

BEFORE THE  
STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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In the Matter of  
  
National Fuel Gas Distribution Corporation  
  
Gas Rates  
  
Case 07-G-0141  
  
June 2007

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Prepared Exhibits of:  
Local Production Panel

Davide Maioriello  
Utility Engineer 1  
Gas Rates Section

John P. Sano  
Utility Engineer 3  
Policy Section

Office of Gas and Water  
State of New York  
Department of Public Service  
Three Empire State Plaza  
Albany, New York 12223-1350

**7. Standard-Form Pipeline/Gatherer Interconnection Agreement****INTERCONNECTION AGREEMENT**

THIS INTERCONNECTION AGREEMENT (the "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_, hereinafter, "Operator,"

and

NATIONAL FUEL GAS DISTRIBUTION CORPORATION, 6363 Main Street, Williamsville, New York, 14221, hereinafter, "NFGDC."

**WITNESSETH**

WHEREAS, NFGDC is a public utility authorized to purchase and transport natural gas and to provide retail natural gas service subject to the jurisdiction of the Public Utility Commission of the Commonwealth of Pennsylvania and the New York Public Service Commission; and

WHEREAS, by means of facilities operated by it, Operator proposes to deliver into facilities owned and operated by NFGDC natural gas; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, NFGDC and Operator agree as follows:

**ARTICLE I.****DEFINITIONS**

(A) "Receipt Point" means the point of interconnection between Operator's facilities and the facilities of NFGDC located immediately upstream of NFGDC's measurement facility which is used to identify such point of interconnection in Exhibit A.

(B) "Exhibit A" means the document entitled "Exhibit A" which is attached hereto (and by such attachment, made a part hereof), as said document may be amended or supplemented, from time to time.

(C) "Btu" means the amount of heat required to raise the temperature of one (1) pound of water from fifty-eight degrees Fahrenheit (58° F) to fifty-nine degrees Fahrenheit (59° F).

(D) "Cubic Foot" means the volume of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a standard temperature of sixty degrees Fahrenheit (60° F), under standard gravitational force.

(E) "Mcf" means one thousand (1,000) cubic feet of gas, determined on the measurement basis set forth in this Agreement.

(F) "Day" means the twenty-four (24) hour period commencing at ten o'clock a.m., Eastern Time (10:00 a.m.) on one calendar day and ending at 10:00 a.m., Eastern Time on the following calendar day.

(G) "Month" means the period commencing at ten o'clock a.m., Eastern Time (10:00 a.m.) on the first day of a calendar month and ending at 10:00 a.m., Eastern Time on the first day of the next calendar month, or as otherwise established by the Gas Industry Standards Board ("GISB").

(H) "Operator's Gas" means the natural gas delivered into NFGDC's facilities at any given time at any given Receipt Point.

(I) "Written Notice" means notice by written correspondence, facsimile transmission, e-mail, or other reliable electronic means.

## ARTICLE II.

### DELIVERY OF GAS INTO NFGDC'S FACILITIES

(A) Any interconnection with NFGDC's system shall be made consistent with the policies described in the "National Fuel Gas Distribution Corporation Meter Station Installation Policy" (the "Policy"). NFGDC shall incorporate the Policy into the Gas Transportation Operating Procedures Manual ("GTOP") filed with the New York State Public Service Commission and applicable to operations in New York State. In addition, this Agreement is subject to NFGDC's Interconnection Rules & Procedures as set forth in a certain Joint Proposal, at Appendix F, filed by NFGDC with the Public Service Commission of the State of New York on January 23, 2002. In the event NFGDC proposes changes to the Interconnection Rules & Procedures, NFGDC shall send such proposed changes to Operator in electronic format at least thirty (30) days prior to the effective date of such changes. In the event Operator has an objection to any such change proposed by NFGDC, Operator shall, no later than twenty (20) days after receipt of such proposed changes, raise such objection with the Public Service Commission of the State of New York (with respect to an Agreement governing interconnection in New York State) or the Public Utility Commission of the Commonwealth of Pennsylvania (with respect to an Agreement governing interconnection in Pennsylvania) in accordance with the provisions of Article XII, Paragraph G.

(B) Operator shall not deliver (or permit the delivery of) any quantity of gas into any facility owned or operated by NFGDC other than at the Receipt Point(s) identified on Exhibit A (the "Exhibit A Receipt Point(s)"). No Receipt Point shall be deemed to have been added to Exhibit A, and Exhibit A shall not be deemed to have been otherwise amended or supplemented, unless and until such amendment or supplement of Exhibit A shall be evidenced by a writing executed by Operator and NFGDC.

(C) Operator shall deliver gas at a pressure sufficient to enable such gas to enter NFGDC's facilities against the pressure prevailing therein from time to time, provided, however, that Operator shall not deliver gas at any Receipt Point at a pressure in excess of the maximum operating pressure reasonably designated by NFGDC and posted by NFGDC on its web site.

(D) Operator shall not install or operate (or permit any other entity to install or operate) compression facilities in order to deliver gas into any NFGDC facility ("NFGDC-Related Compression Operations") without providing fourteen (14) days written notice to NFGDC.

(E) Operator warrants that all NFGDC-Related Compression Operations shall be conducted in a manner (i) so as to prevent the pulsations therefrom from interfering with NFGDC's measurement at any Receipt Point, and (ii) so that compressed gas will be delivered to NFGDC at a temperature not exceeding one hundred twenty degrees Fahrenheit (120° F).

(F) Operator shall give NFGDC written notice at least twenty-four (24) hours prior to the commencement of (and any material change in) NFGDC-Related Compression Operations.

(G) Operator shall give NFGDC written notice prior to any material change in the maintenance routine applicable to any compressor used in NFGDC-Related Compression Operations.

(H) In the event that the installation, operation and/or maintenance of any compressor used in NFGDC-Related Compression Operations requires (in NFGDC's reasonable judgment) modification(s) to any facility owned or operated by NFGDC, the cost of such modification(s) shall be borne by Operator. Upon notice from Operator that Operator plans to install or modify NFGDC-Related Compression Operations, NFGDC shall meet with Operator to discuss the need for modification(s) of any facility owned or operated by NFGDC resulting from the proposed NFGDC-Related Compression Operations. If such modification(s) are found to be necessary by NFGDC, then NFGDC shall advise Operator in a timely manner of the estimated costs of such modification(s) and the anticipated time to complete such modification(s). Notwithstanding NFGDC's efforts to provide such notice to Operator, Operator shall remain solely responsible for costs incurred by NFGDC from planned modification(s) and/or unforeseen modification(s) of NFGDC owned and operated facilities as contemplated hereunder.

(I) Operator shall, at its own cost and expense, (i) obtain, provide NFGDC with, and maintain any easement(s) or other land interest(s) which, in NFGDC's judgment as to type and extent, are reasonably necessary for the installation, operation and maintenance of NFGDC's receipt and related measurement facilities; and (ii) provide NFGDC with a copy of the recorded instruments evidencing the same.

(J) Measurement and other equipment shall be owned by the party indicated in the Table attached as Exhibit B, except as otherwise agreed to in writing by the parties and be installed, at Operator's expense, at each Exhibit A Receipt Point facility, which, in NFGDC's reasonable judgment, may be necessary to accommodate the deliveries of gas received and projected to be received by it at the Receipt Points (the "Receipt Facilities"). The normal operation, calibration, maintenance, adjustment and repair of the measurement equipment and other equipment shall be performed by the owner of such equipment indicated in the Table attached as Exhibit B, except as otherwise agreed to in writing by the parties. Modifications to Receipt Facilities resulting from changes in Operator's operations shall be performed at Operator's cost and expense. The Receipt Facilities shall be operated in accordance with the applicable specifications of the Gas Measurement Committee of the Natural Gas Department of the American Gas Association, as amended from time to time, or in accordance with any other mutually agreeable standard commonly accepted in the industry.

(K) Nothing shall prevent NFGDC from seeking approval from the appropriate regulatory authority of a Receipt Facility Maintenance Fee(s) which shall be applicable, from time to time, pursuant to the provisions of NFGDC's Tariff. In this connection, Operator agrees that NFGDC shall have the right to file with any regulatory authority having jurisdiction, and to make effective, (i) initial and revised rates and charges applicable to NFGDC's operations hereunder, (ii) changes in any provision of the General Terms and Conditions of NFGDC's Tariff applicable to NFGDC's operations hereunder, and (iii) the terms and conditions of this Agreement (hereinafter, collectively, the "Receipt Parameters"). NFGDC agrees that Operator may protest or contest any such filing and/or may seek from any duly constituted regulatory authority having jurisdiction such revision of any one or more of the Receipt Parameters as may be necessary or appropriate to cause the same to be, in all respects, just and reasonable.

(L) Operator shall, at its own cost and expense, provide, operate and maintain in safe and efficient operating condition such regulators, relief valves, and other equipment as may be necessary in NFGDC's reasonable judgment to avoid excessive pressures (and the risk of such pressures) in facilities owned and operated by NFGDC or its customers.

(M) Operator acknowledges that:

- (1) The Receipt Points identified in Exhibit A are located on NFGDC's gas distribution facilities;
- (2) NFGDC must, at all times, be in a position to operate, maintain, enhance, and/or replace any one or more of its facilities in such a

manner, at such times, and under such circumstances as will enable it to furnish and provide facilities and service which are safe and adequate and in all respects just and reasonable;

(3) The maximum operating pressure applicable to Operator's delivery of gas into NFGDC's facilities may vary from time to time in order to enable NFGDC to satisfy its public service obligations, and such pressures shall be posted on NFGDC's web site. In the event NFGDC proposes changes to the maximum operating pressures posted on its web site, NFGDC shall send notice of such proposed changes to Operator in electronic format at least thirty (30) days prior to the effective date of such changes, provided however, that NFGDC shall be entitled to change such operating pressures on shorter notice, or without prior notice, to Operator as reasonably required for NFGDC to satisfy its public service obligations, provided that if NFGDC changes the maximum operating pressure without prior notice to Operator, it shall provide notice to Operator as soon as reasonably possible after such change. In those situations where NFGDC changes the maximum operating pressure on notice shorter than thirty (30) days, and upon request of Operator, NFGDC shall provide Operator with an explanation of the reason for the change in the maximum operating pressure, to the best of NFGDC's knowledge;

(4) In furtherance of its public service obligations, NFGDC reserves its right to restrict and/or completely stop Operator's deliveries at any one or more Receipt Points insofar as reasonably necessary.

### ARTICLE III.

#### MEASUREMENT

(A) The unit of volume for purposes of measurement of the gas delivered into NFGDC's facilities at the respective Exhibit A Receipt Points shall be Mcf.

(B) For purposes of measurement and meter calibration, the atmospheric pressure shall be deemed to be constant at fourteen and four-tenths (14.4) pounds per square inch absolute.

(C) Unless otherwise agreed to by the parties, temperature compensation measurement equipment shall be utilized by NFGDC.

(D) The total heating value of the gas delivered into NFGDC's facilities at the respective Exhibit A Receipt Points shall be determined by tests of samples of gas collected at said Receipt Points. The unit of measurement of heating value shall be Btu,

as measured through chromatographic analysis, by a calorimeter, or by any other acceptable industry method for establishing heating value, and determined on an anhydrous (dry) basis, at sixty degrees Fahrenheit (60° F), at a standard pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute. For all Receipt Points under this Agreement, NFGDC shall perform, at its expense, Btu determinations at least once annually to assess compliance with the provisions of Article IV, Paragraph A(8). Btu determinations that are made by NFGDC at Operator's request shall be made by NFGDC at Operator's cost and expense. It shall be Operator's responsibility to provide such Btu determinations to shippers on its system for purposes of delivering appropriate volumes to Exhibit A Receipt Points. NFGDC will apply Btu determinations in the same fashion as it does with respect to similarly situated regulated entities (i.e., for accounting purposes, NFGDC shall use a two (2) month lag in the application of Btu values to account for Operator's deliveries at said Receipt Point(s)).

