

General Terms and Conditions of Transportation Service

Definitions

Core Demand -- the total supply needs of East Ohio's Percentage Income Payment Plan and Standard Service Offer Customers.

Customer -- any individual, governmental, or corporate entity taking transportation service hereunder.

Customer's Billing Cycle -- for Delivery Points equipped with electronic gas measurement equipment, the calendar month used for billing purposes; for Delivery Points not equipped with electronic gas measurement equipment, the period that occurs between actual or estimated meter readings used by East Ohio for billing purposes.

Daily Available Volume -- the quantity of gas available to be redelivered by East Ohio to the Customer on any given day. This quantity is equal to the volume of gas delivered to East Ohio for the Customer's account on that day, less any appropriate unaccounted-for gas percentage, plus any adjustments associated with Positive Imbalance Volumes, which will be available during non-OFO periods.

Day -- a 24-hour period beginning at 10:00 a.m. Eastern Time or other such time as specified by East Ohio.

Delivery Point -- the billing determinant for the application of Customer charges represented by the meter location at which gas is redelivered to the Customer.

Delivery Volume -- the volume of gas delivered by East Ohio to the Customer based on actual or estimated usage.

EBB -- East Ohio's Electronic Bulletin Board.

FERC -- the Federal Energy Regulatory Commission.

Human Needs Customer -- any Customer who uses natural gas for heating a residence, or a governmental agency or other entity which provides emergency or life support services. Human Needs Customers include hospitals, nursing homes, and residential correctional institutions, and exclude hotels, motels and non-residential educational facilities.

Mcf -- one thousand (1,000) cubic feet of gas in its natural state having a gross heating value of not less than 1,000 British thermal units per cubic foot at 14.73 PSIA, 60 degrees Fahrenheit and saturated with water vapor.

MMBtu -- one million (1,000,000) British thermal units.

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Monthly Tolerance Level -- the imbalance tolerance level, expressed as a percentage of the sum of all daily volumes delivered to the Customer during the Customer's Billing Cycle, that establishes the degree to which the Customer's Positive Imbalance Volumes will be subject to reconciliation on a volumetric basis.

Negative Imbalance Volume -- the amount by which the sum of all daily volumes delivered to the Customer during the Customer's Billing Cycle exceeds the sum of the daily volumes available for redelivery by East Ohio to the Customer during the same period.

Positive Imbalance Volume -- the amount by which the sum of all daily volumes available for redelivery by East Ohio to a Customer during the Customer's Billing Cycle exceeds the sum of all daily volumes delivered to the Customer during the same period.

Production Receipt Point(s) -- the meter(s) at which Ohio produced gas is delivered into East Ohio's system for the Customer's account.

Production Volume -- the volume of gas delivered by the Customer into East Ohio's system on any Day at the Production Receipt Points.

PSIA -- pounds per square inch, absolute.

PUCO -- The Public Utilities Commission of Ohio.

Summer Period -- the seven month period beginning April 1 and continuing through October 31.

Supplier -- any entity that has in effect a pooling service agreement with East Ohio or arranges for the production and/or delivery of Production Volumes to East Ohio.

Transportation Receipt Point(s) -- the interconnection(s) at which gas is delivered into East Ohio's system from an Upstream Pipeline for the Customer's account.

Transportation Volume -- the volume of gas delivered for the Customer's account on any Day into East Ohio's system at the Transportation Receipt Point(s).

Upstream Pipeline -- any interstate pipeline, intrastate pipeline, or local distribution company other than East Ohio through which gas is delivered directly to East Ohio for the Customer's account.

Variable Cost of Service -- the portion of the cost of service that fluctuates according to the volume of service provided, including gas costs and associated riders as applicable, lost and unaccounted-for gas, and excise taxes.

Winter Period -- the five month period beginning November 1 and continuing through March 31.

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1. Sources of Supply

- 1.1 Customers may receive gas supplies delivered to East Ohio from Upstream Pipelines and/or Production Receipts Points.

