessary.

RULES AND REGULATIONS

17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF") BY MUNICIPALITY

17.1 GENERAL

The CBOCF shall apply on a municipality-by-municipality basis starting when the first customer is served and commencing to each customer upon its taking service. A municipality shall mean a political subdivision such as a Township, Borough, City, or Town, but shall not mean a County. The CBOCF period will commence with the first full billing cycle after the date the first customer in the municipality receives natural gas service and will end one hundred and twenty (120) months later for that customer and for all customers who receive such service in the municipality during that one hundred and twenty (120) month CBOCF period. The CBOCF rate is uniform and shall remain so for each municipality across Leatherstocking's franchise areas.

RULES AND REGULATIONS

**17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (**continued)

17.2 BOROUGH OF GREAT BEND

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

**17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (**continued)

17.3 BOROUGH OF HALLSTEAD

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

**17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (**continued)

17.4 TOWNSHIP OF GREAT BEND

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

**17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (**continued)

17.5 BOROUGH OF NEW MILFORD

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

**17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (**continued)

17.6 TOWNSHIP OF NEW MILFORD

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (continued)

17.7 BOROUGH OF MONTROSE

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

**17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (**continued)

17.8 TOWNSHIP OF BRIDGEWATER

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (continued)

17.9 BOROUGH OF OAKLAND

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

**17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (**continued)

17.10 BOROUGH OF SUSQUEHANNA

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

**17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (**continued)

17.11 TOWNSHIP OF OAKLAND

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

**17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (**continued)

17.12 BOROUGH OF LANESBORO

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

**17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (**continued)

17.13 TOWNSHIP OF HARMONY

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

**17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (**continued)

17.14 TOWNSHIP OF WYALUSING

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

**17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (**continued)

17.15 BOROUGH OF WYALUSING

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

**17. CONSTRUCTION BUILD-OUT CIAC FEE ("CBOCF")
BY MUNICIPALITY (**continued)

17.16 TOWNSHIP OF DIMOCK

The CBOCF amounts by Customer class for the above municipality shall be as follows:

SC 1 Residential	0.00 ¢ per Ccf	(D)
SC 2 General Service	0.00 ¢ per Ccf	(D)
SC 3 Commercial	0.00 ¢ per Ccf	(D)
SC 4 Commercial	0.00 ¢ per Ccf	(D)
SC 5 Transportation	0.00 ¢ per Ccf	(D)
SC 6 Transportation	0.00 ¢ per Ccf	(D)

RULES AND REGULATIONS

(Reserved For Future Use)

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RIDER A - GAS COST RATE

(A) Provision for Gas Cost Rate

The gas cost rate shall be applied to each Ccf (100 cubic feet) of gas supplied under Service Classification Nos. 1, 2, 3, and 4, of this Tariff. (c)

(B) Computation and Application of Gas Cost Rate

The gas cost rate shall be computed to the nearest one-thousandth cent (0.001¢) in accordance with the formula set forth below:

$$GCR = [(C-E) / S] \times [1 / (1-T)] \times 10$$

Each gas cost rate so computed shall be applied to customers' bills for a one (1) year period during the billing periods of November through October provided, however, that such rate may be revised on an interim basis subject to the approval of the Pennsylvania Public Utility Commission upon determination that the effective rate will result in material over or under collections if not revised. Such interim change shall become effective ten (10) days from the date of filing unless otherwise denied or modified by the Commission. (c)

(C) DEFINITIONS

"GCR"--gas cost rate determined to the nearest one-thousandth cent (0.001¢) to be applied to each Ccf of gas supplied under Service Classification Nos. 1, 2, 3, and 4, of this Tariff. (c)

"C"--a number of dollars, determined as follows: (a) for all types of purchased gas, project the cost for each purchase (adjust for net current gas stored) for the computation year plus (b) the arithmetical sum of (1) the projected book value of non-current gas at the beginning of the computation year minus (2) the projected book value of non-current gas at the end of the computation year.

"E"--experienced net over collection or under collection of the cost of purchased gas as of the end of the twelve (12) month period ending with the August billing period, including interest.

