

GENERAL TRANSPORTATION SERVICE (GTS) WEST OHIO DIVISION

1. Applicability

- 1.1 Transportation service pursuant to this rate schedule is available to Customers throughout the West Ohio Division of East Ohio's service area who:
- a) have purchased or otherwise arranged for a supply of natural gas of acceptable quality and have provided for the delivery of such gas to East Ohio's system for redelivery at appropriate points on the East Ohio system; and
 - b) qualify for transportation service under the PUCO Gas Transportation Program Guidelines; and
 - c) have entered into a written contract (the "contract") with East Ohio for service under this rate schedule for a minimum of 12 months.
- 1.2 Transportation service pursuant to this rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service applicable to the West Ohio Division.

2. Character of Service

The gas received by East Ohio on any Day for the account of the Customer shall be delivered by East Ohio to the Customer on the same Day on a firm basis, provided, however, that East Ohio's obligation to deliver gas to the Customer on any Day is limited to the Maximum Daily Transportation Quantity specified in the contract and is subject to the provisions of Section 2 of East Ohio's General Terms and Conditions of Transportation Service.

3. Measurement of Deliveries

- 3.1 Customers that subscribe to Volume Banking Service may have the Delivery Points specified in the contract equipped with monthly gas measurement equipment instead of real-time electronic gas measurement ("EGM") capability, except as specified in Section 3.2 below. For any Delivery Point so equipped, the average daily volume of gas delivered by East Ohio to the Customer shall be calculated by dividing the total volume of gas delivered by East Ohio during the Customer's Billing Cycle by the number of days in the Billing Cycle. In addition:

(A) Customers without EGM devices are subject to East Ohio's issuance of operational flow orders.

3.2 Any Customer that does not subscribe to Volume Banking Service or does not receive all of its natural gas requirements through East Ohio shall be required to equip all of its Delivery Points with EGM capability. Any other Customers may elect to equip some or all of its Delivery Points with EGM capability. If EGM capability approved and required by East Ohio is not available at any of the Delivery Points specified in the contract at the time the contract is executed, such equipment shall be installed, owned, operated, and maintained by East Ohio, provided, however, that all costs associated with the purchase and installation of such equipment shall be borne by the Customer and paid to East Ohio in equal monthly installments over a period specified in the contract, which period shall not exceed 24 months. In addition:

(A) The Customer shall provide, at no cost to East Ohio and in a timely manner, a 120 volt, 15 ampere, AC power supply and a telephone tie to the Customer's telephone system accessible at Customer's meter location(s), and any necessary telephone enhancements to properly transmit data.

(B) The Customer shall pay all charges for continuous electric and telephone service necessary for the operation of the EGM equipment.

(C) Customers with EGM devices are subject to East Ohio's issuance of operational matching orders.

4. **Balancing Tolerances**

4.1 The Daily Available Volume on any Day for Customers not electing to subscribe to Volume Banking Service shall equal the Delivery Volume on that Day, plus or minus 5%. Daily imbalances of such Customers in excess of the 5% tolerance shall be subject to an imbalance fee of \$0.20 per Mcf per Day.

4.2 Positive and Negative Imbalance Volumes will be reconciled pursuant to Sections 5 and 6 of East Ohio's General Terms and Conditions of Transportation Service.

5. **Volume Banking Service**

5.1 Customers purchasing transportation service pursuant to this rate schedule may elect to subscribe to Volume Banking Service. A customer electing such service shall enter into a written service agreement for Volume Banking Service. The minimum Monthly Tolerance Level for such Customers is two percent (2%) of monthly consumption volumes.

5.2 Customers that subscribe to Volume Banking Service will be billed the applicable rate per Mcf on all Delivery Volumes according to the level of Volume Banking set forth in their service agreements.

<u>Monthly Tolerance Level</u>	<u>Rate per Mcf for all Delivery Volumes</u>
Two Percent	\$0.022
Four Percent	\$0.027
Six Percent	\$0.034
Eight Percent	\$0.040
Ten Percent	\$0.046

6. Rates and Charges

6.1 Subject to Section 6.2 below, the total month charge for each Customer shall be the sum of the following charges:

(1) A commodity charge based on volumes delivered to each Delivery Point calculated as follows:

For the first 200 Mcf each month, \$1.4163 per Mcf,
For the next 4,800 Mcf each month, \$1.0353 per Mcf,
For the next 20,000 Mcf each month, \$0.7183 per Mcf
For all over 25,000 Mcf each month, \$0.6683 per Mcf

(2) An administration fee of \$100.75 per Agreement; and

(3) The applicable customer charge per Agreement; and

(4) Any applicable PUCO approved surcharge(s) or rider(s).

6.2 East Ohio may agree to a commodity charge lower than that which would be calculated pursuant to Section 6.1, above, if, in its sole discretion, it determines that lower rates are necessary to meet a competitive threat. Pursuant to Case No. 85-800-GA-COI, minimum rates shall cover the variable costs of serving a Customer under this schedule plus make a contribution to total company fixed costs.