



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
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Tariff Definitions and Sample Tariff

***Tariff:** A document filed by a regulated enterprise (utility) with a regulatory agency (Public Utility Commission) describing the transactions between the utility and its customers in terms of type of service (Residential, Commercial, Industrial), conditions of service, the rates or prices to be charged and a description of the payment terms for service provided and bills rendered.

Tariff Supplement: A document filed by a utility with the PUC to implement a change to its previously filed and Commission approved Tariff. A Tariff Supplement may change any provision of a Commission approved Tariff including the base rate charged to ratepayers. For example, a Tariff Supplement may be filed to institute a change in rates, a change in service territory, (either adding or deleting a section of customers in a particular geographic area), a change in a Federal or State tax, a change in the utility's cost of purchased gas, or a change in the utility's provisions dealing with delinquent accounts.

*See an example of a sample tariff on the following pages.

ABC Small Natural Gas Distribution COMPANY, INC.

RATES, RULES AND REGULATIONS

CONCERNING THE FURNISHING OF

NATURAL GAS SERVICE

IN A PORTION OF

Names of TOWNSHIPS

Name of COUNTY, PENNSYLVANIA

Issued: Month/Day/Year

Effective for service rendered
on and after Month/Day/Year

By: Name of, President
Address Line 1
Address Line 2
Phone Number

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(C) Indicates Change

(D) indicates Decrease

(I) Indicates Increase

LIST OF CHANGES MADE BY THIS TARIFF

SAMPLE TARIFF

(C) Indicates Change

(D) indicates Decrease

(I) Indicates Increase

SCHEDULE OF BASE RATES**RATE R****RESIDENTIAL**

AVAILABILITY: This Rate applies to all residential Customers in the entire gas service territory of the Company. A residential Customer shall be defined as a Customer using natural gas in (1) a one or two-family dwelling, (2) separately metered apartments of a multiple dwelling, or (3) premises used as a single family dwelling and for one or more business uses, provided the proprietor of the business resides in the single family dwelling, and the business uses less than fifty percent of the anticipated gas usage served through a single meter. Service will be supplied only where the Company's facilities are suitable to the service desired.

MONTHLY RATE TABLE

Customer Charge:	\$ XX.xx per Month
Distribution Charge:	
First MCF	\$ X.xxxx
All usage above 1 MCF	\$ X.xxxx per Mcf
State Tax Adjustment Charge (STAS):	
As Calculated on Page X of the Tariff:	X.xxxx %
Gas Cost Rate for all MCF Purchased from the Company	
As Calculated on Page X of this Tariff:	\$X.xxxx per Mcf
Base Cost of Gas included in Distribution Charge above:	\$X.xxxx per Mcf

(C) Indicates Change

(D) indicates Decrease

(I) Indicates Increase

SCHEDULE OF BASE RATES (Continued)

Rate GS

GENERAL SERVICE – COMMERCIAL

AVAILABILITY This Rate applies in the entire territory served by the Company and is available to all Customers, except residential Customers, using gas for any purpose. Service will be supplied only where the Company's facilities and the available quantity of gas are suitable to the service desired.

MONTHLY RATE TABLE

Customer Charge:	\$ XX.xx per Month
Distribution Charge:	
First MCF	\$ X.xxxx
All usage above 1 MCF	\$ X.xxxx per Mcf
State Tax Adjustment Charge (STAS): As Calculated on Page X of the Tariff:	X.xxxx%
Gas Cost Rate for all MCF Purchased from the Company As Calculated on Page X of this Tariff:	\$X.xxxx per Mcf
Base Cost of Gas included in Distribution Charge above:	\$X.xxxx per Mcf