Interest shall be computed monthly at the prime rate for commercial borrowing from the month the over or under collection occurs to the effective month such over collection is refunded or such under collection is recouped.

Additionally, supplier refunds received prior to the end of the August billing period will be included in the calculation of "E" with interest added at the annual rate of six percentum (6%) calculated in accordance with the foregoing procedure beginning with the month such refund is received by the Company.

RIDER A - GAS COST RATE
(continued)

(C) DEFINITIONS (continued)

"S"--projected Mcf of gas to be billed to customers during the computation year.

"T"--the State gross receipts tax rate, expressed as a decimal. For computation of the gas cost rate, the tax rate shall be the one in effect during the gas cost rate's application period.

"Purchased Gas"--the volume of gas purchased by the Company that is delivered to the Company's customers, plus such portion of the company-used and unaccounted-for gas as the Commission permits, including, but not limited to, natural gas, liquefied natural gas, synthetic gas, liquefied propane and naphtha.

"Computation year"--the fiscal period from November through October of each year. (C)

(D) Filing with Pennsylvania Public Utility Commission; Audit; Reconciliation

The filing of the Company's preliminary annual gas cost rate effective during the billing periods of November through October shall be submitted to the Commission by September 2 of each year, 60 days prior to the November 1 effective date. The filing of the Company's final filing, together with revisions to data in the preliminary filing, shall be submitted to the Commission by October 2 of each year, 30 days prior to the November 1 effective date.

RIDER A - GAS COST RATE
(continued)

(D) Filing with Pennsylvania Public Utility Commission; Audit; Reconciliation (continued)

The application of the gas cost rate shall be subject to continuous review and to audit by the Commission at such intervals as the Commission shall determine. The Commission shall continuously review the reasonableness and lawfulness of the amounts of the charges produced by the gas cost rate and the charges included herein.

If, from such audit it shall be determined by final order entered after notice and hearing, that this clause has been erroneously or improperly utilized, the Company will rectify such error and impropriety, and in accordance with the terms of the order, apply credits against future gas cost rates for such revenues as shall have been erroneously or improperly collected. The Commission's order shall be subject to the Right of Appeal. Commencing in 2017, the reconciliation period will be the twelve (12) month period ending August 31 of each year. The reconciliation period for the year ending August 31, 2017 shall commence upon the date service is first provided. The annual reconciliation statement will be made by September 30 of each year. (c) (c) (c) (c)

(E) Exclusion from Other Charges

Amounts billed for the gas cost rate shall not be subject to the gross receipts tax and state tax adjustment surcharges set forth elsewhere in this Tariff.

RIDER B

State Tax Adjustment Surcharge

In addition to the charges provided in this tariff, except for charges or credits applied under the Gas Cost Rate and/or the Income Tax Adjustment, a credit rate of 0.17% will be applied for all service rendered on and after the effective date of this page. D

The State Tax Adjustment Surcharge will be recomputed using the elements prescribed by the Commission whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge. Such recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation. If the recomputed surcharge is less than the one in effect the utility will, or if the recomputed surcharge is more than the one in effect the utility may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge. The effective date of such tariff or supplement shall be ten days after filing. Any charges or credits in the surcharge shall be rolled into base rates in the Company's next base rate proceeding.

SERVICE CLASSIFICATION NO. 1

APPLICABLE TO USE OF SERVICE FOR:

Residential Service and Residential Space Heating Service.

RATE - FIVE PART - MONTHLY:

(1) Service Charge $20.00

(2) Delivery Charge

All Ccf @ 168.010¢ per Ccf

(3) Gas Cost Rate

All sales made hereunder shall be subject to the Gas Cost Rate as explained in Rider A of this tariff. At the effective date of this tariff the Gas Cost Rate ("GCR") shall be 44.360¢ per Ccf. (I)

(4) Construction Build-Out CIAC Fee or CBOCF

All sales made hereunder shall be subject to the CBOCF, as explained in Rules 6 and 17 of this tariff.