2. Authorized Daily Volume

- 2.1 Customer's Authorized Daily Volume on any Day consists of the sum of Customer's Daily Available Volume plus any additional volumes that East Ohio authorizes Customer to use on that Day. Delivery of Customer's Authorized Daily Volume is firm, except as provided in this Section 2.1. Such deliveries, however, shall be subject to interruption or curtailment based on the failure of an Upstream Pipeline to deliver Transportation Volumes, the failure of the Customer or its Supplier to deliver Production Volumes, Force Majeure conditions, or an order of the PUCO or other governmental body. The Customer and East Ohio shall use their best efforts to minimize such interruption or curtailment within the limitations of applicable law, regulations, and orders of any governmental authority. Customer, or a Supplier on Customer's behalf, must submit a valid nomination of supply that reasonably reflects Customer's anticipated usage. Consumption at Customer's facility in excess of the Authorized Daily Volume is interruptible service, and upon notice to Customer, East Ohio may interrupt service or require Customer to reduce consumption to Customer's Authorized Daily Volume whenever East Ohio deems it necessary to do so. East Ohio may, at its option, require such reductions in consumption by DTS Customers prior to imposing similar reductions on TSS or GTS Customers.
- 2.2 In the event Delivery Volumes are in excess of the Authorized Daily Volume on any day on which East Ohio requires Customer to limit gas consumption to that Authorized Daily Volume, Customer shall be liable for all gas costs, transportation costs, penalties, and fines incurred by East Ohio as a result of Customer's deliveries in excess of its Authorized Daily Volume.

3. Electronic Bulletin Board

- 3.1 All Customers and/or their authorized agents will have access to East Ohio's EBB. The EBB will provide, at a minimum, for the electronic nomination and confirmation of Customer's Production Volumes and Transportation Volumes, information concerning Customer's Delivery Volumes and imbalances and other information and critical postings.

4. Volume Banking Service

- 4.1 Under the Volume Banking Service, East Ohio will reconcile in subsequent Customer Billing Cycles, on a volumetric basis, any Positive Imbalance Volumes previously incurred.

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4.2 Customers must subscribe to the Volume Banking Service set forth in Rate Schedules TSS, GTS, and DTS to be eligible for the provisions of Volume Banking Service. The service is optional for all DTS transportation Customers; a minimum Monthly Tolerance Level is specified in Rate Schedules TSS, and GTS. Customers must execute new or amended contracts reflecting their desired Monthly Tolerance Level. If Customer does not elect a specific percentage for a Monthly Tolerance Level, East Ohio will utilize ten percent (10%) for TSS, and GTS Customers and zero percent (0%) for DTS Customers.

5. Positive Imbalance Volumes

5.1 Unless Customer and East Ohio otherwise agree, East Ohio will purchase Customer's Positive Imbalance Volumes, in excess of Customer's Monthly Tolerance Level, at a rate determined by adding the current month's Positive Imbalance Volume reference gas cost, the minimum of the daily midpoints of common price spreads for gas entering Dominion South Point during the month as published in *Platt's Gas Daily* (The McGraw-Hill Companies, Inc.), or an appropriate successor index should it cease to be published, times eighty percent (80%), plus the variable transportation charges paid to bring the gas to East Ohio's system, adjusted for shrinkage.

5.2 Positive Imbalance Volumes within Customer's Monthly Tolerance Level shall be available for delivery to the Customer during non-OFO periods in the Customer Billing Cycle following the determination of the Positive Imbalance Volume (the "Adjustment Month"), by increasing the Customer's Daily Available Volume on each Day in the Adjustment Month by an amount equal to the Positive Imbalance Volume divided by the number of days in the Adjustment Month.

6. Negative Imbalance Volumes

6.1 East Ohio will sell gas to Customer to eliminate Negative Imbalance Volumes at a rate determined by adding the current month's Negative Imbalance Volume reference gas cost, the maximum of the daily midpoints of common price spreads for gas entering Dominion South Point during the month as published in *Platt's Gas Daily* (The McGraw-Hill Companies, Inc.), or an appropriate successor index should it cease to be published, times one hundred and twenty percent (120%), plus the 100% load factor firm transportation charges to transport gas on Dominion Transmission, Inc. ("DTI") to East Ohio's interconnections with DTI, plus excise tax, adjusted for shrinkage. Charges for Negative Imbalance Volumes attributable to the Customer's failure to comply with operational flow orders or operational matching orders will be based on the provisions of Section 13. If the Customer's Negative Imbalance Volumes exceed 25% of all daily volumes delivered to the Customer during the Customer's Billing Cycle over two or more consecutive months, East Ohio may at its sole discretion in accordance with reasonable and standard industry practice, terminate the contract for transportation service upon thirty (30) days written notice to the Customer and commence rendering

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sales service pursuant to the applicable rate schedule upon termination of the contract for transportation service.