(C) Indicates Change

(D) indicates Decrease

(I) Indicates Increase

TERRITORY COVERED BY THIS TARIFF

List of Townships and Counties Served

SAMPLE TARIFF

(C) Indicates Change

(D) indicates Decrease

(I) Indicates Increase

RULES AND REGULATIONS

1. THE GAS SERVICE TARIFF

- 1.1 Filing and Inspection. A copy of this Tariff, under which gas service will be supplied, is on file with the Pennsylvania Public Utility Commission and is open to inspection at the offices of the Company.
- 1.2 Application. The Tariff provisions apply to everyone receiving gas service from the Company, and the lawful receipt of gas service shall constitute the receiver a Customer of the Company.
- 1.3 Rules and Regulations. The Rules and Regulations, filed as a part of this Tariff, are a part of every contract for service made by the Company and govern all classes of service where applicable, unless specifically modified by a rate provision.
- 1.4 Statement by Agents. No representative has authority to modify a Tariff rule or provision, or to bind the Company by any contrary promise or representation.

2. CONTRACT FOR GAS SERVICE

- 2.1 Standard Service Contract. A written application for gas service may be required from each Customer and for each service location. An application for service upon acceptance by the Company constitutes a contract between the Company and the Customer. For residential customers, the term “applicant” shall mean any natural person not currently receiving service who applies for residential service or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential service is requested, and the term “Customer” shall mean a natural person in whose name a residential account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed or lease of the property for which residential service is requested or provided.
- 2.2 Other Contracts. Contracts, other than standard contracts, may be entered into between the Company and a Customer by mutual agreement.
- 2.3 Right to Reject. The Company may limit the amount and character of service it will supply or may reject applications for service not available, or which might affect the supply of service to other Customers, or for other good and sufficient reasons.

RULES AND REGULATIONS (Continued)

- 2.4 Application of Rates. The rates named in this Tariff are based upon supply to one Customer through one meter at one premise. Each service to a different location and/or of a different rate classification shall be billed as a separate Customer. Customers who take service at two or more locations on the same property under the same rate schedule may, by request, have their use of gas combined for billing purposes. Customers may not pool together for purposes of qualifying for a rate schedule
- 2.5 Selection of Rate Schedule. When the characteristics of usage or service conditions of an applicant or Customer are such that more than one rate schedule is available, the applicant or Customer shall select the schedule to be applied. Upon request, the Company will assist to a reasonable extent in selecting the most advantageous schedule. For Customers changing schedules, the Company will bill the Customer under the selected rate beginning with the date of the next scheduled meter reading following notification of the selected rate.
- 2.6 Unauthorized Use. The use of service without notifying the Company and enabling it to read its meters will render the user liable for any amount due for service supplied to the premises from the time of the last reading of the meter, immediately preceding his occupancy, as shown by the Company's books. Unauthorized use of service or service obtained under false pretense may be terminated by the Company without notice.
- 2.7 Compliance with Availability Provisions. The use of the Company's service shall not be for any purpose other than that covered by the availability provisions of the rate under which service is supplied.
- 2.8 Resale of Gas. Gas service is provided upon the express condition that it shall be supplied exclusively by the Company and that the Customer shall not sell, or otherwise dispose of, the gas or any part thereof without the written consent of the Company.

3. GUARANTEE OF PAYMENT

- 3.1(a) Deposits. A cash deposit may be required from an applicant to secure payment of bills for regulated distribution service. The Company may require an existing residential Customer to post a deposit to reestablish credit whenever the Customer has been delinquent in the payment of any two (2) consecutive bills or three (3) or more bills within the preceding twelve (12) months and otherwise as permitted under the Commission's regulations at 52 Pa. Code Chapter 56. In addition, the Company may require a deposit, letter of credit or other adequate assurance of payment, or any combination thereof, from a non-residential Customer if the Customer has been delinquent in payment of any bill in the preceding twelve (12) months or the Company otherwise has reasonable grounds to require security for payment of bills.

