

# PECO ENERGY COMPANY

## GAS SERVICE TARIFF

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COMPANY OFFICE LOCATION

2301 Market Street  
Philadelphia, Pennsylvania 19103

For List of Communities Served, See Page 3.

Issued February 25, 2022

Effective March 1, 2022

ISSUED BY: M. A. Innocenzo - President & CEO  
PECO Energy Distribution Company  
2301 MARKET STREET  
PHILADELPHIA, PA. 19103

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# NOTICE.

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**LIST OF CHANGES MADE BY THIS SUPPLEMENT**

**SALES SERVICE COSTS (SSC) – 3<sup>rd</sup> Revised Page No. 39**

The Commodity Charges are decreased. The Gas Cost Adjustment is increased.

**MERCHANT FUNCTION CHARGE AND PRICE TO COMPARE – 3<sup>rd</sup> Revised Page No. 43 and 3<sup>rd</sup> Revised Page No. 44**

The Merchant Function Charges are decreased and the Prices to Compare are decreased.

**BALANCING SERVICE COSTS (BSC) – 3<sup>rd</sup> Revised Page No. 45**

The Balancing Service Cost is increased.

**TABLE OF CONTENTS**

Index of Communities Served.....	3
How to Use Loose-Leaf Tariff.....	4
Definition of Terms and Explanation of Abbreviations.....	5, 6, 7 <sup>1</sup>
<b>RULES AND REGULATIONS:</b>	
1. The Gas Service Tariff.....	8
2. Service Specifications.....	9
3. Customer's Installation.....	10
4. Application for Service.....	11
5. Credit.....	12
6. Service-Supply Facilities.....	13
7. Extensions.....	13
8. Rights-of-Way.....	15
9. Introduction of Service.....	15
10. Company Equipment.....	16
11. Tariff Options on Applications for Service.....	17
12. Service Continuity.....	18
13. Customer's Use of Service.....	22
14. Measurement.....	22
15. Tests.....	24
16. Payment Terms.....	25
17. Termination by the Company.....	27
18. Unfulfilled Contracts.....	27
19. Cancellation by Customer.....	28
20. General.....	28
21. Gas Choice Program Enrollment and/or Switching.....	29
22. Usage Data.....	29
23. Affiliated Marketer Standards of Conduct.....	30
24. Requests for Energy Efficiency Information.....	33
25. Creditworthiness of Natural Gas Supplier (NGS) Serving High Volume Transportation Customers.....	33
26. Gas Quality Standards.....	35A, 35B, 35C, 35D
STATE TAX ADJUSTMENT CLAUSE.....	36 <sup>1</sup>
TAX CUTS AND JOBS ACT (TCJA) VOLUNTARY SURCHARGE.....	37 <sup>1</sup>
UNIVERSAL SERVICE COST RECOVERY MECHANISM.....	38 <sup>1</sup>
SALES SERVICE COSTS - ("SSC") Section 1307(f).....	39 <sup>3</sup> , 40 <sup>1</sup> , 41
GAS PROCUREMENT CHARGE.....	42
MERCHANT FUNCTION CHARGE.....	43 <sup>3</sup> , 44 <sup>3</sup>
BALANCING SERVICE COSTS ("BSC").....	45 <sup>3</sup> , 46
CONSUMER EDUCATION CHARGE (CEC).....	47
PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC).....	48
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC).....	49
<b>RATES:</b>	
Rate GR General Service - Residential.....	55 <sup>1</sup>
Rate GC General Service - Commercial and Industrial.....	56
Rate OL Outdoor Lighting.....	57
Rate L Large High Load Factor Service.....	58
Rate MV-F Motor Vehicle Service-Firm.....	60
Rate MV-I Motor Vehicle Service-Interruptible.....	61
Rate IS-Interruptible Service.....	63
Rate TCS-Temperature Controlled Service.....	65
Gas Transportation Service - General Terms and Conditions.....	67 <sup>1</sup> , 68 <sup>1</sup> , 69, 70, 71
Rate TS-I Gas Transportation Service - Interruptible.....	72
Rate TS-F Gas Transportation Service-Firm.....	73
Rate NGS – Negotiated Gas Service.....	74
<b>RIDERS:</b>	
Applicability Index of Riders.....	76
Casualty Rider.....	77
Construction Rider.....	77
Neighborhood Gas Pilot Rider.....	78
Receivership Rider.....	80
Temporary Service Rider.....	80
Customer Assistance Program (CAP) Rider.....	81

**LIST OF COMMUNITIES SERVED****BUCKS COUNTY:**

BOROUGHES: Bristol, Chalfont, Doylestown, Dublin, Hulmeville, Ivyland, Langhorne, Langhorne Manor, Morrisville, New Britain, New Hope, Newtown, Penndel, Telford, Tullytown, Yardley.

FIRST-CLASS TOWNSHIP: Bristol.

SECOND-CLASS TOWNSHIPS: Bedminster, Bensalem, Bridgeton, Buckingham, Doylestown, Falls, Hilltown, Lower Makefield, Lower Southampton, Middletown, New Britain, Newtown, Northampton, Plumstead, Solebury, Tinicum, Upper Makefield, Upper Southampton, Warminster, Warrington, Warwick, West Rockhill, Wrightstown.

**CHESTER COUNTY:**

CITY: Coatesville.

BOROUGHES: Atglen, Avondale, Downingtown, Elverson, Honey Brook, Kennett Square, Malvern, Modena, Oxford, Parkesburg, Phoenixville, South Coatesville, Spring City, West Chester, West Grove.

FIRST-CLASS TOWNSHIP: Caln.

SECOND-CLASS TOWNSHIPS: Birmingham, Charlestown, East Bradford, East Brandywine, East Caln, East Coventry, East Fallowfield, East Goshen, East Marlborough, East Nantmeal, East Nottingham, East Pikeland, Easttown, East Vincent, East Whiteland, Elk, Franklin, Highland, Honey Brook, Kennett, London Britain, Londonderry, London Grove, Lower Oxford, New Garden, Newlin, New London, North Coventry, Penn, Pennsbury, Pocopson, Sadsbury, Schuylkill, South Coventry, Thornbury, Tredyffrin, Upper Oxford, Upper Uwchlan, Uwchlan, Valley, Wallace, Warwick, West Bradford, West Brandywine, West Caln, West Fallowfield, West Goshen, West Marlborough, West Nantmeal, West Nottingham, West Pikeland, West Sadsbury, Westtown, West Vincent, West Whiteland, Willistown.

**DELAWARE COUNTY:**

CITY: Chester.

BOROUGHES: Aldan, Brookhaven, Chester Heights, Clifton Heights, Collingdale, Colwyn, Darby, East Lansdowne, Eddystone, Folcroft, Glenolden, Haverford, Lansdowne, Marcus Hook, Media, Millbourne, Morton, Norwood, Parkside, Prospect Park, Radnor, Ridley Park, Rose Valley, Rutledge, Sharon Hill, Swarthmore, Trainer, Upland, Yeadon.

FIRST-CLASS TOWNSHIPS: Aston, Darby, Lower Chichester, Marple, Nether Providence, Ridley, Springfield, Tinicum, Upper Chichester, Upper Darby.

SECOND-CLASS TOWNSHIPS: Bethel, Chadds Ford, Chester, Concord, Edgmont, Haverford, Middletown, Newtown, Radnor, Thornbury, Upper Providence,

**LANCASTER COUNTY:**

BOROUGH: Christiana

SECOND-CLASS TOWNSHIPS: Sadsbury, Salisbury.

**MONTGOMERY COUNTY:**

BOROUGHES: Ambler, Bridgeport, Bryn Athyn, Collegeville, Conshohocken, East Greenville, Green Lane, Hatboro, Hatfield, Jenkintown, Lansdale, Narbeth, Norristown, North Wales, Pennsburg, Pottstown, Red Hill, Rockledge, Royersford, Schwenksville, Souderton, Telford, Trappe, West Conshohocken.

FIRST-CLASS TOWNSHIPS: Abington, Cheltenham, Hatfield, Lower Merion, Lower Moreland, Lower Pottsgrove, Plymouth, Springfield, Upper Dublin, Upper Gwynedd, Upper Moreland, Upper Pottsgrove, West Norriton, West Pottsgrove.

SECOND-CLASS TOWNSHIPS: East Norriton, Franconia, Horsham, Limerick, Lower Frederick, Lower Gwynedd, Lower Providence, Lower Salford, Marlborough, Montgomery, Perkiomen, Salford, Skippack, Towamencin, Upper Frederick, Upper Hanover, Upper Merion, Upper Providence, Upper Salford, Whitmarsh, Whitpain, Worcester.

**HOW TO USE LOOSE LEAF-TARIFF**

1. This Tariff is issued on the loose-leaf plan. Each page will be issued as "original page", consecutively numbered, commencing with the title page, which in all cases will be considered as Page No. 1. For example: "Original Page No. 2", "Original Page No. 3," etc.
2. All changes in, additions to, or eliminations from, original pages, will be made by the issue of consecutively numbered supplements to this Tariff and by reprinting the page or pages affected by such change, addition, or elimination. Such supplements will indicate the changes which they effect and will carry a statement of the make-up of the Tariff, as revised. The Table of Contents will be reissued with each supplement.
3. When a page is reprinted the first time, it will be designated under the P.U.C. number as "First Revised Page No...," the second time as "Second Revised Page No. ..." etc. First revised pages will supersede original pages; second revised pages will supersede first revised pages, etc.
4. When changes or additions to be made require more space than is available, one or more pages will be added to the Tariff, to which the same number will be given with letter affix. For example: If changes were to be made in Original Page No. 2 and, to show the changed matter, more than one page should be required, the new page would be issued as "First Revised Page No. 2, superseding Original Page No. 2"; and the added page would be issued as "Original Page No. 2A." If a second added page should be required, it would be issued as "Original Page No. 2B." Subsequent reprints will be consecutively designated as "First Revised...", "Second Revised...", etc.
5. On receipt of a revised page it will be placed in the Tariff immediately following the page which it is to supersede, and the page which is to be superseded thereby plainly marked "See following page for pending revision." On the date when such revised page becomes effective, the page superseded should be removed from the Tariff.

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS

Aggregation Services Fee - A charge of 1¢/mcf applicable to all Low Volume Sales and Transportation Customers to be added to such Customers' Variable Distribution Service Charge effective January 1, 2001.

Available rate - A rate which may be obtained by a Customer if the use of service conforms to the character of service contemplated in the rate, and the Customer's location is such that this service can be supplied from existing facilities of the Company.

Bad credit (for deposit purposes) - A customer shall be deemed by the Company to have bad credit if the customer has been delinquent on payment of two consecutive bills or three or more bills in the last twelve billing cycles or tendered two or more checks that are subsequently dishonored by a payee according to 13 Pa.C.S. §3502, within the last twelve billing cycles. Industrial and commercial customers also shall be deemed by the Company to have bad credit if the customer is insolvent, (as evidenced by a credit report prepared by a reputable credit bureau or credit reporting agency or public financial data, liabilities exceeding assets or generally failing to pay debts as they become due) or has a class of publicly-traded debt outstanding that is rated to be below investment grade, or tendered two or more checks that are subsequently dishonored by a payee according to 13 Pa.C.S. §3502, within the last twelve billing cycles.

Balancing Service Cost or ("BSC") – Charge to all Low Volume Customers, both Sales and Transportation, included in Variable Distribution Charges, for fixed and variable storage costs for each Mcf of gas delivered under Rate Schedules GR, CAP, GC, OL, L, and MV-F of this Tariff, or the successors thereto.

British thermal unit (Btu) - The quantity of heat necessary to raise the temperature of one pound of water one degree Fahrenheit from 58.5 to 59.5 degrees Fahrenheit under standard pressure of 30 inches of mercury at or near its point of maximum density. One Btu equals 252 calories, (gram), 778 foot-pounds, 1,055 joules or 0.293 watt hours

Ccf – 100 cubic feet. This is a measure of gas usage.

Chapter 56 – The PUC regulations that govern metering, billing and collections for residential gas and electricity service.

Commodity Charge ("CC") – The "C" factor component of the Sales Service Cost representing the charge to Low Volume Sales Customers for purchased gas costs for each McF of Sales Service gas supplied under Rate Schedules GR, CAP, GC, OL, L and MV-F of this Tariff, or the successors thereto.

Commission or PAPUC– The Pennsylvania Public Utility Commission.

Company – PECO Energy Company

Competition Act - the Natural Gas Choice and Competition Act, 66 Pa.C.S. §2201, et seq.

Competitive Natural Gas Supply - firm natural gas provided by an NGS to Low Volume Transportation Customers under the Company's Gas Choice program.

Consolidated NGDC Billing – Billing provided by the Company that contains both the Company's charges for its services and the NGS's separate charges for gas supply services.

Creditworthy - A creditworthy customer pays the Company's charges as and when due and otherwise complies with the Rules and Regulations of this Tariff or the PaPUC. To determine whether a customer is creditworthy with respect to a particular account, the Company will evaluate the customer's record of paying Company charges for all of the customer's other Company accounts, and may also take into consideration the customer's general credit.

cu. ft. - Cubic foot.

Customer - Any person, partnership, association, or corporation, lawfully receiving service at a single meter location from the Company. In addition, unless explicitly prohibited by the Public Utility Code or the Commission's Rules or Regulations, an NGS may act as an agent for a Customer upon written authorization to PECO Energy, which authorization may be included in the notice of NGS selection.

Daily quantity - The quantity of gas used in a 24-hour period beginning at 10:00 a.m., Eastern Standard Time or Daylight Saving Time, whichever is in common use.