7. Transportation Receipt Points

- 7.1 All Transportation Volumes will be measured at Transportation Receipt Points in accordance with the terms of East Ohio's agreement with the Upstream Pipeline and shall be conclusive for purposes of these tariffs.
- 7.2 When Transportation Volumes are received by East Ohio on an MMBtu basis, East Ohio will make a heat content adjustment in order to convert Customer's Transportation Volumes to an Mcf basis. For each calendar year, East Ohio will calculate the weighted average heat content of all gas delivered to East Ohio by Upstream Pipelines during this period. This Heat Content Adjustment Factor, expressed as MMBtu per Mcf, will be used to adjust all Transportation Volumes received during the following twelve (12) month period commencing on April 1, unless East Ohio and Customer agree in writing to an alternative Heat Content Adjustment Factor. If such a review indicates that area or point-specific Heat Content Adjustment Factors are required, East Ohio may implement them after review by the PUCO staff.
- 7.3 Transportation Volumes received by East Ohio at Transportation Receipt Points shall conform to Upstream Pipeline's gas quality standards, unless such standards have not been filed with, and approved by, either the FERC or the PUCO, in which case Transportation Volumes must conform to the gas quality standards of East Ohio in effect at the time.
- 7.4 East Ohio shall use its best efforts to receive Transportation Volumes for Customer's account, unless Customer has made an election pursuant to Section 9 of these General Terms and Conditions.

8. Nomination of Transportation Volumes

- 8.1 All Transportation Volumes received for Customer's account at Transportation Receipt Points shall be nominated to East Ohio in advance according to the procedures outlined in this Section and in East Ohio's EBB.
- 8.2 Nominations must conform, in content and format, with East Ohio's specifications for Transportation Volume nominations, which shall include, at a minimum: Customer's East Ohio contract number; Upstream Pipeline; Upstream Pipeline contract number; and requested daily Transportation Volume.
- 8.3 East Ohio will either confirm, in total or in part, or reject Customer's Transportation Volume nomination based upon East Ohio's operating conditions, the limits and requirements of East Ohio's system and facilities, previously confirmed nominations and timely confirmation by Upstream Pipelines. Confirmed Transportation Volumes

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will be posted on East Ohio's EBB. In order to support system operations, maintain system integrity, and minimize Positive or Negative Imbalance Volumes, East Ohio may request Customer to nominate and deliver Transportation Volumes to designated Transportation Receipt Points. Such requests shall be posted in advance on East Ohio's EBB. If, in East Ohio's sole discretion, voluntary compliance by Customers and Suppliers fails to correct operational deficiencies, East Ohio may exercise its authority under Paragraph 13.1 to issue Supplier-specific and/or system-wide OFOs.

- 8.4 Confirmed nominations will become effective on the date specified in the Customer's nomination and will remain in force until the last day of the current calendar month, subject to continued receipt by East Ohio from Upstream Pipeline of the confirmed volume, unless superseded by a subsequent Transportation Volume nomination.
- 8.5 Nominations made in accordance with this Section do not relieve Customer of the obligation to submit corresponding nominations for service with an Upstream Pipeline.

9. Firm Receipt Point Option

- 9.1 The Customer may elect to designate specific Transportation Receipt Points as firm receipt points. Each such firm receipt point, and the corresponding maximum daily transportation quantity for each such firm receipt point, shall be specified in the contract.
- 9.2 Access to any receipt points on East Ohio's system, as to which an election pursuant to Section 9.1 above has not been made, shall be on a best efforts basis.
- 9.3 A Customer making an election pursuant to Section 9.1, above, shall be assessed a firm receipt point surcharge; the actual amount of the surcharge shall be determined through competitive bidding with minimum bid amounts to be determined by East Ohio.

