

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

**Definitions**

**Contract Storage** -- natural gas storage service rendered pursuant to service agreements between East Ohio and Upstream Pipelines and/or storage facility operators.

**Contract Supply Service** -- supplemental gas supply service provided by East Ohio to Customer pursuant to a special arrangement.

**Core Demand** -- the total supply needs of East Ohio's system supply Customers.

**Customer** -- any individual, governmental, or corporate entity taking transportation service hereunder.

**Customer's Billing Cycle** -- for Delivery Points equipped with electronic gas measurement equipment, the calendar month used for billing purposes; for Delivery Points not equipped with electronic gas measurement equipment, the period that occurs between meter readings taken by East Ohio for billing purposes.

**Daily Available Volume** -- the quantity of gas available to be redelivered by East Ohio to the Customer on any given day. This quantity is equal to the volume of gas actually delivered to East Ohio for the Customer's account on that day, less any appropriate unaccounted-for gas percentage, plus any adjustments associated with Positive Imbalance Volumes.

**Day** -- a 24 hour period beginning at 8:00 a.m. Eastern Standard Time.

**Delivery Point** -- the billing determinant for the application of Customer charges represented by the meter location at which gas is redelivered to the Customer.

**Delivery Volume** -- the volume of gas actually delivered by East Ohio to the Customer.

**EBB** -- East Ohio's Electronic Bulletin Board.

**FERC** -- the Federal Energy Regulatory Commission.

**Primary Firm Transportation** -- firm transportation service of Upstream Pipelines rendered pursuant to service agreements between East Ohio and Upstream Pipelines with specified primary receipt and delivery points.

**Human Needs Customer** -- any Customer who uses natural gas for heating a residence, or a governmental agency or other entity which provides emergency or life support services. Human Needs Customers include hospitals, nursing homes, and residential

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

correctional institutions, and exclude hotels, motels and non-residential educational facilities.

**Maximum Daily Storage Capacity** -- the maximum volume of gas that East Ohio will inject into or withdraw from a Customer's interruptible storage service account on any Day.

**Maximum Daily Transportation Quantity** -- the maximum volume of gas that East Ohio shall deliver to a transportation Customer on any Day pursuant to a transportation service contract.

**Maximum Storage Capacity** -- the maximum volume of gas that East Ohio will hold in a Customer's interruptible storage service account at any point in time.

**Mcf** -- one thousand (1,000) cubic feet of gas in its natural state having a gross heating value of no

**MMBtu** -- one million (1,000,000) British thermal units.

**Monthly Tolerance Level** -- the imbalance tolerance level, expressed as a percentage of the sum of all daily volumes actually delivered to the Customer during the Customer's Billing Cycle, that establishes the degree to which the Customer's Positive Imbalance Volumes will be subject to reconciliation on a volumetric basis.

**Negative Imbalance Volume** -- the amount by which the sum of all daily volumes actually delivered to the Customer during the Customer's Billing Cycle exceeds the sum of the daily volumes available for redelivery by East Ohio to the Customer during the same period.

**Positive Imbalance Volume** -- the amount by which the sum of all daily volumes available for redelivery by East Ohio to a Customer during the Customer's Billing Cycle exceeds the sum of all daily volumes actually delivered to the Customer during the same period.

**Production Receipt Point(s)** -- the meter(s), specified in the transportation service contract, at which Ohio produced gas is delivered into East Ohio's system for the Customer's account.

**Production Volume** -- the volume of gas actually delivered by the Customer into East Ohio's system on any Day at the Production Receipt Points.

**PSIA** -- pounds per square inch, absolute.

**PUCO** -- the Public Utilities Commission of Ohio.

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

**Summer Period** -- the seven month period beginning April 1 and continuing through October 31.

**Transportation Receipt Point(s)** -- the interconnection(s), specified in the transportation service contract, at which gas is delivered into East Ohio's system from an Upstream Pipeline for the Customer's account.

**Transportation Volume** -- the volume of gas actually delivered for the Customer's account on any Day into East Ohio's system at the Transportation Receipt Points.

**Upstream Pipeline** -- any interstate pipeline, intrastate pipeline, or local distribution company other than East Ohio through which gas is delivered directly or indirectly to East Ohio for the Customer's account.

**Variable Cost of Service** -- the portion of the cost of service that fluctuates according to the volume of service provided, including gas costs and associated riders as applicable, lost and unaccounted-for gas, and excise taxes.