**PECO Energy Company**

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Delivery point - That point at which the Customer's facilities are connected to the Company's facilities which is the first fitting after the outlet side of the meter connection.

Firm Service - Natural gas service offered to Customers under tariffs or contracts that anticipate no interruption of natural gas service.

Fixed Distribution Service Charge – A charge to recover costs caused by the presence of the Low Volume Customer on the system, other than the costs associated with the Customer's usage.

Gas Choice – Program under which Suppliers provide Competitive Natural Gas Supply to Low Volume Transportation Customers.

Gas Cost Adjustment ("GCA") Charge – The "E" factor component of the Sales Service Cost representing the net overcollection or undercollection of purchased gas costs, charged to Low Volume Sales Customers for each Mcf of Sales Service gas supplied under Rate Schedules GR, GC, CAP, OL L, and MV-F or the successors thereto.

High Volume Transportation (HVT) - PECO Energy's Gas program as administered by this tariff for Suppliers providing Competitive Natural Gas Supply to High Volume Transportation Customers.

High Volume Transportation Customers - Customers who purchase natural gas from an alternative Supplier under Rates Schedules TS-F, TS-I and/or the successors thereto, and not under the Company's Gas Choice program.

Holidays - Company holidays include: New Year's Day, Martin Luther King, Jr.'s Birthday, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Friday after Thanksgiving, Christmas, and Sundays

Initial Contract Term - The Customer's initial contract term, or in the case of transportation service, any renegotiation of an existing contract, for a service location shall be the Customer's first term of contract for service as specified under a given tariff rate or contract agreement to a location and shall also be the first term of contract after the Customer changes service at a location to a different rate, or in case of transportation service, any renegotiation of an existing contract.

Low Volume Customers – Customers served under Rate Schedules GR, GC, CAP, OL, L, and MV-F or successors thereto.

Low Volume Sales Customer – Low Volume Customers served under Rate Schedules GR, GC, CAP, OL, L, and MV-F who purchase their gas from the Company.

Low Volume Transportation Customers ("LVT Customers") - Low Volume Customers who purchase Competitive Natural Gas Supply from a Supplier pursuant to the Company's Gas Choice program, under Rates Schedules GR, GC, OL, MV-F or the successors thereto, and not under Rate Schedules CAP, L, TCS, IS, MV-I, TS-F, TS-I, and/or the successors thereto.

Master Meter System - a pipeline system for distributing gas within, but not limited to, a definable area, such as a mobile home park, housing project, or apartment complex, where the operator purchases metered gas from an outside source for resale through a gas distribution pipeline system. The gas distribution pipeline system supplies the ultimate consumer who either purchases the gas directly through a meter (i.e. Master Meter) or by other means, such as by rents.

Mcf – 1,000 cubic feet. This is a measure of gas usage.

Month - A month under this Tariff means 1/12 of a year, or the period of approximately 30 days between two regular consecutive meter readings dates of the Company's meter or meters installed on the Customer's premises.

Natural Gas Distribution Company ("NGDC") - a public utility that owns natural gas distribution facilities, used at times in this Tariff to refer to the role of the Company as the distributor of Competitive Natural Gas Supply pursuant to the Competition Act.

Natural Gas Supplier ("Supplier" or "NGS") - A natural gas supplier as defined in 66 Pa.C.S. § 2202, that has been licensed by the Pennsylvania Public Utility Commission to sell Competitive Natural Gas Supply to Low Volume Transportation Customers on the Company's system under the Company's Gas Choice program, to sell natural gas to Customers under Rates TCS, IS and/or MV-I or to sell natural gas to High Volume Transportation Customers under Rate Schedules TS-F, TS-I, and/or any other entity that takes title to gas as defined in 52 Pa. Code § 62.101

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Natural Gas Supplier Coordination Tariff – The Tariff, setting forth the basic requirements for interactions and coordination between the Company, as the natural gas distribution company, and Suppliers necessary for maintaining the delivery of Competitive Natural Gas Supply from Suppliers to their Low Volume Transportation Customers under the Company's Gas Choice program.

Principal Office - The Company's Main Office Building located at 2301 Market Street, Philadelphia, Pa. 19103.

Property line - The division line between land held in, or for, private use, and land in which the public or the Company has a right of use; or, the division line between separately owned or occupied land.

Sales Service Cost ("SSC") - Cost of commodity and non-storage interstate pipeline firm transportation capacity to delivery such commodity to the city gate for Low Volume Sales Customers.

Rate - The rates are CAP, GR, GC, OL, L, MV-F, MV-I, IS, TCS, TS-I, TS-F, and NGS or the successors thereto.

Separate NGS Billing ("Dual Billing") – Separate Billing by an NGS of its charges for gas supply service.

Service - The distribution of gas for use by the Customer, including all things done by the Company in connection with such distribution.

Service-Supply Pipe - The pipe extending from the Company's supply main to a metered delivery point or, in the case of installations comprised exclusively of outdoor gas lights, to the first such light.

Summary Billing Accounts - An aggregate bill prepared at the option of the Company for Customers with multiple accounts that are related within the same partnership, association, corporation or governmental agency.

Supplier of Last Resort Service ("SLR Service" or "Sales Service") - Natural gas supply service provided by the Company as supplier-of-last-resort to residential, small commercial, small industrial and essential human needs Customers who: (1) do not choose a Supplier or chose to be served by their supplier of last resort; (2) who are refused service by a Supplier; (3) whose Supplier has defaulted or exited the system; or (4) who return to SLR service after having obtained Competitive Natural Gas Supply.

System Maintenance Order ("SMO") – operational directive issued by the Company in its sole discretion to protect the operational integrity of its systems in terms of line pressure and adequacy of supply, which orders directly affect the quantity of gas to be delivered on the same gas day or other near-term gas days and may require a Customer or class of Customers, or a Customer's natural gas supplier or agent, to maintain, decrease or increase the quantity of natural gas delivered to the Company's system.

Tariff – This Gas Service Tariff comprising the rates, rules and regulations that apply to the distribution of natural gas, including all things done by the Company in connection with such distribution and/or the supply of natural gas under Supplier of Last Resort (Sales) Service.

Transportation Service – Natural gas supply service provided to HVT Customers, by an alternative Natural Gas Supplier as further detailed in Rule 1.1 of the Gas Transportation Service General Terms and Conditions Section of this Tariff.

Variable Distribution Service Charge – The variable charges on a Mcf basis for the provision of unbundled distribution service, including all things done by the Company in connection with such distribution service.

Volume Adjustment - the current adjustable factor applied to all rate classes to account for: a) reduction for system losses of 2.3% and b) thermal correction, the latter being determined by dividing the daily average Btu content per cubic foot of gas for the Company's system by a reference Btu content of 1,000 Btu per cubic foot. (I)

(I) Denotes Increase



RULES AND REGULATIONS

**1. THE GAS SERVICE TARIFF**

1.1 FILING AND POSTING. A copy of this Tariff, which comprises the Rates, Rules and Regulations under which service and SLR (Sales) Service will be supplied to its Customers by PECO Energy Company, is on file with the Pennsylvania Public Utility Commission and is posted and open to inspection at the Principal Office of the Company. A copy of this Tariff also is available on the Company's website at: [peco.com](http://peco.com)

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

1.3 APPLICATION. The Tariff provisions apply to everyone lawfully receiving service from the Company, under the rates therein, and receipt of service shall constitute the receiver a Customer of the Company as the term is used herein, whether service is based upon contract, agreement, accepted signed application, or otherwise. A Customer will receive service under this Tariff effective with their first scheduled billing cycle beginning after July 1, 2000.

1.4 BASIS OF CHARGE. Time elapsed is a factor in the supply of service and the rates and minimum charges named in this Tariff, while predicated on periods of supply of not less than one year, are stated in values for direct application only to monthly periods of service provision and will be adjusted for application to service provided during other time intervals.

1.5 RULES AND REGULATIONS. The Rules and Regulations, filed as a part of this Tariff, are a part of every contract for service made by the Company and govern all classes of service where applicable, unless specifically modified by a rate or rider provision. The obligations imposed on customers in the Rules and Regulations apply as well to everyone receiving service unlawfully and to unauthorized use of service.

1.6 USE OF RIDERS. The terms governing the provision of service under a particular rate may be modified or amended only by the application of standard riders, filed as part of this Tariff.

1.7 STATEMENT BY AGENTS. No representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto.

RULES AND REGULATIONS - Continued**2. SERVICE SPECIFICATIONS**

2.1 CHARACTER. This Tariff applies only to the distribution and/or supply of natural gas, or its equivalent. Supply pressures will be limited in accordance with Company specifications.

2.2 SINGLE-POINT DELIVERY. The rates named in this Tariff are based upon the Company's distribution and/or supply through a single delivery point. Separate distribution and/or supply for the same Customer at other points of delivery shall be billed separately unless otherwise specifically provided for under a rate or rider statement.

2.3 SINGLE-POINT AVAILABILITY. Service delivered at a single point is available to one or more buildings or units devoted essentially to a single purpose, provided and so long as:

a. Such buildings or units are:

- (1) held, possessed, and either utilized or operated as a single establishment by a single responsible entity, and
- (2) unified on the basis of family, business, industry, enterprise, or governmental agency or through conveniences and services, such as heat, elevator, janitor, care of halls, walks and lawns, etc., furnished by such entity, and
- (3) situated on a single or on contiguous land parcels except where such buildings or units constitute interdependent parts of a single industrial enterprise. In determining "contiguity" hereunder of parcels abutting opposite sides of public or private ways, the boundaries of such parcels shall be considered as extending to the center of such ways.

b. There is granted and maintained to the Company easement or other rights, adequate in the Company's reasonable judgment to supply service direct to any such buildings or units if, as and when a cessation of any one or more of the conditions stated in paragraph lettered "a" above should occur, or there should arise in any manner a Company duty of such direct supply.

c. The distribution and other facilities on the Customer's side of the delivery point are:

- (1) furnished, installed and maintained at the expense of the Customer, and
- (2) owned or leased by the Customer, and
- (3) operated and controlled by or at the expense of the Customer.

d. The Company is under no legal obligation of direct supply to any portion of said buildings or units or their appurtenances.

e. A guarantee by deposit or otherwise is given and maintained to the Company sufficient in its reasonable judgment to insure it against loss in distribution and other investment in the event of change in the nature of holding and possession of such buildings or units, or in the occupancy thereof, or in the type of service delivered thereto.

f. All utilization equipment on the Customer's side of the Company delivery point is furnished, installed, operated and maintained by the operator of the buildings or units supplied or by the tenants of such operator whose use of gas is dependent upon the single point delivery and metering of service.

g. Any use of public highways by such operator for the latter's distribution facilities does not conflict or interfere with the franchise rights of the Company.

2.4 COMPLIANCE WITH AVAILABILITY. The use of the Company's service shall not be for any purpose other than that covered by the availability provisions of the rate or rider under which service is supplied.

2.5 COMPLIANCE WITH BUILDING ENERGY CONSERVATION ACT STANDARDS. Prior to furnishing permanent residential service for heating or cooling purposes to new residential buildings, a copy of the Compliance Certification from the Pennsylvania Department of Community Affairs indicating proof of compliance with, or exemption from, the insulation standards set forth in the Building Energy Conservation Act and the regulations promulgated thereunder, will be required for residential buildings located in municipalities that have not elected to administer the Act.

RULES AND REGULATIONS - Continued

**3. CUSTOMER'S INSTALLATION**

3.1 INFORMATION FROM APPLICANT FOR SERVICE. The Company should be advised by the applicant for service in writing, preferably on a form supplied by the Company, of premises to be equipped for gas, giving exact location, and details of all gas appliances to be installed.

The applicant for service shall supply the Company information regarding potential or actual contamination, waste or other materials or other adverse environmental conditions on the Customer's premises on or near where the Company facilities are to be located. The Customer has a continuing obligation to provide the Company with copies of any environmental assessment relating to the premises. The Company also has a continuing right to inspect the Customer's premises for the purposes of performing an environmental assessment.

3.2 DELIVERY POINT. The Company will designate in writing, upon request, a satisfactory point at which the Customer shall terminate the Customer's piping for connection to the facilities of the Company. The failure to request and obtain such information may result in refusal of service pending rearrangement of Customer's facilities, but the designation of a termination point does not constitute an agreement or obligation on the part of the Company to furnish service.

In establishing a point of delivery, the Company has the right to avoid areas known or suspected to contain contamination waste or other materials or other adverse environmental conditions.

The Company may waive this right upon agreement from the Customer or applicant to indemnify, defend and hold harmless the Company (its successors, assigns, trustees, officers, employees and agents) from and against all actions, causes of action, claims and demands whatsoever, and from all costs, damages, expenses, losses, charges, debts and liabilities whatsoever (including attorney's fees), whether known or unknown, present or future, that arise from such conditions. This indemnification provision shall survive the termination or expiration of this Agreement and the termination of the business relationship of the parties hereto.

