

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

**RATES, RULES AND REGULATIONS**

**GOVERNING THE FURNISHING**

**OF**

**NATURAL GAS SERVICE**

**IN**

**TERRITORY DESCRIBED HEREIN**

Issued: January 30, 2026

Effective: August 1, 2026

M. D. Colpoys, PRESIDENT  
BUFFALO, NEW YORK

LIST OF CHANGES MADE BY THIS TARIFF

INCREASE:

1. The Natural Gas Supply for Residential, Commercial, and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Volume Industrial Service Classes increase.  
Pages 36, 36A, 41, 41A, 42, 53, 55, 65, 66, 76, and 76A.
2. Gas Adjustment Charges increase for Residential, Commercial and Public Authority, Small Volumes Industrial, Intermediate Volume Industrial, and Large Industrial Service.  
Pages 36, 41, 41A, 42, 53, 55, 65, and 76.
3. Commodity Charges for Sales and Transportation Service increase.  
Pages 50, 62, 73, and 80.
4. Components of Natural Gas Vehicle rates increase.  
Pages 83 and 84.
5. Priority Standby Service monthly rate increases.  
Page 95.
6. The price for purchase of gas by Distribution from a transportation service customer in the event of a curtailment or interruption will increase.  
Pages 106, 117, and 146G.
7. SATC Alternative Capacity Release Rate increase.  
Page 131.
8. Purchased gas costs in Rider A increase.  
Page 147.
9. The Merchant Function Charge in Rider G increases.  
Pages 168 and 169.

LIST OF CHANGES MADE BY THIS TARIFF

DECREASE:

10. The Distribution Charges for Residential, Commercial, and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Volume Industrial Service classes decrease.  
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11. Demand Charges for Load Balancing Services decrease.  
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12. Commodity Charges for Transportation Service decrease.  
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13. State Tax Adjustment charge decreases.  
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14. Priority Standby Service monthly rate decreases.  
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15. MMT Service Rates decreased for Residential, "Small" Commercial/ Public Authority > 25,000, "Large" Commercial/ Public Authority, Intermediate Volume Industrial, Large Volume Industrial, and Large Industrial Service Classes.  
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16. SATC Transportation Service rates decrease for Residential and Small Volume Industrial.  
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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

\$14.00 per Month

Distribution Charges

33.041¢ per 100 cubic feet

(D)

Gas Adjustment Charge

4.534¢ per 100 cubic feet

Purchased Gas Cost Component  
(Rider A)

(I)

0.082¢ per 100 cubic feet

Merchant Function Charge  
(Rider G)

(I)

4.616¢ Per 100 cubic feet

Total Gas Adjustment Charge

(I)

(D) Indicates Decrease

(I) Indicates Increase

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RESIDENTIAL SERVICE RATE SCHEDULE (cont.)

|                           |                              |   |     |
|---------------------------|------------------------------|---|-----|
| Natural Gas Supply Charge |                              |   |     |
| 55.260¢                   | per 100 cubic feet           | Purchased Gas Cost Component<br>(Rider A) | (I) |
| 0.996¢                    | per 100 cubic feet           | Merchant Function Charge<br>(Rider G)     | (I) |
| <u>1.149¢</u>             | per 100 cubic feet           | Gas Procurement Charge<br>(Rider H)       |     |
| 57.405¢                   | per 100 cubic feet<br>Charge | Total Natural Gas Supply                  | (I) |

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 1.8032% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223. The above non-purchased gas cost rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge. Residential rate classes shall be subject to Rider F - CAP 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.

(D) Indicates Decrease

(I) Indicates Increase

COMMERCIAL AND PUBLIC AUTHORITY SERVICE RATE SCHEDULE (cont.)

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      |                    |  |     |
| \$27.00                   | per Month          |  |     |
| Distribution Charges      |                    |  |     |
| 26.424¢                   | per 100 cubic feet |  | (D) |
| Gas Adjustment Charge     |                    |  |     |
| 4.534¢                    | per 100 cubic feet | Purchased Gas Cost Component (Rider A) | (I) |
| <u>0.015¢</u>             | per 100 cubic feet | Merchant Function Charge (Rider G)     | (I) |
| 4.549¢                    | per 100 cubic feet | Total Gas Adjustment Charge            | (I) |
| Natural Gas Supply Charge |                    |  |     |
| 55.260¢                   | per 100 cubic feet | Purchased Gas Cost Component (Rider A) | (I) |
| 0.188¢                    | per 100 cubic feet | Merchant Function Charge (Rider G)     | (I) |
| <u>1.149¢</u>             | per 100 cubic feet | Gas Procurement Charge (Ride H)        |     |
| 56.597¢                   | per 100 cubic feet | Total Natural Gas Supply Charge        | (I) |

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge as set forth in this tariff.