(E) At Operator's request, NFGDC's test of the accuracy of any meter or other measurement equipment owned and used by NFGDC to measure volumes of gas delivered into its facilities shall be arranged and conducted, insofar as reasonably practicable, so as to permit representatives of Operator to be present. In those instances where Operator has not made a specific request to be present during such meter accuracy tests, NFGDC shall endeavor to contact Operator telephonically in advance of such meter accuracy tests so that Operator may be present during such test. Notwithstanding the above, for Receipt Points flowing an anticipated average daily volume greater than One Thousand (1000) DTH based on a rolling twelve (12) month average, NFGDC shall, at its expense, test the accuracy of said meters on a quarterly basis. For all other Receipt Points under this Agreement, NFGDC shall, at its expense, test the accuracy of said meters at least annually. If, upon any such test (whether conducted at Operator's request or upon NFGDC's own initiative) any such meter or measurement equipment shall be found to be inaccurate, NFGDC shall adjust the same as soon as practicable to read correctly; and

(1) If such inaccuracy is less than two percent (2%), the previous readings shall be deemed correct, and, in the event such test was conducted at Operator's request, Operator shall bear all costs of such test;

(2) If such inaccuracy is two percent (2%) or more, the previous readings shall be corrected to zero (0) error for the period of time during which such meter or other measurement equipment is known or agreed to have been inaccurate. If the length of such period of inaccuracy is not known or agreed upon, such correction shall be made for a period equal to one-half (½) of the time which has elapsed since the date of the last calibration;

(3) If any such meter or other measurement equipment is out of service, or inaccurate by two percent (2%) or more, under circumstances where the correction of previous readings of such equipment to "zero (0) error" is not feasible, then the volume of gas delivered during the period shall be estimated (a) by using data recorded by any check-measuring equipment, if

installed and registering accurately, or (b) if such check-measuring equipment is not installed or registering inaccurately, by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation, or (c) if neither such method is feasible, by estimating the quantity delivered based upon deliveries under similar conditions during a period when equipment was registering accurately.

This Paragraph E shall also apply to those meters owned by Operator, as indicated in Exhibit B hereto, provided that Operator shall assume the duties of NFGDC and NFGDC shall enjoy the rights of Operator as set forth earlier in this Paragraph E with respect to such meters owned by Operator.

#### ARTICLE IV.

##### GAS QUALITY

(A) Operator understands and acknowledges that NFGDC will not continuously monitor, test, or otherwise inspect Operator's Gas prior to the delivery thereof into NFGDC's facilities. Operator further acknowledges that, irrespective of the contractual disposition of Operator's Gas, all such gas is commingled with, and becomes an inseparable part of, the gas supply used by NFGDC to satisfy its obligations to its retail and transportation customers. Accordingly, Operator expressly warrants and represents that (i) Operator's Gas shall, in all respects and at all times, consist solely of gas which is merchantable, and (ii) without limitation of the generality of the foregoing, Operator's Gas shall at all times, and in all respects, meet at least the following minimum quality specifications:

(1) Operator's Gas shall be entirely free of dust, objectionable odors, and, subject to the provisions of Article IV(A)(3), all other gaseous and solid matter which might damage or interfere with the proper operation of the pipelines, regulators, meters or other equipment and apparatus through which it flows or in which it is used;

(2) Operator's Gas shall be entirely free of all hydrocarbon liquids and other material in liquid form, including, without limitation, water, glycol, brines, condensate and oil;

(3) All gas delivered by Operator to NFGDC hereunder into NFGDC's facilities through any Receipt Point listed on the attached Exhibit A shall be dehydrated by Operator for removal of water present therein in a vapor state to a level determined acceptable by NFGDC ("Acceptable Level"), at its sole discretion, from time to time, provided such level is not arbitrary as to Operator when compared to other third party gas entering NFGDC's facilities. In no event shall the Acceptable Level, as determined by NFGDC, be required to be less



than seven (7) pounds of water vapor ( $H_2O$ ) per million cubic feet. NFGDC shall provide Operator with a chart designating the Acceptable Level for each respective Receipt Point. NFGDC shall also provide Operator with thirty (30) days' notice of any change in an Acceptable Level;

(4) Operator's Gas shall contain not more than twenty (20) grains of total sulfur (S), nor more than three-tenths (0.3) grain of hydrogen sulfide ( $H_2S$ ) per one hundred (100) cubic feet;

(5) Operator's Gas shall contain not more than one-tenth of one percent (0.01 of 1%) by volume of oxygen ( $O_2$ );

(6) Operator's Gas shall contain not more than five percent (5%) by volume of a combined total of carbon dioxide ( $CO_2$ ) and nitrogen ( $N_2$ ) components; provided, however, (i) that the total carbon dioxide ( $CO_2$ ) content of Operator's Gas shall not exceed two percent (2%) by volume, and, (ii) that Operator's Gas shall be entirely free of  $NO_x$  compounds;

(7) Operator's Gas shall have a temperature of not more than one hundred twenty degrees Fahrenheit ( $120^\circ F$ ); and

(8) Operator's Gas shall have a total heat content of not less than nine hundred sixty seven (967) Btu per cubic foot, and not more than eleven hundred (1,100) Btu per cubic foot (determined on the measurement basis set forth in this Agreement), provided, however, that NFGDC shall have the option (but never the obligation) to accept Operator's Gas having a heat content outside of said range, when in NFGDC's sole judgment, such different heat content does not prevent such gas from being merchantable and fit for use in NFGDC's retail markets.

(B) Operator shall make every reasonable effort to keep Operator's Gas entirely free of oxygen ( $O_2$ ).

(C) Operator shall furnish, install, operate, maintain and keep in efficient and safe operating condition, at Operator's sole cost and expense, such drips, separators, dehydrators, alcohol bottles, gas cleaners, treatment facilities, and any other devices or equipment as may be or become reasonably necessary to effect compliance with the quality specifications set forth in this Article.

(D) In addition to any other remedy which may be available to NFGDC hereunder, or under any provision of law, in respect of Operator's undertakings expressed in this Article, NFGDC shall have and be entitled to exercise any one or more of the

following rights, options and remedies, on a non-exclusive basis, in the event of any breach by Operator of any one or more of said undertakings, to wit:

- (1) Upon notice to Operator, treat or process Operator's Gas, at Operator's sole cost and expense, insofar as reasonably necessary in NFGDC's judgment to cause the same to conform to the quality specifications set forth in this Article, provided that said notice shall include NFGDC's anticipated cost to treat or process said gas;
- (2) Continue to receive Operator's Gas, with or without treatment or processing thereof;
- (3) Discontinue receiving Operator's Gas at the affected Receipt Point(s) until the occasion(s) for the exercise of a remedy by NFGDC has, in NFGDC's reasonable judgment, been corrected;
- (4) Terminate this Agreement as respects the delivery of Operator's Gas into NFGDC's facilities at the affected Receipt Point(s) in the event that, in NFGDC's reasonable judgment, the occasion for NFGDC's exercise of a remedy cannot be corrected at a reasonable cost in a reasonable time. NFGDC shall not terminate this Agreement pursuant to this provision unless Operator has failed to cure any breach of this Agreement within thirty (30) days following written notice of such breach by NFGDC; and
- (5) Clean-up and/or repair, at Operator's sole cost and expense, all facilities, equipment and apparatus affected by the occasion for NFGDC's exercise of a remedy.

#### ARTICLE V.

##### CHART CHANGES AND INDEX READINGS

(A) Operator shall, at its own cost and expense, (i) change the charts on each orifice meter associated with the Exhibit A Receipt Points (the "Charts"), on the first (1st) working day of each month, (ii) mail the removed Charts to NFGDC on or before the fifth (5th) working day of each month, (iii) change the Charts regularly, once each seven (7) day period following said first (1st) working day, and (iv) mail these removed Charts to NFGDC within three (3) working days of each such Chart change.

(B) Insofar as applicable, Operator shall, at its own cost and expense, read each displacement meter associated with any Exhibit A Receipt Point on the first (1st) working day of each month and shall mail all such index information to NFGDC on or before the fifth (5th) working day of each month.

(C) All Charts and all index information shall be addressed to "NATIONAL FUEL GAS DISTRIBUTION CORPORATION, GAS MEASUREMENT DEPARTMENT, ROOM 1, P.O. BOX 2081, 1100 STATE STREET, ERIE, PENNSYLVANIA, 16512.

(D) Operator understands that NFGDC is not able to account for and/or allocate Operator's Gas without using the Chart or index information (as the case may be) referred to in this Article. Accordingly, given (i) the incremental expense and other costs which will be incurred by NFGDC in the event of its tardy receipt of the Chart or index information referred to in this Article; (ii) the difficulty of quantifying such costs and expenses, and (iii) the inconvenience and practical infeasibility of otherwise providing an adequate remedy in respect of Operator's breach of its undertakings expressed in this Article, it is agreed as follows:

In the event that either of the following conditions are met, to wit: (i) Operator shall fail to mail any Chart or index information as stipulated in this Article, or (ii) NFGDC shall fail to receive said Chart or index information on or before the fifth (5th) working day following the mailing date stipulated in this Article, then NFGDC shall be relieved of any obligation to account for any of the production in a timely manner, but NFGDC will endeavor to account for such production in the next accounting cycle. This provision shall not apply if the measurement of gas does not require said Chart or index information.

## ARTICLE VI.

### TERM

(A) This Agreement shall have no force or effect unless and until it shall have been executed by each of the parties identified on the first page hereof (the "Effective Date").

(B) The term of this Agreement shall extend until the first anniversary of the Effective Date, and, unless otherwise lawfully terminated, this Agreement shall continue in effect month to month thereafter, until the same is terminated by Operator, by written notice to NFGDC, no later than thirty (30) days prior to the termination date. Notwithstanding the above, either party shall be entitled to terminate this Agreement for cause.

(C) Notwithstanding any other provision of this Agreement, and in addition to any other right or remedy available to NFGDC hereunder or under any provision of law, NFGDC shall have the following rights, exercisable at NFGDC's sole option, to wit:

(1) Terminate this Agreement and remove all Receipt Facilities owned by NFGDC at the Exhibit A Receipt Points, or suspend or cease

receiving Operator's Gas at any one or more of the Exhibit A Receipt Points, upon thirty (30) days' prior written notice to Operator, in the event that Operator should (i) for any reason experience a loss or cancellation of the security required to be provided by Operator pursuant to Article X hereof, or (ii) for any reason unrelated to NFGDC's inability or unwillingness to receive Operator's Gas at one or more of the Exhibit A Receipt Points, deliver through each of the affected Exhibit A Receipt Points a volume of less than three hundred (300) Mcf during any period of three hundred sixty five (365) consecutive calendar days following the Effective Date; and

(2) Terminate this Agreement as to the affected Receipt Point(s) and remove all Receipt Facilities owned by NFGDC at the affected Receipt Point(s), or suspend or cease receiving Operator's Gas at any affected Receipt Point(s), upon thirty (30) days' prior written notice to Operator, in the event that Operator should repeatedly violate, in NFGDC's opinion, the standards contained in Article IV. For purposes of this Section, the term "repeatedly violate" shall mean six (6) or more violations in any given two (2) year period, each of which violation Operator fails to cure within thirty (30) days of notice by NFGDC. Notwithstanding the above, NFGDC shall be fully entitled to discontinue receiving Operator's gas at any affected Receipt Point(s) in the event of a violation by Operator, in accordance with the provisions of Article IV, Paragraph(D)(3).

## ARTICLE VII.

### GOVERNMENTAL REGULATION

(A) This Agreement and the respective obligations of the parties hereunder shall be subject to all valid applicable federal, state and local laws, orders, rules and regulations, whether in effect on the date hereof, or becoming effective thereafter. The parties shall be entitled to regard all laws, orders, rules and regulations issued by any federal, state or local regulatory or governmental body as valid and may act in accordance therewith until such time as same shall have been invalidated by final judgment (no longer subject to judicial review) of a court of competent jurisdiction. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities. Nothing contained herein, however, shall be construed as affecting any party's right(s) to contest the validity or applicability of any such law, order, rule or regulation.

