

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

1. The Gas Tariff

1.1 Filing and Posting

A copy of this Tariff, which is the rates, rules and regulations under which gas service will be supplied by Columbia Gas of Pennsylvania, Inc. to its customers in Pennsylvania, is on file with the Pennsylvania Public Utility Commission and is posted and open for inspection at the offices of the Company.

1.2 Revisions

This Tariff may be revised, amended, supplemented and otherwise changed from time to time in accordance with the Pennsylvania Public Utility Law and such changes, when effective, shall have the same force and effect as the present Tariff.

1.3 Application of Tariff

The Tariff provisions apply to any party or parties lawfully receiving gas service from the Company, under the rates set forth therein, and the receipt of gas shall constitute the receiver a customer of the Company as the term is used herein.

1.4 Rules and Regulations

The Rules and Regulations, filed as a part of this Tariff, are a part of every contract or agreement for service, whether written, oral or implied, made by the Company, and govern all classes of service where applicable.

1.5 Statement of Agents

No agent or employee of the Company has authority to make any promise, agreement or representation inconsistent with the provisions of this Tariff.

1.6 Definitions

The following definitions shall apply to this tariff, unless otherwise clearly indicated:

1. Act – The Pennsylvania legislation known as the 'Natural Gas Customer Choice and Competition Act,' codified at 66 Pa.C.S. § 2201-2211, revising Public Utility Code, 66 Pa.C.S. §§ 101, et. seq.
2. Applicant - Any person, corporation or other entity that (i) desires to receive from the Company natural gas or any other service provided for in this Tariff at a specific location, (ii) complies completely with all Company requirements for obtaining natural gas or any other service provided for in this Tariff, (iii) has requested and is awaiting Company approval of its request for service, and (iv) is not yet actually receiving from the Company any service provided for in this Tariff at such location. An Applicant shall become a Customer for purposes of this Tariff only after it actually starts receiving the applicable service(s) from the Company under this Tariff.

**RULES AND REGULATIONS GOVERNING THE
DISTRIBUTION AND SALE OF GAS (Continued)**

1. The Gas Tariff - Continued

1.6 Definitions – Continued

For residential utility service, the term "Applicant" is further defined as a 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 utility service is requested.

3. "BCF" shall mean one billion (1,000,000,000) cubic feet of gas. This is a measure of gas usage.
4. "Burner Tip" shall mean the point at which natural gas is used such as a furnace, water heater or range.
5. "CCF" is a measure of gas usage and shall mean one hundred (100) cubic feet of gas with the unit of volume utilized for measurement purposes based upon one (1) cubic foot of gas at a pressure of fourteen and seventy-three (14.73) pounds per square inch absolute with corrections for super compressibility and at a temperature of sixty (60) degrees Fahrenheit.
6. "Chapter 56" shall mean the PUC regulations that govern metering, billing and collections for residential gas and electricity service found in 52 Pa. Code §56.
7. "Choice" and "Choice Service" shall mean Distribution service provided to Customers under rate schedules RDS, RDGDS and SCD. (C)

8. Commercial Customer

A customer using gas in an establishment of a commercial or service nature including boarding homes and personal care homes. In this class are included, among others, warehousing, distributing or selling commodities, providing professional services or other economic and social endeavors, wholesale and retail stores, offices, office buildings, hotels, clubs, lodges, associations, restaurants, warehouses, railroad and bus stations, banks, laundries, dry cleaners, undertaking establishments, garages, gasoline stations, theaters, bowling alleys, billiard parlors, motor courts, camps, bars, grills, taverns, retail bakeries, private hospitals, public or private schools, churches, religious and charitable institutions, governmental agencies, or the like.

Included in this group are customers who receive the Company's gas service through one meter set to a combination of four or more dwelling units or through one meter set to a combination of up to three dwelling units and one or more business premises, where the business premises is the predominant usage factor. If the ratepayer's predominate usage is for natural gas powered vehicle service, then the ratepayer will be classified as a commercial ratepayer.

If gas is supplied through a single meter and is used for both commercial and residential or commercial and industrial usage, the service will be considered commercial if it is the predominant usage factor.