(D) Indicates Decrease

(I) Indicates Increase

COMMERCIAL AND PUBLIC AUTHORITY SERVICE RATE SCHEDULE (Cont'd)

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      |                    |                                  |     |
| \$37.00                   | per Month          |                                  |     |
| Distribution Charges      |                    |                                  |     |
| 23.985¢                   | per 100 cubic feet |                                  | (D) |
| Gas Adjustment Charge     |                    |                                  |     |
| 4.534¢                    | per 100 cubic feet | Purchased Gas Cost Component     | (I) |
|                           |                    | (Rider A)                        |     |
| <u>0.015¢</u>             | per 100 cubic feet | Merchant Function Charge         | (I) |
|                           |                    | (Rider G)                        |     |
| 4.549¢                    | per 100 cubic feet | Total Gas Adjustment Charge      | (I) |
| Natural Gas Supply Charge |                    |                                  |     |
| 55.260¢                   | per 100 cubic feet | Purchased Gas Cost Component     | (I) |
|                           |                    | (Rider A)                        |     |
| 0.188¢                    | per 100 cubic feet | Merchant Function Charge         | (I) |
|                           |                    | (Rider G)                        |     |
| <u>1.149¢</u>             | per 100 cubic feet | Gas Procurement Charge (Rider H) |     |
| 56.597¢                   | per 100 cubic feet | Total Natural Gas Supply Charge  | (I) |

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge as set forth in this tariff.

(D) Indicates Decrease

(I) Indicates Increase

Commercial and Public Authority Service Rate Schedule (Cont'd)

For "Large" Commercial/Public Authority Customers:

|                           |               |                    |   |     |
|---------------------------|---------------|--------------------|---|-----|
| Basic Service Charge      | \$151.00      | per Month          |   |     |
| Distribution Charges      | 20.052¢       | per 100 cubic feet |   | (D) |
| Gas Adjustment Charge     | 4.534¢        | per 100 cubic feet | Purchased Gas Cost Component<br>(Rider A) | (I) |
|                           | <u>0.015¢</u> | per 100 cubic feet | Merchant Function Charge<br>(Rider G)     | (I) |
|                           | 4.549¢        | per 100 cubic feet | Total Gas Adjustment Charge               | (I) |
| Natural Gas Supply Charge | 55.260¢       | per 100 cubic feet | Purchased Gas Cost Component<br>(Rider A) | (I) |
|                           | 0.188¢        | per 100 cubic feet | Merchant Function Charge<br>(Rider G)     | (I) |
|                           | <u>1.149¢</u> | per 100 cubic feet | Gas Procurement Charge<br>(Rider H)       |     |
|                           | 56.597¢       | per 100 cubic feet | Total Natural Gas Supply Charge           | (I) |

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge 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.

(D) Indicates Decrease

(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 | \$1.0318/BDU | (D) |
|---------------------------|--------------|-----|

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.

(D) Indicates Decrease

(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 \$4.7239 (I)  
per Mcf, subject to revision as provided below:

The current components of the rate are as follows:

|  |              |     |
|--|--------------|-----|
| Purchased Gas Commodity<br>Costs, set forth in Rider "A" | \$4.1673/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 (D)  
shall be \$1.0366 per Mcf, which includes \$0.5566 for recovery of non-gas costs  
and \$0.4800 for recovery of purchased gas.

(D)

(D) Indicates Decrease

(I) Indicates Increase

SVIS  
Small Volume Industrial Service Rate Schedule (Cont'd)