(B) It is agreed that each party, and their respective obligations under this Agreement are, or in the future may become, subject to the continuing jurisdiction of various regulatory authorities, and that this Agreement may be modified by the rules,

regulations, orders or directives of such authorities. In the event any such regulatory authority issues a rule, regulation, order or directive modifying or requiring modification of this Agreement, this Agreement will become effective as modified, unless either party objects to such modification and elects to terminate this Agreement by providing written notice to the other party within thirty (30) days of such regulatory authority's action. In the event of such a termination, this Agreement shall be null and void.

## ARTICLE VIII.

### FORCE MAJEURE

(A) In the event either NFGDC or Operator is rendered unable, in whole or in part, by force majeure to carry out their respective obligations under this Agreement, other than to make payments due hereunder or to maintain minimum gas quality specifications, it is agreed that the obligations of the party claiming such inability to perform, so far as they are affected by such force majeure, shall be suspended from the inception of and during the continuance of such inability so caused but for no longer period; provided that the party claiming such inability gives notice and reasonably full particulars of such force majeure event relied upon; and provided further that the party claiming such inability shall promptly and diligently take such action as may be necessary and reasonably practicable to correct, or cause to be corrected, such inability.

(B) The term "force majeure" as employed herein shall mean, without limitation, acts of God, governmental action or regulation, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, storm warnings, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accidents to machinery or pipelines, the necessity for making repairs to or alterations of machinery or pipelines, freezing of pipelines, and any other causes, whether of the kind herein enumerated or otherwise, not under or within the control of the party claiming inability to perform and which, by the exercise of reasonable diligence, such party is unable to prevent or overcome.

(C) The settlement of strikes, lockouts or any such labor disputes shall be entirely within the discretion of the party having the difficulty, and the above requirement that any force majeure event shall be remedied promptly and diligently shall not require the settlement of strikes, lockouts or other labor disputes by acceding to the demands of any opposing party when such course is inadvisable in the discretion of the party having the difficulty.

## ARTICLE IX.

### NOTICE

(A) All notices required by the following sections:

Article II, Paragraph A  
Article II, Paragraph C  
Article II, Paragraph M(3)  
Article III, Paragraph (E)

shall be provided in accordance with the provisions of such sections. Any other notice, request, statement, bill or invoice provided for in this Agreement shall be in writing, unless otherwise provided herein, and shall be sent by prepaid mail, facsimile, or by overnight delivery, addressed to the party to whom given, at such party's address stated below, or at such other address as such party may in and by such notice direct hereafter, provided however that any notice of default, breach or termination of this Agreement by either party shall be sent by certified mail, addressed to the party to whom given, at such party's address stated below. Facsimile notices, requests, statements, bills or invoices shall be deemed given only when facsimile receipt is confirmed.

Notice shall be sent:

(1) To NFGDC:

National Fuel Gas Distribution Corporation  
Gas Supply Administration Department  
1100 State Street  
P.O. Box 2081  
Erie, PA 16512  
24-Hour Telephone: (800) 444-3130 Emergencies Only  
Facsimile: (814) 871-8624

(2) To Operator:

(B) The parties shall provide each other with a current telephone number, facsimile number and address at which the party or the party's representatives may be contacted at all hours. For themselves and their agents, NFGDC and Operator agree to the recording of all telephone conversations during which NFGDC notifies Operator to suspend or cease deliveries into any facility owned or operated by NFGDC.

## ARTICLE X.

### OPERATOR'S CREDITWORTHINESS

(A) At its option, NFGDC may (i) suspend its receipt of Operator's Gas, or (ii) terminate this Agreement, in the event that Operator is or has become insolvent or fails within a reasonable period, upon NFGDC's request, to demonstrate creditworthiness, or in the event that Operator incurs a poor credit history with respect to any service provided by NFGDC or as established by a reliable reporting agency.

(B) With respect to Operator's creditworthiness, subject to NFGDC's approval as to below subsection X(B)(3), any of the following means of security shall be accepted by NFGDC as sufficient security in respect to any remedy afforded NFGDC under this Agreement or any provision of law:

(1) A security deposit in the amount of Seventeen Thousand Five Hundred Dollars (\$17,500) or higher, to be held in a non-interest-bearing general account by NFGDC for the term of this Agreement;

(2) An irrevocable letter of credit issued by a financial institution acceptable to NFGDC and in a form acceptable to NFGDC with a face amount of Seventeen Thousand Five Hundred Dollars (\$17,500) or higher for the term of this Agreement; or

(3) At Operator's option and subject to NFGDC's approval, a copy of the most recent audited financial statements of Operator (or of a guarantor of Operator's performance hereunder) showing a net worth in excess of Thirty Thousand Dollars (\$30,000), or a copy of the most recent unaudited financial statements of Operator (or of a guarantor of Operator's performance hereunder) showing a net worth of at least Forty Thousand Dollars (\$40,000), in which event, Operator shall also provide NFGDC with evidence of its ownership of unencumbered assets valued, in the aggregate, in excess of Seventeen Thousand Five Hundred Dollars (\$17,500) or higher in each state in which Operator conducts any business with NFGDC.

(C) In connection with Article X, Paragraph B(3), NFGDC reserves the right to require Operator to establish or demonstrate its creditworthiness, from time to time, during the term of this Agreement.

## ARTICLE XI.

### RESPONSIBILITY FOR GAS

(A) Nothing in this Agreement shall affect the title to gas tendered by Operator for receipt by NFGDC.

(B) Operator shall be deemed in exclusive control and possession of gas while on Operator's system until such gas has been delivered to NFGDC at the Receipt Point(s). NFGDC shall be deemed to be in exclusive control and possession of such gas while on NFGDC's system.

(C) Operator represents that it will have, at the time of delivery of gas to NFGDC, good right to deliver the gas and, provided Operator has good right to deliver said gas, NFGDC represents that it will have, at the time of delivery of gas to NFGDC, good right to receive said gas.

(D) Except insofar as NFGDC is in breach of its obligations or has an obligation to indemnify and save Operator harmless pursuant to this Article XI, Operator agrees to indemnify NFGDC and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse claims of any and all persons to said gas and/or to royalties, taxes, license fees, or charges thereon which are applicable for such delivery of gas to NFGDC and to indemnify NFGDC and save it harmless from all taxes or assessments which may be levied or assessed upon such delivery and which are by law payable by and the obligation of the party making such delivery.

(E) Except insofar as Operator is in breach of its obligations or has an obligation to indemnify and save NFGDC harmless pursuant to this Article XI, NFGDC agrees to indemnify Operator and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse claims of any and all persons to said gas accepted for receipt by NFGDC and/or to royalties, taxes, license fees, or charges thereon which are applicable for such receipt of gas to NFGDC and to indemnify Operator and save it harmless from all taxes or assessments which may be levied or assessed upon such receipt and which are by law payable by and the obligation of the party receiving such delivery.

(F) If Operator's right to deliver gas to be accepted by NFGDC is questioned, disputed or involved in any action, Operator shall not qualify for and/or shall be ineligible to continue to receive service hereunder until such time as Operator's right to deliver is free from question; provided, however, NFGDC shall allow Operator to qualify for and/or continue receiving service hereunder if Operator furnishes security satisfactory to NFGDC.

## ARTICLE XII.

### MISCELLANEOUS

(A) This document shall not be construed as an agreement running with the land.



(B) No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.

(C) No waiver by any party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

(D) Operator (or its designee) and NFGDC shall respond to requests for confirmations of shipper nominations within the applicable time limits set forth in the GISB standards. Operator acknowledges that NFGDC is under no obligation to schedule unconfirmed nominations.

(E) Any company which shall succeed by purchase, merger or consolidation of the gas related properties, substantially as an entirety, of NFGDC or of Operator, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise, no assignment of this Agreement or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party. Consent shall not be unreasonably withheld.

(F) The headings contained in this Agreement are intended solely for convenience and do not constitute any part of the agreement between the parties and shall not be used in any manner in construing this Agreement.

(G) (1) Agreement Governing Interconnection in New York State:

This Agreement shall be construed, enforced and interpreted in accordance with the laws of the State of New York, excluding, however, any such law which would direct the application of the law of another jurisdiction. The parties (i) submit to the jurisdiction of the United States District Court for the Western District of New York, and, in the event that such court lacks subject matter jurisdiction, to the New York State Supreme Court, Erie County, and, as respects those matters which are subject to the exclusive or primary jurisdiction of the Public Service Commission of the State of New York, to that Commission, and (ii) waive any right or entitlement which they or any of them might otherwise have to cause any dispute arising under this Agreement to be adjudicated, determined or resolved pursuant to the law of any other jurisdiction, or, in or by any other court(s) or tribunal(s). Provided, however, that the parties may bring disputed matters before the Public Service Commission of the State of New York according to dispute resolution procedures under NFGDC's Interconnection Rules & Procedures approved by the Public Service Commission of the State of New York and set forth in a certain Joint Proposal, at Appendix F, filed by NFGDC with the Public Service Commission of the State of New York on January 23, 2002.

## (2) Agreement Governing Interconnection in Pennsylvania

This Agreement shall be construed, enforced and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, excluding, however, any such law which would direct the application of the law of another jurisdiction. The parties (i) submit to the jurisdiction of the United States District Court for the Western District of Pennsylvania, and, in the event that such court lacks subject matter jurisdiction, to the Erie County Court of Common Pleas, Commonwealth of Pennsylvania, and, as respects those matters which are subject to the exclusive or primary jurisdiction of the Pennsylvania Public Utility Commission, to that Commission, and (ii) waive any right or entitlement which they or any of them might otherwise have to cause any dispute arising under this Agreement to be adjudicated, determined or resolved pursuant to the law of any other jurisdiction, or, in or by any other court(s) or tribunal(s). Provided, however, that the parties may bring disputed matters before the Pennsylvania Public Utility Commission according to that Commission's applicable procedures.

(H) So that there will be certainty as to the actual agreement between the parties, it is mutually understood and agreed that this Interconnection Agreement and the Exhibit A attached hereto, as the same may be impacted by any applicable provision of NFGDC's Tariff, is intended to constitute the final expression, as well as the complete, exclusive and integrated statement, of the terms of the parties' agreement relative to the interconnection and other transactions described therein.

(I) No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

(J) This Agreement establishes rights and obligations only as between the parties to this Agreement and only with respect to the subject matter of this Agreement.

(K) This document and the agreement memorialized thereby shall be without force and effect unless all of the parties identified on the first page of this document shall have fully executed the same prior to \_\_\_\_\_, 20\_\_, as evidenced by duplicate or counterpart originals thereof which are in each party's possession prior to five o'clock p.m. (5:00 p.m.) Eastern Time on that date.

_____	NATIONAL FUEL GAS DISTRIBUTION CORPORATION
Operator	
By _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

National Fuel Gas Distribution Corporation

Gas Transportation Operating Procedures Manual

## INTERCONNECTION AGREEMENT

Between

NFGDC and \_\_\_\_\_

### EXHIBIT A

Receipt Points(s):

## EXHIBIT B

## Table of Equipment Ownership and Responsibilities

<u>Equipment</u>	<u>Installed by</u>	<u>Owned by</u>	<u>Maintained by</u>	<u>Paid by</u>
Meter/Recording instrument	NFGDC	NFGDC	NFGDC	NFGDC
Meter run and valves	Operator	Operator	Operator	Operator
Regulator	Operator	Operator	Operator	Operator
Drying Equipment	Operator	Operator	Operator	Operator
Odorizing Equipment	NFGDC	NFGDC	NFGDC	Operator
“Pop-offs”/Relief valves	Operator	NFGDC	NFGDC	Operator
Heaters	Operator	Operator	Operator	Operator
Water separator/drips	Operator	Operator	Operator	Operator
Communications facilities	Operator	Operator	Operator	Operator
Telemetrics/Teleflow	NFGDC	NFGDC	NFGDC	Operator

**8. Standard-Form Producer Interconnection Agreement****PRODUCER INTERCONNECTION AGREEMENT**

THIS INTERCONNECTION AGREEMENT (the "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_, hereinafter, "Operator,"

and

NATIONAL FUEL GAS DISTRIBUTION CORPORATION, 6363 Main Street, Williamsville, New York, 14221-5887, hereinafter, "NFGDC."