3.3 METER LOCATION. There shall be provided, free of expense to the Company, at a location outdoors, unless otherwise designated by the Company, which the Company will designate in writing upon request, a suitable place for the regulator or regulators, meter or meters, and any other supply, protective or control equipment of the Company which may be required in the delivery of gas service. Meters and regulators must be located outside and above ground in accordance with 52 Pa. Code § 59.18. However, meters and service regulators cannot be installed in locations specified in 52 Pa. Code § 59.18(a)(8)(i-vi). Inside meter and service regulator locations shall be considered by the Company, but only in accordance with the exceptions contained in 52 Pa. Code § 59.18(d). The Company may also consider other meter or regulator locations (such as a specially constructed cabinet recessed in the building wall, sealed from inside the building and vented to and accessible from outside the building) per 52 PA Code § 59.18(e). The customer shall provide access and space, in an amount deemed necessary by the Company, to install and maintain its meter(s) and equipment. This location shall be convenient, unimpeded and easily accessible to the Company's employees, contactors and agents. The Customer shall also minimize any risk for damage and/or harm to the Company's employees, contractors, agents and equipment at the meter location. There also must not be any impediment or obstruction of the Company's ability to receive, an adequate communication signal from its meter(s) for remote reading purposes. The meter(s) location also shall be situated so that the meter(s) are not concealed, but shall be situated in a manner acceptable to the Company.

3.4 NONSTANDARD SERVICE. The Customer shall pay the cost of any special installation necessary to meet any peculiar requirements for service.

The Customer shall pay all costs to the Company of performing environmental assessments, including consultant costs and the costs of removal and disposal of hazardous materials associated with either the initial installation of service, modifications to the service or repair and maintenance of service.

3.5 REVERSE FLOW. The Customer may be required to install check-valves, or other devices, to prevent compressed air or other gases from entering the Company's mains.

3.6 EXCESS FLOW VALVES ("EFVs") At the request of a customer who qualifies for installation of an Excess Flow Valve (EFV) pursuant to 49 C.F.R. § 192.383, the Company will install an EFV at the customer's expense. Eligible customers who request installation of an EFV on existing service lines must pay the installation costs before any work begins.

RULES AND REGULATIONS - Continued

**4. APPLICATION FOR SERVICE**

4.1 PLACE OF APPLICATION. Applications for service may be made at any commercial office of the Company or, in some cases, over the telephone.

4.2 SERVICE CONTRACT. Every applicant for service may be required to sign a contract, agreement, or other form, then in use by the Company, covering the special circumstances of the use of gas, and shall abide by these Rules and Regulations and the standard requirements of the Company.

4.3 CONTRACT DATA. The application shall contain a statement of the premises to be served, the rate under which service is desired, and such conditions or riders as are applicable to the special circumstances of the case.

4.4 RIGHT TO REJECT. The Company may place limitations on the amount and character of service it will supply or may reject applications for service not available under a standard rate, or which might affect the supply of service to other Customers, or to be delivered at a location which involves excessive cost; for bad credit; for the applicant's failure to provide identifying documentation; when an applicant's self-identification cannot be verified; or for other good and sufficient reasons. Customer can be denied SLR (Sales) Service or new service for failure to pay an NGS's charges.

The Company has the right to restrict service to only those locations which will not expose the Company to liability for known or suspected contaminated waste or materials or other adverse environmental conditions.

4.5 ACCEPTANCE. When an application is accepted, or when service is supplied according thereto either without modification or with supplemental agreement, it constitutes the contract between the Customer and the Company, subject to the Rules and Regulations.

4.6 SPECIAL CONTRACTS. Standard contracts shall be for terms as specified in the statement of the rate, but where large or special investment is necessary for the supply of service, or where service is to be used for an emergency or temporary replacement of another method of operation, contracts of longer term than specified in the rate, or with special guarantees of revenue, or both, may be required.

4.7 UNAUTHORIZED USE. Unauthorized connection to the Company's service-supply facilities, and/or unauthorized use of utility service, may be terminated by the Company without notice. Unauthorized use of utility service means unreasonable interference or diversion of service, including meter tampering any act which affects the proper registration of service through a meter, by-passing (unmetered service that flows through a device connected between a service line and Customer-owned facilities), and unauthorized service restoral. In cases of tampering or by-passing, the use of service without notifying the Company and enabling it to read its meter will render the user liable for any amount due for service supplied to the premises from the time of the last reading of the meter, immediately preceding the Customer's occupancy, as shown by the Company's books.

4.8 WITHDRAWAL OF APPLICATION BY NON-RESIDENTIAL CUSTOMERS. In the event the Customer or potential Customer withdraws, in whole or in part, an application for either new or modified service, the Customer will reimburse the Company for all reasonable costs incurred by the Company in anticipation of supplying the new or modified service where such costs were described by the Company to the Customer at or before the time application was made. This provision does not apply to individual residential service applicants.

RULES AND REGULATIONS - Continued

**5. CREDIT**

5.1 PAYMENT OBLIGATION. The provision of service for any purpose, at any location, is contingent upon payment of all charges provided for in this Tariff as applicable to the location and the character of service.

5.2 PRIOR DEBTS. Service will not be furnished to applicants or former customers until any indebtedness to the Company for previous service of the same or similar classification has been satisfied or a payment arrangement has been made on the debt. The Company may, at its discretion, determine liability for prior debts or past due balances by: (1) the use of company records that contain information provided to the Company; (2) information contained on a valid mortgage, lease, deed or renter's license; (3) the use of commercially available public records databases; (4) Government and property ownership records. This rule does not apply to the disputed portion of disputed bills under investigation. The Company will apply this rule to the disputed portion of disputed bills, if, and only if: (1) the Company has made diligent and reasonable efforts to investigate and resolve the dispute; (2) the result of the investigation is that the Company determines that the customer's claims are unwarranted or invalid; (3) the Commission and/or the Bureau of Consumer Services has decided a formal or informal complaint in the Company's favor and no timely appeal is filed; and (4) the customer nevertheless continues to dispute the same matter in bad faith.

5.3 GUARANTEE OF PAYMENTS. The Company may charge a security deposit before it will render service to an applicant or before the Company will continue to render service to a customer for whom the Company provides Consolidated EDC Billing or Separate EDC Billing. The Company may charge deposits to applicants and customers if they have bad credit, lack creditworthiness or as otherwise permitted by Commission statutes, rules, regulations, and as required by Federal Bankruptcy Law. The applicant or customer may be required to provide a cash deposit, letter of credit, surety bond, or other guarantee, satisfactory to the Company. The Company will hold the deposit as security for the payment of final bills and in compliance with the Company's Rules and Regulations. In addition, the Company may require industrial and commercial customers to post a deposit at any time if the Company determines that the customer is no longer creditworthy or has bad credit or as otherwise permitted by Commission statutes, rules, regulations and as required by Federal Bankruptcy Law. The Company retains the right to charge customers additional deposits based upon continued bad credit or lack of creditworthiness and increased usage.

5.4 AMOUNT OF DEPOSIT. For residential customers the deposit will be equal to one-sixth of the applicant's or customers estimated annual bill for Company charges, based on applicable rates. A deposit from a residential customer shall conform to the requirements of 66 Pa. C.S. 1404(c) and applicable Pennsylvania Public Utility Commission regulations. For industrial and commercial accounts, the amount of the deposit shall be the Company's projection of the sum of the Company charges in the customer's two highest monthly bills in the 12 months following the deposit. The provisions of 11 U.S.C. §366(b) of the Federal Bankruptcy Code, or any successor statute or provision, shall, if inconsistent, supersede the provisions of this rule. Deposits required by the Company for Tariff regulated charges shall not be based on unpaid supplier charges.

5.5 RETURN OF DEPOSIT Deposits secured from a residential Customer shall be returned with accrued interest, in accordance with 66 Pa. C.S. §1404(C) and applicable Pennsylvania Public Utility Commission regulations. In cases of discontinuance of service, deposits will be returned with accrued interest upon payment of all service charges and guarantees or with deduction of unpaid accounts. Effective July 1, 2011, PECO will return the deposit on a non-residential account if the account was assessed fewer than two late payments in the previous 24 months. The first annual review of the customer's payment status will occur 24 months after the initial deposit date. Any residential or commercial customer having secured the return of a deposit may be required to make another deposit, in accordance with Commission statutes, regulations, or Federal Bankruptcy Law, if the Customer demonstrates bad credit or lacks creditworthiness subsequent to the return of the initial deposit.

5.6 INTEREST ON DEPOSIT. The Company will allow simple interest on cash deposits calculated as follows:

- (1) with respect to residential accounts:
  - (a) interest accrued prior to December 14, 2004, at an annual rate determined by the average of the 1-Year Treasury Bills for September, October and November of the previous year ("Interest Index");
  - (b) interest accrued on or after December 14, 2004, at an annual rate determined by the legal rate of interest pursuant to 66 Pa. C.S.A. § 1404(C)(6);
- (2) with respect to commercial and industrial accounts, at the lower of the Interest Index or six percent; provided that interest accrued prior to April 14, 1995 shall be calculated at six percent. Deposits shall cease to bear interest upon discontinuance of service (or, if earlier, when the Company closes the account).

**5.7 CREDIT INFORMATION.**

CUSTOMERS: In addition to information required otherwise hereunder, customers for whom the Company provides Consolidated NGDC Billing or Separate NGDC Billing shall be required to provide to the Company with such credit information, as the Company requires. The Company may report to a national credit bureau on credit history associated with past due amounts.

APPLICANTS: The Company's credit and application procedures for applicants are as follows: (1) positive identification of applicant obtained from previous customer record or through one of the major credit reporting bureaus or through in-person identification; (2) determination of liability for a past due balance; (3) determination if a deposit is required based upon applicant's previous account history if available or through third party credit scoring of applicant.

The Company's credit scoring methodology and standards are as follows: The Company uses a commercially recognized credit scoring methodology that is within the range of generally accepted industry practice. The applicant's or customer's utility payment history determines the credit score. The Company uses this customer-specific credit score to either request or waive a security deposit.

RULES AND REGULATIONS - Continued

**6. SERVICE-SUPPLY FACILITIES**

6.1 COMPANY'S SERVICE-SUPPLY PIPE. The Company will install, own and maintain the required service-supply pipe with Company participation in the cost of installation determined by the Company in accordance with Section 7 Extensions.

6.2 SERVICE-SUPPLY ALTERATIONS. Changes in location of service-supply pipe, or meter and connections, for the accommodation of the Customer, shall be at the expense of the Customer. A customer or building owner requesting that a meter or regulator be moved shall pay the costs associated with relocation when the meter and regulator are currently situated in a suitable location under State and Federal regulations per PA 52 Code § 59.18(a)(11).

6.3 STUB-SERVICE PIPE. When supply mains are in place, service-supply pipe to a point beyond the curb line may be installed, at the option of the Company, ahead of paving, providing the owners of the abutting property shall request and pay for such stub-service pipe. The cost of any such stub-service pipe may be refunded to the Customer over a term of years, upon such basis or condition as may be determined by the Company and specified in the contract for service.

6.4 METERS AND REGULATORS. The Company will provide, own and maintain any meter or meters, regulator or regulators, required in the supply of service.

**7. EXTENSIONS**

7.1 SUPPLY MAIN CONSTRUCTION. The Company will install, own and maintain gas supply mains located on the highway or on rights-of-way acquired by the Company and used or usable as part of the Company's general supply system.

7.2 OBLIGATION TO EXTEND. Subject to the terms set forth herein, the Company will extend its facilities to a new point of delivery without charge to a potential customer making a valid request for natural gas service. For additional details see Section 7.3, Service Pipe and Main Extension Policy.

7.3 SERVICE PIPE AND MAIN EXTENSION POLICY. When gas is available for sale to new customers under one of the Company's firm sales or transportation rate schedules, main and service facilities will be extended to an applicant in accordance with the following provisions:

A. General Economic Test. For firm service customers the Company will make a capital investment in the total cost of new main and service facilities to serve the customer (including, but not limited to, allocated overheads and related system modifications) when the net present value (NPV) from a proposed project is greater than or equal to zero. Net present value shall be calculated based on the capital investment, exclusive of the costs of meter and meter installation, required to serve the applicant(s) and the estimated base annual revenues (EBAR) generated from the applicant(s). The "EBAR" shall be calculated by multiplying the applicable Variable Distribution Charge rate (excluding any applicable gross receipts tax or certain fixed TCS costs) times the estimated annual consumption, plus the portion of annualized Fixed Distribution Charge attributable to service line capital costs. In calculating the NPV, the following assumptions will be made: 1) a 40 year evaluation period, 2) the discount rate shall be the Company's after-tax cost of capital, 3) revenue shall be assumed to be collected throughout the year, and 4) capital is assumed to be invested at the beginning of the year. If the proposed project has a negative NPV, the Customer shall make a payment to bring the net present value to a zero value. This will enable the proposed project to support a reasonable rate of return to the Company.

B. Developments. Payments shall be required in advance for all lot developments. If a payment is required, the amount of payment shall be based on the General Economic Test set forth in Section 7.3A, and shall incorporate known gas applications in buildings under construction or buildings not yet under construction but which are expected to be fully constructed within a five year period from the date of the original contract signing. This requirement may alternatively be satisfied by payment of at least 35 percent of the required contribution upon execution of the service agreement with the remainder subject to payment bond and interest (at prime rate) and is due no later than 6 months after PECO certifies, in writing, that service is available to the development. At the time of execution of the service agreement, the developer shall also post a letter of credit, surety bond, or other security, satisfactory to the Company equal to 50% of the value of the revenue stream as calculated by the Company under Section 7.3A. If the developer does not fully develop the lots within five years, including, but not limited to, installing all required appliances and flowing natural gas to them, the Company reserves the right to use the security as payment for the contract amount. Lot developments are defined as tracts subdivided for sale as individual lots or groups of lots to more than one builder or buyer.