RULES AND REGULATIONS (Continued)

- 3.1(b) **Credit Standing.** In evaluating a customer's credit standing, factors to be considered include, but are not limited to, average monthly consumption, average monthly bill for regulated distribution service, evaluations by credit rating services, payment history with the Company during the prior twelve-month period and payment history and credit standing with lenders or other providers of utility services or providers of other goods or services.
- 3.2 **Amount of Deposit.** The deposit shall not be more than the bill for regulated distribution service for the estimated usage for two (2) average monthly billing periods where the average monthly usage is computed as 1/12 of the estimated most recent consumption for a twelve month period. For nonresidential Customers, the deposit shall not be more than the bill for the estimated usage for one average monthly billing period plus that for the highest monthly billing period within the most recent twelve (12) months.
- 3.3 **Refund of Deposit.** A deposit secured from a residential Customer shall be returned after the Customer has paid bills for regulated distribution service for twelve (12) consecutive months without having service terminated and without having paid the bill after the due date or other permissible period on more than two (2) occasions. The Company shall then refund any cash deposit, plus interest accrued, so long as the Customer currently is not delinquent. The Customer may elect to have the deposit applied to the account in order to reduce bills for service in lieu of a cash refund. Upon termination or discontinuance of service, the Company shall promptly apply the deposit, including accrued interest, to any outstanding balance for service and refund the remainder to the Customer.
- 3.4 **Interest on Deposits.** Interest at the rate of the average of 1-year Treasury Bills for September, October and November of the previous year is payable on deposits without deductions for taxes thereon unless otherwise required by law. This is in accordance with 52 Pa. Code Section 56.57.
- 3.5 **Prior Debts and Transfer of Accounts**
- (a) **Residential.** For residential service, the Company may permit transfer of accounts, require transfer of unpaid balances for prior service, and condition service upon payment of unpaid balances in accordance with the Commission's regulations at 52 Pa. Code, Sections 56.16 and 56.35.
- (b) **Commercial and Industrial.** Applications for gas service in new locations will be accepted only when all bills for service to Customer at previous locations have been paid.

RULES AND REGULATIONS (Continued)**4. SERVICE - SUPPLY FACILITIES**

- 4.1 Service-Supply Pipe and Service Connection. The Company will maintain and own the service-connection pipe (supply-main to curb) and the service-supply pipe (curb to meter).
- 4.2 Location of Curb Line. Where no curb line is evident, the nearest edge of the public highway in which the supply-main is located shall be considered the curb line.
- 4.3 Point of Entry. The location of the point of entry to the Customer's building and the location of an outside meter shall in all cases be determined by the Company.
- 4.4 Service-Supply Equipment. The Company will maintain and own any meters, regulators, connections or other equipment required for the supply of service. All such equipment shall remain the exclusive property of the Company, and the Company shall have the right to remove such property from the premises of the Customer at any time after the termination of service, whatever may have been the reason for such termination.
- 4.5 Location of Service-Supply Equipment. The Customer shall provide, without charge, a suitable place for the meters, regulators, connections or other equipment of the Company. The location shall be as near as possible to the point where the supply piping enters the Customer's building and where the connections are not concealed. Such places shall be conveniently accessible to the Company's employees and otherwise acceptable to the Company.
- 4.6 Relocation of Service-Supply Facilities. Changes in location of service-supply pipe, meters, regulators, connections or other equipment for the accommodation of the Customer shall be done by the Company at the expense of the Customer.
- 4.7 Non-Standard Service. The Customer will ordinarily be required to pay the cost of any special installation necessary to meet his requirements for service at other than standard conditions.
- 4.8 Reverse Flow. Where necessary, as determined by the Company, the Customer may be required to install check valves, or other devices, at the expense of the Customer, to prevent compressed air or other gases from entering the Company's mains.