MONTHLY RATE

|                           |                    |   |     |
|---------------------------|--------------------|---|-----|
| Basic Service Charge      |                    |   |     |
| \$82.00                   | per Month          |   |     |
| Distribution Charges      |                    |   |     |
| 24.152¢                   | per 100 cubic feet |   | (D) |
| Gas Adjustment Charge     |                    |   |     |
| 4.534¢                    | per 100 cubic feet | Purchased Gas Cost Component<br>(Rider A) | (I) |
| <u>0.015¢</u>             | per 100 cubic feet | Merchant Function Charge<br>(Rider G)     | (I) |
| 4.549¢                    | per 100 cubic feet | Total Gas Adjustment Charge               | (I) |
| Natural Gas Supply Charge |                    |   |     |
| 55.260¢                   | per 100 cubic feet | Purchased Gas Cost Component<br>(Rider A) | (I) |
| 0.188¢                    | per 100 cubic feet | Merchant Function Charge<br>(Rider G)     | (I) |
| <u>1.149¢</u>             | per 100 cubic feet | Gas Procurement Charge<br>(Rider H)       |     |
| 56.597¢                   | per 100 cubic feet | Total Natural Gas Supply Charge           | (I) |

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge.

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.

(D) Indicates Decrease

(I) Indicates Increase

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IVIS  
INTERMEDIATE VOLUME INDUSTRIAL SERVICE RATE SCHEDULE (Cont'd)  
MONTHLY RATE

|                           |               |                    |   |     |
|---------------------------|---------------|--------------------|---|-----|
| Basic Service Charge      | \$252.00      | per Month          |   |     |
| Distribution Charges      | 16.777¢       | per 100 cubic feet |   | (D) |
| Gas Adjustment Charge     | 4.534¢        | per 100 cubic feet | Purchased Gas Cost Component<br>(Rider A) | (I) |
|                           | <u>0.015¢</u> | per 100 cubic feet | Merchant Function Charge<br>(Rider G)     | (I) |
|                           | 4.549¢        | per 100 cubic feet | Total Gas Adjustment Charge               | (I) |
| Natural Gas Supply Charge | 55.260¢       | per 100 cubic feet | Purchased Gas Cost Component<br>(Rider A) | (I) |
|                           | 0.188¢        | per 100 cubic feet | Merchant Function Charge<br>(Rider G)     | (I) |
|                           | <u>1.149¢</u> | per 100 cubic feet | Gas Procurement Charge (Rider H)          |     |
|                           | 56.597¢       | per 100 cubic feet | Total Natural Gas Supply Charge           | (I) |

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge 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

(D) Indicates Decrease

(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 | \$1.0318/BDU | (D) |
|---------------------------|--------------|-----|

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).

(D) Indicates Decrease

(I) Indicates Increase

2. Margin Demand Charge

- a. The rate per Margin BDU shall be \$0.5122 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 \$4.5481 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" | \$4.1673/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

(D) Indicates Decrease

(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 \$0.8608 per Mcf, which includes \$0.3808 for recovery of non-gas costs and \$0.4800 for recovery of purchased gas. (D)

V. SURCHARGE (D)

The non-purchased gas cost Demand Charges and the non-purchased gas cost Commodity Charge for Sales Service and the non-purchased gas cost Commodity Charge for Transportation Service shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge.

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

(I) Indicates Increase

LVIS

Large Volume Industrial Service (Cont'd)

- 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  |                    |                              |     |
| \$1,023.00            | per Month          |                              |     |
| Distribution Charges  |                    |                              |     |
| 13.673¢               | per 100 cubic feet |                              | (D) |
| Gas Adjustment Charge |                    |                              |     |
| 4.534¢                | per 100 cubic feet | Purchased Gas Cost Component | (I) |
|                       |                    | (Rider A)                    |     |
| <u>0.015¢</u>         | per 100 cubic feet | Merchant Function Charge     | (I) |
|                       |                    | (Rider G)                    |     |
| 4.549¢                | Per 100 cubic feet | Total Gas Adjustment Charge  | (I) |

(D) Indicates Decrease

(I) Indicates Increase

LVIS  
Large Volume Industrial Service (Cont'd)

|                           |                    |                              |     |  |
|---------------------------|--------------------|------------------------------|-----|--|
| Natural Gas Supply Charge |                    |                              |     |  |
| 55.260¢                   | per 100 cubic feet | Purchased Gas Cost Component | (I) |  |
|                           |                    | (Rider A)                    |     |  |
| 0.188¢                    | per 100 cubic feet | Merchant Function Charge     | (I) |  |
|                           |                    | (Rider G)                    |     |  |
| <u>1.149¢</u>             | per 100 cubic feet | Gas Procurement              |     |  |
|                           |                    | Charge (Rider H)             |     |  |
| 56.597¢                   | per 100 cubic feet | Total Natural Gas Supply     | (I) |  |
|                           | Charge             |                              |     |  |

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge.

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.

