

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION
BUFFALO, NEW YORK**

RATES, RULES AND REGULATIONS

**GOVERNING THE FURNISHING
OF
NATURAL GAS SERVICE
IN
TERRITORY DESCRIBED HEREIN**

Issued: February 1, 2010

Effective: August 1, 2010
Pursuant to Act 74 (1984)
Amending the Public Utility Code
To Add Section 1307(f), and the
Public Utility Commission's
Regulation at Pa. Code 53.64 (d)

A. M. CELLINO, PRESIDENT
BUFFALO, NEW YORK

This Supplement Changes, Increases and Decreases Existing Rates
See Page 2 and 3

LIST OF CHANGES MADE BY THIS TARIFF

CHANGE:

1. LIRA percentage discounts table changes.
Pages 37A and 37B.

INCREASE:

2. The Distribution Charge, Gas Adjustment Charge and Natural Gas Supply Charge for Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial Service Classes increase.
Pages 36, 41, 42, 53, 55, 65 and 76.
3. Demand Charges for Load Balancing Service increase.
Pages 48, 61, 72, 79 and 82.
4. Commodity Charges for Load Balancing Service increase.
Pages 50, 62, 73, 80 and 82.
5. Natural Gas Vehicle rates increase.
Pages 82, 83 and 84.
6. Priority Standby and Standby rates increase.
Pages 93 and 95.
7. The price for purchase of gas by Distribution from a transportation service customer in the event of a curtailment or interruption will increase to \$8.9106 per Mcf.
Pages 106, 117 and 146G.
8. SATC rates increase.
Pages 119, 120 and 121.
9. Number of Degree Days used for extreme peak day calculation increase.
Page 126.
10. Under rate schedule SATS the Demand Transfer Rate increase.
Page 127.
11. Purchase gas costs in Rider A increase.
Page 147.
12. STA surcharge in Rider B increase.
Page 157.
13. LIRA discount charge in Rider F increase.
Pages 164 and 167.

LIST OF CHANGES MADE BY THIS TARIFF

DECREASE:

14. The component for recovery of purchased gas cost included in transportation rates decrease.
Pages 50, 63, 74, 81, 100 and 101.

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RESIDENTIAL SERVICE RATE SCHEDULE

RESIDENTIAL CLASSIFICATION

This classification shall include gas supplied for residential purposes such as a private dwelling, apartment house with a single meter supplying four or less dwelling units, separately metered apartments of a multiple dwelling, accessory buildings to dwellings or apartment houses such as garages, except at residences receiving service under Rate Schedule LIRAS for Low Income Residential Assistance Service and other places of residence where gas is used for residential purposes.

Churches and missions (places of worship) shall be entitled to Service under the Residential service rate schedule.

AVAILABILITY OF SERVICE

Gas Service shall be available at one location, except as otherwise provided, for residential customers.

APPLICABILITY

Applicable in all areas served under this tariff.

MONTHLY RATE

Basic Service
Charge

\$12.00 per Month

Distribution Charges

37.155¢ per 100 cubic feet for the first 5,000 cubic feet (I)

26.797¢ per 100 cubic feet for all over 5,000 cubic feet (I)

Gas Adjustment Charge

(7.953¢) per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge

86.840¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and Rider F - LIRA Discount Charge as set forth in this tariff.

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(I) Indicates Increase

MONTHLY RATE

(C)

After completion of selection of the customers to receive service under this rate schedule, the following percentage discounts shall be applied to the Residential Rate Schedule Basic Service Charge, Distribution Charge, Gas Adjustment Charge and Natural Gas Supply Charge:

Program changes associated with the Order at Docket Nos. R-00072420 and M-00072019 will be implemented the first calendar day of the month following the entry date of the Commission Order if the entry date is at least 5 days prior to the first calendar day of the month. If the entry date is within the 5-day window, program changes will become effective the first day of the subsequent calendar month.

ANNUAL INCOME	HOUSEHOLD SIZE						
	1	2	3	4	5	6	7
\$0 - \$999	20.0%	20.0%	20.0%	30.0%	30.0%	30.0%	30.0%
\$1,000 - \$1,999	30.0%	30.0%	30.0%	30.0%	40.0%	30.0%	40.0%
\$2,000 - \$2,999	30.0%	30.0%	40.0%	40.0%	40.0%	40.0%	40.0%
\$3,000 - \$3,999	40.0%	40.0%	40.0%	40.0%	50.0%	50.0%	50.0%
\$4,000 - \$4,999	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	60.0%
\$5,000 - \$5,999	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
\$6,000 - \$6,999	40.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
\$7,000 - \$7,999	30.0%	40.0%	50.0%	50.0%	50.0%	50.0%	50.0%
\$8,000 - \$8,999	30.0%	30.0%	40.0%	40.0%	50.0%	50.0%	50.0%
\$9,000 - \$9,999	20.0%	20.0%	40.0%	40.0%	40.0%	40.0%	40.0%
\$10,000 - \$10,999	10.0%	20.0%	20.0%	30.0%	40.0%	40.0%	40.0%
\$11,000 - \$11,999	10.0%	10.0%	20.0%	30.0%	30.0%	30.0%	40.0%
\$12,000 - \$12,999	10.0%	10.0%	10.0%	10.0%	30.0%	30.0%	30.0%
\$13,000 - \$13,999	10.0%	10.0%	10.0%	10.0%	10.0%	20.0%	30.0%
\$14,000 - \$14,999	10.0%	10.0%	10.0%	10.0%	10.0%	20.0%	20.0%
\$15,000 - \$15,999	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	20.0%
\$16,000 - \$16,999	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	20.0%
\$17,000 - \$17,999	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

(C) Indicates Change

MONTHLY RATE (con't)

(C)

ANNUAL INCOME	HOUSEHOLD SIZE						
	8	9	10	11	12	13	14
\$0 - \$999	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
\$1,000 - \$1,999	30.0%	40.0%	40.0%	30.0%	30.0%	30.0%	30.0%
\$2,000 - \$2,999	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
\$3,000 - \$3,999	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
\$4,000 - \$4,999	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
\$5,000 - \$5,999	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
\$6,000 - \$6,999	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
\$7,000 - \$7,999	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
\$8,000 - \$8,999	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
\$9,000 - \$9,999	40.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
\$10,000 - \$10,999	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
\$11,000 - \$11,999	30.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
\$12,000 - \$12,999	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
\$13,000 - \$13,999	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
\$14,000 - \$14,999	20.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
\$15,000 - \$15,999	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
\$16,000 - \$16,999	10.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
\$17,000 - \$17,999	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

(C) Indicates Change

APPLICABILITY

Applicable in all areas served under this tariff.