C. Interruptible Service Installations. The Company will make a capital investment in the total cost of new main, service facilities and dual fuel installations, (including, but not limited to allocated overheads and related system modifications) to serve Customers with interruptible service installations, up to an amount equal to three times the additional Estimated Base Annual Revenue (EBAR) attributable to the Customer. The Customer shall pay the cost, if any, in excess of the above limit exclusive of the costs of the meter and, meter installation.

D. After-tax cost of capital (discount rate) shall be determined on the basis of (1) the Company's capital structure and cost of long-term debt set forth in the Company's latest year-end Quarterly Earnings Report submitted to the Commission by March 31 of a year for the period ending December 31 of the previous year; and 2) the cost of equity approved in the most recent base rate case or, in the absence of a Commission determination or Commission approval of a stipulated cost of equity, the cost of equity that the Commission has determined should apply to Distribution System Improvement Charge ("DSIC") investment.

7.4 EXTENSION REFUNDS. Upon receipt of a written request by a Customer or developer made no earlier than the end of the third year following the date of an agreement for new gas service, PECO will: (a) review its records to determine if a refund is due the customer or the developer for additional customers beyond those used to calculate the projected revenue stream as determined in the General Economic Test above that attached to the facilities paid for by the customer or the developer within three (3) years after the execution date of the agreement for new gas service, and (b) within sixty (60) days of receipt of such request, (i) make payment to the customer or developer of any refund due and (ii) provide the customer or developer with documentation substantiating the refund calculations and identifying the attached loads for which the developer was credited. Customer or developer contributions may be refunded if, within three years of the date of the service agreement, new loads are added to facilities paid for by the contributing Customer or developer. Revenue and cost computations shall simulate that the original and new loads were installed at the same time. Refunds will be paid only to the contributing Customer or developer, and the original contribution shall be the maximum refund.

7.5 TAX ACCOUNTING OF CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER ADVANCES. All contributions in aid of construction (CIAC), customer advances or other like payments received by the Company shall constitute taxable income as defined by the Internal Revenue Service. The income taxes on such CIAC or customer advances will be segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with CIAC or customer advances will not be charged to the specific contributor of the capital.

RULES AND REGULATIONS - Continued

**8. RIGHTS-OF-WAY**

8.1 TERM AND RENTALS. When the premises of a Customer is so located that the Customer can be served only by facilities extending over the property of another, the Customer shall accept service for such term as is provided in the permit or agreement covering the location and the maintenance of service equipment, and the Customer shall reimburse Company for any and all special or rental charges that may be made for such rights by said permit or agreement.

8.2 PROCUREMENT BY CUSTOMER. Customers applying for the construction of an extension may be required to secure to, and for, the Company, all necessary and convenient rights-of-way and to pay the costs incident thereto.

8.3 DELAYS. Applications for service from an extension to be constructed where a right-of-way is not owned by the Company will only be accepted subject to delays incident to obtaining a satisfactory right-of-way.

**9. INTRODUCTION OF SERVICE**

9.1 COMPANY'S RIGHT TO INSPECT. The Company shall have the right, but shall not be obliged, to inspect any installation before service is introduced or at any later time, and reserves the right to reject any piping or appliances not in accordance with the Company's standard requirements; but such inspection, or failure to inspect, or to reject, shall not render the Company liable or responsible for any loss or damage, resulting from defects in the installation, piping, or appliances, or from violation of Company rules, or from accidents which may occur upon the premises of the Customer.

9.2 DEFECTIVE INSTALLATION. The Company may refuse to connect if, in its judgment, the Customer's installation is defective, or does not comply with such reasonable requirements as may be necessary for safety, or is in violation of the Company's standard requirements.

9.3 UNSATISFACTORY INSTALLATION. The Company may refuse to connect if, in its judgment, the Customer's equipment, or use thereof, might injuriously affect the equipment of the Company, or the Company's service to other Customers.

9.4 INITIAL SERVICE. In all cases gas shall be introduced to the Customer's installation by, or under the supervision of, a representative of the Company.



RULES AND REGULATIONS - Continued

**10. COMPANY EQUIPMENT**

10.1 COMPANY MAINTENANCE. The Company shall keep in repair and maintain its own property installed on the premises of the Customer.

10.2 CUSTOMER'S RESPONSIBILITY. The Customer shall be responsible for safekeeping of the Company's property while on the Customer's premises. In event of injury or destruction of any such property the Customer shall pay the costs of repairs and replacement. Any changes made to the Customer's premises after the Company completes its service and meter installation that, in the opinion of the Company, creates an unsafe condition, shall be the Customer's responsibility to pay any costs associated with remedying the unsafe condition including but not limited to any required protective measures and/or relocations of Company property. Customers with privately owned or operated underground utility facilities on their premises may have obligations as facility owners under the Underground Utility Line Protection Act, 73 P.S. Section 176 et. seq. These include becoming a member of Pennsylvania One Call, maintaining said facilities, and providing approximate locations of said facilities with temporary markings within the required time period in response to Pennsylvania One Call notifications. Customers should create and retain as-built drawings reflecting the locations of said facilities on the premises and revise these drawings as necessary to reflect any changes made following installation. If said facilities are insufficiently marked prior to the lawful start date of any Company excavation or construction work, the Company has the right to require the associated customer to bear all incremental costs necessary to ensure safe digging by the Company, including but not limited to subsurface utility excavation and engineering, materials, supplies, transportation, labor, and overhead. If 1) said facilities are insufficiently marked prior to the lawful start date of any Company excavation or construction work or 2) the Company is unable to notify a facility owner of its intent for excavation or similar work covered under the Act because the facility owner is not a member of the Pennsylvania One Call system, the Company shall not be liable to customers or any other third parties for any damages, including property damage, economic damages, costs, associated consequential damages or personal injuries.

10.3 PROTECTION BY CUSTOMER. The Customer shall protect the equipment of the Company on the Customer's premises, and shall not permit any person, except a Company employee having a standard badge of the Company or other Company identification, to break any seals upon, or do any work on, any meter, service-supply pipe or other equipment of the Company located on the Customer's premises.

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

10.5 RIGHT OF ACCESS. The Company's identified employees shall have access to the premises of the Customer at all reasonable times for the purpose of reading meters and disconnecting service, and for installing, testing, inspecting, repairing, removing or changing any or all equipment belonging to the Company.

10.6 OWNERSHIP AND REMOVAL. All equipment supplied by the Company shall remain its exclusive property, and the Company shall have the right to remove the same from the premises of the Customer at any time after the termination of service from whatever cause.

10.7 RELOCATION OF COMPANY FACILITIES REQUESTED BY NON-RESIDENTIAL PROPERTY OWNERS. Except as otherwise provided by law (e.g., 66 Pa. C.S. Section 2704 et seq.), a non-residential property owner, such as a builder, developer or contractor (Owner), shall compensate the Company for the costs of relocation of Company facilities or equipment, made for the accommodation of the Owner or in fulfillment of the Owner's obligation to any public authority.

If the facility relocation is made to accommodate the Owner's project or in fulfillment of the Owner's obligation to any public authority, then the Owner shall be responsible to pay PECO for the relocation costs even if the relocation request is made by an entity other than the Owner. A request for relocation of Company facilities shall be in writing. The relocation cost shall include labor (including overhead), materials, storeroom expense and transportation, less the depreciated value of any equipment replaced.

Where the relocation is done in conjunction with construction of a supply line to a development, the Company shall include in the relocation cost those costs caused by the Owner's request. Such relocation costs are not part of the capital investment toward supplying service and are, therefore, not included in the revenue test with which the line extension contribution is calculated.

The Company will notify the Owner in writing of the relocation cost. Advance payment of relocation costs will be required before the Company will commence the work, except, at the sole discretion of the Company, under special circumstances.

10.8 RECOVERY FOR PROPERTY DAMAGE. If Company equipment is damaged through the negligence or intentional act(s) of any individual(s) or entity(s), the one(s) responsible for causing the damage shall reimburse the Company for all aspects of the resulting damages. The reimbursement shall include costs related to: labor, material, transportation and tools. "Labor" shall include benefit and administrative overheads based on the Company's current standard schedule, including third party contract repairs or modifications. Additionally, "Labor" may be calculated using a "blended" or average pay rate consistent with the above referenced standards. "Materials" may include an added stores expense calculated using the above referenced standards.

RULES AND REGULATIONS - Continued

**11. TARIFF OPTIONS ON APPLICATIONS FOR SERVICE**

11.1 CHOICE OF RATE. Where the classes of service-supply or conditions of use are such that two or more rates are available, an applicant shall select the rate or rates to be applied to the applicant's service.

11.2 COMPANY ASSISTANCE. The Company upon request will, to a reasonable extent, assist an applicant in selecting the most advantageous rate or rate application.

11.3 RATE CHANGES. A Customer may not change rates during the "initial contract term" as defined in the "Definition of Terms and Explanation of Abbreviations" section above. At any other time, a Customer may change to a rate for which the Customer qualifies upon 30 days notice to the Company. The new rate will be effective the next meter reading date after Company approval.

The Company will not make any rate change retroactive, unless the Company failed to adequately respond to a Customer's request for assistance or modification at the time of such request.

RULES AND REGULATIONS – Continued

**12. SERVICE CONTINUITY**

12.1 REGULARITY OF SUPPLY. The Company will use reasonable diligence to provide a continuous, regular and uninterrupted supply of service.

12.2 CURTAILMENT OF SERVICE.

a. Authority to Curtail. In the event of a natural gas emergency, the Company may curtail the availability of natural gas service to its Customers in accordance with this Rule 12.2.

b. Priority of Service. Following are the service priority categories listed in descending order of priority (highest to lowest):

**Priority 1**

(1) Residential and firm critical commercial essential human needs.

**Priority 2**

(2) Firm small commercial requirements, excluding critical essential human needs requirements in Category 1, and firm large commercial and industrial requirements for plant protection.

(3) Firm small industrial requirements.

(4) Firm large critical commercial and industrial requirements, excluding firm critical commercial essential human needs requirements in Category 1.

(5) Firm large non-critical commercial and industrial requirements other than requirements for boiler fuel use.

(6) Firm large non-critical commercial and industrial requirements for boiler fuel use.

**Priority 3**

(7) Contractually interruptible use.

c. Definitions Applicable. The definition for terms used in the Curtailment of Service Rule are as follows:

(1) Alternate Fuel Capability. The installed and operable ability to use any fuel other than natural gas on a time sensitive basis. For purposes of this definition, alternate fuel means any fuel other than natural gas or its equivalent.

(2) Commercial Use. Gas usage by Customers engaged primarily in the sale of goods or services including, but not limited to, consumption by office buildings, institutions and governmental agencies and shall include Customers in Standard Industrial Classification Codes 01 through 09, 15 through 19, and 49 through 99. Commercial use shall not include use of gas for manufacturing or electric power generation.

(3) Critical Use. Gas usage where natural gas, or its equivalent, is the only feasible form of energy due to its combustion characteristics, controllability or chemical properties.

(4) Essential Human Needs Use. Gas usage in any building where persons normally dwell, including residences, apartment houses, dormitories, hotels, hospitals, and nursing homes, where the Customer does not have alternate fuel capability.

(5) Firm Service. Natural gas service offered to Customers under tariffs or contracts that anticipate no interruption of natural gas service.

(6) Industrial Use. Gas usage by Customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power and shall include Customers in Standard Industrial Classification Codes 10 through 14 and 20 through 39.

(7) Interruptible Service. Natural gas services that can be temporarily discontinued under terms and conditions specified by tariff or contract.

RULES AND REGULATIONS – Continued

**12. SERVICE CONTINUITY – Continued**

- (8) Large Customer. A customer with annual usage of at least 18,000 Mcf during the prior calendar year.
  - (9) Natural Gas Emergency. Whenever the aggregate demand of firm service customers on the Company's system or portion of the Company's system, for any reason, exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands, and the actual or threatened excess creates an immediate threat to the Company's system operating integrity or the ability of the Company to satisfy the demand requirements of its Priority 1 Customers (including when continued delivery of gas to Customers would prevent the Company to arrange for the injection of gas into underground storage pools necessary for the protection of winter season supply requirements).
  - (10) Non-Critical Use. Gas usage where natural gas is not the only feasible form of energy; i.e., where the Customer has alternate fuel capability.
  - (11) Small Customer. A customer with annual usage of less than 18,000 Mcf during the prior calendar year.
  - (12) System Maintenance Order ("SMO") – as defined in the definitions section of the tariff.
  - (13) Plant Protection Use. Minimum usage of natural gas required to prevent physical harm to an industrial or commercial customer's facility, or danger to personnel at the facility, when the protection cannot be afforded through the use of an alternative fuel. Plant protection requirements includes usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.
  - (14) Residential Use. Gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating, or other domestic purposes.
- d. Curtailment Process.
- (1) Reservation of Company Right to Curtail. The Company reserves the right to reduce or eliminate the availability of firm natural gas service to Customers during a natural gas emergency, on a system-wide or localized basis ("curtailment"), when, in the Company's sole judgment, curtailment of natural gas service is necessary to protect the integrity of service to Priority 1 customers and/or the Company's gas distribution system assets. When necessary, the Company may curtail service to Priority 1 customers.
  - (2) Pre-Curtailment Procedures. To avoid curtailment of service, the Company will use reasonable business and operational efforts to interrupt all Priority 3 services; issue appropriate system maintenance orders (SMO) to HVT and LVT Customers, their Natural Gas Suppliers or other agents; and/or request customers to institute voluntary usage reductions.
  - (3) Curtailment Directive. In the event that Pre-Curtailment Procedures are not practicable or fail to protect the integrity of service to Priority 1 customers and/or the Company's gas distribution system assets, the Company may issue a curtailment directive. The curtailment directive should be reasonably well-tailored by the Company to require Customers of lower priority services to reduce usage by an amount calculated by the Company, as necessary to minimize the potential threat to public health and safety and to minimize the effect of a natural gas emergency on the integrity of service to Priority 1 customers and/or the Company's gas distribution system assets, but may be issued without regard to priorities of service. During the period specified by the curtailment directive, Customers directed to curtail usage must comply with the directive or face physical shut-off by the Company and/or the assessment of penalties elsewhere set forth in this Rule 12.