APPLICABLE PERIOD

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

(D) Indicates Decrease

(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 | \$1.0318/BDU | (D) |
|---------------------------|--------------|-----|

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).

(D) Indicates Decrease

(I) Indicates Increase

2. Margin Demand Charge

- a. The rate per Margin BDU shall be \$0.3182 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 \$4.4146 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" | \$4.1673/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

D) Indicates Decrease

(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 \$0.7273 per Mcf, which includes \$0.2473 for recovery of non-gas costs and \$0.4800 for recovery of purchased gas. (D)

(D)

V. SURCHARGE

The non-purchased gas cost Demand Charges and the non-purchased gas cost Commodity Charge for Sales Service and the non-purchased gas cost Commodity Charge for Transportation Service shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge 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

(I) Indicates Increase

LIS

Large Industrial Service (Cont'd)

- 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  
\$1,165.00 per Month

Distribution Charges  
9.423¢ per 100 cubic feet (D)

|                           |                              |  |     |
|---------------------------|------------------------------|--|-----|
| Gas Adjustment Charge     |                              |  |     |
| 4.534¢ per 100 cubic feet | Purchased Gas Cost Component |  | (I) |
|                           | (Rider A)                    |  |     |
| 0.015¢ per 100 cubic feet | Merchant Function Charge     |  | (I) |
|                           | (Rider G)                    |  |     |
| 4.549¢ per 100 cubic feet | Total Gas Adjustment Charge  |  | (I) |

(D) Indicates Decrease

(I) Indicates Increase

LIS  
Large Industrial Service (Cont'd)

|                                  |  |  |     |
|----------------------------------|--|--|-----|
| Natural Gas Supply Charge        |  |  |     |
| 55.260¢ per 100 cubic feet       |  | Purchased Gas Cost Component (Rider A) | (I) |
| 0.188¢ per 100 cubic feet        |  | Merchant Function Charge (Rider G)     | (I) |
| <u>1.149¢</u> per 100 cubic feet |  | Gas Procurement Charge (Rider H)       |     |
| 56.597¢ per 100 cubic feet       |  | Total Natural Gas Supply Charge        | (I) |

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge.

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.

(D) Indicates Decrease

(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 | \$1.0318/BDU | (D) |
|---------------------------|--------------|-----|

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).

(D) Indicates Decrease

(I) Indicates Increase

2. Margin Demand Charge

- a. The rate per Margin BDU shall be \$0.2517 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 \$4.3597 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" | \$4.1673/Mcf | (I) |
| Non Gas Costs                 | \$0.1924/Mcf |     |

- a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

(D) Indicates Decrease

(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 \$0.1924 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 \$0.6724 per Mcf, which includes \$0.1924 for recovery of non-gas costs and \$0.4800 for recovery of purchased gas. (D)

V. SURCHARGE (D)

The non-purchased gas cost Demand Charges and the non-purchased gas cost Commodity Charge for Sales Service and the non-purchased gas cost Commodity Charge for Transportation Service shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge 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

(I) Indicates Increase

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 \$0.51991 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<br>Cost | \$0.10318/Ccf        | (D) |
| plus<br>Purchased Gas Commodity Cost          | <u>\$0.41673/Ccf</u> | (I) |
| Equals<br>100% Load Factor Base Cost of Gas   | \$0.51991/Ccf        | (I) |

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

(D) Indicates Decrease

(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: \$0.66314/Ccf (I)

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

|  |                 |     |
|--|-----------------|-----|
| 100% load factor base cost of gas:                                     | \$0.51991/Ccf   | (I) |
| Incremental operating cost of Company owned NGV compression equipment: | \$0.13436/Ccf   |     |
| Transition Cost Surcharge  | \$0.00000/Ccf   |     |
| State Tax Adjustment Surcharge   | \$(0.00113)/Ccf | (D) |
| Minimum allowable Non-Gas cost   | \$0.01000/Ccf   |     |

The maximum NGV(1) rate shall be: \$0.94473/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: | \$0.81198/Ccf   | (I) |
| Incremental operating cost of Company owned NGV compression equipment:       | \$0.13436/Ccf   |     |
| State Tax Adjustment Surcharge   | \$(0.00161)/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: \$0.52901/Ccf (I)

