

Mountaineer Gas Company
Charleston, West Virginia

2nd Revision of Sheet No. 1
Canceling
1st Revision of Sheet No. 1
P.S.C. W. Va. No. 2

MOUNTAINEER GAS COMPANY

RATES, RULES, AND REGULATIONS FOR
NATURAL GAS SERVICE

at

Cities, Towns, Communities and County
Areas Served by Mountaineer Gas Company
in the State of West Virginia
as indicated on Sheets 3 through 5B

Filed With The Public Service Commission

of

West Virginia

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(I) Denotes Increase

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INDEX OF COMMUNITIES SERVED

Index of Communities Served

Gas service is available in all localities where the Company has pipelines, including all or a portion of the following communities and counties in West Virginia:

Albright	Big Bend	Cannelton
Alderson	Big Chimney	Carbondale
Alloy	Blacksville	Carlisle
Alta	Blaine	Cedar Grove
Alum Creek	Blue Creek	Ceredo
(N) Ashford	Blue Jay	Chapmanville
Athens	Boomer	Charleston
Atlantic	Boone Co.	Charlton Heights
Bancroft	Boonesboro	Chattaroy
Barbour Co.	Borderland	Chesapeake
Bayard	Bradley.	Chester
Beaver	Branchland	Chelyan
Beckley	Braxton Co.	Cinco
Beech Glen	Brentz	Clay
Belington	Brooke Co.	Clay Co.
Belle	Brooklyn	Clay District (Marshall Co.)
Bellepoint	Brownsville	Clendenin
Belva	Buckhannon	Coal Fork
Benbush	Bunker Hill	Coalburg
Bentree	Burning Springs	Coketon
Berkeley Co.	Butcherville	Columbia
Berline	Cabell	Congo
Beryl	Cabell Co.	Cora
Bethany	Cabell Heights	Corinth
Beverly	Calhoun Co.	Crab Orchard
Bickmore	Cameron	Cranberry
	Cameron District (Marshall Co.)	Creamery

(N) Denotes New

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Creston	Elkview	Glenova
Cross Creek Dist. (Brooke Co.)	Emeryville	Gormanian
Crum	Eskdale	Grant Co.
Culloden	(N) Fairplain	Grantsville
Dallas	Fairview	Greenbrier Co.
Daniels	Falls View	Greentown
Darkesville	Fayette Co.	Griffithsville
Dartmoor	Fayetteville	Hall
Davis	Ferrellsburg	Hambelton
Dawes	Fola	Hamilton
Deanville	Follansbee	Hamlin
Diamond	Fort Gay	Hancock Co.
Dickinson	Frame	Hardy Co.
Dixie	Franklin Dist. (Marshall Co.)	Harewood
Dobbin	Gallagher	Harlem Heights
Doddridge Co.	Gallipolis Ferry	Harper
Douglas	Gandeeville	Harrison Co.
Dry Branch	Gauley Bridge	Harvey
Dry Hill	Giles	Henderson
Dunbar	Gilmer Co.	Hendricks
East Bank	Glasgow	Henlawson
East Lynn	Glen Easton	Henry
Eccles	Glen Ferris	Hernshaw
Elizabeth	Glen Jean	Hilltop
Elk Garden	Glen Morgan	Hinton
Elkins	Glen White	Hodgeville
Elkridge	Glendale	

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Hollidays Cove	Kincaid	Mason Co.
Hopemont	Kingwood	Maxwell Hill
Hotchkiss	Latonia	Maysel
Hugheston	Lenore	McConnell
Hundred	Lester	McDowell
Huntington	Lewis Co.	McDunn
Hurricane	Lewisburg	McMechan
Huttonsville	Liberty Dist. (Marshall Co.)	Mead
Iaeger	Liberty Dist. (Ohio Co.)	Meade Dist. (Marshall Co.)
Ingram Branch	Lightburn	Meadowbrook
Institute	Lincoln Co.	Mercer Co.
Inwood	Lochgelly	Miami
Ivydale	Logan	Mickelville
Jackson Co.	Logan Co.	Middlebourne
Jane Lew	London	Middleway
Jefferson Co.	Longacre	Mill Creek
Jodie	Lorentz	Minden
Johnson Branch	Mabscott	Mine 43
Junior	Majorsville	Mineral Co.
Kanawha Co.	Malden	Mingo Co.
Kanawha Falls	Mammoth	Monongalia Co.
(N) Kenna	Manheim	Monroe Co.
Kenova	Maple Fork	Montrose
Kermit	Marion Co.	Moore
Keyser	Marmet	Moorefield
Kilsyth	Marshall Co.	Moundsville
Kimberly	Martinsburg	

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Mount Gay	Pickaway	Red Star
Mt. Carbon	Piedmont	Reedy
Mt. Hope	Pierce	Richland Dist. (Ohio Co.)
Mt. Zion	Pikeside	Ridgeley
Mullens	Pinch	Ridgeway
Naugatuck	Pineville	Ripley
New Cumberland	Pleasant Hill	Ritchie Co.
New Martinsville	Poca	Ritchie Dist. (Ohio Co.)
Newark	Pocatalico	Riverside
Newell	Point Pleasant	Roane Co.
Nitro	Porterwood	Rocklick
No. Sand Branch	Powellton	Ronceverte
Nolan	Preston Co.	Roneys Point
Normantown	Price Hill	Rowlesburg
Oak Hill	Prichard	(N) Sabine
Oak Ridge	Princeton	Sand Branch
Oceana	Prosperity	Sandhill Dist. (Marshall Co.)
Ohio Co.	Prudence	Sandyville
Ona	Pughtown	Scarbro
Page	Putnam Co.	Sedalia
Palestine	Quick	Shady Spring
Parsons	Quincy	Shadybrook
Peach Creek	Raleigh	Sharon
Pecks Mill	Raleigh Co.	Sherwood Heights
Pee Wee	Rand	Shrewsbury
Peterstown	Randolph Co.	Sinks Grove
Philippi	Ravenswood	Sissonville

(N) Denotes New

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INDEX OF COMMUNITIES SERVED

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(N) Slab Fork	Upshur Co.	
(N) Smithers	Valley Camp	
(N) Snow Hill	(N) Vaughn	
Sophia	Verdunville	
South Charleston	Volga	
Spencer	(N) Walker	
(N) Spring Fork	Walton	
St. Albans	(N) Ward	
St. George	Washington Dist.	(Marshall Co.)
Stollings	Wayne Co.	
(N) Stumptown	Webster Dist.	(Marshall Co.)
(N) Summerlee	Weirton	
Summers Co.	Wellsburg	
(N) Sun	West Hamlin	
(N) Swiss	West Liberty	
Sybial	Wetzel Co.	
Tad	Wheeling	
Terra Alta	(N) Whipple	
Teter	White Sulphur Springs	
Thomas	Williamson	
Tornado	(N) Wingrove	
Tucker Co.	Winifrede	
Tunnelton	Wirt Co.	
Turner	(N) Wolf Creek Community	
Tyler Co.	Wood Co.	
Union Dist.	(Marshall Co.) (N) Wriston	
	Wyoming Co.	