RULES AND REGULATIONS – Continued

**12. SERVICE CONTINUITY – Continued**

- (4) **Curtailment Sequence.** Curtailment of a customer class of a higher priority shall not be initiated until all Customers falling into the lower classifications have been completely curtailed. Where only partial curtailment of any one classification is required, customer usage should be reduced pro rata to the extent reasonably possible. As applied to High Volume Transportation Customers served under Rate TS-F, pro rata reductions will be based on a percentage of the Customer's Transportation Contract Quantity unless the Customer has alternative fuel capability. If the Customer has alternative fuel capability, a pro rata reduction shall be based on a percentage of the Customer's Transportation Contract Quantity less the daily alternative fuel capability. The Company shall restore service as soon as practicable to any gas-fired generation facility that is deemed critical to electric system reliability by the applicable electrical system's control area operator.
- (5) **Customer Notification.** The Company shall provide maximum notice possible of a curtailment directive or of a change in curtailment amount or priority level set forth in a curtailment directive. In the curtailment directive, the Company shall specify the authorized consumption for a specified period or until further notice. The Company reserves the right to provide notice by any reasonable means, including by telephone, pager, e-mail, facsimile or personal contact. If such notice is by telephone, then it will be followed by a written notice to the Customer, specifying the Customer's curtailment percentage and resulting peak day, daily, monthly, seasonal or annual authorized entitlement, as the case may be. An emergency curtailment may be made after oral notice to the Customer, effective when so given, but such oral notice will be confirmed in writing within 48 hours.
- (6) **Commission Notification.** The Company shall notify the Commission as soon as practicable after the issuance of a curtailment directive.
- (7) **Curtailment Directive Exceeding 5 Days.** The Company must obtain Commission authorization before it may extend a curtailment directive beyond a maximum duration of 5 business days. Business days shall be all days except Saturdays, Sundays, and federal holidays.
- (8) **Natural Gas Emergency Plan.** This Rule 12 is supplemented by Company procedures referenced in the Company's Natural Gas Emergency Plan filed by the Company in compliance with Commission Regulations, 52 Pa. Code § 59.63 and 59.71 et seq., and such procedures may be modified from time to time.

e. Unauthorized Use.

- (1) **Penalties.** A Customer determined to have used natural gas in violation of a SMO issued pursuant to Rule 12.2.d(3) or a curtailment directive issued by the Company ("unauthorized use") shall pay the Company a penalty charge based on the following: for the period November 1 through March 31, the applicable penalty for unauthorized use is the greater of (a) \$75 per Mcf, or (b) the market rate as defined below for the cost of gas plus \$25 per Mcf. For the period April 1 through October 31, the applicable penalty for unauthorized use is the greater of (a) \$25 per Mcf or (b) the market rate as defined below for the cost of gas plus \$10 per Mcf. Also, included will be the actual, additional cost incurred by the Company as a result of such unauthorized gas usage, as reasonably determined by the Company.

The term "market rate" shall mean the Monthly Weighted Price (MWP) which is applied to all unauthorized gas volumes. The MWP shall be calculated by first dividing the daily unauthorized usage (in Mcf) by the total monthly unauthorized usage (in Mcf) for each day of the calendar month when unauthorized usage occurs. This results in the daily weighting factor for each day of the calendar month when unauthorized usage occurs. Subsequently, each daily weighting factor is multiplied by the greater of a) the Midpoint of Transco, Zone 6 non-Non NY North Daily rate for such unauthorized usage day; or b) the Midpoint Texas Eastern M3 Daily rate for such unauthorized usage day as reported in the Daily Price Survey published by Platts McGraw Hill Gas Daily or its successors, resulting in a daily weighted price. (In the event that Platts McGraw Hill Gas Daily or its successors ceases to publish these two indices, PECO will propose a reasonable substitute to the Commission.) All of the daily weighted prices for a particular calendar month are summed and the result is equal to the MWP.

- (2) **Disposition of Penalties.** As of December 31 of each year, the Company shall subtract the total of all penalties paid that year to the Company's suppliers from penalties collected that year from Customers. The Company will then distribute all remaining penalties collected by the Company to its curtailed Customers who did not incur penalties under e(i) above.
- (3) To determine the amount of reimbursement due a Customer, the total amount to be redistributed shall be divided by the total volume of sales during the twelve-month period to all Customers eligible for reimbursement. This quotient shall represent the factor, which when multiplied by an eligible Customer's total purchase volume during the twelve-month period will equal the amount to be credited to that Customer. However, no reimbursement shall be made to Customers who have terminated service during the year.
- (4) The Company will make periodic reports to the Commission containing itemized statements, status of penalty accounts and the extent and nature of disbursements from such accounts made during that period.

RULES AND REGULATIONS – Continued

**12. SERVICE CONTINUITY - Continued**

12.3 LIMITATION OF LIABILITY. Should the supply of service be curtailed or interrupted by the Company because of gas shortage, or for the purpose of making repairs, changes or improvements, in any part of its system for the general good of the service or the safety of the public, or should the supply of service be interrupted, curtailed or fail, by reason of accident, weather, strike, legal process, state or municipal interference, or any cause whatsoever the Company shall not be liable for damages, direct or consequential, resulting from such interruption or failure unless such interruption or failure resulted from the Company's wanton or willful misconduct. If the supply of service to a firm service Customer is interrupted for more than seven consecutive days as a result of the Company's wanton or willful misconduct, the Customer's bill will be prorated for the month during which this interruption occurs.

In all other circumstances, including but not limited to failure to furnish a sufficient supply of gas or failure to transport the customer's gas to the customer, the liability of the Company to customers or other persons for damages, direct or consequential, including damage to equipment and appliances, loss of business, or loss of production caused by any interruption or variation in supply or pressure, or any other failure in the supply of natural gas shall in no event, unless caused by the willful and/or wanton misconduct of the Company, exceed an amount in liquidated damages equivalent to the greater of \$1000 or two times the charge to the customer for the service affected during the period in which such interruption or variation in supply or pressure, or any other failure in the supply of natural gas occurs.

The Company makes no warranty as to merchantability or fitness for a particular purpose, express or implied, by operation of law or otherwise. To the extent applicable under the Uniform Commercial Code or on any theory of contract or products liability, the Company limits its liability in accordance with the previous paragraph to any Customer or third party for claims involving and including, but not limited to, strict products liability, breach of contract, and breach of actual or implied warranties of merchantability or fitness for an intended purpose.

12.4 ADDITIONAL LIMITATIONS OF LIABILITY IN CONNECTION WITH CUSTOMER CHOICE. Other than its duty to deliver natural gas, the Company shall have no other duty or liability to a Customer receiving Competitive Natural Gas Supply arising out of or relating to a contract or other relationship between such Customer and an NGS. The Company shall implement Low Volume Customer selection of an NGS consistent with applicable rules of the Commission and shall have no liability to a Low Volume Customer receiving Competitive Natural Gas Supply arising out of or relating to switching NGSs unless the Company is negligent in switching or failing to switch a Customer. The Company shall have no duty or liability with respect to natural gas before it is delivered by an NGS to a point of delivery on the Company's distribution system. After its receipt of natural gas at the point of delivery the Company shall have the same duty and liability for distribution service to Customers receiving Competitive Natural Gas Supply as to those purchasing natural gas from the Company.

12.5 NOTICE OF TROUBLE. The Customer must immediately notify the Company if there is any defect, leak, trouble or accident affecting the supply of gas.

RULES AND REGULATIONS - Continued

**13. CUSTOMER'S USE OF SERVICE**

13.1 RESALE OF SERVICE. As of January 5, 1980, the resale of gas and/or service provided by the Company is prohibited for Customers who receive gas service from the Company through a master meter and resell it to individual dwelling units by the use of submeters. Customers receiving service prior to January 5, 1980, may resell gas purchased from the Company through a single master meter in accordance with 66 Pa.C.S. § 1313 if the purchased gas is: (1) for the total requirements of the premises served and (2) the use of the resold gas conforms to the availability requirements of this tariff for the Customer's own account.

13.2 FLUCTUATIONS. Gas and/or service must not be used in such a manner as to cause unusual fluctuations or disturbances in the Company's supply system, and, in the case of violation of this rule, the Company may discontinue service, or require the Customer to modify the installation and/or equip it with approved controlling devices.

13.3 ADDITIONAL LOAD. Any additional loads, either connected to existing equipment or new equipment, will not be allowed except by consent of the Company.

13.4 FAILURE TO GIVE NOTICE. Failure to give notice of additions or changes in load or location shall render the Customer liable for any damage to the regulator, meters, or other equipment of the Company, caused by the additional or changed installation.

**14. MEASUREMENT**

14.1 SUPPLY OF METERS. The measurement of gas usage shall be by meters furnished and installed by the Company. The Company will select the type and make of metering equipment, and may, from time to time, change or alter the equipment, its sole obligation being to supply meters that will accurately and adequately furnish records for billing purposes.

14.2 SPECIAL MEASUREMENTS. The Company shall have the right, at its option and its own expense, to place demand meters, pressure gauges, special meters, or other instruments, on the premises of any Customer for the purpose of determining the adequacy of the Company's service or for making tests of all or any part of the Customer's load.

14.3 METER READING INTERVALS. The Company will read its meters at scheduled regular intervals of one or more months and will render standard bills for the recorded gas usage based upon the time interval between meter readings. Only those bills which cover a period of service of less than 27 days or more than 34 days will be prorated.

14.4 ESTIMATED USAGE. The Company may estimate the amount of gas usage at the premises where access to the meter is not available, or to installations at remote locations, for such number of months as the type of installation, normal regularity of usage, or other circumstances may warrant, and will render bills in standard form based on such estimate and so marked, for the Customer's acceptance. Meter readings will be secured from time to time and billing will be revised when they disclose that the estimate failed to approximate the actual usage. For residential Customers, an actual meter reading will be obtained at least every six months, in accordance with Commission regulations.

14.5 CORRECTION TO STANDARD CONDITIONS. The quantities of gas used may be corrected to standard conditions, namely 60 degrees Fahrenheit temperature and 30 inches of mercury barometric pressure. All methods employed in correcting measurements of gas volume to said standard conditions shall be in accordance with established industry standards.

**14.6 TELEMETRY AND TELEPHONE EQUIPMENT**

(a) Customer shall permit PECO to install and operate telemetering equipment to remotely read PECO's meter.

(b) Customer shall provide and pay for telephone service required for the operation of PECO's equipment and/or the transmittal of data from PECO's meter, as directed by PECO. Customer must maintain either a dedicated non-digital telephone line or telephone equipment that converts the digital signal to analog. Customer shall provide telephone service for this purpose at least fifteen (15) working days prior to the commencement of service under this agreement.

(c) Service will not be provided prior to the date on which Customer installs the required telephone service. Customer is responsible to maintain the telephone service in working order at all times.

(d) PECO will read the meter on the last day of the month if a reading is not transmitted. If PECO determines that the phone line is not functioning, Customer will be notified that the phone line must be repaired within thirty (30) days.

(e) If more than thirty (30) days elapse and the telephone service is not restored to working order to PECO's satisfaction, then the following steps will be taken:

(1) If PECO has sufficient capacity in its gas supply system to supply Customer, then Customer's Account will be served as firm service on PECO's Rate GC-General Service—Commercial and Industrial, for a minimum of twelve (12) months.

(2) If PECO does not have sufficient capacity in its gas supply system to supply Customer, then PECO will disconnect Customer's facility from the PECO gas supply system for a minimum of twelve (12) months. During any such period of disconnection, Customer will use an alternate fuel to meet its heating and process needs.



RULES AND REGULATIONS - Continued

**15. TESTS**

15.1 METER TESTS. The Company, at its expense, will make periodic tests and inspections of its meters in order to maintain them at a high standard of accuracy.

15.2 REQUEST TESTS. The Company will make additional tests or inspections of its meters at the request of a Customer, or an NGS providing Competitive Natural Gas Supply to a Customer, but reserves the right to charge the Customer or NGS, as applicable, any Commission-approved charge as provided in the Commission's Gas Regulations.

15.3 ADJUSTMENT FOR ERROR. Should any meter become defective or fail to register correctly, the quantity of gas consumed shall be determined by a test of the meter, or by the registration of a meter set in its place during the period next following, or by averaging the amount of gas used for the nearest meter reading period preceding and the meter reading period immediately following the date when the meter was found not be to registering, taking into consideration the character of use by the Customer.

15.4 RESIDENTIAL METER ERRORS. Meter errors in residential service may be determined on the basis of the registration of the corresponding period during the preceding year, if records are available and conditions of use remain the same.

15.5 ADMINISTRATION TESTS. The Company, at its own expense, will make only such tests as it deems necessary for the proper administration of its rates, or as are required by law.

15.6 TESTING SERVICE. The Company will, upon request by the Customer, make tests to supply special information regarding the Customer's use of service, provided that the estimated cost of such special tests shall be paid by the Customer to the Company at the Company's discretion.