**WITNESSETH**

WHEREAS, NFGDC is a public utility authorized and obligated to receive and transport natural gas and to provide retail natural gas service subject to the jurisdiction of the Public Service Commission of the State of New York; and

WHEREAS, by means of facilities operated by it, Operator proposes to deliver to, and deliver into facilities owned and operated by NFGDC natural gas produced in the State of New York; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, NFGDC and Operator agree as follows:

**ARTICLE I.****DEFINITIONS**

(A) "Receipt Point" means the point of interconnection between Operator's facilities and the facilities of NFGDC located immediately upstream of NFGDC's measurement facility which is used to identify such point of interconnection in Exhibit A.

(B) "Exhibit A" means the document entitled "Exhibit A" which is attached hereto (and by such attachment, made a part hereof), as said document may be amended or supplemented, from time to time.

(C) "Btu" means the amount of heat required to raise the temperature of one (1) pound of water from fifty-eight degrees Fahrenheit (58° F) to fifty-nine degrees Fahrenheit (59° F), as measured through chromatographic analysis, by a calorimeter, or by any other acceptable industry method for establishing heating value, and determined on an anhydrous (dry) basis, at sixty degrees Fahrenheit (60° F), at a standard pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute.

(D) "Cubic Foot" means the volume of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a standard temperature of sixty degrees Fahrenheit (60° F), under standard gravitational force.

(E) "Mcf" means one thousand (1,000) cubic feet of gas, determined on the measurement basis set forth in this Agreement.

(F) "Day" means the twenty-four (24) hour period commencing at ten o'clock a.m., Eastern Time (10:00 a.m.) on one calendar day and ending at 10:00 a.m., Eastern Time on the following calendar day, or as otherwise established by the Gas Industry Standards Board ("GISB").

(G) "Month" means the period commencing at ten o'clock a.m., Eastern Time (10:00 a.m.) on the first day of a calendar month and ending at 10:00 a.m., Eastern Time on the first day of the next calendar month, or as otherwise established by GISB.

(H) "Operator's Gas" means the natural gas delivered into NFGDC's facilities at any given time at any given Receipt Point.

## ARTICLE II.

### DELIVERY OF GAS INTO NFGDC FACILITIES

(A) Operator shall not deliver (or permit the delivery of) any gas into any facility owned or operated by NFGDC other than at a Receipt Point identified on Exhibit A at the time of such delivery (the "Exhibit A Receipt Point(s)"). No Receipt Point shall be deemed to have been added to Exhibit A, and Exhibit A shall not be deemed to have been otherwise amended or supplemented, unless and until such amendment or supplement of Exhibit A shall be evidenced by a writing executed by Operator and NFGDC.

(B) Operator warrants and represents as follows:

- (1) All gas delivered into NFGDC's facilities at any one Receipt Point shall be gas produced exclusively from the wells (and only those wells) which are associated with such Receipt Point and identified on the copy of Exhibit A which is attached to this Agreement at the time of such delivery.
- (2) Gas produced or scheduled by Operator to be produced from wells not identified in Exhibit A shall be authorized for addition to Exhibit A and gas received therefrom accepted by Distribution at the designated Receipt Point so long as:
  - (i) Operator provides Distribution with 15 days written notice of its intent to add said additional well(s) to Exhibit A, together with the scheduled turn-on date; and

- (ii) The well has been tested by or caused to be tested by Distribution and the results therefrom meet Distribution's satisfaction;
- (iii) Provided, however, if Distribution fails to perform or cause to perform such well test by Operator's scheduled turn-on date, as provided in subdivision (i) above, said well(s) may nonetheless be turned on and production therefrom shall be accepted by Distribution at the designated Receipt Point, subject to Operator's sole liability for damages resulting from such production, and further subject to Distribution's determination, upon testing at any later date, that such gas is not acceptable pursuant to the terms and conditions of this Agreement.
- (iv) The criteria contained in this paragraph (2) shall also apply to new or different formations of gas that are accessed from an existing well already identified on Exhibit A.

(C) Operator shall deliver gas at a pressure sufficient to enable such gas to enter NFGDC's facilities against the pressure prevailing therein from time to time, provided, however, that Operator shall not deliver gas at any Receipt Point at a pressure in excess of the pressure designated by NFGDC.

(D) Operator shall not install or operate (or permit any other entity to install or operate) compression facilities in order to deliver gas into any NFGDC facility ("NFGDC-Related Compression Operations") without the express prior written consent of NFGDC, which consent shall not be unreasonably withheld.

(E) Operator warrants that all NFGDC-Related Compression Operations shall be conducted in a manner (i) so as to prevent the pulsations therefrom from interfering with NFGDC's measurement at any Receipt Point, and (ii) so that compressed gas will be delivered to NFGDC at a temperature not exceeding one hundred twenty degrees Fahrenheit (120° F).

(F) Operator shall give NFGDC written notice at least fourteen (14) days prior to the commencement of (and any material change in) authorized NFGDC-Related Compression Operations.

(G) Operator shall give NFGDC written notice at least twenty-four (24) hours prior to any material change in the maintenance routine applicable to any compressor used in NFGDC-Related Compression Operations. For purposes of this subsection, "material" shall mean any change that may produce a variance in gas volumes or pressure.

(H) In the event that the installation, operation and/or maintenance of Operator's compressor used in NFGDC-Related Compression Operations requires (in NFGDC's

reasonable judgment) modification(s) to any facility owned or operated by NFGDC, the cost of such modification(s) shall be borne by Operator. Operator shall consult with NFGDC so as to assist NFGDC in ascertaining the extent to which such modification may be indicated, and on the basis of such consultation and NFGDC's own judgment, NFGDC shall endeavor to notify Operator of its determination prior to the date scheduled by Operator for such installation, operation and/or maintenance. Notwithstanding NFGDC's efforts to provide such notice to Operator, Operator shall remain solely responsible for costs incurred by NFGDC in the event resulting and reasonably unforeseen modification of NFGDC facilities are required.

(I) Operator shall, at its own cost and expense, (i) obtain, provide NFGDC with, and maintain any easement(s) or other land interest(s) which, in NFGDC's judgment as to type and extent, are reasonably necessary for the installation, operation and maintenance of NFGDC's receipt and related measurement facilities; and (ii) upon NFGDC's request, provide NFGDC with a copy of the recorded instruments evidencing such land interests and NFGDC's beneficial interest therein.

(J) Receipt facilities shall be installed, owned and maintained by and at the expense of either NFGDC or Operator according to the below schedule. Such equipment shall be installed at each Exhibit A Receipt Point facility, which, in NFGDC's reasonable judgment, may be necessary to accommodate the deliveries of gas received and projected to be received by it at the Receipt Points. The normal operation, calibration, maintenance, adjustment and repair of the measurement equipment shall be performed by the owner of the equipment. Modifications to Receipt Facilities resulting from changes in Operator's operations shall be performed at Operator's cost and expense. The Receipt Facilities shall be operated in accordance with the applicable specifications of the Gas Measurement Committee of the Natural Gas Department of the American Gas Association, as amended from time to time, or in accordance with any other mutually agreeable standard commonly accepted in the industry.



<b>Equipment</b>	<b>Install by</b>	<b>Own by</b>	<b>Maintain by</b>	<b>Paid by</b>
Meter/Recording instrument	NFGDC	NFGDC	NFGDC	NFGDC
Meter run and valves	Either	Either	Either	Operator
Regulator	Operator	Operator	Operator	Operator
Drying Equipment	Operator	Operator	Operator	Operator
Odorizing Equipment	NFGDC	NFGDC	NFGDC	Operator
“Pop-offs”/Relief valves	Either	Either	NFGDC	Operator
Mainline valve	Either*	NFGDC	NFGDC	Operator
Heaters	Operator	Operator	Operator	Operator
Water separator/drips	Operator	Operator	Operator	Operator
Communications facilities	Operator	Operator	Operator	Operator
Telemetrics/Teleflow	NFGDC	NFGDC	NFGDC	Operator

\*Pursuant to a determination by NFGDC

(K) Operator shall pay to NFGDC the Receipt Facility Maintenance Fee(s), if any, which shall be applicable, from time to time, pursuant to the provisions of NFGDC’s Tariff. In this connection, Operator agrees that NFGDC shall have the unilateral right, exercisable at its sole option, to file with any regulatory authority having jurisdiction, and to make effective, (i) initial and revised rates and charges applicable to NFGDC’s operations hereunder, (ii) changes in any provision of the General Terms and Conditions of NFGDC’s Tariff applicable to NFGDC’s operations hereunder, and (iii) the terms and conditions of this Agreement (hereinafter, collectively, the “Receipt Parameters”). NFGDC agrees that Operator may protest or contest any such filing and/or may seek from any duly constituted regulatory authority having jurisdiction such revision of any one or more of the Receipt Parameters as may be necessary or appropriate to cause the same to be, in all respects, just and reasonable.

(L) Operator shall, at its own cost and expense, provide, operate and maintain in safe and efficient operating condition such regulators, relief valves, and other equipment as may be necessary in NFGDC’s reasonable judgment to avoid excessive pressures (and the risk of such pressures) in facilities owned and operated by NFGDC or its customers.

(M) Operator acknowledges that:

(1) The Receipt Points identified in Exhibit A are located on NFGDC’s gas distribution facilities;

(2) NFGDC must, at all times, be in a position to operate, maintain, enhance, and/or replace any one or more of its facilities in such a manner, at such times, and under such circumstances as will enable it to furnish and provide facilities and service which are safe and adequate and in all respects just and reasonable;

(3) The maximum and/or minimum delivery pressures or other parameters applicable to Operator's delivery of gas into NFGDC's facilities may vary from time to time, in light of the above, and in order to enable NFGDC to satisfy its retail market requirements, including but not limited to its firm service obligations, transportation obligations, and to ensure the maintenance of safe operating conditions throughout its system, including, but not limited to, the maintenance, enhancement and/or improvement of its facilities;

(4) Operator acknowledges NFGDC's right (a) to restrict and/or completely stop Operator's deliveries at any one or more Receipt Points insofar as reasonably necessary in NFGDC's judgment to accommodate the above requirements, and/or (b) to designate and redesignate, from time to time, the maximum pressure or other delivery parameter(s) temporarily applicable to deliveries of gas by Operator at any one or more Receipt Points; and

(5) Without limitation of the remedies available to NFGDC in respect of any breach of this Agreement, a breach of any one or more of the obligations undertaken by Operator under paragraphs (A), (B), (C) and (E) of this Article II shall constitute a material breach of this Agreement.

### ARTICLE III.

#### MEASUREMENT

(A) The unit of volume for purposes of measurement of the gas delivered into NFGDC's facilities at the respective Exhibit A Receipt Points shall be Mcf.

(B) For purposes of measurement and meter calibration, the atmospheric pressure shall be deemed to be constant at fourteen and four-tenths (14.4) pounds per square inch absolute.

(C) Unless temperature compensation measurement equipment is utilized, the temperature of gas flowing through NFGDC's Receipt Facilities shall be deemed to be sixty degrees Fahrenheit (60° F).

(D) The total heating value of the gas delivered into NFGDC's facilities at the respective Exhibit A Receipt Points shall be determined by tests of samples of gas collected at said Receipt Points at such time(s) as may be determined by NFGDC. The unit of measurement of heating value shall be Btu. Btu determinations shall be made as often as NFGDC deems appropriate, and at NFGDC's expense, provided, however, that Btu determinations which are made by NFGDC at Operator's request shall be made by NFGDC at Operator's cost and expense.