(5) State Tax Adjustment Surcharge

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this rate except for charges made under the Gas Cost Rate.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION:

Not less than $20.00 net per month during which service is furnished to a Customer at each location.

TERMS OF PAYMENT:

Bills are due and payable on or before twenty days from the date the bill is mailed to the Customer. If the bill is not paid within twenty days, service may be discontinued after suitable written notice as outlined in the Rules and Regulations.

TERM:

Terminable at any time unless a specified period is required under a main extension agreement.

SPECIAL PROVISIONS:

Budget Billing Plan: Any customer taking service hereunder may, upon request, be billed monthly in accordance with the budget billing plan provided for in Section 9.8 of the Rules and Regulations.

SERVICE CLASSIFICATION NO. 2

APPLICABLE TO USE OF SERVICE FOR:

General Service and Non-Residential Space Heating Service.

RATE - FIVE PART - MONTHLY:

(1) Service Charge $20.00

(2) Delivery Charge

All Ccf @ 157.839¢ per Ccf

(3) Gas Cost Rate

All sales made hereunder shall be subject to the Gas Cost Rate as explained in Rider A of this tariff. At the effective date of this tariff the Gas Cost Rate ("GCR") shall be 44.360¢ per Ccf. (I)

(4) Construction Build-Out CIAC Fee or CBOCF

All sales made hereunder shall be subject to the CBOCF, as explained in Rules 6 and 17 of this tariff.

(5) State Tax Adjustment Surcharge

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this rate except for charges made under the Gas Cost Rate.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION:

Not less than $20.00 net per month during which service is furnished to a Customer at each location.

TERMS OF PAYMENT:

Bills are due and payable on or before fifteen days from the date the bill is mailed to the Customer. If the bill is not paid within fifteen days, service may be discontinued after suitable written notice as outlined in the Rules and Regulations.

TERM:

Terminable at any time unless a specified period is required under a main extension agreement.

SPECIAL PROVISIONS:

Budget Billing Plan: Any customer taking service hereunder may, upon request, be billed monthly in accordance with the budget billing plan provided for in Section 9.8 of the Rules and Regulations.

SERVICE CLASSIFICATION NO. 3

APPLICABLE TO USE OF SERVICE FOR:

Commercial customers that use 5,000 to 24,999 Mcf annually and purchases gas supply from the Company.

RATE - FIVE PART - MONTHLY:

(1) Service Charge $300.00

(2) Delivery Charge
All Ccf @ 139.947¢ per Ccf

(3) Gas Cost Rate
All sales made hereunder shall be subject to the Gas Cost Rate as explained in Rider A of this tariff. At the effective date of this tariff the Gas Cost Rate ("GCR") shall be 44.360¢ per Ccf. (I)

(4) Construction Build-Out CIAC Fee or CBOCF
All sales made hereunder shall be subject to the CBOCF, as explained in Rules 6 and 17 of this tariff.

(5) State Tax Adjustment Surcharge
The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this rate except for charges made under the Gas Cost Rate.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION:

Not less than $300.00 net per month during which service is furnished to a Customer at each location.

TERMS OF PAYMENT:

Bills are due and payable on or before fifteen days from the date the bill is mailed to the Customer. If the bill is not paid within fifteen days, service may be discontinued after suitable written notice as outlined in the Rules and Regulations.

TERM:

Terminable at any time unless a specified period is required under a main extension agreement.

SERVICE CLASSIFICATION NO. 4

APPLICABLE TO USE OF SERVICE FOR:

Commercial customers that use a minimum 25,000 Mcf annually and purchases gas supply from the Company.

RATE - FIVE PART - MONTHLY:

(1) Service Charge $1,220.00

(2) Delivery Charge
All Ccf @ 135.157¢ per Ccf

(3) Gas Cost Rate
All sales made hereunder shall be subject to the Gas Cost Rate as explained in Rider A of this tariff. At the effective date of this tariff the Gas Cost Rate ("GCR") shall be 44.360¢ per Ccf. (I)

(4) Construction Build-Out CIAC Fee or CBOCF
All sales made hereunder shall be subject to the CBOCF, as explained in Rules 6 and 17 of this tariff.