10. Production Receipt Points

- 10.1 The unit of measurement for Production Volumes shall be one (1) cubic foot of gas, and the term "cubic foot of gas" shall mean a cubic foot of gas at a pressure of 14.73 PSIA and at a temperature of 60 degrees Fahrenheit. For purposes of measurement and meter calibration, atmospheric pressure shall be assumed to be 14.4 pounds per square inch. All gas delivered to East Ohio by the Customer or its Supplier shall be measured by orifice, rotary or other measurement facilities constructed, installed and operated in accordance with standard industry practices and East Ohio's requirements for such facilities, except where superceded by a Measurement Operating Agreement. The volumes of gas delivered to East Ohio shall be computed from meter records and converted into the unit of measurement specified above in accordance with reasonable and standard industry practices. Correction shall not be made for deviation from the Ideal Gas Laws. In the absence of a recording thermometer, an assumed flowing temperature of 60 degrees Fahrenheit shall be

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used in computing said quantities of gas; provided, however, that if the temperature of the natural gas passing through the meter is determined for any Day by the use of a recording thermometer, then the arithmetic average of the temperature recorded for such Day shall be used.

- 10.2 The Production Volume delivered to East Ohio shall be delivered in its natural state, have a gross heating value of not less than 1,000 British thermal units per cubic foot at 14.73 PSIA, 60 degrees Fahrenheit and must conform with East Ohio's gas quality standards in effect at the time. East Ohio reserves the right to accept gas of non-standard specification on a non-discriminatory basis pursuant to an agreement setting forth applicable terms, conditions and charges, if applicable, provided the acceptance of such gas does not adversely impact East Ohio's operations or service to customers.
- 10.3 If at any time the delivery by the Customer or its Supplier at the Production Receipt Point(s) specified by the Customer or its Supplier and accepted by East Ohio shall be less than an average of ten thousand cubic feet per Day, then East Ohio, at its sole option, may require the gas behind any such meter(s) to be measured pursuant to a Measurement Operating Agreement, by giving the Customer or its Supplier thirty (30) days' prior written notice.
- 10.4 The Production Receipt Points for Production Volumes from physical meters specified by the Customer or its Supplier and accepted by East Ohio shall be at measuring stations constructed to East Ohio's standards, where the measurement and regulation equipment will be operated and maintained by East Ohio, except where superceded by a Measurement Operating Agreement. The measuring station will be located at such points as East Ohio and the Customer or its Supplier shall agree, on East Ohio's lines as now constructed or on any extensions thereof that East Ohio may hereafter construct. The sites for said measuring stations may be furnished by East Ohio, or, if furnished by the Customer or its Supplier, shall provide rights of ingress and egress to East Ohio. In the event the Customer or its Supplier wishes to change any Production Receipt Points, the Customer or its Supplier shall reimburse East Ohio in advance for East Ohio's costs in connection with the change. The Customer or its Supplier shall be directly responsible for all other costs associated with the change. Measuring stations on East Ohio's lines existing as of the effective date of these terms and conditions and owned by the Customer, its Supplier or any other person, shall, subject to the approval of East Ohio, also be designated as Production Receipt Points, where the measurement and regulation equipment will be operated and maintained by East Ohio, except where superceded by a Measurement Operating Agreement.
- 10.5 The Customer or its Supplier may aggregate Production Volumes as measured by third parties at measuring stations furnished, constructed, owned, operated and maintained by third parties. Detailed information concerning such aggregated

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Production Volumes shall be reported by the Customer or its Suppliers to East Ohio in a timely manner in accordance with reasonable and standard industry practice.