**Winter Period** -- the five month period beginning November 1 and continuing through March 31.

## GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE WEST OHIO DIVISION

### 1. Sources of Supply and Capacity Assignment

- 1.1 Customers may receive gas supplies delivered to East Ohio from appropriate Upstream Pipelines and/or Ohio production sources.
- 1.2 Upstream Pipeline Primary Firm Transportation and Contract Storage capacity held by East Ohio shall be assigned to those Customers initiating transportation service under this rate schedule who were exclusively sales customers of East Ohio on the effective date of this tariff. Such Customer agrees to accept the assignment. The assignment shall be structured as a release of capacity at the full maximum rates paid by East Ohio. The term of the release shall be from the first month in which the Customer receives transportation service to the earlier of the termination date of the contract between East Ohio and the Upstream Pipeline or the last month in which the Customer receives transportation service. The capacity released pursuant to this section shall be recallable only upon failure of the Customer to comply with the terms and conditions set forth in these General Terms and Conditions. The character of assigned Primary Firm Transportation and Contract Storage service shall be agreed upon between East Ohio and the Upstream Pipeline prior to assignment to the Customer.
- 1.3 The Upstream Pipeline Primary Firm Transportation and Contract Storage capacity assigned pursuant to Section 1.2 shall be assigned on a *pro rata* basis in accordance with the capacity portfolio applicable to the West Ohio Division held by East Ohio at the time of assignment to service its Core Demand after adjustment for capacity retained for operational purposes. The amount of capacity to be assigned will be based on the Customer's peak design day consumption. In the event that the magnitude of the Customer's peak design day consumption does not permit a full *pro rata* assignment, Customer will be assigned capacity on a *pro rata* basis in accordance with East Ohio's major receipt point areas and the primary Upstream Pipelines as necessary.

### 2. Authorized Daily Volume

- 2.1 Customer's Authorized Daily Volume on any Day consists of the sum of Customer's Daily Available Volume plus any additional volumes that East Ohio authorizes Customer to use on that Day pursuant to the provision of interruptible storage service as may be available to Customers in the West Ohio Division. Delivery of Customer's Authorized Daily Volume is firm, except as provided in this Section 2.1. Such deliveries, however, shall be subject to interruption or curtailment based on the failure of an Upstream Pipeline to deliver Transportation Volumes, the failure of the Customer to deliver Production Volumes, Force Majeure conditions, or an order of the PUCO or other governmental body. The Customer and East Ohio shall use their best efforts to minimize such interruption or curtailment within the limitations of applicable law, regulations, and orders of

## **GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE WEST OHIO DIVISION**

any governmental authority. Consumption at Customer's facility in excess of the Authorized Daily Volume is interruptible service, and upon notice to Customer, East Ohio may require Customer to reduce consumption to Customer's Authorized Daily Volume whenever East Ohio deems it necessary to do so.

### **3. Electronic Bulletin Board**

3.1 All Customers or their authorized agents will have access to East Ohio's Electronic Bulletin Board ("EBB"). The EBB will provide, at a minimum, for the electronic nomination and confirmation of Customer's Production Volumes and Transportation Volumes, information concerning Customer's Delivery Volumes and imbalances and East Ohio's current Calendar of Nomination Deadlines.

### **4. Volume Banking Service**

4.1 Under the Volume Banking Service, East Ohio will reconcile in subsequent Customer Billing Cycles, on a volumetric basis, any Positive Imbalance Volumes previously incurred.

4.2 Customers must subscribe to the Volume Banking Service set forth in Rate Schedule GTS to be eligible for the provisions of the Volume Bank and Balancing section described herein. Annual election of Monthly Tolerances Levels shall be effective on April 1. Customers may elect to change tolerance levels on an annual basis by providing written notification to East Ohio no later than January 2 for service to be effective the following April 1. Customers must execute new or amended contracts reflecting the new Monthly Tolerance Level. If Customer does not elect a specific percentage for a Monthly Tolerance Level, East Ohio will assume ten percent (10%).

### **5. Positive Imbalance Volumes**

5.1 Unless Customer and East Ohio otherwise agree, East Ohio will purchase Customer's Positive Imbalance Volumes, in excess of Customer's Monthly Tolerance Level, at a rate determined by adding the current month's Positive Imbalance Volume reference gas cost, the minimum of the daily midpoints of common price spreads for gas entering Tennessee Gas Pipeline Company's 800 leg during the month as published in *Gas Daily* Eastern Edition (Pasha Publications Inc.), times eighty percent (80%), plus the variable transportation charges paid to bring the gas to East Ohio's system, adjusted for shrinkage.