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

|                                    |                 |     |
|------------------------------------|-----------------|-----|
| 100% load factor base cost of gas: | \$0.51991/Ccf   | (I) |
| Transition Cost Surcharge          | \$0.00000/Ccf   |     |
| State Tax Adjustment Surcharge     | \$(0.00090)/Ccf | (D) |
| Minimum allowable Non-Gas cost     | \$0.01000/Ccf   |     |

The maximum NGV(2) rate shall be: \$0.81060/Ccf (I)

(D) Indicates Decrease

(I) Indicates Increase

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

|   |                 |     |
|---|-----------------|-----|
| Tailblock rate of the Commercial and Public Authority |                 | (I) |
| Service Rate schedule:                                | \$0.81198/Ccf   |     |
| State Tax Adjustment Surcharge                        | \$(0.00138)/Ccf | (D) |

V. SURCHARGE

All non-purchased gas cost charges under this rate schedule will be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge 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.

(D) Indicates Decrease

(I) Indicates Increase

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 \$1.2605 per Mcf, which shall be applied to the total monthly volumes transported by the customer during the month. (D)

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

(D) Indicates Decrease

(I) Indicates Increase

MONTHLY RATE

The monthly rate shall be \$0.6032 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.

(D) Indicates Decrease

(I) Indicates Increase

RATE SCHEDULE FOR MONTHLY METERED TRANSPORTATION SCHEDULE (cont'd)

MONTHLY RATES

Commodity Rates

The commodity rates set forth below contain a component, presently (D)  
\$0.4800 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:

\$3.4411 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:

\$2.7794 per Mcf for Small Commercial/Public Authority using not more (D)  
than 250 Mcf per year

\$2.5355 per Mcf for Small Commercial/Public Authority using greater (D)  
than 250 Mcf but not more than 1,000 Mcf per year

\$2.1422 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:

\$2.7794 per Mcf for Small Commercial/Public Authority using not more (D)  
than 250 Mcf per year

\$2.5355 per Mcf for Small Commercial/Public Authority using greater (D)  
than 250 Mcf but not more than 1,000 Mcf per year

\$2.1422 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:

\$2.5522 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:

\$2.5522 per Mcf for SVIS Customers (D)

(D) Indicates Decrease

(I) Indicates Increase

RATE SCHEDULE FOR MONTHLY METERED TRANSPORTATION SCHEDULE (cont'd)

For transportation of gas to Intermediate Volume Industrial Customers, (D)  
the monthly rate for transportation of gas produced within the  
Commonwealth of Pennsylvania shall be:  
\$1.8147 per Mcf for IVIS Customers

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

\$1.8147 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:

\$1.5043 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:

\$1.5043 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:

\$1.0793 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:

\$1.0793 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

(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 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 \$5.8977. (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 as set forth in Rate Schedule SB Special Provisions.

(D) Indicates Decrease

(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 \$5.8977.

(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 as set forth in Rate Schedule SB Special Provisions 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.

(D) Indicates Decrease

(I) Indicates Increase

RATE SCHEDULE SATC  
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE (Cont'd)

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 \$0.0343 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. (D)

(D) Indicates Decrease

(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:

|           |                        |     |
|-----------|------------------------|-----|
| \$14.00   | Basic Service Charge   |     |
| \$0.33041 | per 100 cubic feet (I) | (D) |

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:

|           |                      |     |
|-----------|----------------------|-----|
| \$27.00   | Basic Service Charge |     |
| \$0.26424 | per 100 cubic feet   | (D) |

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:

|           |                      |     |
|-----------|----------------------|-----|
| \$37.00   | Basic Service Charge |     |
| \$0.23985 | per 100 cubic feet   | (D) |

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

|           |                      |     |
|-----------|----------------------|-----|
| \$151.00  | Basic Service Charge |     |
| \$0.20052 | per 100 cubic feet   | (D) |

(D) Indicates Decrease

(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:

\$82.00 Basic Service Charge  
\$0.24152 per 100 cubic feet (D)

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:

\$252.00 Basic Service Charge  
\$0.16777 per 100 cubic feet (D)

B. Miscellaneous Customer Surcharges

1. Residential rate classes shall be subject to surcharges in accordance with Rider F - CAP Discount Charge as set forth in this tariff.

2. The above non-purchased gas cost SATC rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge.

(D) Indicates Decrease

(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' estimated extreme day requirements of their SATC Customer Group used for Supplier capacity allocations and requirements shall be based on a sixty-two (62) 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 requirements for days colder than sixty-two (62) degree days.