MONTHLY RATE

For "Small" Commercial/Public Authority Customers using not more than 250,000 cubic feet per year:

Basic Service
Charge

\$19.89 per Month

Distribution Charges

30.109¢ per 100 cubic feet for the first 5,000 cubic feet (I)

26.851¢ per 100 cubic feet for all over 5,000 cubic feet (I)

Gas Adjustment Charge

(7.953¢) per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge

86.840¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

For "Small" Commercial/Public Authority Customers using greater than 250,000 cubic feet but not more than 1,000,000 cubic feet per year:

Basic Service
Charge

\$27.53 per Month

Distribution Charges

22.622¢ per 100 cubic feet for the first 20,000 cubic feet (I)

21.258¢ per 100 cubic feet for all over 20,000 cubic feet (I)

Gas Adjustment Charge

(7.953¢) per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

(I) Indicates Increase

Natural Gas Supply Charge
86.840¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

For "Large" Commercial/Public Authority Customers:

Basic Service
Charge
\$121.01 per Month

Distribution Charges
18.254¢ per 100 cubic feet for the first 300,000 cubic feet (I)
17.062¢ per 100 cubic feet for the next 1,700,000 cubic feet (I)
14.878¢ per 100 cubic feet for all over 2,000,000 cubic feet (I)

Gas Adjustment Charge
(7.953¢) per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge
86.840¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The Rules and Regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(I) Indicates Increase

1. The purchased gas demand costs applicable to the Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial classes, the "DC", shall be obtained from Rider "A" - Section 1307(f) Purchased Gas Costs.
2. The number 12 shall be multiplied by the sum of (a) the volume of gas (expressed in Mcf) purchased from the Company by all Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial customers, during the Company peak Sales Month and (b) the volume of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month.
 - (a) "Company Peak Sales Month" is defined as the calendar month within which the Company experienced the System-Wide Peak Sales Day, such month being December, January or February preceding the Section 1307(f) Application Period for which the determination of the rate per Gas BDU is being made.
 - (b) "System-Wide Peak Sales Day" is defined as the day of maximum gas purchased by the Company, including all volumes of gas purchased from the Company throughout its entire system in the states of Pennsylvania and New York.
3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost	\$.7745/BDU	(I)
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Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2 and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

(I) Indicates Increase

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$7.0432 per Mcf, subject to revision as provided below: (I)

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$6.4866/Mcf	(I)
Non Gas Costs	\$0.5566/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus
2. The amount of \$0.5566 per Mcf for recovery of non-gas costs.

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made of the commodity component of purchased gas costs (Item 1, above) and the rate per Mcf shall be changed accordingly. The component included in the rate for recovery of non-gas costs shall remain constant until changed in accordance with a procedure, other than a proceeding pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. Section 1307(f).

2. Commodity Charge for Transportation Service

The monthly Commodity Charge for Transportation Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas transported by the Company to the Customer's load balancing facilities.

The rate per Mcf for transportation of gas under this rate schedule shall be \$.7466 per Mcf, which includes \$.5566 for recovery of non-gas costs and \$.1900 for recovery of purchased gas. (D)
(D)

(I) Indicates Increase

MONTHLY RATE

Basic Service
Charge

\$65.60 per Month

Distribution Charges

23.894¢ per 100 cubic feet

(I)

Gas Adjustment Charge

(7.953¢) per 100 cubic feet

(I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge

86.840¢ per 100 cubic feet

(I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge.

APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The Rules and Regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(I) Indicates Increase

MONTHLY RATE

Basic Service Charge			
\$201.91	per Month		
Distribution Charges			
18.013¢	per 100 cubic feet for the first 100,000 cubic feet		(I)
13.932¢	per 100 cubic feet for the next 1,900,000 cubic feet		(I)
10.738¢	per 100 cubic feet for all over 2,000,000 cubic feet		(I)
Gas Adjustment Charge			
(7.953¢)	per 100 cubic feet		(I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge			
86.840¢	per 100 cubic feet		(I)

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(I) Indicates Increase

Industrial and Large Industrial customers, during the Company peak Sales Month defined in Rate Schedule CPA-LBS and (b) the volumes of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS.

3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost	\$.7745/BDU	(I)
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Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2 and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

b. Determination of Customer's Gas BDUs

The Customer's Gas BDUs shall be determined as follows: The actual volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities during such Customer's Peak billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Gas BDUs applicable to Customer shall be zero (0).

(I) Indicates Increase

2. Margin Demand Charge

- a. The rate per Margin BDU shall be \$.5122 per Margin BDU.
- b. Determination of Customer's Margin BDUs

The Customer's Margin BDUs shall be determined as follows: The actual deliveries of gas to the Customer by Company, including not only volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities but also volumes of Customer-owned gas transported to the Customer's load balancing facilities through the Company's facilities, during such Customer's Peak billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Margin BDUs applicable to Customer shall be zero (0).

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$6.8674 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$6.4866/Mcf	(I)
Non Gas Costs	\$0.3808/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus

(I) Indicates Increase

2. The amount of \$0.3808 per Mcf for recovery of non-gas costs.

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made of the commodity component of purchased gas costs (Item 1, above) and the rate per Mcf shall be changed accordingly. The component included in the rate for recovery of non-gas costs shall remain constant until changed in accordance with a procedure, other than a proceeding pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. Section 1307(f).

2. Commodity Charge for Transportation Service

The monthly Commodity Charge for Transportation Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas transported by the Company to the Customer's load balancing facilities.

The rate per Mcf for transportation of gas under this rate schedule shall be \$.5708 per Mcf, which includes \$.3808 for recovery of non-gas costs and \$.1900 for recovery of purchased gas. (D) (D)

V. SURCHARGE

The Demand Charges and the Commodity Charge for Sales Service and the Commodity Charge for Transportation Service shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge.

VI. AMOUNTS TO BE INCLUDED IN OVER/UNDERCOLLECTION OF GAS COSTS

Purchased gas cost revenues billed under this rate schedule shall be included as revenues for recovery of gas costs for purposes of computing Factor "E" of Company's 1307(f) rate in accordance with procedures set forth in Rider "A" - Section 1307(f) Purchased Gas Costs.

VII. SPECIAL PROVISIONS

Monthly metered Special Provisions A through J contained in the Company's Rate Schedule for Transportation Service shall apply to transportation service under this rate schedule.

VIII. RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(D) Indicates Decrease

- C. An Industrial Customer, for which the Company estimates that the total volumes of gas purchased from the Company or transported by the Company during the next succeeding twelve months will be not less than 50,000 Mcf, if the Industrial Customer has used total volumes of gas in at least one billing month of not less than 4,167 Mcf, even if the Customer disagrees with the Company's estimate.
- D. An Industrial Customer for which the Company estimates that total volumes of gas to be used by the customer during the next succeeding twelve months will not be less than 50,000 Mcf of gas per year whether the gas is purchased by the Industrial Customer from the Company, delivered by the Company to the Industrial Customer, or obtained by the customer from another source.