(N) Denotes New

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INDEX OF INTRASTATE GAS PUBLIC UTILITIES SERVED

Wholesale gas service is provided to the following natural gas public utilities:

Brenton
Canaan Valley Gas
Consumers Gas Utilities Corporation
Holden Gas Company
Logan Gas Company
Pineville
Southern Public Service Company
Spencer
Welch

(O)

(O) Denotes Omission

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DEFINITIONS

Alternate Fuel

Capability: The ability to use an alternate fuel in place of natural gas and to have the necessary facilities installed.

Billing Month: The period elapsed between consecutive final monthly meter readings and when referred to in terms of a calendar month shall mean that billing month the major portion of which occurs in said calendar month.

British Thermal

Unit (Btu): The quantity of heat that must be added to one pound of water to raise its temperature one degree Fahrenheit from 58.5 to 59.5 degrees Fahrenheit under standard pressure of 30 inches of mercury.

Commodity: The volume of gas delivered to a customer during the billing month subject to the tariff rate.

Company: Mountaineer Gas Company.

(C)

Curtailment: Curtailment of gas service is a method to balance a utility's natural gas requirements with its natural gas supply. Usually there is a hierarchy of customers for the curtailment plan. A customer may be required to partially cut back or totally eliminate its take of gas depending on the severity of the shortfall between gas supply and demand and the customer's position in the hierarchy. Curtailment generally applies in circumstances when there is insufficient gas supply to meet firm customers' demand.

Customer: An individual, firm, or organization which purchases and utilizes service at one location under one rate classification, contract, or rate schedule. If service is supplied at more than one location or under more than one rate schedule, each location and/or rate schedule shall be counted as a separate customer. The term customer does not include marketers, producers, agents or similar entities which are not the ultimate consumer of gas.

Day: A period of twenty-four (24) consecutive hours, ending at 10:00 a.m. E.S.T.

Dual Purpose

Meter: An installation wherein the Company receives wholesale gas supplies and the customer receives retail gas supplies from the same meter and the bill rendered to the Company by the wholesaler is being used as the basis for the Company to bill the retail customer.

Electronic

Measurement: That form of measurement consisting of flow computers or computerized Remote Terminal Units (RTU's), electronic transducers, and associated power, data communications, and other electronic equipment to accomplish the instantaneous measurement of gas and transfer of data without the use of charts or other paper recordings.

(C) Denotes Change

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DEFINITIONS

Definitions (Continued)

- End-user: Any individual, firm, or organization which is the ultimate consumer of natural gas.
- Estimated Bill: A bill for service not based on meter readings for the period being billed but based on calculations of how much gas a customer used during a particular period of time based on the gas consumption history of that customer and temperatures during the period.
- Firm Service: High priority service offered to customers under schedules or contracts which anticipate no interruption and limited curtailment.
- Grandfather Clause: The continuation of a former rule, clause, or policy (usually in a contractual agreement) where a change to new rule or policy would be patently unfair to those covered by the former.
- Interruptible Service: Low priority service offered to customers under schedules or contracts which anticipate and permit interruption on short notice, generally in peak load seasons, by reason of the claim of firm service customers, higher priority users, or other basis as determined by the Company.
- Interruption: Restriction of service (up to 100%) to customers choosing interruptible service when, in the Company's judgment, conditions for interruption are present or imminent. Interruption may also apply to firm transportation service where the customer does not tender gas supplies sufficient to meet its natural gas requirements even where the customer may have a supply balance on the Company's system.
- Mainline Consumer: Shall mean those retail consumers who are provided with service by the Company from pipeline or transmission facilities owned by third parties rather than directly from the distribution system of the Company.
- MDFQ (MDV): The greatest volume of firm gas which Seller shall at the time be obligated to deliver to Buyer and which Buyer shall at the time be entitled to receive from Seller during any one day as specified in the Sales Agreement.
- MCF: 1,000 cubic feet.
- Peak Day: The 24-hour period of greatest total gas sendout.
- Point of Delivery: The point at which ownership of the gas shall pass to the customer; for metered service it is the outlet side of the meter.
- Rate: The unit charge or charges made to the customer for natural gas.
- Rate Schedule: The service classification which is applicable to a specific customer's category of service.

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DEFINITIONS

Definitions (Continued)

Record/

Recording: Charts or other paper recordings, or any binary or other machine-readable representation of information stored in computer memory or other electronic device.

Service: The furnishing of gas by the Company at the point of delivery regardless of whether the customer makes any use of the gas.

Service

Classification: The category of service assigned to a customer based on certain availability criteria.

Company

Service Line: The pipe, owned and maintained by the Company, which carries gas from the main to and including the curb valve.

Standby Charge: A volumetric fee imposed on all gas usage for transportation customers that have either elected not to install telemetering equipment or elected to purchase firm transportation service.

Tariff: A published volume of rate schedules and general terms and conditions under which a product or service will be supplied.

Tariff Rate: The rate(s) or charge(s) made to the customer for service under its applicable service classification.

Year: Twelve (12) consecutive billing months.

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RULES AND REGULATIONS
Applicable to All Rate Schedules

1. Gas Service Tariff

1.1 Terms and Conditions

Nothing in these supplemental rules and regulations shall be at variance with the Rules and Regulations for the Government of Gas Utilities and Gas Pipeline for the Government of Gas Utilities and Gas Pipeline Safety or shall be interpreted as divesting the Commission or any appropriate court of any of the jurisdiction delegated to it by law.

1.2 Agreements

No agent or employee of the Company has authority to make any promise, agreement or representation not consistent with these Rules and Regulations.

1.3 Waiver of Rights

The failure by the Company to enforce any of the terms of this tariff shall not be deemed a waiver of its right to enforce any of the terms of this tariff.

1.4 Filing and Posting

A copy of this tariff for gas service supplied by the Company is on file with the Public Service Commission of West Virginia. A copy is available for inspection in each Company-operated collection office and at the Company's corporate offices.

2. Character of Service.

2.1 Single Point of Delivery

Company will furnish, install and maintain a single meter for each service classification under which a Customer receives service unless, in the sole and final judgment of the Company, the volume of the Customer's requirements, economic consideration, conditions on its distribution system, or other reasons make it desirable to install additional meters.

2.2 Quality

The gas delivered hereunder shall be natural and/or pipeline quality gas, provided, however, that:

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RULES AND REGULATIONS
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2. Character of Service (continued)

2.2 Quality (continued)

- (a) The Company may extract or permit the extraction of moisture, helium, natural gasoline, butane, propane, or other hydrocarbons (except methane) from said gas, or may return thereto any substance extracted from it. The Company, in order to conserve and utilize other available gases, may blend such gases with said gas provided, however, that such blending shall not extend to a degree which, in the Customer's judgment reasonably exercised, would materially affect the utilization of the gas delivered hereunder.
- (b) The Company may subject or permit the subjection of said gas to compression, cooling, cleaning or other processes to such an extent as may be required in its transmission from the source thereof to the point or points of delivery.

2.3 Heat Content

The gas so delivered shall contain a minimum average monthly heating value of not less than one thousand (1,000) Btu per cubic foot.

The unit of volume for the purpose of determining total heating value shall be one (1) cubic foot of gas saturated with water vapor at a temperature of sixty degrees (60°) Fahrenheit and an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit and under standard gravity (32.174 ft. per second).