(C) Indicates Change

**RULES AND REGULATIONS GOVERNING THE
DISTRIBUTION AND SALE OF GAS (Continued)**

1. The Gas Tariff - Continued

1.6 Definitions - Continued

9. "Commission" shall mean the Pennsylvania Public Utility Commission. The state agency responsible for utility rates and services offered by the Company and for Natural Gas Suppliers as provided for in §2208 of the Act.
10. "Commodity Charge" and "Natural Gas Supply Charge" shall mean basic service charges for natural gas supply services to retail customers, excluding charges for natural gas distribution services.
11. "Company" and "Natural Gas Distribution Company" and "NGDC" shall mean Columbia Gas of Pennsylvania, Inc., a public utility that provides Natural Gas Distribution services and which may provide Natural Gas Supply Services and other services.
12. "Customer" shall mean a person, partnership, association, corporation or other entity that purchases natural gas and in whose name a service account exists with the Company. For the limited purpose of changing an NGS, "Customer" may also include an agent who has been duly authorized to initiate a change of the Customer's NGS on behalf of that person, partnership, association, corporation, or other entity through a signed document which identifies by name the agent who has the authority to initiate a change of the Customer's NGS. PA. P.U.C. Docket No. M-00991249F006.
13. "Customer Proxy" generally means the entity that receives notices (e.g. OFOs, OMOs, SFO, etc), receives bills, and controls the gas bank account. Specifically, "Responsible Party" shall mean the Customer in circumstances described in paragraphs 1, 2 and 3 of the "Shipper" definition, and the Natural Gas Supplier in circumstances described by paragraph 4 of the "Shipper" definition.
14. "Distributed Generation" shall mean any generating resource other than central station generation that is placed close to the load being served, usually meaning the customer site. Distributed Generation technologies may include, but not limited to, reciprocating engines, gas turbines, microturbines, and fuel cells. (C)
15. "Distribution", "Distribution Service" and "Natural Gas Distribution Service" shall mean Natural Gas Distribution Service as defined in the Commission's Docket No. M-00991249F0005.
16. "Distribution Charge" shall mean the basic service charges for the delivery of natural gas to a retail customer from the point of receipt into the Company's system. These charges include basic service and universal service.
17. "Distribution Pipeline" shall mean any Company pipeline other than a Transmission Pipeline or Company service line.
18. "Dth" shall mean ten therms or one million Btu, the approximate heat content of one thousand cubic feet of gas (1 therm is equal to 100,000 Btu).
19. "Gas Cost Adjustment Charge" shall mean the amount billed or credited each month to account for the differences between projected and actual gas supply costs of the Company.

(C) Indicates Change

**RULES AND REGULATIONS GOVERNING THE
DISTRIBUTION AND SALE OF GAS (Continued)**

1. The Gas Tariff - Continued

1.6 Definitions - Continued

20. "General Distribution Service" and "GDS" shall mean Distribution service provided under rate schedules DGDS, CDS, GDS, LDS, MLDS, NCS, SGDS or SDS.

21. Industrial Customer

A customer using gas for creating or changing raw or unfinished material into another form or product through the application of heat or heat treating, steam agitation, evaporation, baking, drying, distilling, etc.

Typical industrial users are manufacturing plants, machine shops, steel and iron mills, foundries, lumber planing and saw mills, canneries, dairies, meat packers, breweries, distilleries, potteries, railroad repair shops, refineries, creameries, flour mills, pump stations, ice plants, quarries, milk plants, mines, shipbuilders, chemical plants, grain elevators, food processing facilities, petrochemical operations in which the gas is the raw material, etc. If gas service is supplied through a single meter and is used for both industrial and commercial purposes, the service shall be considered industrial if the industrial usage is the predominant usage factor.

22. "Mcf" shall mean one thousand (1,000) cubic feet of gas. This is a measure of gas usage. Specifically, "mcf" shall mean one thousand (1,000) cubic feet of gas with the unit of volume utilized for measurement purposes based upon one (1) cubic foot of gas at a pressure of fourteen and seventy-three (14.73) pounds per square inch absolute with corrections for super compressibility and at a temperature of sixty (60) degrees Fahrenheit.

23. "MMCF" shall mean one million (1,000,000) cubic feet of gas. This is a measure of gas usage.

24. "Nonbasic Services" shall mean optional recurring services which are distinctly separate and clearly not required for the physical delivery of natural gas service.