An Industrial Customer that meets the above criteria under this rate schedule at the beginning of an Application Period is required to continue to be subject to this rate schedule during all months of such Application Period. An Industrial Customer that meets the above criteria under this rate schedule during an Application Period is required to continue to be subject to this rate schedule during all or remaining months of such Application Period.

MONTHLY RATE

Basic Service Charge
\$809.00 per Month

Distribution Charges

13.429¢	per 100 cubic feet for the first 100,000 cubic feet	(I)
11.611¢	per 100 cubic feet for the next 1,900,000 cubic feet	(I)
9.523¢	per 100 cubic feet for the next 18,000,000 cubic feet	(I)
8.151¢	per 100 cubic feet for all over 20,000,000 cubic feet	(I)

Gas Adjustment Charge
(7.953¢) per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge
86.840¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge.

(I) Indicates Increase

Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial customers, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS and (b) the volume of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS.

3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost	\$.7745/BDU	(I)
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Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2 and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

b. Determination of Customer's Gas BDUs

The Customer's Gas BDUs shall be determined as follows: The actual volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered qualifying load balancing facilities during such Customer's Peak billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered qualifying load balancing facilities that ended during on of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Gas BDUs applicable to Customer shall be zero (0).

(I) Indicates Increase

2. Margin Demand Charge

- a. The rate per Margin BDU shall be \$.3182 per Margin BDU.
- b. Determination of Customer's Margin BDUs

The Customer's Margin BDUs shall be determined as follows: The actual deliveries of gas to the Customer by Company, including not only volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities but also volumes of Customer-owned gas transported to the Customer's load balancing facilities through the Company's facilities, during such Customer's Peak billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Margin BDUs applicable to Customer shall be zero (0).

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$6.7339 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$6.4866/Mcf	(I)
Non Gas Costs	\$0.2473/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

- 1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus

(I) Indicates Increase

2. The amount of \$0.2473 per Mcf for recovery of non-gas costs.

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made of the commodity component of purchased gas costs (Item 1, above) and the rate per Mcf shall be changed accordingly. The component included in the rate for recovery of non-gas costs shall remain constant until changed in accordance with a procedure, other than a proceeding pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. Section 1307(f).

2. Commodity Charge for Transportation Service

The monthly Commodity Charge for Transportation Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas transported by the Company to the Customer's load balancing facilities.

The rate per Mcf for transportation of gas under this rate schedule shall be \$.4373 per Mcf, which includes \$.2473 for recovery of non-gas costs (D) and \$.1900 for recovery of purchased gas. (D)

V. SURCHARGE

The Demand Charges and the Commodity Charge for Sales Service and the Commodity Charge for Transportation Service shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

VI. AMOUNTS TO BE INCLUDED IN OVER/UNDERCOLLECTION OF GAS COSTS

Purchased gas cost revenues billed under this rate schedule shall be included as revenues for recovery of gas costs for purposes of computing Factor "E" of Company's 1307(f) rate in accordance with procedures set forth in Rider "A" - Section 1307(f) Purchased Gas Costs.

VII. SPECIAL PROVISIONS

Monthly metered Special Provisions A through J contained in the Company's Rate Schedule for Transportation Service shall apply to transportation service under this rate schedule.

VIII. RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(D) Indicates Decrease

- C. An Industrial Customer, for which the Company estimates that the total volumes of gas purchased from the Company or transported by the Company during the next succeeding twelve months will be not less than 200,000 Mcf, if the Industrial Customer has used total volumes of gas in at least one billing month of not less than 17,000 Mcf, even if the Customer disagrees with the Company's estimate.

An Industrial Customer that meets the above criteria under this rate schedule at the beginning of an Application Period is required to continue to be subject to this rate schedule during all months of such Application Period. An Industrial Customer that meets the above criteria under this rate schedule during an Application Period is required to continue to be subject to this rate schedule during all or remaining months of such Application Period.

MONTHLY RATE

Basic Service Charge
\$1,029.00 per Month

Distribution Charges

11.120¢	per 100 cubic feet for the first 100,000 cubic feet	(I)
9.320¢	per 100 cubic feet for the next 1,900,000 cubic feet	(I)
7.251¢	per 100 cubic feet for the next 18,000,000 cubic feet	(I)
5.893¢	per 100 cubic feet for all over 20,000,000 cubic feet	(I)

Gas Adjustment Charge
(7.953¢) per 100 cubic feet (I)

For a period of 12 months starting when gas supply service hereunder is initiated to a former SATC, MMT or DMT customer by the Company, the rates for service under this rate schedule shall exclude the Gas Adjustment Charge. Former SATC, MMT or DMT customers will be charged during this 12 month period the DEDC factor as defined in Rider A to this tariff and as contained in the Distribution charges set forth above, as amended from time to time.

Natural Gas Supply Charge
86.840¢ per 100 cubic feet (I)

The above rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge.

GAS SHORTAGE CURTAILMENT

Service under this schedule to an LIS Industrial Customer is subject to curtailment and excess consumption penalty as set forth in Rule 26 of this tariff.

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(I) Indicates Increase

LBS and (b) volume of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS.

3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost	\$.7745/BDU	(I)
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Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2 and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

b. Determination of Customer's Gas BDUs

The Customer's Gas BDUs shall be determined as follows: The actual volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities during such Customer's Peak billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Gas BDUs applicable to Customer shall be zero (0).

(I) Indicates Increase

2. Margin Demand Charge

- a. The rate per Margin BDU shall be \$.2517 per Margin BDU.
- b. Determination of Customer's Margin BDUs

The Customer's Margin BDUs shall be determined as follows: The actual deliveries of gas to the Customer by Company, including not only volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities but also volumes of Customer-owned gas transported to the Customer's load balancing facilities through the Company's facilities, during such Customer's Peak billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Margin BDUs applicable to Customer shall be zero (0).

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$6.6790 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$6.4866/Mcf	(I)
Non Gas Costs	\$.1924/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

(I) Indicates Increase

1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus

2. The amount of \$.1924 per Mcf for recovery of non-gas costs.

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made of the commodity component of purchased gas costs (Item 1, above) and the rate per Mcf shall be changed accordingly. The component included in the rate for recovery of non-gas costs shall remain constant until changed in accordance with a procedure, other than a proceeding pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. Section 1307(f).

2. Commodity Charge for Transportation Service

The monthly Commodity Charge for Transportation Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas transported by the Company to the Customer's load balancing facilities.

The rate per Mcf for transportation of gas under this rate schedule shall be \$.3824 per Mcf, which includes \$.1924 for recovery of non-gas costs and \$.1900 for recovery of purchased gas. (D)
(D)

V. SURCHARGE

The Demand Charges and the Commodity Charge for Sales Service and the Commodity Charge for Transportation Service shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

VI. AMOUNTS TO BE INCLUDED IN OVER/UNDERCOLLECTION OF GAS COSTS

Purchased gas cost revenues billed under this rate schedule shall be included as revenues for recovery of gas costs for purposes of computing Factor "E" of Company's 1307(f) rate in accordance with procedures set forth in Rider "A" - Section 1307(f) Purchased Gas Costs.