2.4 Freedom From Objectionable Matter

The gas delivered:

- (a) shall be commercially free from dust or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters, and other equipment of the Customer;

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2. Character of Service (Continued)

2.4 Freedom From Objectionable Matter (Continued)

- (b) shall not contain more than a trace of hydrogen sulfide per one hundred (100) cubic feet of gas, as determined by methods prescribed in Standards for Gas Service, Circular of the National Bureau of Standards No. 405, Page 134 (1934 Edition), and shall be considered free from hydrogen sulfide if a strip of white filter paper, moistened with a solution containing five percent (5%) by weight of lead acetate, is not distinctly darker than a second paper freshly moistened with the same solution, after the first paper has been exposed to the gas for one (1) minute in an apparatus of approved form, through which the gas is flowing at the rate of approximately five (5) cubic feet per hour, the gas not impinging directly from a jet upon the test paper;
- (c) shall not contain more than twenty (20) grains of total sulfur per one hundred (100) cubic feet;
- (d) in the event that gas contains more than a trace of hydrogen sulfide per one hundred (100) cubic feet or more than twenty (20) grains of total Sulphur per one hundred (100) cubic feet, by test prescribed by the Bureau of Standards or other recognized method, then upon the request of the Customer, the Company shall reduce the hydrogen sulfide content to not more than a trace per one hundred (100) cubic feet and the total Sulfur content to twenty (20) grains or less per one hundred (100) cubic feet.

2.5 High Pressure Service

When a Customer requests gas service from a high pressure pipeline owned by the Company, the Company will furnish and install all taps, regulating equipment and meters at no cost to the Customer except as follows:

- (a) If the line from which the Customer is to be served is operated at a pressure not exceeding 60 psig, the Company will furnish the necessary service at no cost to the Customer.
- (b) If the line from which the Customer is to be served is operated at a pressure in excess of 60 psig, but not in excess of 150 psig, which will necessitate one high-pressure regulator in addition to the service regulator, the Customer will be required to make a payment to cover the cost, installed, of the high-pressure regulator.

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2. Character of Service (continued)
2.5 High Pressure Service (continued)

- (c) If the line from which the Customer is to be served is operated at a pressure in excess of 150 psig which will necessitate two high-pressure regulators in addition to the service regulator, the Customer will be required to make a payment to cover the cost, installed, of the high-pressure regulators.

The Company will make all necessary installations including the tap, meter and regulator or regulators at no cost to the Customer except as specified above.

The Company will own, operate and maintain all facilities except the requisite service line of the Customer.

2.6 Mainline Consumers

Notwithstanding any provision to the contrary within these Rules and Regulations it is expressly understood that for Mainline Consumers the Company has no control over the quality and quantity of natural gas to be delivered to the Mainline Consumer by the third party pipeline and the Company makes absolutely no warranty, express or implied, that the natural gas will be of pipeline quality or suitable for use by the Mainline Consumer.

3. Service Limitations

3.1 Continuity of Service

The Company does not guarantee or undertake, beyond the exercise of due diligence and its duty as a utility, to furnish a sufficient supply of gas at all times and shall not be liable for failure to do so, beyond its available supply; nor shall it be liable for any injury to person or property from any cause arising inside the Customer's property line not the result of the negligence of the Company; nor shall it be liable for any injury to person or property arising from the use of gas by, or the supply of gas to, the Customer which is not the result of negligence on the part of the Company.

3.2 Force Majeure

Neither the Company nor the Customer shall be liable in damages to the other for any act, omission or circumstances occasioned by or in consequence of any acts of God, strikes, lockouts, acts of a public enemy, war, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming

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3. Service Limitations (continued)

3.2 Force Majeure (continued)

suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the control of the party claiming suspension. Such causes or contingencies affecting the performance hereunder by either the Company or the Customer, however, shall not relieve it of liability in the event of its concurring negligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve either party from its obligations to make payments of amounts then due hereunder in respect of gas theretofore delivered.

3.3 Company's Liability

The Company will not be liable for damages to or injuries sustained by Customers or others, or by the equipment of Customer or others by reason of the condition or character of Customer's facilities and equipment of others on Customer's premises. The Company will not be responsible for the use, care or handling of the gas service delivered to Customer after same passes beyond the point of delivery.

3.4 Unusual Conditions

The Company reserves the right to place limitations on the amount and character of gas service it will supply; to refuse service to new Customers or to existing Customers for additional load if unable to obtain sufficient supply for such service or sufficient commitment by the customer with respect to such supply; to curtail or discontinue the supply of gas service to Customer in the event it becomes necessary for the Company to do so in compliance with any Order or request of Federal, State or Municipal authorities, or in the case of emergencies; to reject applications for service or additional service where such service is not available or where such service might affect the supply of gas to other Customers; or for other good and sufficient reasons, but subject to orders or rules of the Public Service Commission of West Virginia.

4. Measurement

4.1 Unit of Measurement and Metering Base

The volumetric measurement base shall be one (1) cubic foot of gas at a pressure base of fourteen and seventy-three one hundredths (14.73) pounds per square inch absolute (thirty (30) inches of mercury), a temperature base of sixty degrees (60°) Fahrenheit, (520° F. absolute).

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4. Measurement (continued)

4.2 Atmospheric Pressure

The average absolute atmospheric (barometer) pressure shall be assumed to be fourteen and four tenths (14.4) pounds to the square inch, irrespective of actual elevation or location of the delivery point above sea level or variations in actual barometric pressure from time to time.

4.3 Temperature

The temperature of the natural gas shall be determined at the Company's option:

- (a) Where Electronic Measurement equipment is provided, by continuous application of instantaneous temperature measurements from one or more of the meters at a measuring station, or by contemporaneous application of the arithmetic or other average of the temperature record from one or more of the meters for the time during which gas is flowing;
- (b) Where Electronic Measurement equipment is not provided,
 - (1) where an instrument which measures and records the temperature of the flowing gas is installed, by contemporaneous application of the arithmetic or other average of the hourly or daily temperature record from one or more of the meters at a measuring station; or
 - (2) where an instrument which measures and records the temperature of the flowing gas is not installed, by contemporaneous application of the temperature as read from established tables of monthly averages for the point of measurement; or
- (c) by any other method or methods mutually agreed upon by Company and Customer.

4.4 Specific Gravity

The specific gravity of the gas shall be determined by the Company, or at the Customer's election, by joint test, at the commencement of deliveries hereunder and as often thereafter as deemed necessary by the Company.

- (a) Where Electronic Measurement equipment is provided,

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- (1) by contemporaneous application of continuous instantaneous specific gravity measurements, or by contemporaneous application of arithmetic or other average of the specific gravity for the time during which gas was flowing;
 - (2) by prospective application of the arithmetic or other average of the specific gravity record; or
 - (3) by prospective application of the results of analyses of samples of the gas;
- (b) where Electronic Measurement equipment is not provided,
- (1) by contemporaneous application of the arithmetic or other average of the hourly or daily continuous specific gravity record;
 - (2) by prospective application of the results of analyses of samples of the gas; or
- (c) by any other method or methods mutually agreed upon by Company and Customer.

