# RATE NO. T16
# RATE NO. T46
# RATE NO. T96
# Medium Volume Transportation Service

## AVAILABILITY

This rate shall be available to any "Off-System End-Users" (Customer) whose annual requirements for natural gas will be at least 100,000 Therms, but not greater than 500,000 Therms; who has executed a Transportation Services Agreement; and who will take delivery of such natural gas in OVGC's Service Area. See Appendix E (Sheet No. 13).

## APPLICABILITY

This rate provides a means whereby OVGC, within the physical limitations of its existing distribution systems can, under specific contract (OVGC's Transportation Services Agreement), provide a service for the transportation of Customer-owned natural gas to Customers who will accept delivery of such natural gas in OVGC's Service Area. See Appendix E (Sheet No. 13). Service provided hereunder shall be metered and billed separately from service provided under any other OVGC rate.

## "OFF-SYSTEM END-USER" DEFINED

As used in this rate an "Off-System End-User" is a Customer for whom OVGC has no contractual obligation to provide natural gas from its OVGC system supply and for whose natural gas needs and requirements OVGC is not contractually committed to pay interstate pipeline charges of any kind (e.g., demand, capacity, reservation, commodity, etc.).

## ELIGIBILITY

A Customer whose need for service is consistent with the availability paragraph of this rate, and who meets the eligibility requirements set forth below, shall be eligible to receive service under this rate. Service hereunder is intended for any Customer which, after arranging for a supply of natural gas from or through a third party, desires OVGC to provide transportation of said natural gas between two mutually agreeable points on an existing OVGC gas distribution system, and who:

a. Has met all applicable regulatory requirements and has the means (including but not limited to third party arrangements) for delivering natural gas (of specified quality, quantity, pressure, etc.) to the agreed upon OVGC receipt point(s).

b. Has the means (including but not limited to third party arrangements) for receiving and accepting said natural gas at the agreed upon OVGC delivery point(s).

c. Has entered into a Transportation Services Agreement with OVGC for an initial period of not less than one (1) year. After the one (1) year period the agreement can be terminated by either party after providing ninety (90) days' notice to the other party. Such agreement may contain other provisions relating to said service which are not inconsistent herewith. Written notification to OVGC of Customer's intent to change from a sales rate to this rate and execution of the Agreement with OVGC is required no later than sixty (60) days prior to the first calendar day of the first calendar month for which service under this rate is to begin. OVGC reserves the right to waive the sixty (60) day requirement.

d. Has provided OVGC with sufficient documentation and other information to permit prior verification and acceptance of the means and arrangements cited in "a." and "b." above. This documentation will include both transportation arrangements and source of natural gas supply. OVGC may require reasonable assurances from the Customer that the natural gas supply will physically flow to OVGC's receipt point on a timely and uninterrupted basis.

e. Agrees to provide OVGC with written Daily Nominations in a format acceptable to OVGC. All Daily Nominations are due in OVGC's gas supply department by the 25th day of each calendar month for the upcoming month's quantities (in Therms) and shall be detailed by calendar day. All written changes to the Daily Nominations, when received in OVGC's gas supply department by 12:00 p.m. Eastern time on a scheduled OVGC workday, will become effective the next twenty-four (24) hour purchase gas day, or such later twenty-four (24) hour purchase gas day as specified by the Customer. If not otherwise indicated, all written changes to a customer's Daily Nominations shall be applicable to the remaining calendar days of the applicable month. Only written Daily Nominations properly received by the OVGC gas supply department will be recognized when determining daily balancing, etc. For the purpose of this rate, electronic (e-mail) or facsimile transmissions to OVGC's gas supply department will be deemed a written notice. Only allocated volumes shown on the applicable interstate pipeline's Electronic Bulletin Board will be recognized when billing any end-user and determining applicable Daily Balancing and Cashout of Monthly Imbalance charges.

f. Agrees that it is the responsibility of the Customer and its agent to ensure that the correct quantities of natural gas are properly nominated to the applicable receipt and delivery points utilized by OVGC. OVGC assumes no responsibility or liability for the accuracy of nominations by Customers receiving service under this rate.

g. Pays all existing arrearages for utility services prior to entering into a Transportation Service Agreement with OVGC.