VII. SPECIAL PROVISIONS

Monthly metered Special Provisions A through J contained in the Company's Rate Schedule for Transportation Service shall apply to transportation service under this rate schedule.

VIII. RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(D) Indicates Decrease

RATE SCHEDULE - NGV

NATURAL GAS VEHICLE SERVICE

I. APPLICABILITY

Throughout the territory served under this tariff.

II. AVAILABILITY

Sales Service under this rate schedule is available for use of natural gas by a customer directly in a natural gas motor vehicle ("NGV").

III. NATURE OF SERVICE

Service provided in this rate schedule shall be firm service subject to the curtailment priorities of Rule 26. For curtailment purposes, service under this rate schedule shall be defined as curtailment priority number (6), firm large noncritical commercial and industrial requirements other than requirement for boiler fuel use.

IV. RATE

Rates per 100 cu. Ft. shall be established by the Company on the first day of each calendar month for each of the categories set forth below to compete with alternative vehicle fuels. The rates shall not be less than the 100% load factor base cost of gas, plus the take-or-pay surcharge, plus the surcharge for Transition Cost, plus the incremental operating cost incurred by the Company for operating Company owned NGV compression equipment on a per Ccf basis, if any, plus \$0.01 per cu. ft., plus the state tax adjustment surcharge, and not more than the tailblock rate of the Commercial and Public Authority Service Rate Schedule, including all applicable surcharges, plus the incremental operating cost incurred by the Company for operating Company owned NGV compression equipment on a per Ccf basis, if any.

The 100% load factor base cost of gas shall be \$0.72611 per 100 cu. ft. (I)
(as calculated by adding the purchase gas components of the Load Balancing Service Rates).

Purchased Gas 100% Load Factor Demand Cost	\$0.07745/Ccf	(I)
plus		
Purchased Gas Commodity Cost	<u>\$0.64866/Ccf</u>	(I)
Equals		
100% Load Factor Base Cost of Gas	\$0.72611/Ccf	(I)

The incremental operating cost for compression shall be \$0.13436/Ccf.

(I) Indicates Increase

Natural gas vehicle customers are classified into the following categories:

NGV(1) All natural gas vehicle customers utilizing Company owned filling facilities. A uniform rate shall be established each month within the parameters set forth above, for customers utilizing Company-owned filling facilities.

The minimum NGV(1) rate shall be: \$0.86969/Ccf (I)

The current components of the minimum NGV(1) rate are as follows:

100% load factor base cost of gas:	\$0.72611/Ccf	(I)
Incremental operating cost of Company owned NGV compression equipment:	\$0.13436/Ccf	
Transition Cost Surcharge	\$0.00000/Ccf	
State Tax Adjustment Surcharge	(\$0.00078)/Ccf	(D)
Minimum allowable Non-Gas cost	\$0.01000/Ccf	

The maximum NGV(1) rate shall be: \$1.07105/Ccf (I)

The current components of the maximum NGV(1) rate are as follows:

Tailblock rate of the Commercial and Public Authority Service Rate schedule:	\$0.93765/Ccf	
Incremental operating cost of Company owned NGV compression equipment:	\$0.13436/Ccf	
State Tax Adjustment Surcharge	(\$0.00096)/Ccf	(D)

NGV(2) Natural gas vehicle customers utilizing customer owned filling facilities. A uniform rate will be established each month within the parameters set forth above, to customers utilizing customer owned filling facilities.

The minimum NGV(2) rate shall be: \$0.73545/Ccf (I)

The current components of the minimum NGV(2) rate are as follows:

100% load factor base cost of gas:	\$0.72611/Ccf	
Transition Cost Surcharge	\$0.00000/Ccf	
State Tax Adjustment Surcharge	(\$0.00066)/Ccf	(D)
Minimum allowable Non-Gas cost	\$0.01000/Ccf	

The maximum NGV(2) rate shall be: \$0.93681/Ccf (I)

(I) Indicates Increase

(D) Indicates Decrease

The current components of the maximum NGV(2) rate are as follows:

Tailblock rate of the Commercial and Public Authority		(I)
Service Rate schedule:	\$0.93765/Ccf	
State Tax Adjustment Surcharge	(\$0.00084)/Ccf	(D)

V. SURCHARGE

All charges under this rate schedule will be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

VI. AMOUNTS TO BE INCLUDED IN OVER/UNDERCOLLECTION OF GAS COSTS

Purchased gas cost revenues billed under this rate schedule shall be included as revenues for recovery of gas costs for purposes of computing Factor "E" of Company's 1307(f) rate in accordance with procedures set forth in Rider "A" - section 1307(f) Purchased Gas Costs. Purchased gas cost revenues recovered under this rate schedule shall be the 100% load factor base cost of gas as defined above.

VII. RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(I) Indicates Increase
(D) Indicates Decrease

RATE SCHEDULE PSB

PRIORITY STANDBY SERVICE

APPLICABILITY

Throughout the territory served under this tariff.

AVAILABILITY OF SERVICE

Service under this rate schedule is available to all customers under the Residential, Commercial and Public Authority, and SVIS Rate Schedules which enter into a contract for service under this Rate Schedule. A customer will be permitted to enter into a contract, prepared by the Company, for service under this rate schedule, however, only if the Company projects that sufficient volumes of gas will be available to the Company during the period of the customer's contract for Priority Standby Service.

Service under this rate schedule is mandatory for all customers categorized as Priority 1 under the curtailment priorities of Rule 26 who enter into contracts with the Company to receive Transportation Service and who do not have dual or alternate fuel equipment on site which is installed and operable with sufficient amounts of alternate fuel available on site during each winter period of each year commencing on December 1 and ending on March 31 of the following year. Service under this rate schedule is voluntary for all other customers.

NATURE OF SERVICE

Priority standby service shall permit the customer to purchase gas on a firm basis subject to curtailment priorities of Rule 26. The Company will take all reasonable steps to obtain or to maintain gas supplies sufficient to enable the Company to provide reasonably continuous service to each Customer receiving Priority Standby Service.

MONTHLY RATE

The monthly rate shall be \$0.5210 per Mcf, which shall be applied to the total monthly volumes transported by the customer during the month. (I)

The rate shall equal the PGDC portion of the commodity rate applicable to the corresponding sales rate classification.

(I) Indicates Increase

MONTHLY RATE

The monthly rate shall be \$0.2478 per Mcf, which shall be applied to the (I)
Monthly Volume, as defined below.