4.5 Supercompressibility

The deviation of the natural gas from the Ideal Gas Laws shall be determined:

- (a) In accordance with the American Gas Association, Par Research Project NX-19 report, titled "Manual for the Determination of Supercompressibility Factors for Natural Gas", Reprinted 1976, if the composition of the natural gas is such to render this procedure applicable; or
- (b) by other method mutually agreed upon by Company and Customer. The deviation factors shall be determined by tests of the gas made with such reasonable frequency as found necessary.

4.6 Measuring Equipment

Unless otherwise agreed upon, the Company will install, maintain and operate, measuring stations equipped with displacement or flow meters and other necessary measuring equipment by which the volumes of gas delivered hereunder shall be determined. The gas delivered hereunder shall be measured in accordance with the latest approved methods in use in the industry, generally. Orifice meters shall be installed and operated, and gas volumes computed, in accordance with Report No. 3 of the Gas Measurement Committee of the American Gas Association, as amended, expanded or superseded from time to time, applied in a practical

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4. Measurement (continued)

4.6 Measuring Equipment (continued)

and appropriate manner. Displacement meter readings shall be adjusted for pressure and temperature conditions. The Customer may install check measuring equipment, provided that such equipment shall be so installed as not to interfere with the operations of the Company. The Company and the Customer, in the presence of each other, shall have access to the other's measuring equipment at all reasonable times, but the reading, calibrating and adjusting thereof and the changing of charts shall be done only by owner, unless otherwise agreed upon. Both the Company and the Customer shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's measurement equipment. The records from such measuring equipment shall remain the property of their owner, but upon request, each will submit to the other its records and charts, together with calculations, therefrom, for inspection, subject to return within thirty (30) days after receipt thereof. The Customer shall exercise reasonable care in the installation, maintenance and operation of its equipment so as to avoid any inaccuracy in the determination of the volume of gas delivered.

4.7 Calibration and Test of Meters

The accuracy of all measuring equipment shall be verified by the owner at reasonable intervals and, if requested, in the presence of representatives of the other party, but neither the Company nor the Customer shall be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. If either party at any time desires a special test of any measuring equipment, or if either party at any time observed an error in any such measuring equipment, it will promptly notify the other party, and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment.

4.8 Correction for Errors Arising from Dual Purpose Meters

Adjustments for billing errors on dual purpose meters shall be handled as contained in the tariffs of the pipeline, interstate or otherwise, through which service is rendered, including any volumetric or time period limitations. (For other meters see Section 6.8)

4.9 Adjustment of Bills

- a. Fast meters. If, upon test of any meter, the meter is found to have an average error of more than two percent (2%) fast, the utility shall refund to the customer the overcharge, based upon the corrected meter reading for a period equal to one half the time elapsed since the last previous test, but not to exceed six (6) months. If it can be shown that the error was due to some cause, the date of which can be fixed, the overcharge shall be computed back to, but not

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beyond, such date. If the meter has not been tested in accordance with Rule 6.5 of the Public Service Commission's Rules and Regulations for the Government of Gas Utilities and Gas Pipeline Safety, the period for which it has been in service beyond the regular test period shall be added to the six (6) months in computing the refund.

- b. Slow meters. If, upon test of any gas meter, the meter is found to have an average error of more than two percent (2%) slow, the utility may render a bill for the gas consumed, but not covered by bills previously rendered, for a period equal to one half of the time elapsed since the last previous test, but not to exceed three (3) months. If it can be shown that the error was due to some cause, the date of which can be fixed, the charge may be computed back to, but not beyond, that date, however; the total adjustment period cannot exceed three (3) months.
- c. Dead meters. If a meter is found not to register for any period, the utility shall compute the gas used by taking the average of the gas used for the meter-reading period preceding and the meter-reading period following the date when the meter was found to be dead, which amount shall be assumed to be the amount of gas used by the customer during the billing period in which the meter was found dead. Exceptions will be made to this rule in case the facts clearly show that the above method does not give the correct consumption for the period.

Complaint test.

- a. Application for test. Upon the written application to the Commission by a customer, a test will be made to the customer's meter, as soon as practicable, supervised by a representative of the Commission.
- b. Fee for test. The application for the test shall be accompanied by a remittance of the amount fixed below as the fee for testing. This fee shall be retained by the Commission. However, if the meter is found to be more than two percent (2%) fast or slow, the utility shall reimburse the customer for the amount of the fee paid by him to the Commission for the meter test. The amount of the fee to be paid for a meter test shall be as follows:

For each gas service meter:

Not exceeding a rated capacity of 300 cu ft/hr - \$5.00

Exceeding 300 cu ft/hr but not exceeding 1,000 cu ft/hr - \$5.00

Exceeding 1,000 cu ft/hr - \$10.00

Orifice meters - \$10.00

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- c. Restrictions upon utility -- This rule shall not interfere with the practice of a utility with reference to its tests of meters, except that in the event of application by a customer to the Commission for a complaint test as herein provided, the utility shall not knowingly remove, interfere with, or adjust the meter to be tested without the prior written consent of the customer, and approval of the Commission.

Request tests.

- a. Action Required. If any customer shall request in writing a test of the accuracy of the meter used by her/him, and the meter is not due for periodic test, the utility shall notify the customer of the conditions under which the test will be made by the utility. If the customer shall then request the utility to proceed with the test and remits an amount equal to one half of the scheduled cost of the complaint test (See Rule 6.6 of the Public Service Commission's Rules and Regulations for the Government of Gas Utilities and Gas Pipeline Safety) but not less than five dollars (\$5.00), the utility shall make the test promptly. If, when tested, the meter is found to be more than two percent (2%) fast or slow, the amount advanced shall be promptly refunded to the customer. If the meter is not found to be more than two percent (2%) in error, the utility shall retain the amount advanced by the customer for the test.
- b. Customer's privilege. A customer may be present when the utility conducts the tests on his/her meter or, if he/she desires, may send an expert or other representative appointed by her/him.
- c. Report to customer. A report giving the name of the customer requesting the test, the date of the request, the location of the premises where the meter had been installed, the type, make, size, and serial number of the meter, the date of removal, the date tested, the result of the test, and the amount of refund if the meter was found more than two percent (2%) fast, shall be supplied to such customer within ten (10) days after the completion of the test.

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4. Measurement (continued)

4.10 Preservation of Records

Both the Company and the Customer shall preserve for a period of at least three (3) years or such other longer period as may be required by public authority, all test data, charts and other similar records.

4.11 Transportation Customers

All customers electing transportation service by the Company shall be responsible for all costs, including installation, of telemetering equipment necessary to serve said customer. The Company shall be responsible for the acquisition and installation of such equipment. Telemetering shall be installed at the Company's discretion.

4.12 Static Pressure

The static pressure of the natural gas shall be determined at Company's option:

- (a) Where Electronic Measurement equipment is provided, by continuous application of instantaneous static pressure measurements from one or more of the meters at a measuring station, or by contemporaneous application of the arithmetic or other average of the static pressure record from one or more of the meters for the time during which gas is flowing;
- (b) where Electronic Measurement equipment is not provided, by contemporaneous application of the static pressure record from one or more of the meters at a measuring station, or by contemporaneous application of the arithmetic or other average of the hourly or daily static pressure record from one or more of the meters at a measuring station; or
- (c) by any other method or methods mutually agreed upon by Company and Customer.