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

54% 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. (I)

b. Initial Assignment of ESS Storage Capacity

In a month a SATS Supplier begins to serve SATC customers, it shall be provided with an initial assignment of storage capacity, based on the percentage set forth at C.1.a. above, to meet the Supplier's requirements for the upcoming winter period. Approximately fifteen days prior to the close of nominations for the month, the Company will calculate the quantity of storage capacity released to match the SATS Supplier's winter requirements based on the number of SATC Customers aggregated by the Supplier. If the initial assignment takes place in a month other than April, the Company will transfer storage gas to the Supplier pursuant to C.1.c below. The SATS Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to the Company.

(D) Indicates Decrease

(I) Indicates Increase

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

c. Additional Assignments of ESS Storage Capacity

Approximately fifteen days prior to the close of nominations for each month, the Company will recalculate the quantity of storage capacity released to match the SATS Supplier's revised winter requirements based on the number of SATC Customers aggregated by the Supplier. If additional SATC Customers join a SATS Supplier's SATC Customer Group, 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 DMI for the first day of month in which gas is transferred 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<br>Transfer<br>Month | DTR<br>\$/Mcf |     |
|-------------------------------|---------------|-----|
| April                         | \$0.00        |     |
| May                           | \$0.00        |     |
| June                          | \$0.00        |     |
| July                          | \$0.00        |     |
| August                        | \$0.00        |     |
| September                     | \$0.00        |     |
| October                       | \$0.00        | (D) |
| November                      | \$0.45        | (D) |
| December                      | \$0.75        | (D) |
| January                       | \$0.64        | (D) |
| February                      | \$0.31        | (D) |
| March                         | \$0.00        |     |

(D) Indicates Decrease

(I) Indicates Increase

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

2. Released Transmission Capacity Not Included in SATC  
Transportation Rates

46% of extreme peak day requirements is to be provided by the release of pipeline capacity upstream of NFGSC and the release of associated EFT transportation capacity on NFGSC which is not included in transportation rates. All such capacity shall be released to SATS Suppliers, and SATS Suppliers shall take such released capacity, at the maximum rate under the pipeline's FERC gas tariff. The actual pipeline capacity path upstream of NFGSC to be released to the Supplier by the Company shall be designated by the Company from its available capacity. The Company will attempt to accommodate a Supplier's request for particular capacity on a first-come first-serve basis. (D)

As an alternative to the above, the Company may designate an alternative capacity path(s) from its available capacity. The capacity release rate for the pipeline capacity path released to the Supplier shall be \$7.6816/Dth which equals the weighted average demand cost of upstream capacity, however, capacity released on NFGSC will be released at the maximum rate under NFGSC's FERC gas tariff. The Company will post a listing of the alternative capacity path(s) designated, including the associated quantity of capacity, on its web site. (I)

For capacity termination notices, prior to the termination notice date of any capacity contract in this Section C.2., the Company will issue a request for proposals to qualified Suppliers under this tariff to determine if the Company should terminate, renew, or replace such contract, in whole or in part. The Company will terminate a proportionate share of the capacity contract if: (1) Suppliers demonstrate that they will provide comparable firm capacity to serve the Company's core customers, (2) the Suppliers agree to assign such comparable capacity at the contracted price to the Company upon Company request if such capacity is required to meet supply requirements of SATC Customers due to the termination of the SATS Supplier pursuant to Section H.1. or if the Supplier has reduced the level of delivery requirements from the previous periods requirements, and 3) the Commission approves such comparable capacity. Comparable capacity must have firm rights for at least the seven (7) winter months, and such capacity must have primary delivery rights into available primary receipt rights on NFGSC held by the Company. Comparable capacity must have firm capacity rights sufficient in volume and duration (with renewal rights) to serve the customers to be served by the SATS Supplier. The Company will post a listing of capacity contracts, including the associated quantity of capacity, that it determines to be of critical status on its web site.

(D) Indicates Decrease

(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 \$5.8977.

(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 as set forth in Rate Schedule SB Special Provisions 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.