MONTHLY VOLUME

The Mcf volume of gas to which the Monthly Rate set forth above shall be
applied, shall be determined for each billing cycle, as set forth below;

1. The volume of gas specified in the Service Agreement under this rate schedule shall be adjusted for each billing cycle by, multiplying such volume, expressed in Mcf, by a fraction. The numerator of the fraction shall be the number of days in the billing cycle applicable to the customer and the denominator shall be thirty (30).
2. If the volume determined under item 1, above, is greater than the sum of the Mcf volume of gas purchased by the customer under rate schedules other than load balancing rate schedules during the billing cycle, the Monthly Rate shall be applied to the difference between: (a) the volume determined under item 1, above, and (b) the Mcf volume of gas purchased by the customer under the rate schedules other than load balancing rate schedules during such billing cycle.
3. If the volume determined under item 1, above, is equal to or less than the Mcf volume of gas purchased by the customer under rate schedules other than load balancing rate schedules during the billing cycle, then the Monthly Volume shall be zero (0) Mcf.

(I) Indicates Increase

MONTHLY RATES

Commodity Rates

The commodity rates set forth below contain a component, presently (D)
\$0.1900 per Mcf, for recovery of purchased gas costs.

For transportation of gas to Residential Customers, the monthly rate
for transportation of gas both within and outside the Commonwealth of
Pennsylvania shall be:

\$3.05616 per Mcf (D)

For transportation of gas to Commercial and Public Authority Customers,
the monthly rate for transportation of gas produced within the
Commonwealth of Pennsylvania shall be:

\$2.9090 per Mcf for Small Commercial/Public Authority using not more (D)
than 250 Mcf per year

\$2.2459 per Mcf for Small Commercial/Public Authority using greater (D)
than 250 Mcf but not more than 1,000 Mcf per year

\$1.6948 per Mcf for Large Commercial/Public Authority (D)

For transportation of gas to Commercial and Public Authority Customers,
the monthly rate for transportation of gas produced outside the
Commonwealth of Pennsylvania shall be:

\$2.9090 per Mcf for Small Commercial/Public Authority using not more (D)
than 250 Mcf per year

\$2.2459 per Mcf for Small Commercial/Public Authority using greater (D)
than 250 Mcf but not more than 1,000 Mcf per year

\$1.6948 per Mcf for Large Commercial/Public Authority (D)

For transportation of gas to Small Volume Industrial Customers, the
monthly rate for transportation of gas produced within the Commonwealth
of Pennsylvania shall be:

\$2.4583 per Mcf for SVIS Customers (D)

For transportation of gas to Small Volume Industrial Customers, the
monthly rate for transportation of gas produced outside the
Commonwealth of Pennsylvania shall be:

\$2.4583 per Mcf for SVIS Customers (D)

(D) Indicates Decrease

For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$1.3146 per Mcf for IVIS Customers (D)

For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$1.3146 per Mcf for IVIS Customers (D)

For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$1.0411 per Mcf (D)

For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$1.0411 per Mcf (D)

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$0.6891 per Mcf (D)

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$0.6891 per Mcf (D)

Provided, however, that the Company, in its sole discretion, may reduce by contract the portion of the above rates applicable to the Customer that are for recovery of gas or the portion of the rate for recovery of non-gas costs of service if it is reasonably necessary to do so to meet competition from another supplier of energy including gas from another supplier of gas that has constructed, or could construct, facilities to deliver supplies of gas to a MMT Customer of the Company without use of the Company's facilities or another transportation of gas. The Company may also reduce or eliminate the compensation for line losses provided for in Special Provisions paragraph B of this rate schedule in order to meet the competitive circumstances for alternate fuels or bypass situations cited above excluding competition from other Pennsylvania local distribution companies. The Company will reduce the applicable rate only if:

- (a) Either (1) the MMT Customer has facilities in place and operable to use an alternative fuel or obtain gas from an alternative supplier or (2) in the Company's judgment, such facilities would be constructed;

(D) Indicates Decrease

E. In the event of interruption or curtailment of transportation service, pursuant to items C and D, above, and during such period of interruption or curtailment, the MMT Customer must sell to the Company all or a portion of the MMT Customer's supply of gas at the higher of (1) the Transportation Service Customer's cost of purchased gas at the point of delivery to the Company or (2) the Company's average cost of purchased gas per Mcf, as determined based upon the Company's Section 1307(f) Rate, which is \$8.9106. (I)

F. If for any reason (including the default of an MMNGS Supplier), the MMNGS Supplier fails to provide sufficient daily deliveries of natural gas supplies to meet the MMT Customers DDQ pursuant to the terms of MMNGS supply service, and/or MMT Customer's MMNGS Supplier does not provide complete compensation to the Company for services provided under Rate Schedule MMNGS, Special Provision D.3, the Company shall charge the MMT Customer for the deficient daily deliveries under the applicable gas sales rate schedule plus applicable surcharge under rate schedule SB. The rates for sales of gas shall include the Distribution Charges, Gas Adjustment charge, and the Natural Gas Supply Charge from the applicable rate schedule, and the applicable surcharge percentage set forth below. In months when the sum of the Natural Gas Supply Charge and the Gas Adjustment Charge is less than the market price of natural gas, the applicable sales rate shall be equal to the sum of the Distribution Charges, the market price of natural gas, and the applicable surcharge percentage applied to this rate. For purposes of this provision, the market price of natural gas shall be equal to the Mcf equivalent of the highest price during the month of excess purchases, at the "Columbia Gas Appalachia" delivery point in the Appalachian Region as published in the "Daily Price Survey" Section of the daily industry newsletter entitled "Gas Daily" plus all transportation costs to the Company's City Gate. The applicable surcharge percentage shall be equal to 25 percent of the retail rates of the applicable sales rate schedule to volumes purchased by MMT Customers (in excess of volumes contracted for under Rate Schedule SB) during the billing month ending in December, January, February, or March and a surcharge equal to 10 percent of the retail rates of the applicable sales rate schedule to volumes purchased by MMT Customers (in excess of volumes contracted for under Rate Schedule SB) during the remaining billing months when overruns by MMT Customers are authorized by Distribution.

(I) Indicates Increase

E. In the event of interruption or curtailment of transportation service, pursuant to items C and D, above, and during such period of interruption or curtailment, the DMT Service Customer must sell to the Company all or a portion of the DMT Service Customer's supply of gas at the higher of (1) the Transportation Service Customer's cost of purchased gas at the point of delivery to the Company or (2) the Company's average cost of purchased gas per Mcf, as determined based upon the Company's Section 1307(f) Rate, which is \$8.9106.

(I)

F. If a Gas Service Customer receiving gas transported by the Company uses less than the amount of gas delivered into the Company's system for transportation to such Customer ("excess deliveries"), the Gas Service Customer receiving gas transported by the Company may use such gas during the banking/balancing period defined below, following which the Company shall have the right, but not the obligation, to purchase remaining excess deliveries of gas from the DMT service Customer at a rate equal to the lowest of (1) the cost at which it was acquired by the DMT Service Customer, including pipeline transportation charges, or (2) the Company's average commodity delivered cost of gas to National Fuel Gas Supply Corporation, or (3) the Company's average commodity cost of locally produced gas during the month when excess deliveries were received by the Company. The cost at which the DMT Service Customer acquired the gas will be determined from such Customer's contract with the supplier or by a sworn affidavit setting forth the Customer's cost of gas, including cost of delivery of such gas to the Company's system. Upon request by the Company, the DMT Service Customer will be required to furnish to the Company the DMT service Customer's choice of (1) a copy of this contract or (2) an affidavit. The banking/balancing period shall be the three billing months after the billing month in which the Company received excess deliveries in behalf of the Customer.