5. Requirements for Service

5.1 Application for Service

Customers must make application through an authorized representative of the Company at the time they commence the use of gas, or they will be held responsible for any gas used at the premises since the date of the previous regular meter reading period.

5.2 Establishment of Credit

To establish financial responsibility the applicant or Customer must satisfactorily meet the following:

- a) The applicant or Customer must demonstrate that he is a satisfactory credit risk by means which may be quickly and inexpensively verified. In determining whether the applicant or Customer is a financially responsible person, the applicant or customer shall be asked, but not limited to; name of employer, length of service, place of employment, position held, letters of reference, credit cards, bank accounts, etc., or

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5. Requirements for Service (Continued)

- (b) The applicant has been a customer of another gas utility within a period of twenty-four consecutive months prior to the date of application, unless records of previous service indicate that the customer's service was disconnected for non-payment of service during the last twelve consecutive months of that prior service, or the customer had on more than two occasions during each twelve month period become delinquent. The applicant shall bear the responsibility for providing the documented, previous service record; or

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5. Requirements for Service (Continued)

- (c) The applicant or Customer furnishes a reasonably safe guarantor to secure payments of bills in an amount equal to one-twelfth (1/12) of the annual estimated charge for residential service and one-sixth (1/6) for all other service (except industrial service).

5.3 Security Deposit

The Company may require deposits of residential, commercial and industrial customers in accordance with West Virginia Code 24-3-8.

(a) Amount

The security deposit shall not be more than one-twelfth (1/12) of the annual estimated charge for residential service and one-sixth (1/6) for all other service to secure the utility from loss. The Company shall not be bound to supply gas until these conditions are fulfilled and it may cut off the supply if the guarantee is not given when required. The amount of deposit is to be rounded to the nearest dollar.

Whenever available, the Company will use the August promoted budget amount as the "one-twelfth (1/12) of the annual estimated charge" for residential service. The August promoted budget amount multiplied to two (2) should be used as the "one-sixth (1/6) of the annual estimated charge" for all other service.

(b) Interest

Interest will be paid at the rate as published by the Commission equal to the average of the one-year United States Treasury Bill rates for October, November, and December of the preceding calendar year. For deposits paid on the installment payment plan, interest will accrue on each installment payment received based on the length of time each installment payment is held by the Company.

(c) Refund of Deposit and Interest

The deposit plus accrued interest, where applicable, will be applied in accordance with the Commission's Rules and Regulations to either the Customer's account or final bill. A transfer of service from one premise to another within the Company's service area shall not be deemed a discontinuance of service.

5.4 Sales Agreement

The Customer where specified in this tariff shall enter into a contract with the Company under the Customer's standard form of Sales Agreement and the Customer shall designate thereon the Rate Schedule under which such service shall be rendered by the Company. Such Sales Agreement shall be subject to the provisions contained in the designated Rate Schedule and

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5. Requirements for Service (continued)

the Rules and Regulations applicable thereto or any subsequent changes and revisions which are made in accordance with valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

(a) Term

The term of the Sales Agreement executed by the Customer shall be for the period commencing with the initial delivery of gas through October 31, of the next succeeding year and from year to year thereafter, or such other term as may be agreed upon, until canceled by either the Customer or the Company giving written notice to the other no later than March 1, to become effective on November 1, of such year. Customers electing transportation service shall enter into an agreement of not less than one year for such service. The Company reserves the right to cancel any special contracts or transportation agreements after the initial term of one (1) year, upon thirty (30) days written notice to the Customer.

(b) Successors and Assigns

Any company which shall succeed by purchase, merger or consolidation to the properties substantially or as an entirety, of the Company or of the Customer, as the case may be, shall be entitled to the rights and shall be required by the transferring party to assume the obligations of its predecessor in title under the Sales Agreement; and upon such succession, the transferring party shall be free and discharged of all obligations under the Sales Agreement, and the successor substituted as the sole and primary obligor. Otherwise than as set out herein, neither party shall assign the Sales Agreement or any of its rights thereunder unless it first shall have obtained the consent thereto in writing of the other party.

(c) Waiver of Default

No waiver by either party of any one or more defaults by the other in the performance of any provisions of the Sales Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

(d) Changes in Contracted Volumes MDFQ (MDV) or Rate Schedule(s)

Changes in contracted volumes shall be made in any one of the following ways:

- (1) In the event the customer shall desire an increase in its then effective contracted volumes MDFQ (MDV), the customer shall notify the Company by January 1 of any year as to the total amount of increase required and, if the customer is advised by the Company that it will be able to supply such an increase, then the customer shall on or before March 1 of any year execute a contract to become effective November 1 of such year which shall specify the total amount required.

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5. Requirements for Service (continued)

(d) Changes in Contracted Volumes MDFQ (MDV) or Rate Schedule(s) (continued)

- (2) In the event the customer shall desire a decrease in its then effective contracted volumes MDFQ (MDV), after the expiration of the development period, which shall be mutually agreed upon by the Company and the customer, but in any event not to exceed one year, the customer shall notify the Company on or before March 1 in any year of the desired decrease to become effective November 1 of such year, and the Company may grant such decrease providing the desired decrease does not exceed the Company's ability to offset such decreases against reductions in contracted volumes from its supplier(s), or the customer and the Company may mutually agree to the decrease providing the Company can otherwise utilize such decrease.
- (3) For increases or decreases in effective contracted volumes requested on shorter notice than in (a) and (b) above, the Company shall, giving consideration to all pertinent factors, use its best efforts to comply with such requests.
- (4) When seeking to change service classification, customers shall submit their request in writing, including justification, to the Company. The Company shall consider its contractual obligations to suppliers, availability of supply, and in particular the customer's current service classification and length of service under such classification when responding to the request. Where the customer is eligible for service under more than one service classification, the Company shall make the final determination of the appropriate classification.

5.5 Operating Information and Estimates

Upon request of the Company, the customer shall from time to time submit estimates of the daily, monthly and annual volumes of gas required, including peak day requirements, together with such other operating data as the Company may require in order to plan its operations.

6. Billing and Payment

6.1 Billing Period

Bills will be rendered and be payable once each month. The Company will read meters once each month, or at its option read meters once each two months. As to any customer whose meter is read once each two months, the consumption for the first month of each bimonthly meter-reading period shall be determined by calculation on the basis of the customer's previous usage--considering factors such as variations in weather, number of days in the period, the trend in seasonal usage, etc., in order to provide as nearly accurate a bill as possible without actually reading the meter. The customer's consumption for the second month of each bimonthly meter-reading period shall be determined by actual measurement taken from the customer's meter and subtracting therefrom the calculated consumption for the first month of the bimonthly meter-reading period.

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6. Billing and Payment (Continued)

6.2 Estimated Consumption

When the Company is unable to obtain an actual meter-reading because of inability to gain access to the meter, or because of extreme weather conditions, emergencies, equipment failures, work stoppages or any other circumstances, the Company will render appropriately marked estimated bills which are to be paid in accordance with the provisions of this tariff. An estimated bill is subject to revision when an actual reading discloses a material difference from the estimate.

6.3 Customer Billing Information

When information necessary for billing purposes is in the control of the Customer, the Customer shall furnish such information to the Company on or before the fifth (5th) day following the date of final meter reading of each month.