RULES AND REGULATIONS - Continued

**16. PAYMENT TERMS**

16.1 BILLING PERIOD. Billing for service will be based upon the amount of use and the time interval of its supply. Rate values stated for direct application to monthly periods will be adjusted when the time elapsed between readings is substantially greater or less than a month.

16.2 BILLING OPTIONS. A Low Volume Customer may select one of the following two billing options as communicated to PECO by the customers' supplier: (1) Consolidated NGDC Billing; or (2) Separate NGS Billing.

16.3 PAYMENT PERIOD. Bills are payable upon presentation, and payment may be made at any commercial office of the Company or at any authorized payment agency. Payment for service received must be made on or before the due date shown on the bill, which shall be not less than 20 days from the date of transmittal of the bill for Rate GR, GC and OL (excluding Summary Billing Accounts); not less than 15 days from the date of transmittal of the bill for all other rates, including Summary Billing Accounts, with the exception of accounts (including Summary Billing Accounts) with the United States of America or the Commonwealth of Pennsylvania or any of their departments or institutions for which 30 days will be allowed. If a normal due date should fall on a Saturday, Sunday, bank holiday, or any other day when the offices of the Company which regularly receive payments are not open to the general public, the due date shall be extended to the next business day. The payment period will not be extended because of the Customer's failure to receive a bill unless said failure is due to the fault of the Company.

16.4 FINANCE CHARGE. If payment may be made at a Company office or authorized payment agency after the due date shown on the bill, a finance charge will be added to the unpaid balance until the entire bill is paid. If payment is made by mail, the finance charge will be added if the payment is received by the Company more than 5 days after the due date shown on the bill. For Rates GR, GC and OL, this finance charge will be 1-1/2% per month; for all other rates the finance charge will be 2% per month.

**16.5 BUDGET BILLING**

(a) At the option of a Customer receiving service under Rates GR, GC, and OL, an estimated total bill for all service to be received by the Customer over a twelve-month period may be budgeted over the period and an average bill rendered monthly for payment each month. Any difference between the budgeted amounts so paid and the actual charges for a twelve-month budget period will at the customer's option, either be amortized over the next twelve months or incorporated into the twelfth month bill. Absent an indication of preference from the customer, the debit or credit will be amortized. Budget billing may be discontinued upon the customer's request at which time any difference between budget billing amounts and actual charges becomes due and payable. If a monthly budget bill is not paid, a late fee will be added to the unpaid balance of actual charges on the next billing date in accordance with Rule 16.4. Any such late fee will be calculated based on the lesser of budget billing arrears and arrears from actual charges.

(b) When the Company provides Consolidated NGDC Billing, the NGSs charges will be included in the Customer's Budget Billing Plan.

16.6 CALCULATION OF FINANCE CHARGE. Where a finance charge is applicable, the amount of the finance charge to be added to the unpaid balance shall be calculated by multiplying the unpaid past due balance, exclusive of any previous unpaid finance charges, by the appropriate finance charge rate. Finance charges shall be applied to all charges when the Company is providing Supplier of Last Resort service and to the Fixed Distribution Service Charges, Variable Distribution Service Charges and any applicable service charges when the Customer has selected an NGS. The Company will apply finance charges to NGS charges at the NGS's electronic request when the Company is performing billing services for the NGS.

16.7 APPLICATION OF PAYMENT. When the Company provides Consolidated NGDC Billing or SLR (Sales) Service and a Low Volume Customer remits a partial payment to the Company, the payment will be applied as follows:

1. Any past due balances including those for prior PECO basic service charges, for prior NGS receivables purchased by the Company, for prior installment amounts on payment agreements, and also for any reconnection charges.
2. Any current charges including those for PECO basic service charges, for current NGS receivables purchased by the Company, and for current installment amounts on payment agreements.
3. Non-basic service charges.

**PECO Energy Company**

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16.8 RETURNED CHECK CHARGE. If a check received in payment of a Customer's account is returned to the Company unpaid by the Customer's bank and cannot be redeposited by the Company for payment on the second attempt, a \$20.00 charge for the returned check will be added to the Customer's account.

16.9 BILLING ERRORS. When the Company provides Consolidated NGDC Billing, the Company shall not be responsible for billing errors resulting from incorrect information received from an NGS.

16.10 PAYMENT TERMS. The Company will negotiate payment arrangements with Sales Service Customers. The Company will also negotiate payment arrangements for customers served under Consolidated NDGC Billing which includes NGS charges. If the NGS is providing Separate NGS Billing ("dual billing"), the Company will not negotiate agreements on behalf of those NGS charges.

RULES AND REGULATIONS - Continued

**17. TERMINATION BY THE COMPANY**

17.1 NON-PAYMENT SHUT-OFF. On reasonable notice, the Customer is subject to collection action, including termination of service (in accordance with the Pennsylvania Public Utility Code or the Commission's regulations, ) on the portion of the past due amount attributable to the Company's charges for service and/or gas commodity. Upon termination of service, the Company may also remove its equipment. Notice that complies with applicable Commission regulations shall conclusively be considered "reasonable hereunder". Consistent with 52 PA Code §56.100, the Company will accept the following most current and valid documents as proof of household income: (1) income tax returns; (2) pay stubs; (3) benefit letters and governmental agency verification; (4) other forms to be accepted at the Company's discretion. The customer must provide this information within 10 days of the Company's request. This information may also be used by the company to determine deposit requirements, payment arrangements, and any other income specific program.

17.2 SHUT-OFF FOR CAUSE. The Company may terminate on reasonable notice if entry to its meter or meters is refused or if access thereto is obstructed or hazardous; or if utility service is taken without the knowledge or approval of the Company; or for other violation of these Rules and/or applicable Commission rules in accordance with the Pennsylvania Public Utility Code or the Commission's regulations.

17.3 SAFETY SHUT-OFF. The Company may terminate without notice if the Customer's installation has become hazardous or defective.

17.4 DEFECTIVE EQUIPMENT SHUT-OFF. The Company may terminate without notice if the Customer's equipment or use thereof might injuriously affect the equipment of the Company, or the Company's service to other Customers.

17.5 SHUT-OFF FOR FRAUD. The Company may terminate without notice for abuse, fraud, material misrepresentation of the customer's identity or tampering with the connections, meters, or other equipment of the Company.

17.6 RECONNECTION CHARGE. If service is terminated or discontinued by reason or act of the Customer, the same Customer, whether an applicant or a customer as defined at 66 Pa. C.S. § 1403, shall pay a reconnection charge, prior to restoration of service at the same address within twelve months after discontinuance or termination. The reconnection charges, listed below, are based on the Company's current standard schedule of reconnection fees, which include direct labor costs, contractor costs, and material/transportation costs. In the case of fraud, the reconnection charge will also include allocated overheads, all investigative costs and administrative costs as determined by the Company.

	<b>Reconnect Fees For Non-Payment</b>	<b>Reconnect Fees for Theft/Fraud</b>
Gas Reconnect at Meter	\$ 80.00	\$370.00
Gas Reconnect at Curb	\$ 70.00	\$370.00

**18. UNFULFILLED CONTRACTS**

18.1 NOTICE OF DISCONTINUANCE BY CUSTOMER. Notice to discontinue service prior to the expiration of a contract term will not relieve a Customer from any minimum, or guaranteed, payment under any contract or rate.

18.2 COMPLETION OF TERM. If, by reason of any act, neglect or default of a Customer, the Company's service is suspended, or the Company is prevented from supplying service in accordance with the terms of any contract it may have entered into with the Customer, the minimum charge for the unexpired portion of the contract term shall become due and payable immediately as liquidated damages in lieu of the anticipated returns from the said contract. These liquidated damages may, at the option of the Company, be offset by any estimated revenues from a succeeding Customer at the same location if such exists.

18.3 TEMPORARY SUSPENSION OF SERVICE. A residential or commercial Customer may elect to have service temporarily disconnected at the start of a period of suspension and then reconnected at the end of the period by paying a charge of \$115.00. During the period of suspension, the Customer will be relieved of the payment of minimum bills.

RULES AND REGULATIONS - Continued

**19. CANCELLATION BY CUSTOMER**

19.1 **TERMINATION NOTICE.** Customers who have fulfilled their initial contract term and wish to discontinue service must give at least 7 days' notice to that effect, unless otherwise provided for in a rate schedule or service agreement.

19.2 **FINAL BILL.** The Customer is liable for service taken after notice to terminate the contract until the meter is read and gas shut off. The final bill for service is then due and payable within 20 days from the date of transmittal of the bill for residential customers and 15 days for non-residential customers.

19.3 **EXIT FEES.** A Customer, other than a Low Volume Customer, taking firm sales service that transfers to an interruptible service or to firm Transportation Service without firm standby sales service will be required to continue payment of the firm gas supply demand costs allocable to Customer's firm sales service until the Company is able to reduce its contract demand level or otherwise utilize the contract demand allocable to Customer's firm sales service.

**20. GENERAL**

20.1 **OFFICE OF THE COMPANY.** Wherever, in this Tariff, it is provided that notice be given or sent to the Company, or the office of the Company, such notice, delivered or mailed, postage prepaid, to any commercial office, shall be deemed sufficient, unless the Main Office of the Company at 2301 Market Street, Philadelphia, is expressly mentioned.

20.2 **NO PREJUDICE 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 do so.

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

20.4 **BILLING CHANGES.** Where billing changes are made as the result of an investigation made at Customer's request or by routine inspection, the change of billing may be applied to the bill for the regular meter reading period preceding such investigation, and will in any event apply to the bill for the period during which the check is made.

20.5 **EXCEPTIONAL CASES.** Sales and/or Transportation service shall be subject to the provisions of this Tariff; but where special conditions or problems arise for which provision is not otherwise made, the Company may modify or adapt its terms to meet the peculiar requirements of such case, provided that such modified terms are a rational expansion of standard tariff provisions.

20.6 **ASSIGNMENT.** Subject to the Rules and Regulations, all contracts made by the Company shall be binding upon, and oblige and ensure to the benefit of, the successors and assigns, heirs, executors, and administrators of the parties thereto.

20.7 **OTHER CHARGES.** Except as where otherwise provided in this tariff the Company may where feasible, provide and charge for services requested by the Customer or his agent. The Company is not obligated to provide such services. The Company will, if possible, give the Customer an advance written estimate of the costs to provide the service.

## 21. GAS CHOICE PROGRAM ENROLLMENT AND SWITCHING

In accordance with all applicable final Commission Orders:

21.1 All LVT Customers will be eligible to obtain Competitive Natural Gas Supply starting with their first regularly scheduled meter reading after July 1, 2000.

21.2 The Company will send Gas Choice Release of Information packets to all new LVT Customers, which information will provide Customers the opportunity to authorize the release of their confidential account information. PECO annually notifies customers that they can change this authorization. Every three years, in accordance with PUC Docket No. M-2012-2324075, PECO will re-solicit its entire customer base for the purpose of opting out of disclosing information.

21.3 Customers may select a Supplier, as often as monthly, in accordance with Commission Orders and the procedures contained in this Tariff and in the Supplier Coordination Tariff.

21.4 If a Customer, or agent authorized to act on the Customer's behalf, contacts the Company via telephone to select a Supplier, the Company will advise the Customer or agent to contact the selected Supplier to submit the required electronic enrollment file.

21.5 For a Customer's enrollment to become effective on the Customer's next regularly scheduled meter read date, the Supplier must submit the required electronic file at least eleven (11) days prior to said meter read date.

21.6 If, in any month, a Customer selects more than one Supplier, the Supplier that submitted to the Company, before the end of the applicable Supplier selection period, the Supplier enrollment file with the latest valid Supplier contract will become the Customer's Supplier of record.

21.7 The Company will send a confirmation notice to all Customers who have made a Supplier selection by the next business day after receiving the Customer's enrollment file from the Supplier. This confirmation shall include notification of a five (5) day waiting period in which the Customer may cancel its selection of a Supplier. The waiting period shall begin on the date the Company confirmation is mailed to the Customer. If the five (5)-day waiting period expires, and the Customer has not contacted the Company to cancel the Supplier selection, the Supplier will become the Customer's Supplier of record.

21.8 If the Customer elects to cancel its Supplier selection, the Company will notify the rejected Supplier electronically via an approved EDI transaction. In the event the Customer cancels its Supplier selection after the five (5) day waiting period, the Customer will be required to remain with the selected Supplier for a minimum of one billing cycle.

21.9 If at least eleven (11) days prior to the Customer's next regularly scheduled meter read date, a Customer contacts the Company to request a switch from a Supplier to the Company's (SLR) Sales Service, the request will be effective as of that meter read date and the Company as the supplier of-last resort will become the Supplier of record for delivery.

21.10 In the event the Customer requests a switch less than eleven (11) days before the Customer's next regularly scheduled meter read date, the switch will be effective as of the next following meter read date.

21.11 If, other than at the end of a billing cycle, and because of an NGS's default, an NGS terminates sales to a Customer prior to the end of the Customer's contract with the NGS, for gas supply provided through the end of the relevant billing cycle, said Customer will pay the NGS's contract rate in accordance with information filed by the NGS with the Commission.

## 22. USAGE DATA

At the request of the Customer, or at the request the Customer's designated Supplier or authorized agent, the Company will supply twelve (12) individual months of historical usage data for no charge. Any additional historical information requested will be provided, if available, for a fee of ninety two dollars (\$92.00) per provision.