RULES AND REGULATIONS (Continued)**5. EXTENSION REGULATION**

- 5.1 Supply-Main Construction. The Company will install, own and maintain all gas supply-mains located on the highway or in right-of-way acquired by the Company and used or usable as part of the Company's system.
- 5.2 Obligation to Extend. Under the rules set forth below and under normal conditions of construction and installation, upon written application, the Company will extend its facilities within its service territory, provided that (a) the requested extension will not adversely affect the availability or deliverability of gas supply to existing customers and (b) the Company's investment in facilities is warranted by the anticipated revenue to be derived from the extension. The costs of extending facilities beyond that provided by the Company shall be paid by the applicant.
- 5.3 General
- (a) Anticipated Base Revenue. As used in these rules, the anticipated base revenue is the annual base rate revenue from the extension, as determined by the Company using consistently applied, then current standards, less the cost of fuel included in base rates. Where gas is used as a supplemental source of fuel for peak heating purposes, base revenues from such use shall be excluded from anticipated base revenue.
 - (b) Estimates and Special Costs. Cost estimates used by the Company in analyzing a proposed extension of facilities will be based on construction and installation conditions anticipated for the particular extension, standard street opening terms and fees and installation during the construction season. Notwithstanding the foregoing, applicant may be required to pay for additional costs attributable to nonstandard street opening terms and fees and estimated additional costs attributable to winter season installation.
 - (c) Surface Restoration. The Company will restore the street surface in accordance with applicable local government regulations and provide rough backfilling of the installation trench from the curb to the meter. Applicant may be required to perform or pay the Company's cost of additional surface restoration, including but not limited to replacement or repair of sidewalks, driveways, landscaping or sod.
- 5.4 Residential Gas Service
- (a). Meter, Regulator and Service-Supply Pipe. For service to single dwelling units, the Company will install at its cost the meter, regulator, and service connection (main to curb). The Company will also install at its expense that length of service-supply pipe (curb to meter) with an estimated installed cost of up to two times or where the requested service will not require a supply-main extension three times, the anticipated base revenue, provided that the excess, if any, is paid by the applicant.

RULES AND REGULATIONS (Continued)**5. EXTENSION REGULATION (Continued)**

- (b). Supply-Mains. For service to single dwelling units, the Company will provide the necessary supply mains, provided the applicant pays, as an extension deposit, the excess, if any, of the estimated cost for the minimum system of supply-main needed to serve the proposed extension over an amount equal to four times the anticipated base revenue.
- (c). Developments. As used in these rules, a development is five or more lots designated by the owner or developer for the construction of individually metered dwelling units. Normal conditions of construction in a development include trenching provided by the developer. The Company will install at its cost the meter, regulator, service connection and up to 75 feet of service-supply pipe per dwelling unit. The Company will provide the necessary supply-mains, provided the applicant pays the excess, if any, of the estimated cost for the minimum system of supply-main needed to serve the proposed extension over an amount equal to four times the anticipated base revenue from all units. An extension deposit may be required up to the amount of the Company's total estimated investment in the extension. This provision does not apply to separately occupied, vertically arranged dwelling units (multi-unit housing).

5.5 Commercial and Industrial Gas Service (including apartment buildings and multi-unit housing)

- (a). In extensions costing up to \$XX.XXX from which the Company in its sole judgment anticipates long-term, continuous usage at projected volumes, the Company will install, at its cost, a meter, regulator, and service connection. The Company will provide service-supply pipe and supply main, provided that the investment by the Company will not exceed: (a) for the estimated cost of service-supply pipe, an amount up to two (2) times the anticipated base rate revenue; and (b) for the combined estimated cost of service-supply pipe and supply-main (minimum system), an amount up to four (4) times the anticipated base rate revenue. The applicant shall pay any costs in excess of the above limit on the Company's investment.
- (b). For all other extensions, applicant shall pay for the amount of the estimated cost, if any, in excess of the investment determined by the Company in its sole judgment to be warranted by the anticipated revenue to be derived from the extension.
- (c). The Company may condition its agreement to extend its facilities upon satisfactory long-term and short-term usage commitments and any other terms and conditions of service as are mutually agreeable to the Company and the applicant. An extension deposit may be required up to the amount of the Company's total investment in the extension.

5.6 Deposits and Refunds

Except as otherwise described herein, when an extension deposit is required by the Company, the terms and conditions of refunds and or future payments that may be required of the applicant will be governed by the service agreement between the Company and the applicant. When an extension deposit is required by the Company from an applicant pursuant to Paragraph 5.4B, and additional customers are added to the extended facilities, the original customer who paid the deposit will be entitled to a refund (without interest) during the five year period immediately following completion of this extension, of a pro rata portion of the original deposit based upon the additional gas-only appliance usage by such additional customers.