25. "Pipeline Scheduling Point" or "PSP" shall mean a single delivery point or set of delivery points grouped or designated by an upstream pipeline for purposes of scheduling gas supplies for delivery by such upstream pipeline and shall consist of the following: Interconnections with DTI Transmission, Inc., Equitrans, L.P., National Fuel Gas Supply Corporation, Tennessee Gas Pipeline Company, Texas Eastern Transmission, LP and Columbia Gas Transmission, LLC. The interconnections with Columbia Gas Transmission, LLC include the Market Areas and Master List of Interconnections as defined in the General Terms and Conditions of the FERC Gas Tariff of Columbia Gas Transmission, LLC. As of May 1, 2010, the Columbia Gas Transmission, LLC Pipeline Scheduling Points included: 25E-25 (Lancaster); 25-26 (Bedford); 25E-29 (Downingtown); 25-35 (Pittsburgh); 25-36 (Olean); 25-38 (Rimersburg); 25-39 (New Castle) and 25-40 (PAWV Misc). (C)

(C) Indicates Change

**RULES AND REGULATIONS GOVERNING THE
DISTRIBUTION AND SALE OF GAS (Continued)**

1. The Gas Tariff - Continued

1.6 Definitions - Continued

26. Residential Customer

A customer using gas in a single family residential dwelling or unit for space heating, air conditioning, cooking, water heating, incineration, refrigeration, laundry drying, lighting, incidental heating, or other domestic purposes. For residential utility service, the term "Customer" is further defined as a natural person in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested.

Included in this group are customers using gas through one meter set which provides service to two or three dwelling units in a multi-family residence or building where the owner of the building occupies one of the dwelling units, or through one meter set to a combination of one dwelling unit and one or more business premises, where the residential premises is occupied by the owner of the building and is the predominant gas usage factor, or a tenant billed for natural gas consumption or use by other tenants at the same premise when the amount of consumption in common areas is minimal and an agreement has been reached between the landlord and tenant for the tenant to pay for such service. If gas is supplied through a single meter and is used for both residential and commercial purposes, the service shall be considered residential if the residential usage is the predominant usage factor.

27. "Sales Service" shall mean service provided by the Company in which the customer purchases its gas supplies from the Company and the Company distributes the gas supplies to the Customer.

28. "Shipper" generally means the entity nominating gas service for distribution. Specifically, "Shipper" is defined as:

- i.) a General Distribution Service Customer that nominates gas for Distribution; or
- ii.) a Natural Gas Supplier that nominates the General Distribution Service Customer's gas for distribution, but which has not been appointed in writing as the Customer's agent by the Customer; or
- iii.) a Natural Gas Supplier that nominates the General Distribution Service Customer's gas for distribution, which NGS is acting as the General Distribution Services Customer's duly authorized agent for the purpose of purchasing gas; or
- iv.) a Natural Gas Supplier that nominates the General Distribution Service Customer's gas for Distribution, which NGS is acting as the General Distribution Service Customer's duly authorized aggregation agent for the purpose of purchasing gas.

**RULES AND REGULATIONS GOVERNING THE
DISTRIBUTION AND SALE OF GAS (Continued)**

1. The Gas Tariff - Continued

1.6 Definitions - Continued

29. Supplier of Last Resort - The Company or another entity as determined pursuant to §2207 of the Act that provides natural gas supply services to customers that do not elect another supplier or choose to be served by the supplier of last resort, customers that are refused service from another natural gas supplier, or customers whose natural gas supplier fails to deliver the required gas supplies. Currently, the Company is the supplier of last resort for all customers under the terms of this tariff. Each customer may only have one supplier of last resort.

30. Transmission Pipeline

Pipelines and related facilities which are either: 1) owned by the Company in the form of a D-Line or a Company-owned pipeline that operates at a hoop stress of 20 percent or more of the specified minimum yield strength of the pipe as determined by 49 C.F.R §192.3, or 2) pipelines and related facilities owned by another company which obtains at least 90% of its gas operating revenues from the transportation of gas for others and classifies at least 90% of its mains (other than service pipe) as field and gathering lines, storage, or transmission lines. The Company's customers are not typically served directly from a Transmission Pipeline, and according to the provisions set forth in the Termination of Service from Transmission Pipelines section of this tariff, the Company reserves the right to remove, relocate or abandon its Transmission Pipelines.

31. User Without Contract

Any person who has not contacted the Company to establish service in their name but who is receiving the benefits of natural gas service. This situation includes, but is not limited to, situations wherein the Company arrives at the premise to disconnect the service as a result of a request from the previous customer and finds the premise occupied. User Without Contract does not include instances where the Company's meter or equipment has been tampered with; the service was obtained through fraud or material misrepresentation of the customer's identity; a tariff provision was violated so as to endanger the safety of a person or the integrity of the Company's system, or the gas service was otherwise established without the Company's authorization.

(C) Indicates Change