- 10.6 The Customer or its Supplier shall be responsible for the construction of any necessary pipeline extending from the wells to the Production Receipt Points agreed upon. The Customer or its Supplier, at their expense, shall construct any required measuring stations in accordance with East Ohio's standards. All new pipelines that connect wells specified by the Customer or its Supplier with East Ohio's measuring stations shall be owned and constructed by the Customer or its Supplier.
- 10.7 Unless otherwise agreed to by East Ohio and Customer or its Supplier, prior to construction of Production Receipt Point, East Ohio and the Customer or its Supplier shall enter into an agreement identifying cost, construction and ownership responsibilities of all parties.
- 10.8 Production Volumes received by East Ohio at Production Receipt Points specified by the Customer or its Supplier and accepted by East Ohio shall be taken by East Ohio on a best efforts basis at all times at full flow against the varying pressures maintained from time to time in East Ohio's pipelines. East Ohio at any time may suspend the taking of gas hereunder while making repairs or alterations in its facilities or when East Ohio deems it to be operationally necessary in accordance with reasonable and standard industry practice. When practicable East Ohio shall notify the Customer or its Supplier in advance of its plans to suspend the taking of gas, giving its best estimate of the duration of the suspension. Such repairs and alterations shall be completed with reasonable speed, unavoidable delays excepted. During periods when East Ohio must suspend the taking of gas, East Ohio shall not be required to accept Production Volumes from meters. Subject to the foregoing, the Customer or its Supplier may submit a request in writing to East Ohio for approval to install equipment to compress and pump the gas to be delivered to East Ohio hereunder at the existing delivery point or at an alternative delivery point. If the Customer or its Supplier compresses and pumps gas into East Ohio's system, the Customer or its Supplier shall install and maintain at its own expense the necessary equipment for the elimination or suppression of pulsation in the flowing gas that is created by compression equipment.
- 10.9 The capacity of East Ohio's facilities to receive Production Volumes at the Production Receipt Points shall be determined by East Ohio in its sole judgment, in accordance with reasonable and standard industry practice. East Ohio shall have the right to restrict, limit or halt its receipt of Production Volumes whenever, in its sole judgment, in accordance with reasonable and standard industry practice, it is necessary to do so due to Force Majeure, an order of the PUCO or other governmental body, or circumstances requiring East Ohio to act to protect its ability to meet its Core Demand. In the event East Ohio exercises its right to restrict, limit, or halt its receipt of Production Volumes, it shall give the Customer or its Supplier notice by telephone, letter, or otherwise to decrease or terminate deliveries of

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Production Volumes to East Ohio until such time as, in East Ohio's sole judgment, in accordance with reasonable and standard industry practice, deliveries may be increased or resumed. If the Customer or its Supplier fails to act promptly in accordance with such notice, East Ohio shall have the right to shut in Production Receipt Points or otherwise refuse to accept further Production Volumes at the Production Receipt Points.

- 10.10 The Customer or its Supplier shall install and maintain at the Customer's or its Supplier's own expense, the necessary equipment for separating and removing oil, water, water vapor, salt, dust, and other foreign substances from Production Volumes upstream of the Production Receipt Points. The gas delivered to East Ohio at the Production Receipt Points shall be free from all foreign matter or fluid contamination that could interfere with its marketability or interfere with the operation of East Ohio's lines, regulators, meters, or other appliances connected with East Ohio's system. East Ohio may refuse at any time any Production Volumes that contain contamination or objectionable odors or otherwise do not meet East Ohio's gas quality standards in effect at the time. East Ohio may bill the Customer or its Supplier for any and all costs associated with removing oil, water, water vapor, salt, dust and other foreign substances erroneously delivered into East Ohio's system.
- 10.11 East Ohio shall furnish, install, and maintain all meters and gauges at the Production Receipt Points, except where superceded by a Measurement Operating Agreement. East Ohio shall read the meters, which shall be accessible to inspection and examination by the Customer or its Supplier at all reasonable times. If either party challenges the accuracy of any meter in use under the contract and desires to have the meter tested, East Ohio shall test the meter in the presence of a Customer or Supplier employee or representative, if the Customer or its Supplier wishes to exercise the right to be present or to be represented at such test. The cost of testing the meter shall be borne by the party challenging its accuracy if it proves to be correct, and it shall be deemed correct if there be no greater variation than three percent (3%), either fast or slow. If the meter on test proves to be incorrect, the cost of testing the meter shall be borne by East Ohio. Any adjustment for errors in the meter shall be made for a period not to exceed twelve months prior to the date of challenge by either party. The statements of meter measurement and estimated deliveries rendered by East Ohio to the Customer or its Supplier monthly shall be final, excepting as to corrections or adjustments then pending or subsequently determined by East Ohio, unless exceptions to the statements are made and mailed to East Ohio within sixty (60) days after the Customer or its Supplier receives the statements. Corrections or adjustments shall be made by adjusting volumes in the first measurement period following their determination.