(E) If undertaken at Operator's request, NFGDC's test of the accuracy of any meter or other measurement equipment owned and used by NFGDC to measure volumes of gas delivered into its facilities shall be arranged and conducted, insofar as reasonably practicable, so as to permit representatives of Operator to be present. If, upon any such test (whether conducted at Operator's request or upon NFGDC's own initiative) any such meter or measurement equipment shall be found to be inaccurate, NFGDC shall adjust the same as soon as practicable to read correctly; and

(1) If such inaccuracy is less than three percent (3%), the previous readings shall be deemed correct, and, in the event such test was conducted at Operator's request, Operator shall bear all costs of such test;

(2) If such inaccuracy is three percent (3%) or more, the previous readings shall be corrected to zero (0) error for the period of time during which such meter or other measurement equipment is known or agreed to have been inaccurate. If the length of such period of inaccuracy is not known or agreed upon, such correction shall be made for a period equal to one-half ( $\frac{1}{2}$ ) of the time which has elapsed since the date of the last calibration, provided, however, that such correction period shall not exceed thirty (30) days.

If any such meter or other measurement equipment is out of service, or inaccurate by three percent (3%) or more, under circumstances where the correction of previous readings of such equipment to "zero (0) error" is not feasible, then the volume of gas delivered during the period shall be estimated (a) by using data recorded by any check-measuring equipment, if installed and registering accurately, or (b) if such check-measuring equipment is not installed or registering inaccurately, by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation, or (c) if neither such method is feasible, by estimating the quantity delivered based upon deliveries under similar conditions during a period when equipment was registering accurately.

#### ARTICLE IV.

#### GAS QUALITY

(A) Operator understands and acknowledges that NFGDC will not continuously monitor, test, or otherwise inspect Operator's Gas prior to the delivery thereof into NFGDC's facilities. Operator further acknowledges that, irrespective of the contractual disposition of Operator's Gas, all such gas is commingled with, and becomes an inseparable part of, the gas supply used by NFGDC to satisfy its obligations to its retail

and transportation customers. Accordingly, Operator expressly warrants and represents that (i) Operator's Gas shall, in all respects and at all times, consist solely of gas which is merchantable and fit for use by NFGDC's retail customers, and (ii) without limitation of the generality of the foregoing, Operator's Gas shall at all times, and in all respects, meet at least the following minimum quality specifications:

(1) Operator's Gas shall be entirely free of dust, objectionable odors, and, subject to the provisions of Article IV(A)(3), all other gaseous and solid matter which might damage or interfere with the proper operation of the pipelines, regulators, meters or other equipment and apparatus through which it flows or in which it is used;

(2) Operator's Gas shall be entirely free of all hydrocarbon liquids and other material in liquid form, including, without limitation, water, glycol, brines, condensate and oil;

(3) All gas delivered by Operator to NFGDC hereunder into NFGDC's facilities through any Receipt Point listed on the attached Exhibit A shall be dehydrated by Operator for removal of water present therein in a vapor state to a level determined acceptable by NFGDC, at its sole discretion, from time to time. In no event shall the acceptable level, as determined by NFGDC, be required to be less than seven (7) pounds of water vapor ( $H_2O$ ) per million cubic feet;

(4) Operator's Gas shall contain not more than twenty (20) grains of total sulfur (S), nor more than three-tenths (0.3) grain of hydrogen sulfide ( $H_2S$ ) per one hundred (100) cubic feet;

(5) Operator's Gas shall contain not more than two-tenths of one percent (0.02 of 1%) by volume of oxygen ( $O_2$ );

(6) Operator's Gas shall contain not more than five percent (5%) by volume of a combined total of carbon dioxide ( $CO_2$ ) and nitrogen ( $N_2$ ) components; provided, however, (i) that the total carbon dioxide ( $CO_2$ ) content of Operator's Gas shall not exceed two percent (2%) by volume, and, (ii) that Operator's Gas shall be entirely free of  $NO_x$  compounds;

(7) Operator's Gas shall have a temperature of not more than one hundred twenty degrees Fahrenheit ( $120^{\circ}F$ ); and

(8) Operator's Gas shall have a total heat content of not less than nine hundred sixty-seven (967) Btu per cubic foot, and not more than eleven hundred (1,100) Btu per cubic foot (determined on the measurement basis set forth in this Agreement), provided, however, that NFGDC shall have the option (but never the obligation) to accept

Operator's Gas having a heat content outside of said range, when in NFGDC's sole judgment, such different heat content does not prevent such gas from being merchantable and fit for use in NFGDC's retail markets.

(B) Operator shall make every reasonable effort to keep Operator's Gas entirely free of oxygen (O<sub>2</sub>).

(C) Operator shall furnish, install, operate, maintain and keep in efficient and safe operating condition, at Operator's sole cost and expense, such drips, separators, dehydrators, alcohol bottles, gas cleaners, treatment facilities, and any other devices or equipment as may be or become reasonably necessary to effect compliance with the quality specifications set forth in this Article.

(D) In addition to any other remedy which may be available to NFGDC hereunder, or under any provision of law, in respect of Operator's undertakings expressed in this Article, NFGDC shall have and be entitled to exercise any one or more of the following rights, options and remedies, on a non-exclusive basis, in the event of any breach by Operator of any one or more of said undertakings, to wit:

(1) Upon notice to Operator, treat or process Operator's Gas, at Operator's sole cost and expense, insofar as reasonably necessary in NFGDC's judgment to cause the same to conform to the quality specifications set forth in this Article;

(2) Continue to receive Operator's Gas, with or without treatment or processing thereof;

(3) Discontinue receiving Operator's Gas at the affected Receipt Point(s) until the occasion(s) for the exercise of a remedy by NFGDC has, in NFGDC's reasonable judgment, been corrected;

(4) Terminate this Agreement as respects the delivery of Operator's Gas into NFGDC's facilities at the affected Receipt Point(s) in the event that, in NFGDC's reasonable judgment, the occasion for NFGDC's exercise of a remedy cannot be corrected at a reasonable cost in a reasonable time;

(5) Require Operator to cease receiving into Operator's facilities production attributable to the source which occasioned NFGDC's exercise of a remedy; and

(6) Clean-up and/or repair, at Operator's sole cost and expense, all facilities, equipment and apparatus affected by the occasion for NFGDC's exercise of a remedy. NFGDC shall endeavor to notify the Operator prior to taking such remedial action.

## ARTICLE V.

### CHART CHANGES AND INDEX READINGS

(A) Operator shall, at its own cost and expense, (i) change the charts on each orifice meter associated with the Exhibit A Receipt Points (the "Charts"), on the first (1st) working day of each month, (ii) mail the removed Charts to NFGDC on or before the fifth (5th) working day of each month, (iii) change the Charts regularly, once each seven (7) day period following said first (1st) working day, or on a 31-day cycle in the case of 31-day charts, and (iv) mail these removed Charts to NFGDC within three (3) working days of each such chart change.

(B) Insofar as applicable, Operator shall, at its own cost and expense, read each displacement meter associated with any Exhibit A Receipt Point on the first (1st) working day of each month and shall mail, or , with confirmed receipt, e-mail or fax all such index information to NFGDC on or before the fifth (5th) working day of each month.

(C) All charts and all index information shall be addressed to "NATIONAL FUEL GAS DISTRIBUTION CORPORATION, GAS MEASUREMENT DEPARTMENT, ROOM 1, P.O. BOX 2081, 1100 STATE STREET, ERIE, PENNSYLVANIA, 16512.

(D) Operator understands that NFGDC is not able to account for and/or allocate Operator's Gas without using the Chart or index information (as the case may be) referred to in this Article. Accordingly, given (i) the incremental expense and other costs which will be incurred by NFGDC in the event of its tardy receipt of the Chart or index information referred to in this Article; (ii) the difficulty of quantifying such costs and expenses, and (iii) the inconvenience and practical infeasibility of otherwise providing an adequate remedy in respect of Operator's breach of its undertakings expressed in this Article, it is agreed as follows:

In the event that either of the following conditions are met, to wit:  
(i) Operator shall fail to mail any Chart or index information as stipulated in this Article, or (ii) NFGDC shall fail to receive said Chart or index information on or before the fifth (5th) working day following the mailing date stipulated in this Article, then NFGDC shall be relieved of any obligation to account for any of the production in a timely manner but will endeavor to account for such production in the next accounting period.

## ARTICLE VI.

### TERM

(A) This Agreement shall have no force or effect unless and until it shall have been executed by each of the parties identified on the first page hereof and by each of the parties identified in the Addendum thereto, if any (the "Effective Date"). Thereafter, and unless and until NFGDC shall have notified each of the other parties who executed this Agreement (the "Non-NFGDC Parties") that all applicable gas disposition agreements have become effective, no right or entitlement shall accrue to any Non-NFGDC Party due to the execution of this Agreement.

(B) The term of this Agreement shall extend until the first anniversary of the Effective Date, and, unless otherwise lawfully terminated, this Agreement shall continue in effect thereafter, until the same is terminated by any party to this Agreement, if any, by written notice to all other such parties, no later than thirty (30) days prior to the beginning of a calendar month.

(C) Notwithstanding any other provision of this Agreement, and in addition to any other right or remedy available to NFGDC hereunder or under any provision of law, NFGDC shall have the following rights, exercisable at NFGDC's sole option, to wit:

(1) Terminate this Agreement and remove all Receipt Facilities at the Exhibit A Receipt Points, or suspend or cease receiving Operator's Gas at any one or more of the Exhibit A Receipt Points, upon thirty (30) days' prior written notice to Operator, in the event that Operator should for any reason experience a loss or cancellation of the security required to be provided by Operator pursuant to Article IX hereof; and

(2) Terminate this Agreement as to the affected Receipt Point(s) and remove all Receipt Facilities at the affected Receipt Point(s), or suspend or cease receiving Operator's Gas at any affected Receipt Point(s), upon thirty (30) days' prior written notice to Operator, in the event that Operator should (i) fail to provide satisfactory title to the production or (ii) repeatedly violate, in NFGDC's sole opinion, the standards contained in Article IV.

## ARTICLE VII.

### GOVERNMENTAL REGULATION

This Agreement and the respective obligations of the parties hereunder shall be subject to all valid applicable federal, state and local laws, orders, rules and regulations, whether in effect on the date hereof, or becoming effective thereafter. The parties shall be entitled to regard all laws, orders, rules and regulations issued by any federal, state or local regulatory or governmental body as valid and may act in accordance therewith until such time as same shall have been invalidated by final judgment (no longer subject to judicial review) of a court of competent jurisdiction. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws,

orders, rules or regulations of any such duly constituted authorities. Nothing contained herein, however, shall be construed as affecting any party's right(s) to contest the validity or applicability of any such law, order, rule or regulation.

## ARTICLE VIII.

### FORCE MAJEURE

(A) In the event either NFGDC or Operator is rendered unable, in whole or in part, by force majeure to carry out their respective obligations under this Agreement, other than to make payments due hereunder or to maintain minimum gas quality specifications, it is agreed that the obligations of the party claiming such inability to perform, so far as they are affected by such force majeure, shall be suspended from the inception of and during the continuance of such inability so caused but for no longer period; provided that the party claiming such inability gives notice and reasonably full particulars of such force majeure event relied upon; and provided further that the party claiming such inability shall promptly and diligently take such action as may be necessary and reasonably practicable to correct, or cause to be corrected, such inability.

(B) The term "force majeure" as employed herein shall mean, without limitation, acts of God, Governmental action or regulation, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, storm warnings, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accidents to machinery or pipelines, the necessity for making repairs to or alterations of machinery or pipelines, freezing of pipelines, and any other causes, whether of the kind herein enumerated or otherwise, not under or within the control of the party claiming inability to perform and which, by the exercise of reasonable diligence, such party is unable to prevent or overcome.