(C) Indicates Change

(D) indicates Decrease

(I) Indicates Increase

RULES AND REGULATIONS (Continued)**5. EXTENSION REGULATION (Continued)****5.7 Taxes on Deposits for Construction & Customer Advances.**

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

6. CUSTOMER'S FACILITIES**6.1 Company's Right to Inspect.**

Piping, fixtures and appliances on Customer's premises must be installed at the expense of the Customer or owner of the property. The Company shall have the right, but shall not be obliged, to examine the Customer's installation and appliances at the time service is first supplied or at any later time. If at any time the installation or appliance is found defective or unsafe, service may be refused or discontinued until Customer has the condition corrected. The Company's inspection, or failure to inspect or reject, shall not render the Company liable or responsible for any loss or damage, resulting from defects or inadequacies in the installation, piping, or appliances, or from violation of the Company rules, or from accidents which may occur upon the premises of the Customer.

6.2 Final Connection.

In all cases the final connection between the Customer's installation and the Company's service-supply pipe shall be made by or under the supervision of a representative of the Company.

7. CUSTOMER'S RESPONSIBILITY FOR COMPANY'S PROPERTY**7.1 Protection by Customer.**

The Customer shall be responsible for the protection of the Company's property on his premises, and shall not permit any unauthorized person to do any work on such property. In the event of damage or destruction of the Company's property, the Customer shall pay the costs of repairs and/or replacement.

7.2 Tampering.

In the event of the Company's meter or other property being tampered or interfered with, the Customer being supplied through such equipment shall pay the amount which the Company may estimate is due for service used but not registered on the Company's meter, and for any repairs or replacements required, as well as for costs of inspections, investigations, and protective installations.

RULES AND REGULATIONS (Continued)**7. CUSTOMER'S RESPONSIBILITY FOR COMPANY'S PROPERTY (Continued)**

7.3 Access to Premises.

The authorized agents or employees of the Company, properly identified, shall have free access at all reasonable times to the premises of the Customer for the purpose of reading meters and disconnecting service, for installing, testing, inspecting, repairing, adjusting or removing any Company property.

8. METER READING

8.1 Measurement.

The measurement of gas service shall be by meters furnished and installed by the Company.

8.2 Meter Reading Intervals.

The Company will read its meters at scheduled regular intervals of approximately two (2) months or less, at the option of the Company, for service furnished during the preceding period.

9. BILLING AND PAYMENT

9.1 Billing Period.

Residential Customers will be billed monthly. The Company may elect to bill non-residential Customers monthly or bi-monthly. In circumstances where the Company may require a deposit or other adequate assurance of payment from a non-residential Customer, the Company may, without adjusting the amount of the deposit or other form of security, read the Customer's meter and render bills at shorter intervals. When different base rate prices apply to usage during a billing cycle and usage is not metered daily, usage will be presumed to occur at a level rate throughout the period for purposes of billing. All Customers will receive an estimated bill during the non-reading billing period. When the Company is unable at any regular reading date to gain access to the meter, the Company may render an estimated bill.

RULES AND REGULATIONS (Continued)**9. BILLING AND PAYMENT (Continued)****9.2 Equal Monthly Payment Plan.**

Residential ratepayers may elect an optional billing procedure which averages estimated utility service costs over a 10-month, 11-month or 12-month period to eliminate, to the extent possible, seasonal fluctuations in utility bills. The utility shall review accounts at least three times during the optional billing period.

9.3 Payment Period.

The due date for payment of a residential bill shall be not less than twenty (20) days from the date of mailing and fifteen (15) days for a non-residential bill with the exception that bills to elementary and secondary schools shall be due thirty (30) days after the date of mailing. For all billings, if the due date for payment should fall on a Saturday, Sunday, bank holiday or any other day when offices of the Company where payments are regularly received are not open to the general public, the due date shall be extended to the next business day. Failure to receive a bill will not release the Customer from payment obligations.

