

RATE IMBS

INTERRUPTIBLE MONTHLY BALANCING SERVICE

AVAILABILITY

Interruptible transportation monthly gas balancing service available (1) to customers receiving service under Rate IT who are acting as their own pool for supply management purposes, and (2) to pool operators designated by customers to manage their gas supplies on their behalf, and as a part of an aggregated customer pool. For purposes of this tariff, a pool shall aggregate the requirements of all pool member customers and be treated as a single customer for supply management purposes.

CHARACTER OF SERVICE

The service provided under this tariff is a "best efforts," interruptible, monthly gas balancing service that requires only a general obligation to balance daily pool usage with pool deliveries into the Company's city gate stations and provides that no daily imbalance charges or penalties will be levied on the pool operators, except on those days when operational flow orders (OFO) have been issued. However, pool operators are under a continuing obligation to work with the Company in a good faith manner to respond to both formal and informal system management requests, and to strive to maintain relative daily balancing on the system throughout the course of the month (i.e., avoid zero nominations, flat nominations and make weekend nominations.) For purposes of this tariff an "Operational Flow Order" shall be defined as "a directive issued by the Company to a pool operator requiring such pool operator to deliver daily gas quantities into the Company's designated receipt points in quantities that match their pool's actual daily measured usage, or in quantities consistent with those requested by the Company." OFO's shall be issued for operational reasons only, and not for economic considerations. In the event a pool operator violates this tariff or the aggregation agreement, the Company may assess such a violator for all direct incremental gas supply, capacity, or storage costs incurred due to the violation. In addition, if the violations are part of a pattern of non compliance or of a magnitude that merits additional action be taken, the Company may take steps to suspend or permanently remove a pool operator from participation upon notice. The Company shall have the right to limit or terminate the availability of this service to pool operators guilty of excessive abuse of the system; i.e., engaging in extreme and/or continued violations of the tariff terms and conditions including this general balancing requirement. For purposes of administering this tariff, the daily and monthly usages of all customers within a pool will be combined into single daily/monthly pool usage number, which will be matched against the pool operator's total daily/monthly deliveries to its interruptible transportation pool.

SERVICE DESCRIPTION

Interruptible transportation customers who avail themselves of the service under this rate schedule must select monthly imbalance carry over tolerance levels from among the following options:

SERVICE DESCRIPTION (Contd.)

	Allowed Monthly Under-Run %	Allowed Seasonal Monthly Over-Run		Charge on All Throughput
		May Through November %	December Through April %	
Option 1	0	5	7	\$0.015 per Mcf
Option 2	0	6	8	\$0.020 per Mcf
Option 3	0	8	10	\$0.025 per Mcf

Pool operators who select the balancing service contemplated under this Rate IMBS shall be held to a monthly balancing requirement within the monthly imbalance carry over tolerance level selected. Pool operators shall be subject to only a general obligation to balance pool requirements and deliveries on a daily basis unless an OFO has been issued.

On days when OFO's have been issued for operational purposes other than to simply affect receipt point changes, pool operators are required to operate on a "gas-in equals gas-out" basis. Any net imbalances on these OFO days may result in unauthorized overrun/underrun charges, or penalty charges being levied against the responsible pool operator. Such charges shall be calculated in accordance with the "Charges for Unauthorized Deliveries" provision of Rate IT, Interruptible Transportation Service. In order to minimize daily imbalance charges and penalties on OFO days, as well as end of month imbalance "cash outs," pool operators are encouraged to participate in the Company's inter-pool imbalance trading/transfer opportunities and related electronic bulletin board (EBB) services. Daily imbalance trades/transfer made through the Company's EBB must be completed within four (4) business days from the date that the trade or transfer applies. Monthly imbalance trades to comply with the monthly balancing requirements of Rate IMBS must be made within four (4) business days after the end of the month. The pool or pool operator receiving gas that has been traded or transferred will be billed a fee in accordance with Rate GTS for each transaction.

NET MONTHLY BILL

Net monthly imbalances will be calculated for billing purposes as the net of:

- a) actual deliveries,
- b) plus or minus imbalance trades,
- c) plus or minus unauthorized daily or monthly OFO overrun/underrun volumes,
- d) plus monthly imbalance carryover,
- e) minus actual metered usage on an aggregated pool basis, as adjusted for unaccounted for losses.

The Net Monthly Imbalance percentage will be determined by dividing the net monthly imbalance as measured at the burner tip by the burner tip equivalent total aggregated pool deliveries for the month.

NET MONTHLY BILL (Contd.)

Pool operators receiving balancing services under this rate schedule shall be subject to the following charges:

- (1) Unauthorized overrun/underrun charges as described above and resulting from pool operator's failure to comply with daily operational flow orders except as provided above.
- (2) End of month "cash out" charges for volumes over/under delivered outside of pool operator's selected Option tolerance levels, as follows:
 - (a) Over-deliveries are defined as monthly deliveries into the Company's city gate stations, plus the prior month's carryover volumes that exceed the pool's aggregated customer's metered usage for the month as adjusted for shrinkage back to the city gate, and as adjusted for the pool's elected monthly carry over tolerance percentage. Over-deliveries beyond the pool's elected monthly carry over tolerance percentage shall be cashed out to the pool operator at the first of the month index published in *Inside F.E.R.C. Gas Market Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Mainline Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city gate. (Note: For actual billing purposes a burner tip rate equivalent to that described above will be applied to the volumes delivered in excess of the elected monthly carry over tolerance percentage, as measured at the burner tip.)
 - (b) Under-deliveries are defined as monthly deliveries into the Company's city gate stations, plus the prior month's carryover volumes, that are less than the pool's aggregated customers' metered usage for the month, as adjusted for shrinkage back to the city gate). Under deliveries shall be cashed out at the first of the month index published in *Inside F.E.R.C. Gas Market Report*, "Prices of Spot Gas Delivered to Pipelines," Columbia Gulf Transmission Co., Mainline Index, first publication of the month following the delivery month, plus Columbia Gulf and Columbia Gas Transmission pipelines' commodity transportation costs, plus fuel, to the Company's city gate. (Note: For actual billing purposes a burner tip rate equivalent to that described above will be applied to the under-delivery volumes, as measured at the burner tip.)

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto are subject to the jurisdiction of the Public Utilities Commission of Ohio, and to the Company's Service Regulations currently in effect, as filed with the Public Utilities Commission of Ohio.