(C) The settlement of strikes, lockouts or any such labor disputes shall be entirely within the discretion of the party having the difficulty, and the above requirement that any force majeure event shall be remedied promptly and diligently shall not require the settlement of strikes, lockouts or other labor disputes by acceding to the demands of any opposing party when such course is inadvisable in the discretion of the party having the difficulty.

(D) Force majeure shall not include failure or disruption of technical systems or products within the reasonable control of the party claiming force majeure which arise as a result of any leap year.

## ARTICLE IX.

### NOTICE



(A) Every notice, request, statement, bill or invoice provided for in this Agreement shall be in writing, unless otherwise provided herein, and shall be sent by prepaid mail, facsimile, or by overnight delivery, addressed to the party to whom given, at such party's address stated below, or at such other address as such party may in and by such notice direct hereafter. Facsimile notices, requests, statements, bills or invoices shall be deemed given only when facsimile receipt is confirmed.

Notice shall be sent:

(1) To NFGDC:

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 Gas Supply Administration Department  
 1100 State Street  
 P.O. Box 2081  
 Erie, Pennsylvania 16512  
 24-Hour Telephone: (800) 444-3130 EMERGENCIES ONLY  
 Facsimile: (814) 871-8624

(2) To Operator:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 24-Hour Telephone: \_\_\_\_\_  
 Facsimile: \_\_\_\_\_

(B) Operator shall provide NFGDC with a current telephone number, facsimile number and address at which Operator or Operator's representatives may be contacted at all hours. For themselves and their agents, NFGDC and Operator agree to the recording of all telephone conversations during which NFGDC notifies Operator to suspend or cease deliveries into any facility owned or operated by NFGDC.

## ARTICLE X.

### OPERATOR'S CREDITWORTHINESS

(A) At its sole option, NFGDC may (i) suspend its receipt of Operator's Gas, or (ii) terminate this Agreement, in the event that Operator is or has become insolvent or fails within a reasonable period, upon NFGDC's request, to demonstrate creditworthiness, or in the event that Operator incurs a poor credit history with respect to any service provided by NFGDC or as established by a reliable reporting agency.

(B) As a demonstration of Operator's creditworthiness and as security in respect of any remedy afforded NFGDC under this Agreement or under any provision of law, Operator agrees to provide NFGDC, prior to the Effective Date, and to keep in force throughout the term of this Agreement, any one of the following:

(1) A security deposit in the amount of Ten Thousand Dollars (\$10,000), to be held in a non-interest-bearing general account by NFGDC;

(2) An irrevocable letter of credit issued by a financial institution acceptable to NFGDC and in a form acceptable to NFGDC with a face amount of Ten Thousand Dollars (\$10,000); or

(3) At NFGDC's sole discretion, a copy of the most recent audited financial statements of Operator (or of a guarantor of Operator's performance hereunder) showing a net worth in excess of Thirty Thousand Dollars (\$30,000), or a copy of the most recent unaudited financial statements of Operator (or of a guarantor of Operator's performance hereunder) showing a net worth of at least Forty Thousand Dollars (\$40,000), in which event, Operator shall also provide NFGDC with evidence of its ownership of unencumbered assets valued, in the aggregate, in excess of Ten Thousand Dollars (\$10,000) in each state in which Operator conducts any business with NFGDC.

(4) Security, in a form acceptable to NFGDC, provided on behalf of Operator by a creditworthy third party, including but not limited to a marketer, individual, or other entity.

(C) NFGDC reserves the right to require Operator to establish or demonstrate its creditworthiness, from time to time, during the term of this Agreement.

## ARTICLE XI.

### TITLE TO GAS

(A) Nothing in this Agreement shall affect the title to Operator's Gas.

(B) Operator shall indemnify NFGDC against, and hold it harmless from, and undertake the defense of NFGDC with respect to, all suits, actions, claims, debts, accounts, damages, costs, losses and expenses (including attorneys' fees) arising from or out of adverse claims of any and all persons or entities to Operator's Gas, or to royalties, overriding royalties or other payments with respect thereto, or to taxes, licenses, fees, or charges with respect to Operator's Gas or the disposition thereof (hereinafter, respectively "Adverse Claim To Operator's Gas"). Except insofar as Operator is in

breach of its obligations or has an obligation to indemnify and save NFGDC harmless pursuant to this section XI (B), NFGDC agrees to indemnify and save Operator harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of adverse claims of any and all persons to the natural gas after receipt by NFGDC of Operator's gas for redelivery by NFGDC (whether by means of transportation service or NFGDC commodity service) according to NFGDC's tariff.

(C) In the event of any Adverse Claim To Operator's Gas, NFGDC may, at its sole discretion, suspend receipts of Operator's Gas at the Receipt Point(s) where the affected gas is delivered into NFGDC's facilities (without incurring any liability to Operator or any other entity interested in Operator's Gas) until such claim is finally determined and the prevailing party(ies) agree(s) to be bound by this Agreement, or until Operator furnishes NFGDC a bond, in form and amount and with sureties acceptable to NFGDC, conditioned to hold NFGDC harmless from any such Adverse Claim To Operator's Gas, or until Operator demonstrates, to NFGDC's satisfaction, that such gas subject to an adverse claim does not constitute any portion of Operator's Gas

(D) Operator agrees to provide NFGDC, upon request, evidence reasonably satisfactory to NFGDC of Operator's right to handle and deliver into NFGDC's facilities, one hundred percent (100%) of the gas comprising Operator's Gas.

## ARTICLE XII.

### REMEDIES

In addition to any other remedy available to NFGDC under this Agreement or any provision of law, Operator shall indemnify NFGDC against, hold it harmless from, and undertake the defense of NFGDC with respect to all suits, actions, claims, losses, damages (including punitive damages and economic losses), injuries (including personal injury and death), debts, accounts, costs and expenses (including attorneys' fees and other expenses incurred by NFGDC in responding to, and in partial or full satisfaction of, any such suits, actions, claims, losses, damages and injuries) related to and/or arising from or out of any breach by Operator of any provision of this Agreement.

## ARTICLE XIII.

### MISCELLANEOUS

(A) This document shall not be construed as an agreement running with the land.

(B) No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.

(C) No waiver by any party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

(D) Not less than five (5) working days prior to the first day of each calendar month during the term of this Agreement, Operator shall notify NFGDC in writing of the identity of the entity and person who shall perform nominations in respect of Operator's Gas at each of the Exhibit A Receipt Points. In the absence of Operator's timely notification to this effect, NFGDC may (but shall not be obligated to) deem the authority of the entity and person identified in Operator's last previous timely notification to continue until its receipt of the Operator's next timely notification under this paragraph.

(E) Any company which shall succeed by purchase, merger or consolidation of the gas related properties, substantially as an entirety, of NFGDC or of Operator, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise, no assignment of this Agreement or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party. Consent shall not be unreasonably withheld.

(F) The headings contained in this Agreement are intended solely for convenience and do not constitute any part of the agreement between the parties and shall not be used in any manner in construing this Agreement.

(G) This Agreement shall be construed, enforced and interpreted in accordance with the laws of the State of New York, excluding, however, any such law which would direct the application of the law of another jurisdiction. The parties (i) submit to the jurisdiction of the United States District Court for the Western District of New York, and, in the event that such court lacks subject matter jurisdiction, to the New York State Supreme Court, Erie County, and, as respects those matters which are subject to the exclusive or primary jurisdiction of the Public Service Commission of the State of New York, to that Commission, and (ii) waive any right or entitlement which they or any of them might otherwise have to cause any dispute arising under this Agreement to be adjudicated, determined or resolved pursuant to the law of any other jurisdiction, or, in or by any other court(s) or tribunal(s). Provided, however, that the parties may bring disputed matters before the Public Service Commission of the State of New York according to dispute resolution procedures under NFGDC's Interconnection Rules and Procedures approved by the Public Service Commission of the State of New York and set forth in NFGDC's Gas Transportation Operating Procedures Manual.

(H) So that there will be certainty as to the actual agreement between the parties, it is mutually understood and agreed that this Interconnection Agreement and the Exhibit A attached hereto, as the same may be impacted by any applicable provision of NFGDC's Tariff and the Interconnection Rules and Procedures, are intended to constitute the final

expression, as well as the complete, exclusive and integrated statement, of the terms of the parties' agreement relative to the interconnection and other transactions described therein.

(I) No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

(J) This document and the agreement memorialized thereby shall be without force and effect unless all of the parties identified on the first page of this document (and on the first page of the Addendum to this document, if any) shall have fully executed the same prior to \_\_\_\_\_, as evidenced by duplicate or counterpart originals thereof which are in NFGDC's possession prior to five o'clock p.m. (5:00 p.m.) Eastern Time on that date.

(OPERATOR)

NATIONAL FUEL GAS DISTRIBUTION  
CORPORATION

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

"Jack Dahl" <jkdahl@gw.dec.state.ny.us>

04/24/2007 03:30 PM

To <john\_sano@dps.state.ny.us>  
Cc <alan\_mostek@dps.state.ny.us>, <john\_favreau@dps.state.ny.us>,  
<saul\_rigberg@dps.state.ny.us>,  
"Bradley Field" <bjfield.PO2.Domain2@gw.dec.state.ny.us>  
Subject: Re: National Fuel Rate Case Issues

See attached for Mineral Resources' comments and analysis. Let me know if you have any questions.



NFG Rate Case FINALJKD2007.wpd.wpd

jkd

>>> <john\_sano@dps.state.ny.us> 4/23/2007 2:08 PM >>>  
This schedule was put into place last week by the Judge.

Has DEC made a determination regarding any involvement in the case?

I will be in Buffalo with NFG representatives on 4/25 & 26 to discuss technical issues related to their rate case. Is there anything I should discuss from your prospective in addition to mine?

John P. Sano  
(518) 474-1592

John Sano/OGW/NYSDPS  
04/03/2007 04:01 PM

To  
"Bradley Field" <bjfield@gw.dec.state.ny.us>  
cc  
"Jack Dahl" <jkdahl@gw.dec.state.ny.us>  
Subject  
Re: National Fuel Rate Case Issues

A pre-hearing conference with all parties is scheduled with the Judge for April 17th from 10:30 to 11:30 AM. It will be here in Agency Building 3, 3rd floor conference room. Intervenors should identify themselves with the Commission Secretary by this time.

The parties seem on board with this schedule, but the judge needs to approve.

Staff & Intervenor Direct Testimony	6/7
Rebuttal Testimony	6/28
Hearings	7/24
Initial Briefs	8/15
Reply Briefs	8/27

My schedule is to have an outline done for my legal counsel by May 1, draft testimony completed by May 15 and be ready to file with the Commission Secretary by the June 6th date.

John P. Sano  
(518) 474-1592

"Bradley Field" <bjfield@gw.dec.state.ny.us>  
04/03/2007 02:45 PM

To  
<john\_sano@dps.state.ny.us>  
cc  
"Jack Dahl" <jkdahl@gw.dec.state.ny.us>  
Subject  
Re: National Fuel Rate Case Issues

Thanks John,  
I have shared your email with staff in the oil and gas bureau and they will take a look. We'll reach out to you afterwards and we can discuss your information or other needs. Do you have a timeline or deadline on this?

Thanks for the call and hopefully we can help out. Talk to you soon.

Brad

Bradley Field  
Director  
Division of Mineral Resources  
New York State Department of Environmental Conservation  
bjfield@gw.dec.state.ny.us  
<http://www.dec.state.ny.us/website/dmn>  
518.402.8076  
518.402.8060 (fax)  
625 Broadway, 3rd Floor  
Albany, NY 12233-6500

## NFG Rate Case Impacts

### **Meter Testimony:**

Clark indicated on Page 40, Item 1 & 2 that new rates will be in effect for orifice and rotary meters.

Truitt testified on Page 24 that the monthly maintenance fees are \$98.11 for an orifice meter and \$60.55 for a rotary meter. These charges equate to annual fees in the range of \$725 to \$1,175.

Polka testified in his answer on the bottom of page 36 that "...local production must meet the applicable measurement standards..."