5.2 Positive Imbalance Volumes within Customer's Monthly Tolerance Level shall be available for delivery to the Customer in the Customer Billing Cycle following the determination of the Positive Imbalance Volume (the "Adjustment Month"), by increasing the Customer's Daily Available Volume on each Day in the Adjustment

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

Month by an amount equal to the Positive Imbalance Volume divided by the number of days in the Adjustment Month.

**6. Negative Imbalance Volumes**

6.1 East Ohio will sell gas to Customer to eliminate Negative Imbalance Volumes at a rate determined by adding the current month's Negative Imbalance Volume reference gas cost, the maximum of the daily midpoints of common price spreads for gas entering Tennessee Gas Pipeline Company's 800 leg during the month as published *Gas Daily* Eastern Edition (Pasha Publications Inc.), times one hundred and twenty percent (120%), plus the firm transportation charges to transport gas on Tennessee Gas Pipeline Company and CNG Transmission Corporation ("CNGT") to East Ohio's interconnections with CNGT, plus excise tax, adjusted for shrinkage. Charges for Negative Imbalance Volumes attributable to the Customer's failure to comply with operational flow orders or operational matching orders will be based on the provisions of Sections 13 or 14, as appropriate. If the Customer's Negative Imbalance Volumes exceed 25% of all daily volumes actually delivered to the Customer during the Customer's Billing Cycle over two or more consecutive months, East Ohio may, at its sole discretion in accordance with reasonable and standard industry practice, terminate the contract for transportation service upon thirty (30) days' written notice to the Customer and commence rendering sales service pursuant to the applicable rate schedule upon termination of the contract for transportation service.

**7. Transportation Receipt Points**

7.1 All Transportation Volumes will be measured at Transportation Receipt Points in accordance with the terms of East Ohio's agreement with the Upstream Pipeline and shall be conclusive for purposes of these tariffs.

7.2 When Transportation Volumes are received by East Ohio on an MMBtu basis, East Ohio will make a heat content adjustment in order to deliver to Customer volumes of gas on an Mcf basis. For each calendar year, East Ohio will calculate the weighted average heat content of all gas delivered by East Ohio during this period. This Heat Content Adjustment Factor, expressed as MMBtu per Mcf, will be used to adjust all Transportation Volumes received during the following twelve (12) month period commencing on April 1, unless East Ohio and Customer agree in writing to an alternative Heat Content Adjustment Factor.

7.3 Transportation Volumes received by East Ohio at Transportation Receipt Points shall conform to Upstream Pipeline's gas quality standards.

7.4 East Ohio shall use its best efforts to receive Transportation Volumes for Customer's account, unless Customer has made an election pursuant to Section 9 hereof.

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION****8. Nomination of Transportation Volumes**

- 8.1 All Transportation Volumes received for Customer's account at Transportation Receipt Points shall be nominated to East Ohio in advance according to the procedures outlined in this Section.
- 8.2 Nominations are to be transmitted to East Ohio either by electronic facsimile (FAX) or via East Ohio's EBB, and are to be received by East Ohio by the dates and times specified in East Ohio's Calendar of Nomination Deadlines, as amended from time to time, which is available on East Ohio's EBB.
- 8.3 Nominations must conform, in content and format, with East Ohio's specifications for Transportation Volume Nominations, which shall include, at a minimum: Customer name; Customer's East Ohio contract number; Upstream Pipeline; Customer's Upstream Pipeline contract number; requested daily Transportation Volume; and the name and telephone number of the Customer's nominations contact.
- 8.4 Subject to the limits of East Ohio's operating conditions and facilities, previously confirmed nominations and timely confirmation by Upstream Pipelines, East Ohio will either confirm, in total or in part, or reject Customer's Transportation Volume nomination. Confirmed Transportation Volumes will be posted on East Ohio's EBB.
- 8.5 Confirmed nominations will become effective on the date specified in the Customer's nomination and will remain in force until the last day of the current calendar month, subject to continued receipt by East Ohio from Upstream Pipeline of the confirmed volume, unless superseded by a subsequent Transportation Volume nomination.