G. "Underdeliveries" are volumes of gas taken from the Company by a Gas Service Customer in excess of the sum of (1) any excess deliveries of the customer at the beginning of the day and (2) the volume of gas delivered to the Company for the customer's account, after adjustment for line losses less volumes of volumes of gas determined to be sales by the Company to the customer. Cumulative underdeliveries, as determined each day, in excess of two percent of the volume of gas delivered by the Company to the customer that day, shall be a sale of gas by the Company to the customer under the applicable rate schedule plus applicable surcharges under Rate Schedule SB and shall not be recharacterized as transportation service under any circumstances. Cumulative underdeliveries of not more than two percent of the volume of gas delivered to a customer by the Company on any day may be offset by volumes of gas delivered to the Company for the customer's account, after adjustment for line losses, in excess of the volume of gas taken by the customer from the Company on subsequent days within the same billing month. The rates for sales of gas shall include the Distribution Charges, Gas Adjustment Charge, and the Natural Gas Supply Charge from the applicable rate schedule, and the applicable surcharge percentage set forth below. In months when the sum of the Natural Gas Supply Charge and the Gas Adjustment Charge is less than the market price of natural gas, the applicable sales rate shall be equal to the sum of the Distribution Charges, the market price of natural gas, and the applicable surcharge percentage applied to this rate.

(I) Indicates Increase

RATE SCHEDULE SATC
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE

APPLICABLE TO USE FOR

Service hereunder is available on or after October 30, 2001 to any qualified customer ("SATC Customer" or "Customer") that has enrolled to receive gas supply service from a qualified supplier under the Company's Small Aggregation Transportation Supplier Service ("SATS Supplier" or "Supplier").

CHARACTER OF SERVICE

Through the procedures and provisions of this Small aggregation Transportation rate schedule SATC Customers will contract for service with a SATS Supplier and be served by such Supplier for an established term ending at the SATC Customer's meter reading in April (April billing cycle). The enrollment period and service starting dates will be as specified in Rate Schedule SATS.

The Company will maintain a list of SATS Suppliers including appropriate contact information as provided by the SATS Supplier. This list will be made available to customers upon request.

The Company will bill the SATC Customer for transportation services rendered by the Company for the SATC Customer.

Customers shall not participate in both the LIRA pilot and the Small Aggregation Transportation Customer Service program.

RATES AND CHARGES

A. Customer Transportation Service Rates

The Company will provide transportation services to deliver gas supplies to the SATC Customer(s). The Customer shall be billed the charges for the transportation services rendered for it at the appropriate charges provided herein for which service the SATC Customer qualifies.

The SATC Customer shall pay the following transportation charges for the transportation of gas. The commodity rates set forth below contain a component, presently \$0.02271 per Ccf, for the recovery of purchased gas demand costs and shall be adjusted pursuant to Rider A of the tariff. Such purchased gas costs collected through these rates shall be included as revenues for the recovery of purchased gas costs as specified in Rider A of this tariff. (I)

(I) Indicates Increase

RATE SCHEDULE SATC
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE (Cont.)

1. Residential Transportation Rates

SATC Customers that meet the qualifications under the Residential Service Rate Schedule classification:

Rates per Residential SATC Customer per Month:

\$12.00	Basic Service Charge	
.37155	per 100 cubic feet for the first 5,000 cubic feet	(I)
.26797	per 100 cubic feet for all over 5,000 cubic feet	(I)

2. Commercial and Public Authority Transportation Rates

SATC Customers that meet the qualifications under the Commercial and Public Authority Service Rate Schedule classification:

a. Rates per Commercial/Public Authority customer per month for "Small" Commercial/Public Customers using not more than 250,000 cubic feet per year:

\$19.89	Basic Service Charge	
.30109	per 100 cubic feet for the first 5,000 cubic feet	(I)
.26851	per 100 cubic feet for all over 5,000 cubic feet	(I)

b. Rates per Commercial/Public Authority customer per month for "Small" Commercial/Public Customers using greater than 250,000 cubic feet but not more than 1,000,000 cubic feet per year:

\$27.53	Basic Service Charge	
.22622	per 100 cubic feet for the first 20,000 cubic feet	(I)
.21258	per 100 cubic feet for all over 20,000 cubic feet	(I)

c. Rates per Commercial/Public Authority customer per month for "Large" Commercial/Public Customers:

\$121.01	Basic Service Charge	
.18254	per 100 cubic feet for the first 300,000 cubic feet	(I)
.17062	per 100 cubic feet for the next 1,700,000 cubic feet	(I)
.14878	per 100 cubic feet for all over 2,000,000 cubic feet	(I)

(I) Indicates Increase

RATE SCHEDULE SATC
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE (Cont.)

3. Small Volume Industrial Service Transportation Rates

SATC Customers that meet the qualifications under the Small Volume Industrial Service Rate Schedule classification:

Rates per Small Volume Industrial Service SATC Customer per Month:

\$65.60	Basic Service Charge	
.23894	per 100 cubic feet	(I)

4. Intermediate Volume Industrial Service Transportation Rates

SATC Customers that meet the qualifications under the Intermediate Volume Industrial Service Rate Schedule classification:

Rates per Intermediate Volume Industrial Service SATC Customer per Month:

\$201.91	Basic Service Charge	
.18103	per 100 cubic feet for the first 100,000 cubic feet	(I)
.13932	per 100 cubic feet for the next 1,900,000 cubic feet	(I)
.10738	per 100 cubic feet for all over 2,000,000 cubic feet	(I)

B. Miscellaneous Customer Surcharges

1. Gas Adjustment Charges

For a period of 12 months starting when service hereunder is rendered to the SATC Customer by the SATS Suppliers, the rates for transportation services under this service classification shall include an amount per 100 cubic feet equal to the Gas Adjustment Charge included in the currently applicable Purchased Gas rate as specified in Rider A of this tariff.

2. Transition costs associated with FERC Order No. 636.

The rates for service rendered pursuant to the service classification shall be subject to a monthly transition cost surcharge as described in Rider D to this tariff.

3. Residential rates shall be subject to surcharges in accordance with Rider F - LIRA Discount Charge as set forth in this tariff.

4. The above SATC rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge.

(I) Indicates Increase

RATE SCHEDULE SATS
SMALL AGGREGATION TRANSPORTATION SUPPLIER SERVICE (Cont.)