Upon request the Company will supply any customer annually with card forms upon which he may record his meter reading for the first month of each bi-monthly meter reading period; and if such card is received by the Company on the date specified on such card the bill for such month will be computed from the meter reading shown on the card instead of by estimate. The Company will adjust estimates of bills for changes in condition of which it has been notified in advance by a customer.

6.4 Application of Rate Schedule

The Company will compute bills under this schedule of monthly rates for the classification of service applicable to the Customer's usage based on information obtained by the Company or furnished by the Customer.

6.5 Verification

Both the Company and the Customer shall have the right to examine at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.

6.6 Payment

Bills for gas service shall be paid by the Customer in the customer bill depository located at the office of the Company, or to one of its collection agents during the regular office hours of such agent, on or before the last date as indicated on the bill. However, in instances when the date so indicated falls on Saturday, Sunday, a legal holiday or a business day on which the Company's or agent's office may be closed, the next following business day will be recognized as the last payment date. Any remittance received by mail or made in the customer bill depository located at the offices of the Company or its authorized payment collection agents shall be deemed to have been made on the date of actual receipt of payment.

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6. Billing and Payment (Continued)

6.6 Payment (Continued)

If the Company receives a negotiable instrument from an applicant or a customer as payment of any bill, charge or deposit due, and if such instrument (including electronic payment) is subsequently dishonored or is uncollectible for any reason, the Company may charge the applicant or customer a processing fee of fifteen dollars (\$15.00) or the actual processing fee incurred by the Company, whichever is less.

Where the service facilities or other equipment have been tampered with, resulting in improper measurement of the service supplied, the customer shall be required to pay for such gas service as the Company may estimate, from available information, to have been used but not registered by the Company's meter, and in addition thereto, shall be required to bear all costs incurred by the Company for investigations and inspections, and for such protective equipment as, in the judgment of the Company, may be necessary.

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6. Billing and Payment (Continued)

6.7 Delayed Payment Charge

Should any Residential Customer (Rate Schedule RS) fail to pay the amount of any bill as herein provided when such amount is twenty (20) days past due, a delayed payment charge at the rate of three quarters of one percent (.75%) per month shall accrue on the unpaid portion of any bill, but only for such amounts which are in excess of \$500, from the original due date of such amount in excess of \$500 until the date of payment.

Should any Customer other than RS (such as Rate Schedules: GS, LGS, WS, IS, LIS,) fail to pay all of the amount of any bill as herein provided when such amount is twenty (20) days past due, a delayed payment charge at the rate of one percent (1.0%) per month shall accrue on the unpaid portion of any bill of \$500 or more from the original due date until the date of payment. If such failure to pay continues for thirty (30) days after payment is due, the Company, in addition to any other remedy it may have hereunder, may, suspend further delivery of gas, with notice pursuant to Rule 4.8 of the Commission's Rules and Regulations for the Government of Gas Utilities and Gas Pipeline Safety, until such amount is paid; provided, however, that if the Customer in good faith shall dispute the amount of any bill or part thereof and shall pay to the Company such amounts as it concedes to be correct and, at any time thereafter within thirty (30) days of a demand made by the Company, shall furnish good and sufficient surety bond in the amount and with surety satisfaction to the Company, guaranteeing payment to the Company of the amount ultimately found due upon such bills after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then the Company shall not be entitled to suspend further delivery of gas unless and until default be made in the conditions of such bond.

6.8 Adjustment of Billing Errors

If it shall be found that at any time or times the Customer has been overcharged or undercharged in any form whatsoever under the provisions hereof and the Customer shall have actually paid the bills containing such overcharge or undercharge, then within thirty (30) days after the final determination thereof, the Company shall refund the amount of any such overcharge, and the Customer shall pay the amount of any such undercharge. In the event an error is discovered in the amount billed in any statement rendered by the Company, such error shall be adjusted within thirty (30) days of the determination thereof, provided that the claim therefore shall have been made within thirty (30) days from the date of discovery of such error, but in any event within twelve (12) months from the date of such incorrect invoice or statement. (For dual purpose meters see Section 4.8. of the Company's Rules and Regulations).

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6. Billing and Payment (continued)

6.9 Budget Billing

(C)

Residential customers served by Mountaineer Gas Company have had the option to be billed based on the Average Payment Plan as described below. Upon installation of a new billing system expected to occur on or near January 1, 2010, Mountaineer will offer a Budget Payment Plan as described below and will no longer offer the Average Payment Plan. Customers on the Average Payment plan will be transitioned to the Budget Payment Plan as described below.

(a) Average Payment Plan (APP)

At the request of any qualified residential Customer who uses gas as the primary source for space heating, monthly budget payments for such Customers shall be made as follows:

Customers have the option of using the Average Payment Plan (APP) wherein bills will be rendered monthly and will be based on 1/12 of the Customer's latest twelve months usage. The budget amount for the APP shall be based on average usage calculated to the nearest tenth of an Mcf. Any difference between the Average Payments and the actual charges for the twelve-month average payment period at its anniversary will be amortized over the next twelve-month period. An APP account with a credit balance at its anniversary shall be refunded only upon request of the Customer. If a participant in the APP fails to make two or more consecutive monthly payments, the Company shall have the option of terminating that Customer's participation in the plan.

Effective with the implementation of the new Customer Information System, residential customers on the APP will be billed the same amount as their most recent APP amount. Unless due to a change in rates or a change in the customer's usage pattern, this amount will continue to be billed by the Company until a new amount is determined under the Budget Payment Plan below. At such time, the APP will be terminated.

(b) Budget Payment Plan (BPP) – effective January 1, 2010

(N)

On January 1, 2010, all APP customers not in arrears will be converted to BPP customers with the same payment amount established in December 2009. Any other residential customers, who are not in arrears for gas service, may elect to pay their bills in accordance with the Company's Budget Payment Plan (BPP) and may start on this plan at any time during the year. Residential customers who are in arrears may be allowed to be billed in accordance with the Company's BPP at the discretion of the Company. Monthly budget payment amounts will be determined by the Company based upon actual or, if not available, estimated annual usage at the customer's premise adjusted for normal temperatures and priced at the Company's currently approved rates. The monthly payment amounts are subject to modification to reflect changes in the customer's usage patterns, abnormal weather conditions, and whenever new rates approved by the Commission become effective.

(C) Denotes Change

(N) Denotes New

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6. Billing and Payment (continued)

6.9 Budget Billing

(C)
(N)

The last payment under the BPP will be in June of each year. The difference between budget payments and actual charges for the budget year (over or under) will be carried into the next budget year and spread over the twelve budget payment periods for customers remaining on the BPP. A BPP account with a credit balance at the end of the BPP year shall be refunded only upon the request of the Customer.

The monthly budget payment amount shall not be construed by the Customer as a guaranty of assurance that the total actual charges will not exceed such estimate.

This BPP will be canceled and the total account balance shall become due, or in the event of a credit balance, such balance shall be refunded, under the following circumstances:

1. Discontinuance of the BPP at Customer's request.
2. Discontinuance of gas service at Customer's request.
3. Termination of service for non-payment of bills pursuant to proper notice as defined in the Rules and Regulations of the Public Service Commission of West Virginia; or
4. The Customer fails to make two or more budget payments in any twelve-month period.