**9. Firm Receipt Point Option**

- 9.1 The Customer may elect to designate specific Transportation Receipt Points as firm receipt points. Each such firm receipt point, and the corresponding maximum daily transportation quantity for each such firm receipt point, shall be specified in the contract. The sum of the maximum daily transportation quantities for all firm receipt points shall not exceed the total Maximum Daily Transportation Quantity specified in the contract.
- 9.2 Access to any receipt points on East Ohio's system, as to which an election pursuant to Section 9.1 above has not been made, shall be on a best efforts basis.
- 9.3 A Customer making an election pursuant to Section 9.1, above, shall be assessed a firm receipt point surcharge; the actual amount of the surcharge shall be

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

determined through competitive bidding with minimum bid amounts to be determined by East Ohio.

**10. Production Receipt Points**

- 10.1 The unit of measurement for Production Volumes shall be one (1) cubic foot of gas, and the term "cubic foot of gas" shall mean a cubic foot of gas at a pressure of 14.73 PSIA and at a temperature of sixty degrees (60) Fahrenheit. For purposes of measurement and meter calibration, atmospheric pressure shall be assumed to be 14.4 pounds per square inch. All gas delivered to East Ohio by the Customer shall be measured by orifice or other measurement facility of standard type to be selected and furnished by East Ohio. Orifice meters of East Ohio shall be constructed and installed in accordance with the applicable provisions of the American National Standard "Orifice Metering of Natural Gas," ANSI/API 2530, First Edition, and any amendments thereto. The volumes of gas delivered to East Ohio shall be computed from meter records and converted into the unit of measurement specified above in accordance with standard industry practices. Correction shall not be made for deviation from the Ideal Gas Laws. In the absence of a recording thermometer, an assumed flowing temperature of sixty degrees (60) Fahrenheit shall be used in computing said quantities of gas; provided, however, that if the temperature of the natural gas passing through the meter is determined for any Day by the use of a recording thermometer, then the arithmetic average of the temperature recorded for such Day shall be used.
- 10.2 The Production Volume delivered to East Ohio shall be delivered in its natural state, and have a gross heating value of not less than 1,000 British thermal units per cubic foot at 14.73 PSIA, sixty degrees (60) Fahrenheit and saturated with water vapor.
- 10.3 If at any time the delivery by the Customer at the Production Receipt Point(s) of gas from any meter subject to the contract shall be less than an average of ten thousand cubic feet per Day, then East Ohio, at its sole option, may terminate the contract as to the gas behind any such meter(s), by giving the Customer thirty days prior written notice of such termination, unless East Ohio and Customer agree in writing to an alternative.
- 10.4 The Production Receipt Points for Production Volumes from physical meters listed in the contract or any supplement thereto shall be at measuring stations furnished, constructed, owned, operated, and maintained by East Ohio, to be located at such points as East Ohio and the Customer shall agree, on East Ohio's lines as now constructed or on any extensions thereof which East Ohio in its sole judgment, in accordance with good industry practice, may hereafter construct. The sites for said measuring stations shall be furnished by East Ohio, or, if furnished by the Customer, shall provide rights of ingress and egress to East Ohio. In the event the Customer wishes to change any Production Receipt Points, all costs

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

- incurred by East Ohio in connection with such change shall be promptly reimbursed to East Ohio by the Customer. Measuring stations on East Ohio's lines existing as of the date of the contract and owned by the Customer or any other person, shall, subject to the approval of East Ohio, also be designated as Production Receipt Points, to be operated and maintained by East Ohio.
- 10.5 The Customer shall be responsible for the construction of any necessary pipeline extending from the wells to the Production Receipt Points agreed upon. As soon as practical after completion of such a line by the Customer, East Ohio, at the Customer's expense, shall construct any measuring stations or approve Customer's construction of the Production Receipt Point to East Ohio's specifications which may be necessary at Production Receipt Points receiving Production Volumes. All pipelines which connect wells listed with East Ohio's measuring stations shall be owned and constructed by the Customer or by the party from which the Customer purchases volumes delivered to East Ohio.
- 10.6 Unless otherwise agreed to by East Ohio and Customer, prior to construction of a measuring station at a Production Receipt Point, East Ohio shall provide the Customer with its best estimate of the costs of the measuring station, including station site. The Customer shall pay East Ohio an amount equal to the estimate provided by East Ohio to the Customer if Customer elects to have East Ohio construct the Production Receipt Point. Such payment, which will bear no interest, will be applied by East Ohio toward the actual construction costs of the measuring station. Following the accumulation of all actual costs by East Ohio for the measuring station, the parties shall reconcile any differences within thirty days.
- 10.7 Production Volumes received by East Ohio at Production Receipt Points listed in the contract shall be taken by East Ohio at all times at full flow against the varying pressures maintained from time to time in East Ohio's pipelines. East Ohio at any time may suspend the taking of gas hereunder while making repairs or alterations in its facilities. When practicable East Ohio shall notify the Customer in advance of its plans to suspend the taking of gas, giving its best estimate of the duration of the suspension. Such repairs and alterations shall be completed with reasonable speed, unavoidable delays excepted. During periods when East Ohio must suspend the taking of gas, East Ohio shall not be required to accept Production Volumes from meters. Subject to the foregoing, the Customer may compress and pump the gas to be delivered to East Ohio hereunder; however, the Customer shall install and maintain at its own expense the necessary equipment for the elimination or suppression of pulsations in the flowing gas that are created by compression equipment, and, in addition, the Customer will install the necessary equipment to insure a flowing temperature not to exceed 120 degrees Fahrenheit at the measuring stations described.