9.3.1 Due Date Extension Program.

Residential Customers meeting the qualification requirements of the Due Date Extension Program shall, upon written application, have the due date for payment of bills for service to their personal residence extended. To qualify, applicants must submit proof that their sole source of support, and that of others in their household, is derived from a permanent fixed income plan, issuing monthly checks. Under the program, the due date for payment on a bill normally falling due between the sixth day of the month and the twentieth day of the month shall be extended to the first working day after the twentieth of the month. The due date for payment on a bill normally falling due between the twenty-first day of the month and the fifth day of the following month, shall be extended to the first working day after the fifth day of the latter month. Initial applications for due date extensions must be made at Company offices.

RULES AND REGULATIONS (Continued)**9. BILLING AND PAYMENT (Continued)****9.4. Company Late Payment Charge.**

If payments are not received by the 25th of the month in which the bill is rendered, a 1.25% late charge will be added to the following month's bill. If payments are not received after 60 days, shut off procedures will be initiated as prescribed by the Public Utility Commission's regulations.

The late payment charge on residential service will be calculated on the overdue portions of the Company's regulated share of the bill only and shall not be charged against any sum that falls due during a current billing period.

The Company may waive the collection of the late payment charge and accept the net amount of an overdue bill for any Customer for reasons deemed by the Company to be good and sufficient.

9.5 Payment by Mail.

When Customers' bills are paid through the mail, the date of the postmark will be considered the date of payment.

9.6 Payment Made to Collector.

When a customer pays the collector to avoid termination at their business or residence, a XX dollar (\$X) service fee is due and payable.

9.7 Return Check Charge.

The Company may impose a service charge of XX dollars (\$XX.xx) for each check received from a Customer in payment of bills for service that is dishonored and returned by the bank on which it is drawn.

9.8 High Bill Investigation.

Any Customer requesting an on-site high bill investigation will be assessed a fee of XX dollars (\$XX.xx). If the investigation detects a metering error, the service charge will be waived.

9.9 Billing History.

Any Customer requesting usage and/or billing information for a period in excess of the most recent thirty (30) months will be assessed a service charge of XX dollars (\$XX).

(C) Indicates Change

(D) indicates Decrease

(I) Indicates Increase

RULES AND REGULATIONS (Continued)**9. BILLING AND PAYMENT (Continued)**

9.10 LIFSO (Landlord If Shut Off).

Landlords may elect this optional program which transfers natural gas service to the landlord each time a customer notifies the Company it has vacated the landlord's rental property. The Company may impose a XX dollar (\$XX) handling fee for all LIFSO accounts, but not exceeding \$XXX annually per landlord.

9.11 Payment Refunds.

Refunds due customers greater than XX dollars (\$X) shall be mailed to the Customer. Refunds less than XX dollars (\$X) may be picked up at the office within sixty (60) days. After sixty (60) days, the refund shall be applied to Operation Share.

9.12 Turn On Charge.

The Company may assess a fee of XX dollars (\$XX.xx) if the natural gas flow to the property has been discontinued.

9.13 Tap-In Fee

Whenever a new customer is added, a one-time charge of \$XXX.xx will be assessed to the new customer as a tap-in fee.

9.14 Set Meter Charge.

The Company may assess a fee of \$XX (\$XX.xx) if a meter must be installed to reconnect natural gas service previously shut off to the customer.

9.15 Change of Customer Charge.

The Company may assess a fee of \$XX.xx if the new party requesting service requests the Company to read the meter. The charge does not apply if the Company accepts the Customer's meter reading.

RULES AND REGULATIONS (Continued)**10. TESTS****10.1 Meter Tests.**

The Company may, from time to time and at its expense, inspect and test its meters. The Customer has the right to have the Company test the meter in service at the Customer's premises, and, upon written request, the Company will remove, seal and test the meter in accordance with the Gas Service Regulations of the Pennsylvania Public Utility Commission ("Regulations"). Together with the written request for a meter test, the Customer shall deposit with the Company the meter testing fee specified by the Regulations. If the meter tests within the accuracy limits specified by the Regulations, the meter shall be deemed for all purposes to have registered accurately. In such case, no billing adjustment shall be made and the meter testing fee deposited with the Company shall be credited to the Company.