**23. AFFILIATED MARKETER STANDARDS OF CONDUCT**

PECO Energy and its affiliated natural gas supplier shall comply with the following requirements:

- (1) A natural gas distribution company shall apply its tariffs in a nondiscriminatory manner to its affiliated natural gas supplier and any nonaffiliated natural gas supplier.
- (2) A natural gas distribution company shall not apply a tariff provision in any manner that would give its affiliated natural gas supplier an unreasonable preference over other natural gas suppliers with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, or non-delivery, and all other services provided to its affiliated natural gas supplier.
- (3) Mandatory tariff provisions shall not be waived by a natural gas distribution company for any natural gas suppliers absent prior approval of the Commission.
- (4) If a tariff provision is not mandatory or provides for waivers, a natural gas distribution company shall grant the waivers without preference to its affiliated natural gas supplier or non-affiliated natural gas supplier.
- (5) A natural gas distribution company shall maintain a chronological log of tariff provisions for which it has granted waivers. Entries shall include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived and the reason for the waiver. The chronological log shall be open for public inspection during normal business hours.
- (6) A natural gas distribution company shall process requests for distribution services promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period. A natural gas distribution company shall maintain a chronological log showing the processing of requests for transportation services. The chronological log shall be open for public inspection during normal business hours.
- (7) If a natural gas distribution company provides a distribution service discount, fee waiver or rebate to its favored customers, or to the favored customers of its affiliated natural gas supplier, the natural gas distribution company shall offer the same distribution service discount, fee waiver or rebate to other similarly situated customers. Offers shall not be tied to any unrelated service, incentive or offer on behalf of either the natural gas distribution company or its affiliated natural gas supplier. A chronological log shall be maintained showing the date, party, time and rationale for the action. The chronological log shall be open for public inspection during normal business hours.
- (8) Subject to customer privacy or confidentiality constraints, a natural gas distribution company shall not disclose, directly or indirectly, any customer proprietary information to its affiliated natural gas supplier unless authorized by the customer. To the extent that a natural gas distribution company does disclose customer information without customer authorization, it shall contemporaneously provide this same information to other similarly situated natural gas suppliers in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliated natural gas supplier any advantage related to the disclosure. A chronological log shall be maintained showing the date, time and rationale for the disclosure. The chronological log shall be open for public inspection during normal business hours.
- (9) A natural gas distribution company shall justly and reasonably allocate to its affiliated natural gas supplier the costs or expenses for general administration or support services provided to its affiliated natural gas supplier.
- (10) Natural gas distribution companies shall not condition or tie the provision of any product, service or price agreement by the natural gas distribution company (including release of interstate pipeline capacity) to the provision of any product or service by its affiliated natural gas supplier.
- (11) A natural gas distribution company shall not give its affiliated natural gas supplier preference over a non-affiliated natural gas supplier in the provision of goods and services including processing requests for information, complaints and responses to service interruptions. Natural gas distribution companies shall provide comparable treatment in its provision of such goods and services without regard to a customer's chosen natural gas supplier.

- (12) A natural gas distribution company and its affiliated natural gas supplier shall maintain separate books and records. Further, transactions between the natural gas distribution company and its affiliated natural gas supplier shall not involve cross-subsidies. Any shared facilities shall be fully and transparently allocated between the natural gas distribution company function and the affiliated natural gas supplier function. The natural gas distribution company accounts and records shall be maintained such that the costs incurred on behalf of an affiliated natural gas supplier may be clearly identified.
- (13) Natural gas distribution company employees who have responsibility for operating the distribution system, including natural gas delivery or billing and metering, shall not be shared with an affiliated natural gas supplier, and their offices shall be physically separated from the office(s) used by those working for the affiliated natural gas supplier. Such natural gas distribution company employees may transfer to an affiliated natural gas supplier provided such transfer is not used as a means to circumvent these interim standards of conduct.
- (14) Neither the natural gas distribution company nor its affiliated natural gas supplier shall directly or by implication, falsely and unfairly represent to any customer, natural gas supplier or third party that an advantage may accrue to any party through use of the natural gas distribution company's affiliates or subsidiary, such as:
- That the Commission regulated services provided by the natural gas distribution company are of a superior quality when services is purchased from its affiliated natural gas supplier; or
  - That the merchant services (for natural gas) are being provided by the natural gas distribution company when they are in fact being provided by an affiliated natural gas supplier;
  - That the natural gas purchased from a non-affiliated natural gas supplier may not be reliably delivered;
  - That natural gas must be purchased from an affiliated natural gas supplier to receive Commission regulated services.
- (15) When affiliated natural gas supplier market or communicate to the public using the natural gas distribution company name or logo, it shall include a legible disclaimer that states:
- That the affiliated natural gas supplier is not the same company as the natural gas distribution company;
  - That the prices of the affiliated natural gas supplier are not regulated by the Pa PUC; and
  - That a customer does not have to buy natural gas or other products from the affiliated natural gas supplier in order to receive the same quality service from the natural gas distribution company.
- When an affiliated natural gas supplier advertises or communicates verbally through radio or television to the public using the natural gas distribution company name or logo, the affiliated natural gas supplier shall include at the conclusion of any such communication a legible disclaimer that includes all of the disclaimers listed in this paragraph.
- (16) Except in competitive bid situations a natural gas distribution company shall not (a) jointly market or jointly package its Commission regulated services with the services of an affiliated natural gas supplier or (b) offer or provide to its affiliated natural gas supplier products or services, including bill inserts in its natural gas distribution company bills promoting an affiliated natural gas supplier's services or a link from the natural gas distribution company's web-site, unless the natural gas distribution company offers or provides the products or service to all non-affiliated natural gas supplier on the same terms and conditions.
- (17) A natural gas distribution company shall not offer or sell natural gas commodity or capacity to its affiliated natural gas supplier without simultaneously posting the offering electronically on a source generally available to the market or otherwise



- making a sufficient offer to the market. The natural gas distribution company shall maintain a chronological log of these public disseminations. The chronological log shall be open for public inspection during normal business hours.
- (18) Natural gas distribution companies shall establish and file with the Commission a complaint procedure for dealing with any alleged violations of any of the standards of conduct, with the exception of paragraph (9), which are exclusively under the purview of the Commission. These procedures shall be developed in consultation with interested parties during consideration of any tariff guided by this section and §69.191 (relating to general). The Commission may grant an exception to these requirements if warranted by the facts or circumstances.
- (19) A natural gas distribution company shall keep a chronological log of any complaints, excepting paragraph (9), regarding discriminatory treatment of natural gas suppliers. This chronological log shall include the date and nature of the complaint and the resolution of the complaint. The chronological log shall be open for inspection during normal business hours.
- (20) Dispute Resolution Procedures: In addition to the procedure set forth in paragraph 18:
- Any dispute between a natural gas supplier, and/or an affiliated natural gas supplier, and a non-affiliated natural gas supplier alleging a violation of any of these Standards of Conduct provisions, the natural gas supplier must provide the natural gas distribution company and/or affiliated natural gas supplier, as applicable, a written Notice of Dispute that includes the names of the Parties and Customer(s), if any, involved and a brief description of the matters in dispute.
  - Within five (5) days of a natural gas distribution company's and/or affiliated natural gas supplier's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.
  - In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. A party may request mediation prior to that time if it appears that informal resolution is not productive.
  - If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.
  - Any Party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.
  - Parties alleging violations of these standards may pursue their allegations through the Commission's established complaint procedures. A complainant bears the burden of proof consistent with 66 Pa. C.S. §332 (relating to Public Utility Code) in regard to the allegations and may impose penalties for such violations pursuant to 66 Pa.C.S. § 3301.
- (21) A natural gas distribution company shall file a compliance filing within sixty (60) days of the entry of an order approving or modifying a restructuring plan, which sets forth a detailed plan for compliance with this Standard of Conduct as well as the Commission separation and cost allocation requirements already ordered.
- (22) Every natural gas distribution company and its affiliated natural gas supplier shall formally adopt and implement these provisions as company policy and shall take appropriate steps to train and instruct its employees in their content and application.

RULES AND REGULATIONS – Continued**24 REQUESTS FOR ENERGY EFFICIENCY INFORMATION**

Upon request of a Customer for energy efficiency information, the Company will provide a copy of its then current residential or commercial energy efficiency guide, as applicable.

**25. CREDITWORTHINESS OF A NATURAL GAS SUPPLIER (NGS) SERVING HIGH VOLUME TRANSPORTATION CUSTOMERS**

- (a) Unless a mutual agreement is reached between the Company and a NGS, or other applicable entity as specified in 52 Pa. Code § 62.101 the amount and form of security shall be based on the criteria established in 52 Pa. Code §62.111. In accordance with §62.111, a NGS seeking to deliver natural gas supplies to the Company for the account of one or more of the Company's non-exempt HVT Customers must satisfy at least one of the following financial criteria:
- (1) The NGS has a minimum credit rating of 3A2 from Dun & Bradstreet, a minimum bond rating of Baa2 from Moody's, or a rating of BBB from Standard & Poor's, Fitch ICBA or Duff & Phelps; or
  - (2) The NGS has furnished the Company with an irrevocable and binding form of security (e.g., surety bond, letter of credit, security interest in collateral acceptable to the Company, a corporate guaranty, or a written affirmation of financial support by a parent or affiliated company) issued by an obligor that has a minimum credit rating of 3A2 from Dun & Bradstreet, a minimum bond rating of Baa2 from Moody's, a minimum bond rating of BBB from Standard & Poor's, Fitch ICBA or Duff & Phelps, or, for an insurance company, an A.M. Best credit rating of no less than A-and in which the obligor designates the Company as the sole beneficiary and which otherwise is in a form and amount acceptable to the Company; or
  - (3) The NGS provides the Company with a cash deposit and/or a cash escrow arrangement in an amount and form acceptable to the Company, and agrees, in a writing furnished to the Company, to be responsible, as between the Company and the Supplier, for the payment of all deficient and excess delivery charges assessed in accordance with the Company's Gas Transportation Service – General Terms and Conditions that are caused by the NGS' excess or deficient deliveries. Such responsibility on the part of the NGS would not relieve the HVT Customer of its responsibility for the payment of the same charges in accordance with the Gas Transportation General Terms and Conditions. If the NGS is determined to have been responsible for the excess/deficient delivery and if the NGS pays the related charges to the Company, then the HVT customer would be relieved of such responsibility.

For the purposes of this subsection (a), the "amount acceptable to the Company" shall be a dollar amount (\$US) equal to the monetary value obtained by multiplying 45 days of average daily winter usage for each HVT Customer supplied by the NGS times the then effective Commodity Charge.

- (4) The NGS has furnished the Company with an acceptable amount of Security in the form of an escrow account or nets any gas supply sales that the NGS has made to the Company and for which the Company owes payment to the NGS against the amount of Security required. The amount of Security contained in either situation must be in an amount equal to the monetary value obtained by multiplying 45 days of average daily winter usage for each HVT Customer supplied by the NGS times the then effective Commodity Charge.

RULES AND REGULATIONS – Continued

- (b) The Company shall have the right to assess each NGS' creditworthiness on an annual basis. As such, the Supplier is required to furnish annual audited financial statements to the Company. In the event the Company does not receive any annual audited financial statements, unaudited financial statements may be acceptable. The Company also may perform more than one financial analysis for any Supplier during the course of the year when the Company reviews financial information of a Supplier and determines, in the Company's judgment that the Supplier's creditworthiness has materially changed.
- (c) Unless a mutual agreement is reached, the amount of Security required may be modified based on one or more of the following criteria:
1. The NGS's past operating history on all other NGDC systems, including the duration that the NGS operated on each system, the number of customers served on each system and any supply reliability problems that occurred on each system.
  2. An NGS's credit reports.
  3. The number and class of customers being served.
  4. Information that materially affects a NGS's creditworthiness such as:
    - a) a change in the NGS's recent operating history on the Company's system or on other NGDC systems that has materially affected NGDC system operation or reliability. Such a change may occur when a Supplier fails to deliver natural gas supply to meet its customers' needs or fails to comply with NGDC operational flow orders as defined at 52 Pa. Code § 69.11;
    - b) a change in the NGS's credit reports that materially affects its creditworthiness. Creditworthiness could be materially affected when 2 of the following credit rating companies change the Supplier's credit rating:
      1. Dun & Bradstreet
      2. Standard & Poor's Rating Services Inc.
      3. Transunion LLC
      4. Equifax Inc.
      5. Experian Information Solutions, Inc.;
    - c) a significant change, defined as a 25% change over a 30-day period, in the number and class of customers served, the volume of gas delivered or the average unit price of natural gas;
    - d) a change in operational or financial circumstances that materially affects a NGS's creditworthiness. This can occur when 2 of the following investment rating companies change the NGS's rating of its issued securities from an investment grade or good rating to a speculative or moderate credit risk rating and vice versa:
      1. Standard & Poor's Rating Services Inc.
      2. Moody's Investment Service, Inc.
      3. Fitch, Inc.
      4. A.M. Best Company, Inc.
      5. DBRS, Inc.;
    - e) a change in the NGS's demonstrated capability to provide the necessary volume of natural gas to meet its customers' needs that materially affects the Company's system operation or reliability. Such a change may occur when the NGS fails to deliver natural gas supply sufficient to meet its customers' needs on 5 separate occasions within a 30-day period or fails to comply with the Company's operational flow orders.