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

- 10.8 The capacity of East Ohio's facilities to receive Production Volumes at the Production Receipt Points shall be of such size as East Ohio in its sole judgment, in accordance with good industry practice, deems adequate. East Ohio shall have the right to restrict, limit or halt its receipt of Production Volumes whenever, in its sole judgment, in accordance with good industry practice, it is necessary to do so due to Force Majeure, an order of the PUCO or other governmental body, circumstances requiring East Ohio to act to protect its ability to meet its Core Demand. In the event East Ohio exercises its right to restrict, limit, or halt its receipt of Production Volumes, it shall give the Customer notice by telephone, letter, or otherwise to decrease or terminate deliveries of Production Volumes to East Ohio until such time as, in East Ohio's sole judgment, in accordance with good industry practice, deliveries may be increased or resumed. If the Customer fails to act promptly in accordance with such notice, East Ohio shall have the right to shut in wells or otherwise refuse to accept further Production Volumes at the Production Receipt Points.
- 10.9 The Customer shall install and maintain, at East Ohio's request at any time and at the Customer's own expense, the necessary equipment for separating and removing oil, water, salt, dust, and other foreign substances from Production Volumes before its delivery at the Production Receipt Points. The gas received by East Ohio at the Production Receipt Points shall be free from all foreign matter or fluid characteristics that might interfere with its marketability or cause injury to, or interference with, the operation of the lines, regulators, meters, or other appliances connected with East Ohio's distribution system. East Ohio may refuse at any time any gas which contains gaseous impurities or objectionable odors.
- 10.10 East Ohio shall furnish, install, and maintain in good repair all meters and regulating equipment at the Production Receipt Points receiving Production Volumes. East Ohio shall read the meters and the same shall be accessible to inspection and examination by the Customer at all reasonable times. If either party challenges the accuracy of any meter in use under the contract and desires to have the meter tested, East Ohio shall test the same in the presence of a Customer employee or representative, if the Customer wishes to exercise the right to be present or to be represented at such test; the cost of testing the meter to be borne by the party challenging its accuracy if it proves to be correct, and it shall be deemed correct if there be no greater variation than three percent (3%), either fast or slow, but if the meter on test proves to be incorrect, then the cost of testing the meter shall be borne by East Ohio. If the meter is again connected to the line, and adjustment and settlement shall be made at the regular monthly periods on the basis of the amount of gas registered at like pressures for like periods of time when the meter was registering accurately. Any adjustment for errors in the meter shall be made for a period not to exceed ninety (90) days prior to the date of challenge by either party. The statements of meter measurement and estimated deliveries which under the contract are to be rendered by East Ohio to the Customer monthly shall be final, excepting as to corrections or adjustments then pending unless exceptions thereto in writing shall

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

be made by the Customer and mailed to East Ohio within sixty (60) days after the Customer shall receive the statements.

- 10.11 The addition or removal of Production Receipt Points from the contract shall be the subject of written supplements, which shall be proposed by the Customer and accepted or rejected at the sole discretion of East Ohio, in accordance with good industry practice.