C. Total Upstream Capacity Requirements for SATS Suppliers

SATS Suppliers shall be required to provide sufficient firm pipeline transportation and storage capacity to meet the estimated extreme day requirements of their SATC Customer groups as further described below. The SATS Suppliers' estimate extreme day requirements of their SATC Customer Group used for Supplier capacity allocations and requirement shall be based on a sixty (60) degree day extreme peak day calculation. The Company shall utilize peaking and temperature swing storage capacity retained by the Company and recovered through SATC rates to provide for any variances between actual and forecasted usage and for any peak delivery requirement for days colder than sixty (60) degree days. (I)

Such sufficient pipeline transportation and storage capacity shall be provided through the following means:

1. Released ESS Storage Capacity and Associated EFT Capacity

a. Requirements To Be Met Through ESS Storage

63% of extreme peak day requirements shall be provided through the Company's ESS storage and associated EFT transportation capacity on NFGSC. Such NFGSC Storage and transmission capacity shall be released to SATS Suppliers at the maximum rate under the pipeline's FERC gas tariff.

b. Initial Assignment of ESS Storage Capacity

Each year, interested SATS Suppliers may request an initial assignment of storage capacity, based on the percentage set forth at C.1.a. above, to meet the Supplier's estimate of market share for the upcoming winter period. The request deadline for such assignments will be March 15 for an effective date of April 1. Fifteen days prior to the close of nominations for the month of November, the Company will reduce the quantity of storage capacity released to match the SATS Supplier's revised winter requirement based on the number of SATC Customers aggregated by the Supplier, to be effective November 1, and such capacity to be returned to the Company shall include an equal volume of storage gas. The Company shall compensate the SATS Supplier for such storage gas transferred at a price equal to the Company's lowest monthly weighted average commodity costs of gas delivered to the Company's City gate during the previous storage injection period (April through October), plus applicable storage demand capacity charges since April 1 for such returned volumes. The SATS Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to the Company.

(I) Indicates Increase

RATE SCHEDULE SATS
SMALL AGGREGATION TRANSPORTATION SUPPLIER SERVICE (Cont.)

c. Additional Assignments of ESS Storage Capacity

If additional SATC Customers join a SATS Supplier's SATC Customer Group, or if a Supplier requests and the Company grants an assignment of storage capacity after the initial assignment period described at C.1.b. above, the Company will release additional capacity as required, based on the percentage set forth at C.1.a. above. In addition, the SATS Supplier will be required to pay the Company for storage gas transferred and all taxes and pipeline fees associated with moving or transferring the storage gas to the Supplier. The storage gas transfer rate shall be the sum of (1) the higher of the Company's average cost of gas based upon the Company's Section 1307f rate, or the Daily Market Price of gas for that day which shall be determined by reference to The Gas Daily Index, "Daily Price Survey" for "Appalachia," "Columbia Gas Appalachia," plus all transportation costs to the Company's City Gate, plus (2) the demand Transfer Recovery Rate ("DTR Rate"). The DTR rate shall equal the per Mcf System Average Unrecovered Demand Charge revenue beginning in the month of April through the initial month that storage capacity is released to the Supplier. The System Average Unrecovered demand Charge Revenue shall equal the sum of the differences between the average demand charge revenues and the average fixed demand costs beginning the month of April through the initial month that storage capacity is released to the Supplier.

The DTR by month shall be as follows:

Capacity Transfer <u>Month</u>	DTR <u>\$/Mcf</u>	
April	\$0.00	
May	\$0.00	
June	\$0.00	
July	\$0.00	
August	\$0.00	
September	\$0.00	
October	\$0.00	
November	\$0.18	(I)
December	\$0.41	(I)
January	\$0.30	(I)
February	\$0.03	(I)
March	\$0.00	

(I) Indicates Increase

E. In the event of interruption or curtailment of transportation service, pursuant to items C and D, above, and during such period of interruption or curtailment, the DMLMT Service customer must sell to the Company all or a portion of the DMLMT Service Customer's supply of gas at the higher of (1) the Transportation Service Customer's cost of purchased gas at the point of delivery to the Company or (2) the Company's average cost of purchased gas per Mcf, as determined based upon the Company's Section 1307(f) Rate which is \$8.9106. (I)

F. If a Gas Service Customer receiving gas transported by the Company uses less than the amount of gas delivered into the Company's system for transportation to such Customer ("excess deliveries"), the Gas Service Customer receiving gas transported by the Company may use such gas during the banking/balancing period defined below, following which the Company shall have the right, but not the obligation, to purchase remaining excess deliveries of gas from the DMLMT Service Customer at a rate equal to the lowest of (1) the cost at which it was acquired by the DMLMT Service Customer, including pipeline transportation charges, or (2) the Company's average commodity delivered cost of gas to National Fuel Gas Supply Corporation, or (3) the Company's average commodity cost of locally-produced gas during the month when excess deliveries were received by the Company. The cost at which the DMLMT Service Customer acquired the gas will be determined from such Customer's contract with the supplier or by a sworn affidavit setting forth the Customer's cost of gas, including cost of delivery of such gas to the Company's system. Upon request by the Company, the DMLMT service Customer will be required to furnish to the Company the DMLMT Service Customer's choice of (1) a copy of this contract or (2) an affidavit. The banking/balancing period shall be the three billing months after the billing month in which the Company received excess deliveries in behalf of the Customer.

G. "Underdeliveries" are volumes of gas taken from the Company by a Gas Service Customer in excess of the sum of (1) any excess deliveries of the customer at the beginning of the day and (2) the volume of gas delivered to the Company for the customer's account, after adjustment for line losses less volumes of gas determined to be sales by the Company to the customer. Cumulative underdeliveries, as determined each day, in excess of two percent of the volume of gas delivered by the Company to the customer that day, shall be a sale of gas by the Company to the customer under the applicable rate schedule plus applicable surcharges under Rate Schedule SB and shall not be recharacterized as transportation service under any circumstances. Cumulative underdeliveries of not more than two percent of the volume of gas delivered to a customer by the Company on any day may be offset by volumes of gas delivered to the Company for the customer's account, after adjustment for line losses, in excess of the volume of gas taken by the customer from the Company on subsequent days within the same billing month. The rates for sales of gas shall include the Distribution Charges, Gas Adjustment Charge, and the Natural Gas Supply Charge from the applicable rate schedule, and the applicable surcharge percentage set forth below. In months when the sum of the Natural Gas Supply Charge and the Gas Adjustment Charge is less than the market price of natural gas, the applicable sales rate shall be equal to the sum of the Distribution Charges, the market price of natural gas, and the applicable surcharge percentage applied to this rate.