### **Impacts of the Proposed Rate Case**

Mineral Resources was informed that NFG's current charges for orifice and rotary meters are \$40.00 per month. Truitt testified that the monthly meter fees will rise to \$60.55 and \$98.11 which is a substantial increase (151% and 245% respectively). Gas operators in New York will be adversely impacted by the proposed fee increases.

Operators of low volume wells have the potential to be the most affected by increased maintenance fees and the real possibility that purchases of new rotary meters will be incurred. Gas operators must produce 100 - 168 mcf per year at current gas prices of \$7 per mcf in order to break even with NFG's proposed maintenance fee increases. Mineral Resources was informed that orifice meters cannot accurately measure gas flowing at rates of 2 mcfd or less. The operator's 2006 annual well reports show that 161 registered operators of gas wells reported production of less than or equal to 2 mcfd (730 mcf). The majority of this class of operators (157) are well owners that produce gas for their own consumption (landowner production). This class of wells may never achieve commercial production status. The impacts on these operators is somewhat mitigated by the fact that the landowner production wells which don't utilize an NFG meter.

Many gas operators have multiple gas meters currently in service. Operators with multiple orifice gas meters may be negatively affected by the rotary meter purchase requirement (\$1,500 per meter) should they be forced to replace all of their low volume orifice meters. Additional financial impacts may be incurred should NFG choose to declare that production is "not up to specs or standards" during times of low production (well maintenance, gathering line repair, equipment replacement/repair or taking wells offline to swab brine out of the well). It is not clear from the testimony of Truitt, Clark or Polka that NFG would take mitigating factors into consideration before mandating the replacement of orifice gas meters. The \$1,500 charge for every new rotary meter will result in a significant increase in the cost of doing business in New York.

### **Summary**

Increased maintenance fees and the likelihood of multiple rotary meter purchases will negatively impact many gas well operators in our state.



--- Message from "Ernie Rammelt" <ernie@cecomet.net> on Tue, 28 Feb 2006 11:06:36 -0500 -----

**To:** "Mike Novak" <novakm@natfuel.com>

**Subject:** FW: NFG Meter Program

-----Original Message-----

**From:** Tim Altier [mailto:TALTIER@gl-energy.com]

**Sent:** Wednesday, February 22, 2006 5:14 PM

**To:** ernie@cecomet.net

**Cc:** Woody McDaniel; Steve Rupert

**Subject:** NFG Meter Program

Ernie:

I have enclosed a copy of a letter explaining the 3 options available to OH producers with low flow meters on Dominion East Ohio's system.

We had 3 options, combine meters so the volume was 10 Mcf/d or more, buy the meter from DEO for \$200.00 and operate it to their specifications or do nothing and DEO would remove the meter.

If you choose option two, (which most obviously did), a "Meter Operating Agreement" had to be signed which outlined what DEO requires you to do to operate the meter. That starts on page #4 of the attachment.

Integrating charts costs us about \$9.00 per month per meter and that includes 4 weekly charts and 1-24 hr chart. We are required to have the integrating company calibrate the meter once per year. On average this costs us appx. \$91 per meter including travel & per diem costs. We are responsible for any maintenance required and we normally do this ourselves.

Dominion has instituted a similar program in Pennsylvania and I have enclosed a copy of their agreement also.

I'm sure NFG will try to justify their actions by arguing the accuracy of these meters. My counterpoint to this argument is; a) What effect does the accuracy of these low flow meters have on their customer's GCR? b) Under DEO's program the meters are calibrated once a year by an independent company and one 24 hr chart is run once per month to help the integrator accurately integrate the 7 day charts. I believe these "safeguards" are more than adequate considering the volume of gas involved.

As you can see if NFG will institute a program similar to DEO's we can operate these meters for \$20-\$30 per month vs. NFG's \$103.71 AND there will be no need for the producer to spend \$3,000 to replace an orifice meter with a new rotary AND NFG should be able to eliminate staff.

In closing, I would again just emphasize that integrating pumping or rabbit well charts is done every day and on thousands of wells in Ohio and Pennsylvania! It is not EXACTLY accurate but with using a 24 hr test chart is SUFFICIENTLY accurate.

Ernie, if you have any questions feel free to contact. Unfortunately I don't believe I will be able to attend the meeting next Friday but I'll make sure we have someone representing us.

Thanks, TA



<<DEO MOA.pdf>> <<PA MOA.pdf>> DEO MOA.pdf PA MOA.pdf \_AVG certification\_.txt



**Dominion**<sup>SM</sup>

April 6, 2005

Great Lakes Energy Partners, LLC  
125 St. Rt. #43  
P. O. Box 550  
Hartville, OH 44632

Re: MEASUREMENT OPERATING AGREEMENTS

Dear Producer:

Dominion East Ohio (DEO) has contracts with producers which generally provide for the termination of gas purchase and transportation contracts and the removal of metering equipment if production reaches a specified minimum level. As per the "Low Flow Gas Purchase and Transport Volumes" letter agreement between DEO and the Ohio Oil & Gas Association (OOGA), a copy of which is included, DEO is sending you this notice of its intention to implement Item Number 6 of that agreement.

As agreed to with OOGA, DEO offers the producer the following three options to keep the meter(s) on the attached Low Flow Meter Summary (LFMS) active on DEO's system.

1. Producer may aggregate low flow meter(s) on the LFMS behind another master meter creating a combined flow through the master meter of over 10 Day/day. If this option is selected and executed, DEO will transfer the low flow meter facilities, including an orifice plate and gauge, to the producer at no cost. (Note, DEO will evaluate aggregating proposals on a case-by-case basis and deadlines will be established for the completion of the producer work necessary to aggregate the meter(s).)
2. Producer may enter into and comply with the terms of the Measurement Operating Agreement (MOA) for the meter(s) on the LFMS. If this option is selected, DEO will sell and transfer to the Producer the low flow meter facilities owned by DEO for \$200.00. (Note: The facilities DEO owns at each meter station are not consistent. DEO almost always owns the orifice plate and gauge, but the ownership of the meter run and equipment will vary from meter to meter. For the purpose of this agreement, the facilities owned by DEO at each meter station in question will be sold and transferred to the Producer for \$200.00 irregardless of what DEO owns.)
3. Producer may elect to do nothing and DEO will remove the meter facilities and terminate the contract with the Producer.

If option #3 is selected, this letter shall serve as the producer's formal notification of DEO's intent to remove the metering equipment per terms of the applicable gas purchase or transportation contract.

The LFMS lists your meter(s), which had average daily production volumes of between 2-10 MCF for the September, October and December 2004 production period and are not tied into a DEO distribution system. The producer needs to complete the following on the LFMS:

1. The producer shall select one of the three options offered and so note the selection for each meter on the LFMS. The LFMS shall be signed, dated, and the chart processor to be used noted on the bottom of the form. The LFMS shall be returned to Dominion East Ohio (DEO) with this signed letter agreement. (Note: If the "aggregate meter" option is selected, the producer shall indicate the master meter that the meter will be aggregated behind on the LFMS.)

April 6, 2005  
Page 2

2. For meters where the MOA option is selected, the producer shall complete and sign the attached MOA or Modification to the Measurement Operation Agreement document (for Producers with existing MOA agreements) and return the documents to Dominion East Ohio (DEO) along with a check made payable to Dominion East Ohio (DEO) for the sum of the number of meters selected times \$200.00.

Producer acknowledges by returning the signed letter agreement with the LFMS and MOA documents along with a payment of \$200.00 per meter for MOA meters, that DEO does hereby transfer low flow meter facilities owned by DEO to the Producer per terms of the OOGA/DEO Low Flow Meter Agreement for both aggregate and MOA meters. Producer accepts said facilities, "as is", and indemnifies both DEO and DTI and holds them harmless from all suits, judgments, claims, actions, debts, liabilities, levies, accounts, damages, costs, losses, and expenses, including reasonable attorney's fees, arising from or out of, in any manner whatsoever, Producer's ownership and/or use of the facilities.

This letter agreement, LFMS and MOA documents must be returned to DEO at the following address by June 1, 2005.

Brent Breon  
Dominion East Ohio  
7015 Freedom Avenue  
North Canton, OH 44720

If this letter agreement is not returned by June 1, 2005 or DEO receives no response from the Producer, **DEO will move forward with termination of the gas purchase or transportation contract and removal of the meter after 30 days.**

The actual effective date for the MOA's will be the chart change date, the week of July 3, 2005, or the beginning of the August 2005 production period.

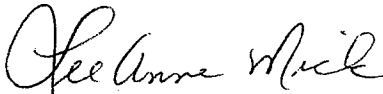
To assist you in directing any questions you may have to the appropriate DEO/Dominion personnel, please use the following information as a guideline.

<u>Dominion Employee</u>	<u>Issue</u>	<u>Phone Number</u>
Brent Breon, DEO	MOA/General Questions	330-266-2130
Lee Anne Mick, DTI	MOA/General Questions	304-627-3739
Peggy Bell, DEO	Aggregating Meter Questions	330-266-2192
Harry Bills, DEO	MOA/Integration Questions	216-736-6015
Dina Gallaway/Kim Manning, DEO	Transportation Contracts	216-736-6559/216-736-6385
Chuck Rothermel/Jan Weis, DFS	System Supply Contracts	412-854-3323/412-854-7858
DEO Local Operating Supervisor	Meter Equipment Removal and Other Operational Questions	See Attachment

April 6, 2005  
Page 3

If you believe that you have received this notice in error or wish to discuss this notice in greater detail, please contact Brent Breon or me at the numbers listed above.

Sincerely,



Lee Anne Mick  
Business Agreements Analyst

cc: DEO Local Operating Supervisor  
Dina Gallaway  
Brent Breon  
Chuck Rothermel  
Peggy Bell

Attachments:

- \* Low Flow Meter Summary (LFMS)
- \* Dominion East Ohio Operating Supervisor Contacts by Area
- \* Measurement Operating Agreement (MOA) or Modification to the Measurement Operating Agreement
- \* OOGA/DEO Low Flow Meter Agreement

I, Great Lakes Energy Partners LLC (Producer), hereby acknowledge that I understand, agree to, and accept all the terms, conditions and plans mentioned in this agreement.

Signed: Jeffery A. Bynum Title: Senior Vice President - Land  
Print Name: Jeffery A. Bynum  
Company: Great Lakes Energy Partners L.L.C. Date: 6-20-05

THIS AGREEMENT is made and entered into as of this 18th day of May, 2000, by and between **THE EAST OHIO GAS COMPANY**, an Ohio corporation, with its main office located at 1717 E. 9th Street, Cleveland, OH 44114-2800 (hereinafter referred to as "East Ohio") and Great Lakes Energy Ptrs LLC with its main office at 125 St. Rt. #43 PO Box 550  
(Producer Name) (Producer Address)  
Hartville, OH 44632-0550 (hereinafter referred to as "Producer").

**WITNESSETH**

WHEREAS, Producer and East Ohio agree that Producer is responsible for owning and operating the measurement equipment at the stations identified in Exhibit "A" (Measurement Facilities).

NOW THEREFORE, in consideration of the mutual covenants herein contained, East Ohio and Producer agree that, unless otherwise mutually agreed in writing, the Producer will perform the following functions involving the measurement facilities at Producer's sole expense:

**I  
CHART CHANGING**

1. Producer is required to change charts in accordance with East Ohio's monthly production calendar which will be provided annually.
2. Producer is responsible for supplying charts.
3. Producer is required to have charts processed by one of the approved integration companies listed in Exhibit B, attached to this agreement. Producer may request, in writing, approval of a chart integration company not listed on Exhibit "B". All such requests will be approved or denied by East Ohio within 60 days after receipt.
4. Producer is required to provide East Ohio the quantity of gas measured expressed in one thousand cubic foot increments (mcf) by the 28th day of each month in a digital format compatible with East Ohio's computerized gas measurement system.

**II  
MEASUREMENT AND REGULATION EQUIPMENT**

All measurement stations identified in Exhibit A shall utilize either (i) measurement station equipment purchased from East Ohio or (ii) measurement station equipment approved for use by East Ohio.