**11. Nomination of Production Volumes**

- 11.1 All Production Volumes received for Customer's account at Production Receipt Points shall be nominated to East Ohio in advance according to the procedures outlined in this Section.
- 11.2 Nominations are to be transmitted to East Ohio either by electronic facsimile (FAX) or via East Ohio's EBB and are to be received by East Ohio by the dates and times specified in East Ohio's Calendar of Nominations, as amended from time to time, which is available on East Ohio's EBB.
- 11.3 Nominations must conform, in content and format, with East Ohio's specifications for Production Volume Nominations, which shall include, at a minimum: Customer name; Customer's East Ohio contract number; requested daily Production Volume; and the name and telephone number of the Customer's nominations contact.
- 11.4 Subject to the limits of East Ohio's operating conditions and facilities, and the reasonableness of Customer's nomination as determined solely by East Ohio, East Ohio will either confirm, in total or in part, or reject Customer's Production Volume nomination. Confirmed Production Volumes will be posted on East Ohio's EBB.
- 11.5 Confirmed nominations will become effective on the date specified in the Customer's nomination and will remain in force until the last day of the current calendar month, unless superseded by a subsequent Production Volume nomination.

**12. Reconciliation of Production Volumes**

- 12.1 Confirmed Production Volume nominations will be credited to Customer's account on the date specified in the Customer's nomination. When actual Production Volumes are known, any discrepancies between actual and confirmed Production Volumes will be reconciled, in the first full billing cycle following the determination of actual Production Volumes, in accordance with the provisions of Sections 5 and 6 hereunder.

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

**13. Operational Flow Orders**

13.1 Customers without electronic gas measurement devices are subject to East Ohio's issuance of operational flow orders ("OFO") which will direct Customers to adjust Daily Available Volumes to match their estimated Delivery Volumes. Failure to comply with an operational flow order will result in the billing of the following incremental charges times the OFO shortfall which is defined as the imbalance between Daily Available Volumes and estimated Delivery Volumes, as calculated by East Ohio, on those Days subject to the OFO:

(A) the payment of a gas cost equal to the highest incremental cost paid by East Ohio on the date of non-compliance; and

(B) demand charges based on the weighted average cost incurred for Core Demand pursuant to the following schedule:

Number of Days of Noncompliance During the Calendar Month	Monthly Demand Charge Multiplier Applied to Maximum OFO Shortfall
One, Two or Three	Three
Four, Five or Six	Six
Seven, Eight or Nine	Nine
Ten or More	Twelve

The maximum amount that the Customer shall pay pursuant to Section 13.1(B) over any Winter Season shall be twelve months' demand charges multiplied by the maximum OFO shortfall experienced during that Winter Season; and

(C) the payment of all other charges, inclusive of storage and overrun costs, incurred by East Ohio on the date of the OFO shortfall.

13.2 Customers in compliance with an OFO shall not be subject to any incremental charges or costs

**14. Operational Matching Orders**

14.1 Customers with electronic gas measurement devices are subject to East Ohio's issuance of operational matching orders ("OMO") which will direct Customers to adjust Daily Available Volumes to match their actual Delivery Volumes. Failure to comply with an OMO will result in the billing of the following incremental charges times the OMO shortfall which is defined as the imbalance between Daily Available Volumes and actual Delivery Volumes on those Days subject to the OMO:

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

(A) the payment of a gas cost equal to the highest incremental cost paid by East Ohio on the date of non-compliance; and

(B) demand charges based on the weighted average cost incurred for Core Demand pursuant to the following schedule:

Number of Days of Noncompliance During the Calendar Month	Monthly Demand Charge Multiplier Applied to Maximum OFO Shortfall
One, Two or Three	Three
Four, Five or Six	Six
Seven, Eight or Nine	Nine
Ten or More	Twelve

The maximum amount that the Customer shall pay pursuant to Section 14.1(B) over any Winter Season shall be twelve months' demand charges multiplied by the maximum OFO shortfall experienced during that Winter Season; and

(C) the payment of all other charges, inclusive of storage and overrun costs, incurred by East Ohio on the date of the OMO shortfall.

14.2 Customers in compliance with an OMO shall not be subject to any incremental charges or costs.

**15. Obligations**

15.1 The Customer shall be deemed to be in control and possession of the gas transported for it, until it shall have been delivered to East Ohio at the Transportation Receipt Point(s) or the Production Receipt Point(s), as applicable, after which East Ohio shall be deemed to be in control, but not possession, of the gas until the gas is redelivered to the Customer by East Ohio at the Delivery Point(s).