(C) Denotes Change
(N) Denotes New

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6.10 Local Tax Surcharge

The Customer shall reimburse the Company or be reimbursed by the Company in an amount equal to the amount of any sales, use, transactions, occupation, value added, gross receipts, adjusted gross receipts, service production, severance, gathering, transmission, export or excise tax, assessment, fee or other exaction hereafter levied, assessed or fixed or repealed or reduced by the United States or the State of West Virginia, or any other state or governmental authority including municipalities and other political subdivisions, and any tax, assessment, exaction or fee of a similar nature or equivalent in effect (not including net income, excess profits, capital stock, franchise or general property taxes), newly imposed or in addition to or greater than, or newly repealed or reduced or less than, those being levied, assessed or fixed at July 1, 1974, if any, or measured by, in respect of, or applicable to the profits, capital stock, franchise or general property taxes, newly imposed or in addition to greater than, or newly repealed or reduced or less than, those being levied, assessed or fixed at July 1, 1974, if any, on measured by, in respect of, or

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6. Billing and Payment (continued)

6.10 Local Tax Surcharge (continued)

applicable to the natural gas to be delivered by the Company to the Customer under this Rate Schedule, for which the Company may be liable or may be relieved from during any month of the term hereof, either directly or indirectly through any obligation to reimburse others, which has not been included in the rates and charges or in determining the unit cost under the Purchased Gas Adjustment clause set forth heretofore. The billing for such reimbursement (whether flowing from or to the Customer) shall be included and may be shown as a separate item or items in the bills to be rendered monthly by the Company to the Customer for all gas sold under this agreement. In the event all or any part of such tax liability, assessment, fee, other exaction, or relief, is not finally determined, or if reimbursement has been deficient, then the amount of such reimbursement required in respect of such tax liability, assessment, fee, other exaction, or relief, not finally determined or deficient at the time of prior billing(s) shall later be set forth for all months in any calendar year in a statement to be rendered by the Company to the Customer by April 1, of the following year; and the reimbursement shall be paid pursuant to such statement on or before May 1, of such following year.

6.11 Final Bill

Final billed accounts with credit balances of less than \$1.00 shall be refunded only upon request of the Customer.

7. Possession of Gas and Warranty of Title

7.1 Control of Gas

The Company shall be deemed to be the owner and in control and possession of the gas hereunder until it shall have been physically delivered to the Customer at the point or points of delivery, after which the Customer shall be deemed to be the owner and in control and possession thereof.

7.2 Division of Responsibility

The Customer shall have no responsibility with respect to any gas hereunder until it is physically delivered by the Company, or on account of anything which may be done, happen or arise with respect to said gas before such delivery; and the Company shall have no responsibility (other than for the actual damages that the Customer may incur as a result of the Company delivering gas which fails to comply with the requirements of Section 2 of these Rules and Regulations) with respect to said gas after such delivery to the Customer, or on account of anything which may be done, happen or arise with respect to said gas after such delivery.

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7. Possession of Gas and Warranty of Title (continued)

7.3 Warranty of Title

The Company agrees that it will, and it hereby does, warrant that it will at the time of physical delivery have good title to all gas sold and delivered by it to the Customer, free and clear of all liens, encumbrances and claims whatsoever, that it will at such time of delivery have good right and title to sell said gas as aforesaid, that it will indemnify the Customer and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any or all persons to said gas.

Where the Customer is utilizing Company transportation the Customer shall warrant that it will at the time of physical delivery to the Company have good title to all gas so delivered in like, kind manner as stated in this Section 7.3.

8. Extension of Mains

8.1 Extension of Mains

The Company will extend its mains in accordance with Rule 5.5 of the Commission's Rules and Regulations for the Government of Gas Utilities and Gas Pipeline Safety. Furthermore, the Company may extend its mains beyond the requirements of the Commission's Rules and Regulations for each applicant when at the sole discretion of the Company potential sales warrant such an extension, and the Company determines sufficient funds are available.

9. Service Discontinuance and Termination

9.1 Discontinuance Notice by Customer

Any Customer who is about to vacate any premise supplied with gas, or who for any reason wishes to have service discontinued, shall give at least seven days' notice to the Company

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9. Service Discontinuance and Termination (continued)

9.1 Discontinuance Notice by Customer (continued)

specifying the date on which it is desired that service be discontinued. Any Customer who fails to give proper notice shall be liable for all gas which passes through the meter, until: the account is terminated; another party occupies the premises and agrees to assume responsibility for gas service; or, the Customer notifies the Company that he has or will vacate the premises, in which case he shall be responsible for gas used for the period, not to exceed seven days, before the Company is able to discontinue service.

9.2 Termination

The Company may terminate service and remove its meter and other property from any premises:

- (a) Upon written notice to the Customer, as provided in Gas Rule 4.8., for any one of the following reasons:
- (1) Nonpayment of an undisputed or unreasonably disputed delinquent account;
 - (2) Failure to post a deposit, provide a guarantee or establish credit;
 - (3) Unreasonable refusal to permit access to meters, service connections, and other property of the utility for the purpose of maintenance, repair or meter reading;
 - (4) Unauthorized interference with or diversion of use the utility service delivered on or about the affected dwelling;
 - (5) Fraud or material misrepresentation of identity for the purpose of obtaining utility service;
 - (6) Tampering with meters or other utility service.
- (b) Without written notice based on an occurrence within the judgment of the Company which endangers the safety of any person or may prove harmful to the energy delivery system of the Company.

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9. Service Discontinuance and Termination (Continued)

9.3 Reconnection Charge

For customers who apply for service within eight (8) months following a previous request for discontinuance of service, a reconnection charge of \$25.00 plus a charge based on the number of months the customer is disconnected multiplied by the customer charge, shall be assessed prior to re-establishment of service at the same premises. For all other customers, there shall be a \$25.00 reconnection charge assessed prior to re-establishment of service at the same premises.

9.4 Restoration of Service

Service shall be restored to customers whose service has been terminated in accordance with Sections 9.1 and 9.2 of these Rules and Regulations upon correction of the cause, reason, or condition for violation of this Tariff and a payment equal to the reconnection charge.

10. Curtailment and Interruption of Service

10.1 Company's Right to Curtail or Interrupt

The Company recognizes its primary public service obligation to maintain gas service to its customers with varying priorities to each of its classes of customers depending upon the severity of lack of adequate supplies of gas or capacity. Accordingly, when, in the Company's judgment, it does not, or anticipates it will not have an adequate supply of gas or capacity necessary to serve the full demands of all of its customers, the Company shall have the right to partially or completely curtail service of each of its classes of customers in accordance with the order of curtailment set forth below. (Priority 1 being the highest priority for service.) Curtailment does not apply to the use of restriction of interruptible service (sometimes referred to as "Interruption"). If required, the Company shall order physical interruption before curtailment (see section 10.1.2).

Priority 1

Residential, small commercial customers (less than 50 Mcf on a peak day), and commercial customers where service is provided for domestic and/or nonresidential purposes to multiple premises served by a single meter.

Priority 2

- (a) Firm industrial and commercial requirements for plant protection.
- (b) Firm large volume commercial requirements (50 Mcf or more on a peak day).
- (c) Firm small volume industrial requirements (up to an average of 300 Mcf per day during any calendar month).
- (d) Firm industrial requirements for feedstock and process needs not specified in categories 2(a) or 2(c).