**CURTAILMENT**

OVGC will have the right to curtail or discontinue acceptance, transportation, or redelivery of natural gas under this rate when:

a. After notification by OVGC to not exceed its Daily Nomination, Customer exceeds its Daily Nomination;

b. The interstate pipeline's Electronic Bulletin Board (EBB) reports Customer's supply quantity is less than as nominated to OVGC;

c. Accident, breakage, or other causes of disruption of natural gas delivery into the interstate pipeline system occur which preclude the delivery of OVGC's natural gas supply to Company; or,

d. Accident, breakage, or other causes of disruption of natural gas delivery to Customer on OVGC's distribution system is beyond OVGC's control.

OVGC will attempt to verify the EBB information with the interstate pipeline prior to invoking a curtailment at Customer's meter. Company's usage of EBB information shall be deemed reasonable by the parties hereto, and OVGC will not be liable for the accuracy of the information obtained from the EBB. OVGC will attempt to provide a minimum one (1) hour notice, either verbal, or written, of its intent to curtail or discontinue acceptance, transportation, or redelivery of natural gas.

Any natural gas that flows into OVGC's city gate station for Customer shall be redelivered to Customer. Gas usage by Customer during a curtailment period in excess of the quantity allowed shall be considered Unauthorized Use and shall be subject to the Unauthorized Use Charge.

## RATES AND CHARGES

Rates, charges, and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

The monthly Facilities Charge per meter is **$600.00** and will be equally divided and applied on a daily basis.

| | | |
|---|---|---|
| Distribution Charge per therm: | **T16** | **$ 0.291463** |
| | **T46** | **$ 0.291463** |
| | **T96** | **$ 0.291463** |

Pipeline Safety Adjustment (**PSA**) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 12).

Transmission, Distribution, and Storage System Improvement Charge (**TDSIC**) – Dependent upon actual costs incurred as set forth in the latest approved Appendix F (See Sheet No. 14).

Federal Income Tax (FIT) Adjustment Rider - As set forth in the latest approved Appendix G (See Sheet No. 15)

## FUEL LOSS CHARGE

OVGC shall retain 1% of the received transport gas to account for fuel loss within the OVGC Distribution System. OVGC will not charge any "Off-System End-User" the Distribution Charge on such retained gas.

## LATE PAYMENT CHARGE

A Late Payment Charge, of ten (10) percent on the first $3.00 or less, and three (3) percent on all amounts over $3.00, will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

## COLLECTION CHARGE

A Collection Charge of $30.00 will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

## RETURNED CHECK CHARGE

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for any payment, including a direct debit, returned by a financial institution as unpaid.

## RECONNECTION CHARGE

A Reconnection Charge of $80 will be made to cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address. When service is reactive less than twelve (12) months after it was disconnected the Customer will pay an amount equal to the applicable monthly minimum charge times the months service was discontinued, the reconnection charge and any deposits required prior to service being restored. If the disconnection period exceeds one (1) year, OVG may waive the reconnection fee, provided that disconnection was not for violation of OVG Rules and Regulations.

## UNAUTHORIZED USE CHARGE

If Customer fails to completely curtail its use of natural gas within one (1) hour of OVGC's verbal or written notice, Customer shall be billed and agrees to pay a penalty of $3.00 per therm for all gas consumed during the curtailment period. Said penalty shall be in addition to all other applicable charges, including, but not limited to any interstate pipeline penalties.

OVGC shall have the right, without obligation, to waive the penalty for any unauthorized use if OVGC's other Customers or its pipeline operations were not adversely affected by such use.

## OVERRUN SERVICE AND DAILY BALANCING CHARGES

a. **Unauthorized Overrun**

(1) If Customer has been informed by OVGC to stay within their Daily Nomination (plus allowable tolerance), and then uses a quantity of natural gas which is greater than their Daily Nomination (plus allowable tolerance) without prior written or verbal approval of OVGC, the excess shall constitute an Unauthorized Overrun and the Customer shall pay OVGC a penalty of $3.00 per Therm for all natural gas used in excess of the Daily Nomination (plus allowable tolerance) for the applicable twenty-four (24) hour purchase gas day. The penalty shall be in addition to all other applicable charges.