15.2 The Customer warrants the title to the gas delivered to East Ohio at the Transportation Receipt Point(s) or the Production Receipt Point(s), as applicable, and shall indemnify East Ohio for and save East Ohio harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or attributable to the adverse claims of any and all other persons or parties to the gas delivered to East Ohio, provided, however, that if any person or party makes claim to any gas delivered to East Ohio adverse to Customer's claim of ownership of the gas, or obtains a lien or encumbrance against the gas, East Ohio may withhold payment, if any may be due, for such gas until such adverse claim or lien is released or disposed of by the parties by final court action and may pay such withheld amount(s) to the party entitled to payment, unless the Customer posts a

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

bond in an amount and on terms satisfactory to East Ohio to protect and indemnify East Ohio against such adverse claim or lien.

**16. Contract Supply Service**

16.1 The Customer may elect to purchase natural gas supplies from East Ohio to supplement its purchases of gas supplies from third parties. Specific terms and conditions, including price, applicable to such Contract Supply Service purchased by Customer from East Ohio will be the subject of a separate written agreement, which will be filed with the PUCO pursuant to Section 4905.31 or other appropriate provisions of the Ohio Revised Code.

**17. Provision for Human Needs Customers**

17.1 Human Needs Customers are required to have adequate backup supply service in the form of: a) installed operational alternate fuel equipment and fuel; b) reliable alternative natural gas commodity, capacity, and delivery from another supplier; c) Standby Service from East Ohio; or d) Contract Supply Service from East Ohio. Determination of adequate backup supply service shall be made by East Ohio on a non-discriminatory basis.

**18. Optional Sale of Gas to East Ohio**

18.1 The Customer may elect to sell its flowing supplies of natural gas to East Ohio. Should East Ohio agree, and enter into an arrangement with Customer, a special amendment to the Customer's transportation contract, specifying the terms and conditions, including price, for such a sale, will be executed by East Ohio and Customer.

**19. Force Majeure**

19.1 The term "Force Majeure," as used herein, and as applied to East Ohio or the Customer, shall mean unforeseen acts of law including governmental bodies acting pursuant to law, acts of God, strikes, lockouts or other labor disturbances, acts of a public enemy, war, blockades, insurrections, riots, epidemics, lightning, fires, floods, washouts, arrests, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, freezing of wells or pipelines, partial or opposing party when such course is inadvisable is at the discretion or judgment of the affected party. failure of su

19.2 In the event East Ohio or the Customer is rendered unable, wholly or in part, by Force Majeure, to carry out its obligations other than the obligation to make payment of amounts accrued and due under the transportation service agreement and applicable rate schedules, and after notice of the Force Majeure condition is given to the other party in writing or by facsimile, the obligation of both parties,

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

- so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused except the obligation to continue delivery of Production Volumes during curtailment periods, and the Force Majeure condition shall be remedied with all reasonable dispatch.
- 19.3 Whenever East Ohio is unable to meet its Core Demand due to Force Majeure conditions on, or upstream of, East Ohio's system, East Ohio shall have the right to use the Customer's flowing supplies to meet its Core Demand. Any interruption in the Customer's service entitlement resulting from such condition shall be remedied as quickly as possible, and must be preceded by the exhaustion of other reasonable alternatives to avoid the involuntary interruption of service. To the extent possible and appropriate in the circumstances, any necessary interruptions in service will be based on the size and location of the facilities involved, to minimize the absolute number of interruptions required.
- 19.4 If East Ohio and the Customer have not entered into a contractual compensation arrangement pursuant to Section 18 hereof covering the sale of Customer's gas to East Ohio, East Ohio shall compensate the Customer for gas diverted by East Ohio from the Customer pursuant to Section 19.3, above, as follows: East Ohio shall reimburse the Customer for the cost of the gas diverted plus a portion of the Customer's annual interstate pipeline demand charges, if any, in each month in which gas is taken by East Ohio. On the first Day on which gas is diverted in any month, the demand charge compensation shall equal 1/24 of the Customer's annual pipeline demand charges; if gas is diverted on two or more Days in a month, the demand charge compensation shall be 1/12 of the Customer's annual pipeline demand charges. In no event shall the monthly demand charge compensation exceed 1/12 of the Customer's annual pipeline demand charges. The total compensation determined in accordance with this Section 19.4 shall not be less than the cost of gas as computed pursuant to Section 6.1 of these General Terms and Conditions of Transportation Service.
- 19.5 Neither East Ohio nor the Customer shall be liable in damages to the other for any act, omission or circumstances occasioned by, or in consequence of, Force Majeure.
- 19.6 Such causes or contingencies affecting the performance of the transportation service agreement by East Ohio or the Customer shall not relieve the affected party of liability unless such party shall give notice and full particulars of such cause or contingency in writing or by facsimile to the other party as soon as reasonably practical after the occurrence of the cause relied upon, nor shall such causes or contingencies affecting the performance of the transportation service agreement by either party relieve it of liability in the event of its concurring negligence, nor shall such causes or contingencies affecting the performance of the transportation service agreement relieve either party from its obligations to

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

make payments of amounts then due under the Customer's transportation service agreement or applicable rate schedules in respect to gas already delivered.