(I) Indicates Increase

RIDER A
SECTION 1307(F) PURCHASED GAS COSTS
PROVISION FOR RECOVERY OF PURCHASED GAS COSTS

Rates for each Mcf (1,000 cubic feet) of gas supplied under Residential, Low Income Residential Assistance Service, Commercial and Public Authority, Commercial and Public Authority Load Balancing Service ("LBS"), Small Volume Industrial, Intermediate Volume Industrial, Intermediate Volume Industrial LBS, Large Industrial, Large Industrial LBS, Large Volume Industrial, Large Volume Industrial LBS and Natural Gas Vehicle Service rate schedules of this tariff, shall include \$6.4866 per Mcf for recovery of purchased gas commodity costs, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code. (I)

Rates for each Mcf (1,000 cubic feet) of gas supplied under Residential, Commercial and Public Authority, Small Volume Industrial Service, Intermediate Volume Industrial, Large Volume Industrial Service, Large Industrial Service and Standby Service rate schedules of this tariff, shall include \$1.4021 per Mcf for recovery of purchased gas demand costs, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code. (I)

Rates for each Mcf (1,000 cubic feet) of gas transported under the Small Aggregation Transportation Customer Rate Schedule shall include \$0.2271 per Mcf for the recovery of purchased gas demand costs. (I)

Such rates for gas service shall be increased or decreased, from time to time, as provided by Section 1307(f) of the Public Utility Code and the Commission's regulations, to reflect changes in the level of purchased gas costs.

The amounts per Mcf for recovery of purchased gas costs (commodity and demand) included in rates under each rate schedule of the tariff are as follows:

	Distribution		Gas Adjustment	Natural Gas	
	Total	Charges	Charge	Supply Charge	
Residential	\$8.1158	\$0.2271	(\$0.7953)	\$8.6840	(I)
Low Income Residential					
Assistance Service	\$8.1158	\$0.2271	(\$0.7953)	\$8.6840	(I)
Commercial/Public Authority	\$8.1158	\$0.2271	(\$0.7953)	\$8.6840	(I)
Small Volume Industrial	\$8.1158	\$0.2271	(\$0.7953)	\$8.6840	(I)
Intermediate Volume Industrial	\$8.1158	\$0.2271	(\$0.7953)	\$8.6840	(I)
Large Volume Industrial	\$8.1158	\$0.2271	(\$0.7953)	\$8.6840	(I)
Large Industrial	\$8.1158	\$0.2271	(\$0.7953)	\$8.6840	(I)
Standby	\$0.2478				(I)
Priority Standby	\$0.5210				(I)
Small Aggregation Transportation Customer Rate Schedule	\$0.2271	\$0.2271			(I)

(I) Indicates Increase

RIDER B

STATE TAX ADJUSTMENT SURCHARGE

In addition to the charges provided in this tariff, a surcharge of (0.09%) will apply to all charges for service rendered on or after August 1, 2010. (I)

The above surcharge will be recomputed using the same elements prescribed by the Commission.

- a. Whenever any of the tax rates used in calculation of the surcharge are changed;
- b. Whenever the utility makes effective any increased or decreased rates, and
- c. On March 31, 1971, and each year thereafter.

The above recalculation will be submitted to the Commission within ten (10) days after the occurrence of the event or date which occasions such recomputation; and, if the recomputed surcharge is less than the one in effect, the Company will, and if the recomputed surcharge is more than the one then in effect, the Company may submit with such recomputation a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be ten (10) days after filing.

(I) Indicates Increase

RIDER F
LIRA DISCOUNT CHARGE

CURRENT LIRA RATE DISCOUNT

Effective April 1, 2002, a charge will be included in the rates subject to this Rider to provide for recovery of costs of the projected LIRA rate discounts for the upcoming 12 months.

Such charge shall be updated quarterly and effective each February 1, May 1, August 1, and November 1 of the year. The charge will also be updated whenever there is a change to the Residential Sales Service Rate Customer Charge, Distribution Charge, Natural Gas Supply Charge, or Gas Adjustment Charge.

APPLICABILITY

In addition to the charges provided in this tariff, a charge calculated in the manner explained below shall be added to the otherwise applicable charge for each Mcf of sales and transportation volumes delivered by the Company to customers receiving service under the Residential Sales Service Rate Schedule and the Residential rates of the SATC, MMT, and DMT transportation rate schedules.

CALCULATION OF RATE

The charge will be recalculated as specified above.

The charge shall be equal to the total annual projected discounts for LIRA customers for the upcoming 12 month period divided by the annual normalized throughput volumes of the qualified rate classes. The total annual projected discounts for the LIRA customers for the upcoming 12 month period shall equal the sum of the individual monthly total projected discounts for LIRA customers for the upcoming 12 months. The total monthly projected discounts for LIRA customers shall equal the residential bill for the average LIRA customer consumption for the month multiplied by the average discount percentage for LIRA service multiplied by the projected number of LIRA customers for the month.

The currently effective charge for the current LIRA Rate Discount to be included in rates is \$0.2500/Mcf.

(I)

(I) Indicates Increase

RIDER F
LIRA DISCOUNT CHARGE

CAP FUNDING RECONCILIATION CHARGE (con't)
CALCULATION OF RECONCILIATION COMPONENT OF RATE (con't)

The charge associated with the incremental customer credit will contain the following calculation:

Effective February 1, 2009 and thereafter, an annual credit of \$35 per customer will be provided associated with the LIRA incremental customers. The credit will be based on the average number of LIRA customers billed during the previous fiscal period (October - September) less 11,411. The annual credit will continue until new base rates become effective as a result of a general rate proceeding. If the average number of LIRA customers billed during the previous fiscal period is 11,411 or less, the credit will be \$0.

The CAP Funding Reconciliation Charge will be the summation of the charges calculated above divided by the projected February 1 through January 31 volumes.

CAP Funding Reconciliation Charge Calculation		
	LIRA Rate Discount	\$128,952
+	LIRA Program Costs	\$90,868
+	LIRA Forgiven Pre-Program Arrearages	\$(48,495)
+	LIRA Incremental Customer Credit	\$0
Equals	Total	\$171,325
Divided by	Projected Feb - Jan Volumes	<u>17,661,780</u> Mcf
	Cap Funding Reconciliation Charge / Mcf	\$0.0097 / Mcf

ADJUSTMENT FOR OVER / UNDER RECOVERY OF PRIOR PERIOD CHARGE

The filing to be effective February 1, 2010 and every February 1 thereafter shall include a levelized rate for over/under collections for the prior (12) month period by comparing projected revenues under this Rider to actual revenue amounts experienced. The annual reconciliation shall be based upon actual revenues through December 31 and estimated revenues for January. Estimates for January shall be included in the following reconciliation period. The rate will be designed to recover or refund the applicable under or over recovery over the twelve (12) month period beginning February.

RIDER F LIRA Discount Charge Component		\$/Mcf	
	Current LIRA Rate Discount	\$0.2403	(I)
	Cap Funding Reconciliation Charge	\$0.0097	
	Adjustment for Over/Under Recovery of Prior Period Charge	\$0.0000	
	Total RIDER F	\$0.2500	(I)

The currently effective charge to be included in rates is \$0.2500 /Mcf. (I)

(I) Indicates Increase