10.2 Adjustment for Meter Error.

If any meter becomes defective or fails to test accurately, an adjustment will be made to the Customer's bill in accordance with the Regulations and the meter testing fee deposited with the Company shall be refunded to the Customer.

11. DISCONTINUANCE OF SERVICE**11.1 Discontinuance for Default (Termination).**

The Company may discontinue service on reasonable notice and remove its equipment in case of non-payment of Company regulated charges or for violation of Rules and Regulations. The Company will discontinue service for non-payment of undisputed Company regulated charges. The Company may discontinue service without notice for abuse, fraud or tampering with the meters, connections or other equipment of the Company. Prior to restoration of service discontinued for any of these reasons, the Company may require a payment in advance of all arrearages and a charge of **dollar amount** (\$XX.xx) except where it has become necessary to remove the service pipe or connection to discontinue service, in which case service will be restored on payment to the Company of the costs of discontinuance and restoration.

11.1a. Winter Service Terminations

Absent a situation, in the Company's sole judgment, that an occurrence which endangers the safety of any person or may prove harmful to the energy delivery system, heat related service may not be terminated between December 1 and March 31.

RULES AND REGULATIONS (Continued)**SERVICE RECONNECTION (Continued)**

11.2 Service Reconnection

When service to a dwelling has been terminated, the utility shall reconnect service by the end of the first full working day after receiving one of the following:

(1) Full payment of an outstanding charge plus a reasonable reconnection fee. Outstanding charges and the reconnection fee may be amortized over a reasonable period of time. Factors to be taken into account shall include, but not be limited to:

- (i) The size of the unpaid balance.
- (ii) The ability of the ratepayer to pay.
- (iii) The payment history of the ratepayer.
- (iv) The length of time over which the bill accumulated.

(2) Payment of amounts currently due according to a settlement or payment agreement, plus a reasonable reconnection fee, which may be a part of the settlement or payment agreement. The utility may apply the procedure in paragraph (1), if the payment history indicates that the ratepayer has defaulted on at least two payment agreements, or an informal complaint decision, or a formal complaint order.

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

RULES AND REGULATIONS (Continued)**DISCONTINUANCE OF SERVICE (Continued)**

11.3 Discontinuance by Customer.

Customer must give at least seven (7) days written notice to the Company and any non-ratepayer occupant of the premises to which service is being supplied, specifying the date on which it is desired that service be discontinued. If a Customer requests discontinuance of service at a dwelling other than his residence, the Customer must state in writing that the premises are unoccupied. If the premises are occupied, the Customer's written notice requesting discontinuance of service must be endorsed by all affected occupants. The Customer shall be liable for gas consumed until transfer of the account or the meter shut off. When discontinuance of service by customer is for a period of less than twelve (12) months, the Company may require a payment of **dollar amount (\$XX.xx)** plus payment of customer charges for each month the service has been discontinued in order to have the service restored.

12. GENERAL

12.1 Service Continuity.

The Company will use reasonable diligence to provide a regular and uninterrupted supply of gas. Should the supply of service be interrupted by the Company for the purpose of making repairs, changes or improvements in any part of its system for the general good of the service or the safety of the public, or should the supply of service be interrupted or fail by reason of accident, strike, legal process, State or Municipal interference, or any other cause whatsoever beyond its control, the Company shall not be liable for damages, direct or consequential, resulting from such interruption or failure.

12.2 Gratuities to Employees.

The Company's employees are strictly forbidden to demand or accept any personal compensation, or gifts, for service rendered by them while working for the Company on Company's time.

RULES AND REGULATIONS (Continued)**13. STATE TAX SURCHARGE****Applicable to All Rates.**

In addition to the net charges provided for in this Tariff, a surcharge of **X.XX%** will apply to all service rendered on or after **Month/Day/Year**. The above surcharge will be recomputed, using the same elements prescribed by the Commission whenever any of the tax rates used in calculation of the surcharge are changed;

The above recalculation will be submitted to the Commission within 10 days after the occurrence of the event or date which occasioned such re-computation; and that if the recomputed surcharge is less than the one in effect, the utility will submit a tariff or supplement to reflect the decrease. If the recomputed surcharge is more than the one then in effect the utility may, submit a tariff or supplement to reflect such increase in the surcharge. The effective date of which shall be 10 days after filing of the revised tariff or supplement.