11. Nomination of Production Volumes

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- 11.1 All Production Volumes received for Customer's account at Production Receipt Points shall be nominated to East Ohio in advance according to the procedures outlined in this Section and in East Ohio's EBB.
- 11.2 Nominations must conform, in content and format, with East Ohio's specifications for Production Volume nominations, which shall include, at a minimum: Customer's East Ohio contract number and requested daily Production Volume.
- 11.3 Subject to the limits of East Ohio's operating conditions and facilities, and the reasonableness of Customer's nomination as determined solely by East Ohio, East Ohio will either confirm, in total or in part, or reject Customer's Production Volume nomination. Confirmed Production Volumes will be posted on East Ohio's EBB.
- 11.4 Confirmed nominations will become effective on the date specified in the Customer's nomination and will remain in force until the last day of the current calendar month, unless superseded by a subsequent Production Volume nomination.

12. Reconciliation of Production Volumes

- 12.1 Confirmed Production Volume nominations will be credited to Customer's account on the date specified in the Customer's nomination. When actual Production Volumes are known, any discrepancies between actual and confirmed Production Volumes will be reconciled, in the first full billing cycle following the determination of actual Production Volumes, in accordance with the provisions of Sections 5 and 6 hereunder.

13. Operational Flow Orders

- 13.1 In order to support system operations and maintain system integrity, Customers are subject to East Ohio's issuance of operational flow orders ("OFO") which may direct Customers to adjust Daily Available Volumes as adjusted to reflect flowing supplies to match Delivery Volumes as determined by East Ohio. East Ohio may also issue OFOs that direct Customers to deliver specific quantities of gas to specific Transportation Receipt Points. Failure to comply with an operational flow order may result in the billing of the following incremental charges times the OFO shortfall which is defined as the imbalance between Daily Available Volumes and Delivery Volumes, as determined by East Ohio, on those Days subject to the OFO:

(A) the payment of a gas cost equal to the highest incremental cost paid by East Ohio on the date of non-compliance; and

(B) demand charges based on the Dominion Transmission, Inc. FTNN rate schedule pursuant to the following schedule:

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Number of Days of Noncompliance During the Calendar Month	Monthly Demand Charge Multiplier Applied to Maximum OFO Shortfall
One, Two, or Three Four, Five, or Six Seven, Eight, or Nine Ten or More	Three Six Nine Twelve

The maximum amount that the Customer shall pay pursuant to Section 13.1(B) over any Winter Season shall be Twelve months’ demand charges multiplied by the Maximum OFO shortfall experienced during that Winter Season; and

- (C) the payment of all other charges, inclusive of storage and overrun costs, incurred by East Ohio on the date of the OFO shortfall; and associated excise tax.
- (D) East Ohio shall credit all payments received for charges billed pursuant to this Section to costs recovered through Transportation Migration Rider – Part B.

13.2 Customers in compliance with an OFO shall not be subject to any incremental charges or costs.

14. Obligations

- 14.1 The Customer shall be deemed to be in control and possession of the gas delivered to East Ohio for Customer’s account, until it shall have been delivered to East Ohio at the Transportation Receipt Point(s) or the Production Receipt Point(s), as applicable, after which East Ohio shall be deemed to be in control, but not possession, of the gas until the gas is redelivered to the Customer by East Ohio at the Delivery Point(s).
- 14.2 The Customer warrants the title to the gas delivered to East Ohio at the Transportation Receipt Point(s) or the Production Receipt Point(s), as applicable, and shall indemnify East Ohio for and save East Ohio harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or attributable to the adverse claims of any and all other persons or parties to the gas delivered to East Ohio, provided, however, that if any person or party makes claim to any gas delivered to East Ohio adverse to Customer's claim of ownership of the gas, or obtains a lien or encumbrance against the gas, East Ohio may withhold payment, if any may be due, for such gas until such adverse claim or lien is released or disposed of by the parties by final court action and may pay such with held amount(s) to the party entitled to payment, unless the Customer posts a bond in an amount and on terms satisfactory to East Ohio to protect and indemnify East Ohio against such adverse claim or lien.

15. Provision for Human Needs Customers

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- 15.1 Human Needs Customers are required to have adequate installed operational alternate fuel equipment and fuel; arrange for firm natural gas commodity, capacity, and delivery service; or purchase Standby Service from East Ohio. Human Needs Customers must inform East Ohio if they have alternative fuel capabilities or firm natural gas service, or they will be billed the otherwise applicable Standby Service charges. East Ohio shall determine the sufficiency of a Customer's alternative fuel capability or firm natural gas service on a non-discriminatory basis. Failure to inform East Ohio and demonstrate sufficient alternative fuel capability or firm natural gas service will result in East Ohio automatically assigning and billing Customer for an appropriate level of Standby Service based on historical usage.