(D) Indicates Decrease

(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 \$4.1673 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 \$1.8121 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. (D)

Rates for each Mcf (1,000 cubic feet) of gas transported under the Small Aggregation Transportation Customer Rate Schedule shall include \$0.3430 per Mcf for the recovery of purchased gas demand costs. (D)

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   | \$6.3224     | \$0.3430 | \$0.4534       | \$5.5260      | (I) |
| Low Income Residential Assistance Service               | \$6.3224     | \$0.3430 | \$0.4534       | \$5.5260      | (I) |
| Commercial/Public Authority                             | \$6.3224     | \$0.3430 | \$0.4534       | \$5.5260      | (I) |
| Small Volume Industrial                                 | \$6.3224     | \$0.3430 | \$0.4534       | \$5.5260      | (I) |
| Intermediate Volume Industrial                          | \$6.3224     | \$0.3430 | \$0.4534       | \$5.5260      | (I) |
| Large Volume Industrial                                 | \$6.3224     | \$0.3430 | \$0.4534       | \$5.5260      | (I) |
| Large Industrial  | \$6.3224     | \$0.3430 | \$0.4534       | \$5.5260      | (I) |
| Standby   | \$0.6032     |          |                |               | (I) |
| Priority Standby  | \$1.2605     |          |                |               | (I) |
| Small Aggregation Transportation Customer Rate Schedule | \$0.3430     | \$0.3430 |                |               | (I) |

(I) Indicates Decrease

(I) Indicates Increase

Rider G  
Merchant Function Charge (MFC) Rider

Applicability:

The Merchant Function Charge (MFC) shall be added to the Natural Gas Supply Charge and Gas Adjustment Charge of Residential, CAP, Commercial and Public Authority, SVIS, IVIS, LVIS and LIS rate schedules.

Such charges 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 Sales Service Rate Customer Charge, Distribution Charge, Natural Gas Supply Charge or Gas Adjustment Charge.

Calculation of Rate:

For customers receiving service in the Residential classification, the MFC shall equal 1.8032% times the Natural Gas Supply Charge and the Gas Adjustment Clause as calculated for Rider A.

The current Residential MFC Charge is:

|  |          |     |
|--|----------|-----|
| Natural Gas Supply Charge per Mcf        | \$0.0996 | (I) |
| Gas Adjustment clause (E-Factor) per Mcf | \$0.0082 | (I) |
| Total Residential MFC per Mcf            | \$0.1078 | (I) |

For customers receiving service in the Non-Residential classifications, the MFC shall equal 0.3398% times the Natural Gas Supply Charge and Gas Adjustment Clause as calculated for Rider A.

The current Non-Residential MFC Charge is:

|  |          |     |
|--|----------|-----|
| Natural Gas Supply Charge per Mcf        | \$0.0188 | (I) |
| Gas Adjustment clause (E-Factor) per Mcf | \$0.0015 | (I) |
| Total Non-Residential MFC per Mcf        | \$0.0203 | (I) |

(D) Indicates Decrease

(I) Indicates Increase

Rider H  
Gas Procurement Charge (GPC)

APPLICABILITY

Effective June 1, 2013, the Gas Procurement Charge will be included in the Natural Gas Supply Charge of Residential, CAP, Commercial and Public Authority, SVIS, IVIS, LVIS and LIS rate schedules.

The charge is designed to recover the costs of procuring natural gas pursuant to 52 Pa. Code §62.223. The natural gas procurement costs included in the GPC charge will only be updated in a base rate case.

The GPC to be included in the Natural Gas Supply Charge shall be \$0.1149 / Mcf and is not reconcilable.

| <b>Price To Compare Component</b>   | Residential<br>(¢ per 100<br>cubic feet) | Non<br>Residential<br>(¢ per 100<br>cubic feet) |     |
|---|--|---|-----|
| Natural Gas Supply Charge   |  |   |     |
| Purchased Gas Cost Component (Rider A)  | 55.260                                   | 55.260  | (I) |
| Merchant Function Charge associated<br>with Natural Gas Supply Charge (Rider G) | 0.996                                    | 0.188   | (I) |
| Gas Procurement Charge (Rider H)  | <u>1.149</u>                             | <u>1.149</u>                                    |     |
| Subtotal Natural Gas Supply Charge  | 57.405                                   | 56.597  | (I) |
| Gas Adjustment Charge   |  |   |     |
| Purchased Gas Cost Component (Rider A)  | 4.534                                    | 4.534   | (I) |
| Merchant Function Charge associated<br>with Gas Adjustment Charge (Rider G)     | 0.082                                    | 0.015   | (I) |
| Subtotal Gas Adjustment Charge  | <u>4.616</u>                             | <u>4.549</u>                                    | (I) |
| Total Price To Compare  | <u>62.021</u>                            | <u>61.146</u>                                   | (I) |

(D) Indicates Decrease

(I) Indicates Increase