(5) State Tax Adjustment Surcharge
The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this rate except for charges made under the Gas Cost Rate.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION:

Not less than $1,220.00 net per month during which service is furnished to a Customer at each location.

TERMS OF PAYMENT:

Bills are due and payable on or before fifteen days from the date the bill is mailed to the Customer. If the bill is not paid within fifteen days, service may be discontinued after suitable written notice as outlined in the Rules and Regulations.

TERM:

Terminable at any time unless a specified period is required under a main extension agreement.

SERVICE CLASSIFICATION NO. 5

APPLICABLE TO USE OF SERVICE FOR:

Transportation customers that use 5,000 to 24,999 Mcf annually and provides its own gas supply.

RATE - FIVE PART - MONTHLY:

(1) Service Charge $300.00

(2) Delivery Charge
All Ccf @ 139.947¢ per Ccf (I)

(3) Construction Build-Out CIAC Fee or CBOCF
All sales made hereunder shall be subject to the CBOCF, as explained in Rules 6 and 17 of this tariff.

(4) State Tax Adjustment Surcharge
The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this rate except for charges made under the Gas Cost Rate.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION:

Not less than $300.00 net per month during which service is furnished to a Customer at each location.

TERMS OF PAYMENT:

Bills are due and payable on or before fifteen days from the date the bill is mailed to the Customer. If the bill is not paid within fifteen days, service may be discontinued after suitable written notice as outlined in the Rules and Regulations.

TERM:

Terminable at any time unless a specified period is required under a main extension agreement.

SERVICE CLASSIFICATION NO. 6

APPLICABLE TO USE OF SERVICE FOR:

Transportation customers that use a minimum of 25,000 Mcf annually and provides its own gas supply.

RATE - FIVE PART - MONTHLY:

(1) Service Charge $1,220.00

(2) Delivery Charge
All Ccf @ 135.157¢ per Ccf (I)

(3) Construction Build-Out CIAC Fee or CBOCF
All sales made hereunder shall be subject to the CBOCF, as explained in Rules 6 and 17 of this tariff.

(4) State Tax Adjustment Surcharge
The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this rate except for charges made under the Gas Cost Rate.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION:

Not less than $1,220.00 net per month during which service is furnished to a Customer at each location.

TERMS OF PAYMENT:

Bills are due and payable on or before fifteen days from the date the bill is mailed to the Customer. If the bill is not paid within fifteen days, service may be discontinued after suitable written notice as outlined in the Rules and Regulations.

TERM:

Terminable at any time unless a specified period is required under a main extension agreement.

COMPETITIVE ENERGY RATE ("CER")

AVAILABILITY

This Rate Schedule CER - Competitive Energy Rate is a firm service available in the Company's sole discretion to residential, commercial, and industrial ratepayers who would not request service from the Company but for the availability of service under this rate and whose competitive options are not solely limited to other NGDCs.

RULES AND DELIVERY TERMS

Any qualified ratepayer taking service under this Rate Schedule shall do so by agreement.

The agreement shall set forth the percentage of consumption to be made available under this rate schedule. Volumes taken by the ratepayer in excess of the percentage specific on this contract shall be billed at applicable retail rates.

The magnitude of service hereunder shall not exceed that service replaced or subject to replacement.

The rate and terms and conditions of extension of facilities necessary in the case of new service, will be negotiated between the ratepayer and the Company and may be subject to periodic redetermination. The negotiated rate shall be no lower than the Company's commodity cost of gas, as determined from the Company's Rider A gas cost calculation.

SURCHARGES

All applicable surcharge riders to this tariff.

LATE-PAYMENT CHARGE

A late-payment charge of 2 percent per month for industrial ratepayers and 1.50 percent for commercial ratepayers will be made for failure to make payment in full, for all charges billed by the Company, by the due date shown on the bill. A late-payment charge of 1.50 percent per month for residential ratepayers will be made for failure to make payment in full within five days after the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.