16. Force Majeure

- 16.1 The term "Force Majeure," as used herein, and as applied to East Ohio or the Customer, shall mean unforeseen acts of law including governmental bodies acting pursuant to law, acts of God, strikes, lockouts or other labor disturbances, acts of a public enemy, war, blockades, insurrections, riots, epidemics, lightning, fires, floods, washouts, arrests, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, freezing of wells or pipelines, partial or entire failure of such wells, or any other cause, whether of the kind enumerated or otherwise, not reasonably within the control of the affected party. The settlement of strikes, lockouts or labor disturbances by acceding to the demands of an opposing party when such course is inadvisable is at the discretion or judgment of the affected party.
- 16.2 In the event East Ohio or the Customer is rendered unable, wholly or in part, by Force Majeure, to carry out its obligations other than the obligation to make payment of amounts accrued and due under the transportation service agreement and applicable rate schedules, and after notice of the Force Majeure condition is given to the other party in writing or by facsimile, the obligation of both parties, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused except the obligation to continue delivery of Production Volumes during curtailment periods, and the Force Majeure condition shall be remedied with all reasonable dispatch.
- 16.3 Whenever East Ohio has implemented its Emergency Curtailment Plan on file with the PUCO or is unable to meet its Core Demand due to Force Majeure conditions on, or upstream of, East Ohio's system, East Ohio shall have the right to use the Customer's flowing supplies to meet its Core Demand. Any interruption in the Customer's service entitlement resulting from such condition shall be remedied as quickly as possible, and must be preceded by the exhaustion of other reasonable alternatives to avoid the involuntary interruption of service. To the extent possible and appropriate in the circumstances, any necessary interruptions in service will be based on the size and location of the facilities involved, to minimize the absolute number of interruptions required.

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- 16.4 If East Ohio and the Customer have not entered into a contractual compensation arrangement covering the sale of Customer's gas to East Ohio, East Ohio shall compensate the Customer for gas diverted by East Ohio from the Customer pursuant to Section 16.3, above, as follows: East Ohio shall reimburse the Customer for the cost of the gas diverted plus a portion of the Customer's annual interstate pipeline demand charges, if any, in each month in which gas is taken by East Ohio. On the first Day on which gas is diverted in any month, the demand charge compensation shall equal 1/24 of the Customer's annual pipeline demand charges; if gas is diverted on two or more Days in a month, the demand charge compensation shall be 1/12 of the Customer's annual pipeline demand charges. In no event shall the monthly demand charge compensation exceed 1/12 of the Customer's annual pipeline demand charges. The total compensation determined in accordance with this Section shall not be less than the cost of gas as computed pursuant to Section 6.1 of these General Terms and Conditions of Transportation Service.
- 16.5 Neither East Ohio nor the Customer shall be liable in damages to the other for any act, omission or circumstances occasioned by, or in consequence of, Force Majeure.
- 16.6 Such causes or contingencies affecting the performance of the transportation service agreement by East Ohio or the Customer shall not relieve the affected party of liability unless such party shall give notice and full particulars of such cause or contingency in writing or by facsimile to the other party as soon as reasonably practical after the occurrence of the cause relied upon, nor shall such causes or contingencies affecting the performance of the transportation service agreement by either party relieve it of liability in the event of its concurring negligence, nor shall such causes or contingencies affecting the performance of the transportation service agreement relieve either party from its obligations to make payments of amounts then due under the Customer's transportation service agreement or applicable rate schedules in respect to gas already delivered.

17. Late Payment Charge

- 17.1 Charges previously billed to Customer by East Ohio, but unpaid by the payment date specified by East Ohio, will be assessed a late payment charge of one and one-half percent (1.5%) per month on the unpaid balance.

18. Ownership of Facilities

- 18.1 Except as provided herein or otherwise agreed upon, all pipelines, fittings and other properties furnished under these General Terms and Conditions of Transportation Service shall remain the property of the party paying for the facilities, who shall be solely responsible for the maintenance and operation of those facilities, and each party may remove its property at the termination of the contract.