**20. Late Payment Charge**

- 20.1 Charges previously billed to Customer by East Ohio, but unpaid by the payment date specified by East Ohio, will be assessed a late payment charge of one and one-half percent (1.5%) per month on the unpaid balance.

**21. Ownership of Facilities**

- 21.1 Except as provided herein, all pipelines, fittings and other properties furnished under these General Terms and Conditions of Transportation Service shall remain the property of the party paying for the facilities, who shall be solely responsible for the maintenance and operation of those facilities, and each party may remove its property at the termination of the contract. Existing measuring stations owned by parties other than East Ohio which qualify as Production Receipt Points shall not become the property of East Ohio, but shall be maintained and operated by East Ohio until termination of the contract. However, any measuring stations constructed or otherwise furnished by East Ohio shall be and remain the property of East Ohio.

**22. Governmental Authorizations**

- 22.1 East Ohio and Customer shall file, as soon as practicable after execution of the transportation service agreement, all necessary applications with the appropriate governmental authorities for the purpose of securing all requisite authorizations for the service contemplated by the agreement, and shall proceed with all due diligence to secure such governmental authorizations.
- 22.2 In the event governmental approval of the transportation service agreement is conditioned in any manner, East Ohio or Customer may, within 30 days of such event, elect to terminate the agreement by giving the other fifteen days notice, and upon such termination neither party shall have any liability or obligation to the other by reason of the transportation service agreement other than the obligation to make payments as provided for in the agreement with respect to events or transactions that have occurred prior to such termination.
- 22.3 If the transactions provided for under the transportation service agreement at any time subject either party to the jurisdiction or regulation by the FERC to an extent greater than any which exists on the date of the contract, whether by reason of statutory, regulatory or judicial action, then either party may elect to terminate the contract in the manner provided for in Section 22.2 above, provided, however, that termination shall not relieve either party of its obligations under the

**GENERAL TERMS AND CONDITIONS OF TRANSPORTATION SERVICE  
WEST OHIO DIVISION**

transportation service agreement or applicable rate schedules with respect to transactions that have occurred prior to the date of termination.

**23. Miscellaneous**

- 23.1 No modification of the terms and provisions of the transportation service agreement shall be made or become effective except by the execution of a supplementary written agreement.
- 23.2 No waiver by East Ohio or the Customer of any one or more defaults by the other in the performance of any provision of the transportation service agreement or applicable rate schedules shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.
- 23.3 The transportation service agreement shall not be assignable without the prior written consent of the other party, which consent shall not unreasonably be withheld.
- 23.4 The payments of the rates stated in the transportation service agreement or applicable rate schedules as well as the other provisions and conditions of these General Terms and Conditions of Transportation Service shall be subject to all applicable Federal and State laws and orders, rules and regulations.
- 23.5 In the event any tax is imposed on natural gas, or the production, severance, gathering, transportation, sale, delivery, or use of natural gas, or if such tax is imposed in any other manner so as to constitute directly or indirectly a charge upon the gas delivered to East Ohio for redelivery pursuant to the transportation service agreement, the amount of such tax shall be borne by the Customer so far as it affects or relates to or is apportionable to the gas delivered to East Ohio under the transportation service agreement or applicable rate schedules. In the event East Ohio is required to pay such tax, the amount of the tax shall be billed directly to the Customer.
- 23.6 The Customer shall pay, or cause to be paid, any royalty payments due or owed on the gas delivered pursuant to the transportation service agreement, and shall indemnify and hold East Ohio harmless from any responsibility, liability or obligation for payment of any such royalty. In the event East Ohio is obligated by law to make any such royalty payment directly to royalty owners, the Customer shall reimburse East Ohio for any such payment and any costs associated with such payment. If the Customer fails to reimburse East Ohio, East Ohio may deduct the amount of such payments or costs from any payments accruing to the Customer under the transportation service agreement or applicable rate schedules, or take production in kind in satisfaction of the Customer's obligation.