RULES AND REGULATIONS – Continued

5. The NGS's demonstrated capability to provide the volume of natural gas necessary to meet its customers' needs.

- (d) After it is reasonably determined by the Company that an adjustment to the amount of Security provided by the Supplier is required, the Company will adjust the Security amount in accordance with subsection (a)(3).
- (e) The NGS shall have the affirmative obligation to inform the Company in writing of any material change in its financial condition in a timely manner.
- (f) Notwithstanding anything to the contrary stated in this Rule 25, an NGS shall not be creditworthy if, for any reason, it owes a past due amount to the Company that is not subject to a good faith billing dispute and the payment has not been received by the Company within two business days after the Company has provided a past due notice, or if so determined by order of the Pennsylvania Public Utility Commission.
- (g) When the Company determines that a Security adjustment is required, it will provide written notice to the NGS. The NGS shall comply with the Company's determination within 5 business days after the NGS is served with such notice. If the NGS disagrees with the Company's determination, it shall file a dispute in accordance with subsection (h). However, the NGS is still required to post the full amount of adjusted Security requested by the Company within 5 business days after the NGS is served with the Company's notice.  
An NGS also may request, in writing, that the Company adjust its Security amount according to the criteria set forth in subsection (c). The Company will provide a written response to the NGS within 5 business days after receipt of the written request from the NGS. In the event that the Company agrees with the NGS's request, the NGS shall post the Security adjustment within 5 business days after the NGS is served with the Company's determination. In the event that the NGS disagrees with the Company's determination, it may file a dispute in accordance with subsection (h). However, if the Company requires an adjustment of Security, the NGS is still required to post the full amount of adjusted Security within 5 business days after the NGS is served with the Company's notice.
- (h) An applicant, licensee or NGS shall notify the Company in writing of any dispute(s) it may have regarding the form and amount of Security or the adjustment of Security requested by the Company. If a resolution cannot be reached within 30 days after the Company receives the written notice, the applicant, licensee or NGS may do any of the following:
1. Request that the Secretary of the PUC initiate an informal mediation and resolution process. If the NGS is dissatisfied with the PUC's decision at the informal level, it may petition to appeal the decision or file a Formal Complaint.
  2. File a Formal Complaint at the Commission.
  3. File a Petition challenging the criteria used by the Company to determine the form and amount of Security requested or the Security adjustment amount.

If a NGS initiates a dispute or files a complaint related to an adjustment in Security by the Company, the following requirements exist during the pendency of the dispute:

1. The NGS is required to provide and maintain the full adjusted Security amount to the Company until the dispute is resolved.
2. The NGS must continue to operate in accordance with the Company's system operations and business rules and practices.
3. The NGS must continue to deliver natural gas volumes necessary to fulfill customer needs and provide customer support services.
4. The Company shall allow the NGS to continue to operate on the Company's system.

RULES AND REGULATIONS – Continued

**26. GAS QUALITY STANDARDS: Quality of Gas Delivered to the Company**

**A. Terms Defined. The following definitions shall apply throughout the Gas Quality Standards sections of this Tariff.**

**Biogas** is a mixture of naturally produced gases resulting from the decomposition of organic matter under anaerobic conditions (in an oxygen-free environment). The principal constituents are methane and carbon dioxide.

**Interconnect or interconnection** is the physical connection between the Company's natural gas system and the physical equipment of another natural gas system associated with the interconnection point, which may include the interconnection metering, pressure control, filtration and odorization equipment.

**Renewable Natural Gas (RNG)** is a term used to describe Biogas that has been upgraded for use in place of fossil natural gas. The Biogas used to produce RNG may come from a variety of sources, including municipal solid waste landfills, digesters at water resource recovery facilities (wastewater treatment plants), livestock farms, food production facilities, and organic waste management operations.

**RNG Counterparty** is any individual, entity, Customer, or otherwise-described party that executes a Renewable Natural Gas agreement with the Company for purposes of injecting, transporting, using, or otherwise introducing or causing RNG to be introduced into the Company's natural gas system. This definition includes RNG producers and/or production facilities.

**B. Quality of Gas at Point(s) of Receipt with an Interstate Pipeline.**

Natural gas delivered by or caused to be delivered on behalf of Customer to the Company at point(s) of receipt with an interstate pipeline shall conform to the quality specifications of the pipeline(s) used to transport natural gas.

**C. For Quality of Gas at Point(s) of Receipt for Renewable Natural Gas.**

Gas Quality Standards are specifications meant to ensure that the RNG entering the Company's natural gas system will be interchangeable with the natural gas that the Company currently distributes and will not damage the Company's or the Company's customers' equipment. RNG being injected into the Company's natural gas system shall conform to the following quality specifications at the time of receipt at the interconnection point. With advance notice from RNG Counterparty in writing, the Company may allow deviations from these standards on a case-by-case basis at its sole discretion. With notice to RNG Counterparty in writing, the Company may require adherence to additional specifications, for good cause as determined by the Company on a case-by-case basis at its sole discretion.

**C.1 General Specifications:**

(a) The Company's interconnection equipment will have automatic and remote shut-off capabilities to ensure the following constituents and standards can be adequately monitored at the point of interconnection and the safety and reliability of the Company's natural gas system protected. The Company may temporarily discontinue the receipt of RNG without notice if it does not conform to the following specifications.

The following constituents and values will be monitored by the Company via chromatograph or other such measurement device as the Company may employ and will be monitored on a regular basis as the Company may determine from time to time (i.e. hourly):

(i) **Heating Value:** The following minimum and maximum heating values apply, both measured on a dry basis at a temperature of sixty degrees Fahrenheit (60° F) and a pressure of 14.73 pounds per square inch absolute (PSIA)—the minimum heating value is 970 Btu (gross) per standard cubic foot (SCF) and the maximum heating value is 1070 Btu (gross) per SCF.

(ii) **Delivery Temperature:** The RNG delivery temperature is not to be below fifty degrees Fahrenheit (50° F) or above one hundred and twenty degrees Fahrenheit (120° F).

(iii) **Methane:** The gas shall contain a minimum of 95% Methane.

(iv) **Propane:** The gas shall contain a maximum of 20% Propane.

(v) **Hydrogen Sulfide:** The gas shall contain no more than 0.5 grains per 100 SCF.

(vi) **Total Sulfur:** The gas shall contain no more than 5 grains per 100 SCF total sulfur. This includes Carbonyl Sulfide (COS) and Carbon Disulfide (CS<sub>2</sub>), hydrogen sulfide, mercaptans, and mono, di- and poly-sulfides.

(vii) **Carbon Dioxide and Nitrogen:** The gas shall contain no more than 2% by volume of carbon dioxide (CO<sub>2</sub>), not more than 3% by volume of nitrogen (N<sub>2</sub>), and shall contain no more than 5% by volume of combined nonhydrocarbon gases including, but not limited to, CO<sub>2</sub>, N<sub>2</sub>, and O<sub>2</sub>.

(viii) **Hydrogen:** The gas shall contain no more than 0.1% by volume of hydrogen.

(ix) **Oxygen:** The gas shall not contain in excess of 0.3% by volume of oxygen, and the parties agree to exercise every reasonable effort to keep the gas completely free of oxygen.

RULES AND REGULATIONS – Continued

(x) **Hydrocarbons:** The RNG hydrocarbon dew point is not to exceed forty-five degrees Fahrenheit (45° F) at the delivery pressure.

(xi) **Water Vapor:** The gas shall not contain in excess seven (7) pounds (lbs.) of water vapor/1mcf.

**C.2 RNG Constituents:**

(a) RNG Counterparty shall complete laboratory testing, as described in Section C.3, for the trace constituents listed in the following table. If testing results do not meet the standards listed in the table below, the Company may temporarily interrupt RNG service as outlined in Section C.4.

Parameter	Symbol	Level (max unless noted otherwise)	Units
Siloxanes	Si	5	Mg Si/m <sup>3</sup>
Hydrogen	H <sub>2</sub>	0.1	% vol
Ammonia	NH <sub>3</sub>	0.00%	Mol%
Mercury	Hg	0.08	mg/m <sup>3</sup>
Arsenic	As	0.19	mg/m <sup>3</sup>
Copper	Cu	0.6	mg/m <sup>3</sup>
Oxygen	O <sub>2</sub>	0.3	% vol
Propane	C <sub>3</sub> H <sub>8</sub>	20	% vol
Nitrogen	N <sub>2</sub>	3	% vol
Methane	CH <sub>4</sub>	95	% vol
Hydrogen Sulfide	H <sub>2</sub> S	0.5	Grains per 100 SCF
Carbon Dioxide	CO <sub>2</sub>	2	% vol
Carbon Monoxide	CO	0.1	% vol
Volatile Organic Compounds	VOCs	5	PPM
Moisture or Water Content	H <sub>2</sub> O	7	Pounds per million cu ft
Total Sulfur	S	5	Grains per 100 SCF

(b) Additional Quality Requirements:

(i) **Wobbe Index:** The RNG shall have a minimum Wobbe Number of 1255 Btu/ft<sup>3</sup> and shall not have a maximum Wobbe Number greater than 1375 Btu/ft<sup>3</sup>.

(ii) **Dust, Gums, etc.:** The gas shall be free of objectionable odors, dust, gum, dirt, impurities and other solid or liquid or hazardous matter which might interfere with proper operation of the facilities, lines, regulators, meters or other appliances through which it flows. Filters shall be installed on the RNG Counterparty's equipment (i.e., the supply side) to catch any debris.

RULES AND REGULATIONS – Continued

(iii) **Bacteria:** The gas and any associated liquids shall not contain any active bacteria or bacterial agent capable of contributing to or causing operational problems.

**C.3 Testing Requirements:**

(a) To ensure adherence to the Gas Quality Standards, testing required under this section will be performed by RNG Counterparty using independent, certified third-party laboratories. The Company shall be notified at least five (5) calendar days in advance of the RNG sampling and tests and have the option to observe the samples being taken. Test results will be shared with the Company within five (5) calendar days of the test results being received by RNG Counterparty. Unless otherwise noted herein, the costs associated with the required testing shall be paid by RNG Counterparty.

In its discretion, the Company may, at its own cost and expense, collect samples for testing at the utility meter at the point of interconnection. Retesting shall be allowed to verify and validate the results of any test. The cost of retesting shall be paid by the entity requesting the retest.

(b) **RNG Pre-Interconnection Testing:** Prior to the injection of RNG into the Company's natural gas system, RNG Counterparty shall conduct two (2) tests over a two (2)-to four (4)-week period for the Gas Quality Standards. If during pre-injection testing, the RNG is found to be non-compliant with the Gas Quality Standards, RNG Counterparty shall make necessary modifications to reduce constituent levels and restart pre-interconnection testing. Connection to the Company's natural gas system is subject to successfully passing these two (2) tests.

(i) **RNG Periodic Testing:** The Company will require RNG Counterparty to conduct periodic testing for the Gas Quality Standards on a quarterly basis (at least once in every three-month period).

**C.4 Temporary Discontinuance of Gas Receipt:**

(a) **Temporary Discontinuance:** The Company reserves the right to temporarily discontinue the receipt of gas on an immediate basis whenever the RNG is non-compliant with any of the specifications as detailed in the Gas Quality Standards and, as applicable, an RNG agreement, whenever there is an imminent safety risk (including any risk stemming from either Company or RNG Counterparty-owned facilities or equipment), or whenever Company reasonably determines it is necessary to maintain system integrity.

(i) The Company may temporarily disconnect RNG equipment from the Company's natural gas system in the event of an emergency condition as determined by the Company, for scheduled maintenance, construction or repair, or if it is reasonably determined to be necessary in order to maintain the safety and reliability of its system.

(ii) The Company shall notify RNG Counterparty promptly when it becomes aware of an emergency condition or any other condition that that may reasonably be expected to affect RNG Counterparty's operation of its RNG production facility. RNG Counterparty shall notify the Company promptly when it becomes aware of an emergency condition or any other condition that may reasonably be expected to affect the Company's natural gas system. To the extent information is known, the notification shall describe the emergency condition, the extent of the damage or deficiency, the expected effect on the operation of both parties' facilities and operations, its anticipated duration, and the necessary corrective action.

(iii) In the event the Company temporarily discontinues the receipt of RNG for any reason, RNG Counterparty is responsible for ceasing production or diverting RNG from the point of interconnection, as applicable.

(iv) The Company and the RNG Counterparty shall provide five (5) business days' notice prior to temporarily interrupting service for scheduled maintenance, construction, or repair. The Company shall use reasonable efforts to coordinate such temporary disconnection with RNG Counterparty.

(v) The Company and RNG Counterparty shall cooperate with each other to restore any production facility, interconnection facilities, and the Company's natural gas system to their normal operating state as soon as reasonably practicable following any disconnection pursuant to this section, as long as the safety and reliability of the Company's natural gas system is ensured, including ensuring that all Gas Quality Standards are met. During a temporary discontinuance of service, RNG Counterparty shall still be charged the Customer Charge.

(vi) The Company shall not be liable, under any circumstances or in any respect, to RNG Counterparties or any other person or entity for damages arising either directly or indirectly from temporary discontinuance of service.

**(b) Restart Procedures:**

(i) To restart RNG injection following a temporary discontinuance, RNG Counterparty will complete a minimum of one (1) test of the RNG in accordance with the testing requirements specified above. Injection may then resume if the test indicates the RNG complies with the Gas Quality Standards. This test must be reviewed and approved by both the Company and RNG Counterparty.

(ii) To restart RNG injection following a shut-off resulting from above concerns, RNG Counterparty shall notify the Company and may begin injections only once the Company has given approval.

(iii) When the Company's crews are required on-site to restart the RNG injection, including but not limited to on-site testing, the Company has the right to require the associated RNG Counterparty to bear all costs required for such activities, including but not limited to materials, transportation, labor, and overhead.

(iv) The Company and RNG Counterparty may agree to modify the restart procedures identified in this Section on a case-by-case basis, upon written agreement between each party.









































































