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19. Governmental Authorizations

- 19.1 East Ohio and Customer shall file, as soon as practicable after execution of the transportation service agreement, all necessary applications with the appropriate governmental authorities for the purpose of securing all requisite authorizations for the service contemplated by the agreement, and shall proceed with all due diligence to secure such governmental authorizations if required.
- 19.2 In the event governmental approval of the transportation service agreement is conditioned in any manner, East Ohio or Customer may, within 30 days of such event, elect to terminate the agreement by giving the other fifteen days notice, and upon such termination neither party shall have any liability or obligation to the other by reason of the transportation service agreement other than the obligation to make payments as provided for in the agreement with respect to events or transactions that have occurred prior to such termination.
- 19.3 If the transactions provided for under the transportation service agreement at any time subject either party to the jurisdiction or regulation by the FERC to an extent greater than any which exists on the date of the contract, whether by reason of statutory, regulatory or judicial action, then either party may elect to terminate the contract in the manner provided for in Section 19.2 above, provided, however, that termination shall not relieve either party of its obligations under the transportation service agreement or applicable rate schedules with respect to transactions that have occurred prior to the date of termination.

20. Limitation on Liability

- 20.1 East Ohio shall have no liability for acts arising out of obligations performed under its tariff, provided that East Ohio's actions are in accordance with its tariff and applicable industry standards. In no event shall East Ohio be liable for any consequential, incidental or punitive damages for acts or omissions that are alleged to violate East Ohio's tariff or applicable industry standards.
- 20.2 Each party to the Agreement shall bear responsibility for all of its own breaches, tortious acts, or tortious omissions connected in any way with the Agreement hereunder, causing damages or injuries of any kind to the other party or to any third party, unless expressly agreed in writing between the parties. Therefore, the offending party as a result of such offense shall hold harmless and indemnify the non-offending party against any claim, liability, loss or damage whatsoever suffered by the non-offending party or by any third party. As used herein, the term "party" shall mean a corporation or partnership entity or individual with whom East Ohio has a contractual relationship. The phrase "damages or injuries of any kind" shall include, without limitation, actual damages, litigation expenses, court costs, and attorneys' fees, and the phrase "tortious acts or tortious omissions" shall include

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without limitation sole or concurrent simple negligence, gross negligence, recklessness, and intentional acts or omissions.

21. Miscellaneous

- 21.1 No modification of the terms and provisions of the transportation service agreement shall be made or become effective except by the execution of a supplementary written agreement.
- 21.2 No waiver by East Ohio or the Customer of any one or more defaults by the other in the performance of any provision of the transportation service agreement or applicable rate schedules shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.
- 21.3 The transportation service agreement shall not be assignable without the prior written consent of the other party, which consent shall not unreasonably be withheld.
- 21.4 The payments of the rates stated in the transportation service agreement or applicable rate schedules as well as the other provisions and conditions of these General Terms and Conditions of Transportation Service shall be subject to all applicable Federal and State laws and orders, rules and regulations.
- 21.5 In the event any tax is imposed on natural gas, or the production, severance, gathering, transportation, sale, delivery, or use of natural gas, or if such tax is imposed in any other manner so as to constitute directly or indirectly a charge upon the gas delivered to East Ohio for redelivery pursuant to the transportation service agreement, the amount of such tax shall be borne by the Customer so far as it affects or relates to or is apportionable to the gas delivered to East Ohio under the transportation service agreement or applicable rate schedules. In the event East Ohio is required to pay such tax, the amount of the tax shall be billed directly to the Customer.
- 21.6 The Customer shall pay, or cause to be paid, any royalty payments due or owed on the gas delivered pursuant to the transportation service agreement, and shall indemnify and hold East Ohio harmless from any responsibility, liability or obligation for payment of any such royalty. In the event East Ohio is obligated by law to make any such royalty payment directly to royalty owners, the Customer shall reimburse East Ohio for any such payment and any costs associated with such payment. If the Customer fails to reimburse East Ohio, East Ohio may deduct the amount of such payments or costs from any payments accruing to the Customer under the transportation service agreement or applicable rate schedules, or take production in kind in satisfaction of the Customer's obligation.