(C) Indicates Change

(D) indicates Decrease

(I) Indicates Increase

RULES AND REGULATIONS (Continued)**14. THE GAS COST RATE (GCR)****14.1 Provision for Gas Cost Rate**

The gas cost rate of **\$X.xxxx** shall be applied to each Mcf (1,000 cubic feet) of gas supplied under the Rate Schedules of this Tariff.

14.2 Computation of the Gas Cost Rate

The GCR shall be computed to the nearest one one-hundredth of a cent (\$0.0001) in accordance with the formula set forth below:

$$\text{GCR} = (\text{C}-\text{E}) / \text{S} - \text{B}$$

Each gas cost rate so computed shall be applied to customers' bills for a one-year period during the billing periods of November thru October provided, however, that such rate may be revised on an interim basis subject to approval of the Public Utility Commission upon determination that the effective rate will result in a material over or under-collection of gas costs, if not revised. Such interim change shall become effective thirty (30) days from the date of filing unless otherwise denied or modified by the Commission.

14.3 Definitions:

GCR – gas cost rate determined to the nearest one one-hundredth of a cent (\$0.0001) to be applied to each Mcf of gas supplied under the Rate Schedules of this Tariff.

C – a number of dollars, determined as follows:

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

RULES AND REGULATIONS (Continued)**14. THE GAS COST RATE (GCR) (Continued)**

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

Interest shall be computed monthly at the appropriate rate as provided for in Section 1308(d) of the Public Utility Code from the month the over or under collection occurs to the effective month such over or under collection is refunded or recouped respectively. Customers shall not be liable for interest on net under collections.

Additionally, supplier refunds received prior to the end of the August billing period will be included in the calculation of “E” with interest added at the annual rate of six percent (6.0%) calculated in accordance with the foregoing procedure beginning with the month such refund is received by the Company.

S – projected Mcf of gas to be billed to customers during the computation year

B – base cost of purchased gas of \$X.xxxx per Mcf. The base cost is the portion of purchased gas costs included in the base rate charges.

The base cost of gas shall be adjusted at the time of the annual gas cost rate filing to include at least ninety percent (90%) of the Company’s projected gas purchase costs as the Commission may permit.

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

Computation Year – the fiscal year from November through October.

14.3 Adjustment to Base Rate:

Whenever a change is made in the level of the base cost of gas, a corresponding adjustment shall be made to the base rates of applicable rate schedules.

14.4 Annual Filing with the Pennsylvania Public Utility Commission: Audit; Rectification

The preliminary filing of the Company’s annual gas cost rate effective during the billing periods of November through October shall be submitted to the Commission by September 2. A final filing based upon actual data together with revisions to data in the preliminary filing shall be made by October 2. Notice to customers shall be made at the time of the preliminary filing.

RULES AND REGULATIONS (Continued)**14. THE GAS COST RATE (GCR) (Continued)**

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

If from such audit it shall be determined, by final order entered after notice and hearing, that this clause has been erroneously or improperly utilized, the Company will rectify such error or impropriety, and in accordance with the terms of the order apply adjustments to future gas cost rates for such revenues as shall have been erroneously or improperly collected. The Commission's order shall be subject to the Right of Appeal.

14.5 Reporting Requirements:

The Company shall file quarterly reports within thirty (30) days following the conclusion of each computation year quarter. These reports will be in such form as the Commission shall have prescribed.

14.5 Exclusion from Other Charges:

Amounts billed for the gas cost rate shall not be subject to the State Tax Adjustment Surcharges set forth elsewhere in this Tariff.

SAMPLE TARIFF

(C) Indicates Change

(D) indicates Decrease

(I) Indicates Increase

ISSUED: DECEMBER 15, 2009

EFFECTIVE: JANUARY 1, 2010