(2) The payment of a penalty for unauthorized overrun shall not, under any circumstances, be considered as giving the Customer the right to take unauthorized overruns. Further, such payment shall not be considered a substitute for any other remedies available to OVGC or any of OVGC's other customers for failure to respect their obligation to adhere to the provisions of the Transportation Services Agreement.

(3) OVGC shall have the right, without obligation, to waive the penalty for any unauthorized overrun provided OVGC's other customers or its pipeline operations were not adversely affected.

(4) OVGC shall waive any penalty for an unauthorized overrun when such overrun occurred under circumstances beyond the control of the Customer due to emergency conditions on OVGC's facilities; or when such overrun is due to accident or breakage of pipelines, machinery, or equipment of the Customer. However, the Customer shall promptly take such action, as may be necessary and practical, to repair or remedy the situation and furnish OVGC with satisfactory evidence that such accident or breakage was not due to negligence.

b. **Authorized Overrun**

(1) Each twenty-four (24) hour purchase gas day, OVGC allows Customer an allowable tolerance on their Daily Nomination, without additional charge.

(2) If the difference between Customer's actual take for a twenty-four (24) hour purchase gas day, and their Daily Nomination as on file with the OVGC gas supply department for the applicable twenty-four (24) hour purchase gas day, is not within the allowable tolerance, those quantities beyond the allowable tolerance will be subject to a Daily Balancing Charge.

c. **Allowable Tolerance**

The allowable tolerance per each twenty-four (24) hour purchase gas day shall be ten (10) percent of the applicable Daily Nomination on file with OVGC.

d. **Daily Balancing Charge**

Quantities of natural gas used that are not within the allowable tolerance of Customer's Daily Nomination, shall be subject to a Daily Balancing Charge of $0.025 per Therm. The Daily Balancing Charge will apply to quantities both above and below the allowable tolerance. The Daily Balancing Charge shall be determined on a daily basis and there will be no netting of individual daily balancing charges.

**CASHOUT OF MONTHLY IMBALANCE**

Customer shall be subject to net aggregate monthly imbalance cashout. At the end of each billing month, OVGC will determine the imbalance by comparing the net receipts at OVGC's city gate station from the applicable interstate pipeline to actual deliveries through OVGC's meter(s) located at Customer's location. The net aggregate imbalance percentage for each Customer will be determined by dividing the actual net imbalance by the net quantity delivered to the Customer during the billing cycle month.

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the billing month is LESS than the total quantity of gas delivered by OVGC to the Customer, OVGC shall bill the Customer for the net aggregate monthly imbalance according to the following table:

| Net Aggregate Monthly Imbalance Percentage | Percentage of OVGC's Highest City Gate Station Price for the Month |
|---|---|
| 0% - 5% | 100% |
| 6% - 10% | 110% |
| 11% - 15% | 120% |
| 16% - 20% | 130% |
| 21% & up | 140% |

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the month is GREATER than the total quantity of gas delivered by OVGC to the Customer, OVGC shall credit the Customer for the net aggregate monthly imbalance according to the following table:

| Net Aggregate Monthly Imbalance Percentage | Percentage of OVGC's Lowest City Gate Station Price for the Month |
|---|---|
| 0% - 5% | 100% |
| 6% - 10% | 90% |
| 11% - 15% | 80% |
| 16% - 20% | 70% |
| 21% & up | 60% |

If the credit is greater than the total monthly billing, it shall be applied to subsequent billing cycles until such time as the entire credit has been appropriately applied. OVGC will not refund any monies to the Customer unless the credit exceeds the expected combined billings for the next two billing cycles.

**TWENTY-FOUR (24) HOUR PURCHASE GAS DAY**

For the purpose of this rate, the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) hour period commencing at 9:00 a.m. Central Clock Time and continuing to 9:00 a.m. Central Clock Time the next day.

**RULES AND REGULATIONS**

Transportation service hereunder shall, where applicable, be subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.