Priority 3

All other firm industrial requirements not specified in 2, 4, or 5.

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10. Curtailment and Interruption of Service (continued)

Priority 4

Firm industrial requirements for boiler fuel use at less than 3000 Mcf/day but more than 1500 Mcf/day where alternate fuel capabilities can meet such requirements.

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Curtailment and Interruption of Service (Continued)

10.1 Company's Right to Curtail or Interrupt (Continued)

Priority 5

Firm industrial requirements for large volume (3000 Mcf/day or more per day) boiler fuel use where alternate fuel capabilities can meet such requirements.

Customers or their representatives shall furnish data as the Company may request for the implementation of the curtailment plan. A customer which refuses or is unable to supply the requested data shall be deemed to fall under the interruptible service "right to interrupt" category in the event of interruption.

10.1.2 Company's Right to Interrupt - Applicable to Interruptible Customers

Interruptible service may be restricted up to 100% by the Company upon reasonable notice, generally 24 hours, unless unforeseen conditions affecting the Company's gas system require shorter notice. Such notification shall be deemed to be given by telephonic communication from the Company's Gas Dispatcher to the Customer's representative, as designated by the Customer and a record thereof maintained at its Dispatcher's station. Gas service may be resumed only upon receipt of advisement by the Customer's representative from the Company's Gas Dispatcher. Further, for purposes of interruption, a customer with both an MDFQ (MDV), and/or firm transportation service and interruptible service will be treated as a firm customer to the extent of the customer's MDFQ (MDV), and/or firm transportation service and as interruptible for the remaining balance of the customer's supply requirements.

Customers receiving interruptible service may have such service restricted by the Company for reasons including, but not limited to:

1. Insufficient capacity or gas supply to meet all customers' needs.
2. Operational problems which affect the Company's ability to deliver gas to its customers.
3. Adverse weather conditions within the Company's operating area which place abnormal demands on the supply and/or deliverability of gas.
4. Lack of capacity or deliverability from sources of supply to the Company.
5. Any other reasonable cause.

The Company's priority in restricting service to interruptible customers will vary depending upon the circumstances present at the time of interruption, and the Company assumes no liability for any loss or damage, including, but not limited to, economic loss, that may be sustained by the customer and/or owner of the property by reason of any interruption or discontinuance of gas service.

In determining the priority of interruption in a specific situation the Company may consider such characteristics as the service classification of the customer (including the rate charged), availability of supply to the Company or individual customer, the location of the customer, the customer's historical usage, the customer's MDFQ (MDV), and/or any other information or circumstances deemed relevant by the Company.

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Curtailment and Interruption of Service (Continued)

10.1.2 Company's Right to Interrupt - Applicable to Interruptible Customers (Continued)

Except for customers that pay the Standby Charge, contracted for an MDFQ (MDV), and/or firm transportation service will be considered as lowest priority and will be interrupted first where possible.

By electing interruptible service, the customer acknowledges the Company's service responsibility to said customer may be restricted or interrupted for any reason and is in the lowest priority service classification offered by the Company.

In the event of a natural gas supply shortage, interruptible transportation customers agree to sell their natural gas supply to the Company, if the Company so desires, at the higher of the Company's weighted average cost of gas or the customer's own cost, for the month the shortage occurred. In such event the customer will be required to furnish a copy of the Customer's supply contract or other evidence of price to the Company upon request.

10.2 Customer's Obligations

Whenever the Company notifies a customer, interruptible or firm, that an interruption or curtailment situation respectively, exists, the Customer shall interrupt or curtail, as applicable, its receipt of deliveries to the level indicated by the Company.

10.3 Penalties and Other Charges for Failure to Interrupt or Curtail

On any day when the Customer has been given timely notice by the Company to interrupt or curtail, any quantity of gas taken in excess of the quantity specified to be made available on that day, will be subject to a penalty of Ten Dollars (\$10.00) per Mcf for all volumes taken in excess of one hundred and three percent (103%) of the volumes specified to be made available on such day by the Company. Any penalty or other charge for failure to interrupt or ~curtail shall be in addition to all charges, including, but not limited to, the commodity charge, as otherwise specified in the appropriate Rate Schedule.

Should the Company incur, directly or indirectly, as a result of the customer's failure to interrupt or curtail, penalties or other charges, these penalties and charges shall also be paid by the customer to the Company.

10.4 Penalty Charge for Failure to Provide Supply

For transportation customers not electing standby sales service [through an MDFQ (MDV) charge or other charge which recovers pipeline demand charges] or customers exceeding their standby sales service level, the Company may assess a penalty per Mcf, not to exceed ten dollars (\$10.00) per Mcf plus the Company's incurred gas costs (including penalties) for unauthorized takes of gas. Unauthorized takes of gas shall be volumes of gas taken by a customer from the Company when: (1) there is no current contract for sales service or the amount then exceeds the contracted for quantity; (2) the transportation customer shall not have delivered natural gas supplies sufficient to meet its requirements; and (3) the Customer has not elected standby sales service or has exceeded such reserved level.

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10.4 Penalty Charge for Failure to Provide Supply (Continued)

Any penalty or other charge for failure to interrupt or curtail shall be in addition to all charges, including, but not limited to, the commodity charge, as otherwise specified in the appropriate Rate Schedule.

11. Standard Safety Requirements Concerning Customer Connections

The safety requirements and provisions governing the installation of customers' service lines or piping are set forth in the following publications which are available for public inspection at each of the Company's offices:

- (a) Standards For Gas Piping on Customer's Premises". (Contains requirements for the installation and maintenance of gas service lines, meter set assemblies, house lines, meters and service regulators and their inspection and testing).
- (b) "National Fuel Gas Code," National Fire Protection Association, 470 Atlantic Avenue, Boston, Mass. 02210. (Contains requirements for customers' house piping and venting. The Company does not inspect or oversee the implementation of these requirements, that being the customer's responsibility).

12. Exemptions to Rate, Rules and Regulations

In a number of municipalities, certain public buildings and limited number of street lights are supplied free or at reduced rates on account of provisions or requirements contained in Ordinances, Franchises, or Agreements granting rights of way and in a few instances, special rates are allowed in consideration of Rights of Way over private property under special contracts made prior to the establishment of the Public Service Commission of West Virginia.

13. Payment Arrangement

- 1. When a customer calls to make payment arrangements before termination, the customer should be asked what payment arrangements he/she is financially able to keep. If the customer offers to keep current bills current plus pay the arrears in six months or less, then the contact clerk may okay the arrangements. Particular care should be used and only in extreme cases should the payment arrangement be extended beyond six months. The agreement is to be delivered to the customer by the collector/serviceperson or mailed to the customer by first class United States mail and a copy retained in the office.

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2. A customer that has been terminated will be required to meet the conditions in # 1 above and pay the \$25.00 reconnect fee plus a normal deposit. The deposit may be deducted from the first payment, if necessary.
3. If the customer defaults on the arrangements, then service is to be terminated and all payments to bring the agreement current must be paid plus a \$25.00 reconnect fee in order to restore service.

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SERVICE CLASSIFICATION

Sheet Nos. 33-39 intentionally left blank.

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