### III OPERATION, MAINTENANCE, TESTING, AND REPAIR OF MEASUREMENT FACILITIES

1. Producer agrees to maintain, operate, test, and repair all valves, measurement facilities, and all associated piping in a safe, leak-free manner, as a prudent operator, using accepted industry standards and materials unless detailed otherwise herein.

2. Producer shall not alter, adjust or change operating pressure settings on regulators or relief valves without the permission of East Ohio. East Ohio reserves the right to inspect the regulators and relief valves at any time with proper notification to the Producer.

### IV METER TESTING

1. All measurement facilities shall be inspected and tested by Producer at least once every twelve (12) months at Producer's expense. In addition, East Ohio, at its expense, has the right to test any measurement facility, including through the implementation of a spot test program, upon reasonable notice to Producer. East Ohio shall have the right to witness any measurement facility test or to inspect measurement facilities at any time. Producer will notify East Ohio, within a reasonable amount of time, prior to any measurement facility test should EOG desire to exercise the right to be present or represented at such test.

2. East Ohio may challenge the accuracy of a meter in use under this agreement by requesting that it be tested for accuracy. The basis for such a challenge may include, but not be limited to, increases or decreases in production of twenty-five percent (25%) or more when compared to the previous month's production. When East Ohio requests to have a meter tested, Producer shall test the meter under suitable conditions in the presence of East Ohio if East Ohio wishes to exercise the right to be present or represented at such test. If the meter on testing shall prove to be accurate within plus or minus three (3) percent, the cost of testing shall be borne by East Ohio; but if the meter on testing proves to be in error by more than plus or minus three (3) percent, the cost of testing and repairing same shall be borne by Producer. When East Ohio has challenged the accuracy of the meter and the meter proves to be inaccurate on testing, as demonstrated on a Measuring Station Inspection Report (Exhibit "C" - "as it may change from time to time"), Producer's statement for the following month will include the appropriate accounting and payment adjustments, such adjustments to be measured from the time that East Ohio first challenged the accuracy of the meter.

3. If a measurement facility is determined to be measuring inaccurately, Producer shall be required to immediately shut in such measurement station, until the Producer can demonstrate to East Ohio's satisfaction that any deficiency has been corrected by providing East Ohio with meter test results that demonstrate that the meter is operating accurately within plus or minus three (3) percent.

4. If East Ohio reasonably finds convincing physical evidence that Producer has tampered with a meter in an attempt to receive credit for more gas than actually passed through the meter, Producer shall be required to shut in its measurement station for a period of one (1) month or until the Producer corrects the deficiency, whichever is longer. In addition, East Ohio may select additional meters, the number to be determined at East Ohio's discretion, which shall be inspected for tampering and tested for accuracy. If it is determined that Producer has tampered with additional meters, East Ohio retains the right to take further action at its discretion, including the right to require the shut in of the applicable measurement station for additional time periods. All costs which East Ohio incurs in investigating meter tampering shall be reimbursed by Producer if tampering is proven. If the meter on testing shall prove to be accurate within plus or minus three (3) percent, the cost of testing shall be borne by East Ohio; but if the meter on testing proves to be in error by more than plus or minus three (3) percent, the cost of testing and repairing same shall be borne by Producer. If Producer repeatedly violates this provision, East Ohio has the right to permanently discontinue accepting gas from wells which Producer has dedicated to that receipt point.

5. East Ohio reserves the right to approve Producer's selection of a vendor to conduct measurement facilities tests, which approval shall not be unreasonably withheld.

6. Producer shall have all inspections and tests performed in accordance with industry standards. Producer shall document and submit results of inspections and tests on East Ohio's Measuring Station Inspection Report. Producer shall cause the person testing measurement facilities to record the condition in which the person found the measurement facility ("as found" condition) and the condition in which the person left the measurement facility ("as left").

7. Adjustments to measured quantities may only be made in conjunction with a Measuring Station Inspection Report conducted in accordance with this Section entitled Meter Testing. The Producer is responsible for proving to East Ohio's satisfaction that the volumes measured during any measurement cycle should be adjusted, after which East Ohio shall make the appropriate accounting and payment adjustments.

8. All equipment used for testing shall be certified by the manufacturer that it meets or has been tested under National Institute of Standards Technology (NIST) standards. Producer or its assignee shall maintain such equipment in good operating condition. Producer or its assignee shall test all such test equipment annually against a secondary (NIST) standard and submit a copy of the results to East Ohio at the address provided for notices.

9. Producer may not modify the configuration of measurement facilities without the prior written consent of East Ohio.

10. Producer shall provide East Ohio with documentation of any gauge or plate change at a measurement facility on East Ohio's High Pressure Gas Measurement & Property Accounting Change Order & Report Form (Exhibit "D" - "as it may change from time to time").



## **V RECORD RETENTION**

1. Producer shall maintain original pressure charts for a minimum of (2) two years.
2. Producer shall maintain test reports of measurement facilities for a minimum of (3) three years.
3. East Ohio will have the right, at any time during normal business hours, to audit Producer's records, charts and/or accounts and to monitor Producer's compliance with these record retention requirements. If Producer cannot provide required records at East Ohio's request, East Ohio shall notify Producer of its deficiency and a follow-up audit shall be performed the following month. If the Producer cannot provide the required records during the follow-up audit, Producer shall be required to immediately shut in the measurement stations for which the records are deficient. These measurement stations shall remain shut in until the Producer can provide proper test and calibration records.

## **VI TERM**

This agreement shall be effective upon its execution date, and shall continue indefinitely during the term of associated Gas Purchase or Transportation Contracts.

## **VII TERMINATION**

EOG will notify Producer in writing of their failure to perform obligation hereunder and Producer will have the opportunity to correct said deficiency within thirty (30) days. If Producer fails to correct deficiency, EOG may terminate this agreement with a thirty (30) day written notice.

## **VIII MISCELLANEOUS PROVISIONS**

1. East Ohio may, at any time during normal business hours, audit and examine the meter facilities of Producer.
2. If Producer has not shut in its measurement facilities within five (5) days after notification by East Ohio under the terms of this agreement, East Ohio retains the right to come onto Producer's property in order to perform all necessary shut in procedures.

3. Producer warrants good title or right to title for all gas delivered through a Measurement Station. Producer shall indemnify East Ohio and save it harmless from all suits, judgments, claims, actions, debts, liabilities, levies, accounts, damages, costs, losses, and expenses, including reasonable attorney's fees, arising from or out of, in any manner whatsoever, actions taken by Producer or third parties performing Producer's obligations hereunder.

4. This agreement and the respective obligations of both parties are subject to all valid laws, rules, and regulations of duly constituted authorities having jurisdiction. East Ohio retains the right to make such modifications to this agreement as required under these laws, rules and regulations, or which are reasonably necessary to maintain the integrity, safety and efficient operation of East Ohio's system. This agreement may not be amended except by an instrument in writing signed by a duly authorized representative of both parties.

5. This agreement shall be governed and construed in accordance with the laws of the State of Ohio.

6. This agreement may not be assigned to any successor to East Ohio or to any successor producer of the well(s) subject to the terms of this agreement without prior written notice of the other party. However, either party may assign its rights to and duties under this agreement to its affiliate without prior consent of the other party. Any assignment of the agreement shall be binding on the successors and assigns of either party.

7. Any notice, request, or statement provided in this agreement between East Ohio and Producer shall be in writing and transmitted via ordinary mail or fax transmission; however, fax notices shall be followed by ordinary mail as soon as practicable.

8. Unless otherwise specified in this agreement, notices under this agreement shall be sent to the parties at the addresses provided below:

**East Ohio**

**THE EAST OHIO GAS COMPANY**

1717 E. 9th Street

Cleveland, OH 44114-2800

Attention: Production Gas Measurement Dept.

Phone: (216) 736-6540

Facsimile: (216) 736-5329

**Producer**

Company: Great Lakes Energy Partners LLC.

Address: 125 St. Rt. #43

PO Box 550

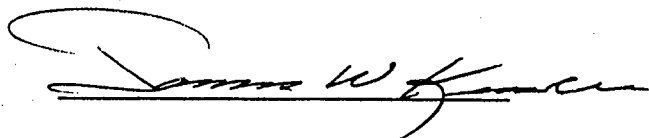
Hartville, OH 44632-0550

Phone: (330) 877-6747

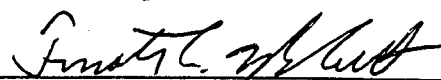
Facsimile: (330) 877-4596

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and witnessed or their respective corporate seals to be hereto affixed and attested, the day and year first above written.

ATTEST:



THE EAST OHIO GAS COMPANY

By: 

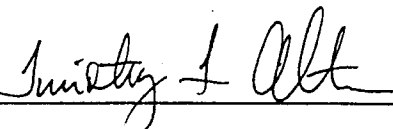
Print Name: Timothy C. McNutt

Title: Director, Go + home Operations Ohio

ATTEST:



PRODUCER

By: 

Print Name: Timothy L. Altier

Title: Operations Manager, Ohio-NY

Company Great Lakes Energy Partners, LLC.

**MEASUREMENT OPERATING AGREEMENT**

Producer: GREAT LAKES ENERGY (Page 3)

Exhibit "A"

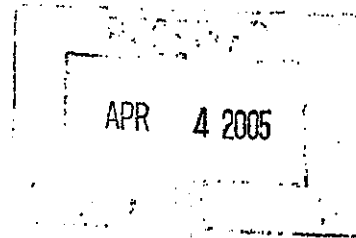
	Meter Station	Contract Type (GPC/Transp.)	Contract No.			
	D039	GPC	8077			
	D528	GPC	8240			
	4836	GPC	4463 A			
	4996	GPC	4370			
	5319	GPC	5089 A			
	5360	GPC	5089 J			
	5420	GPC	5089 I			
	5432	GPC	5480			
	H664	TRANSP	11608			
	A228	TRANSP	11608			
	A396	TRANSP	11608			
	A527	TRANSP	11325			
	J423	TRANSP	11325			
	K955	TRANSP	11325			
	6394	TRANSP	11325			
	C824	TRANSP	11608			
	D193	TRANSP	11608			
	4446	TRANSP	11325			

Dominion Peoples  
RD 12 Box 201, Donohoe Rd., Greensburg, PA 15601-9217



March 31, 2005

DAVE WEST  
GREAT LAKES ENERGY PARTNERS LLC  
PO BOX 550  
125 STATE ROUTE 43  
HARTVILLE OH 44632



Dear Producer:

Thank you for choosing to participate in the new Dominion Peoples' Production Enhancement Service. Please find enclosed a fully executed copy of the Production Enhancement Agreement for your records.

On March 17<sup>th</sup>, Dominion Peoples reached our 80% by volume participation hurdle and will be proceeding with the new Production Enhancement Service as presented and planned with the April 2005 production period. As a participant, please be reminded of the following:

1. Effective May 1<sup>st</sup>, your new water vapor standards for natural gas delivered into the Dominion Peoples system for meters delivering gas below 200 psi, shall be the water vapor saturation level of natural gas at 50°F and, for meters delivering gas above 200 psi, shall be the water vapor saturation level of natural gas at 32°F.
2. The new Production Enhancement Service fee will be applied to all volumes beginning with the April Production period. If you are currently participating in this program, this will replace the PAPEP 2002 fee.
3. All participating meters under 200 psi are required to have a Positive Shutoff Drip. A drawing of Dominion Peoples' required Positive Shutoff Drip is enclosed. As an alternative, a positive shut off device may be installed downstream of the drip at low flow meters (under 25mcf/d) with an existing drip that does not have positive shutoff capabilities. A drawing of this device is also enclosed.
4. All participating meters must be owned by the producer and have an executed Meter Operating Agreement. Bills of sale and Meter Operating Agreements will be sent to participating producers who currently deliver gas through a Dominion Peoples' owned meter(s) for execution. Please execute and return promptly.

Producers are encouraged to call me at 330-266-2130 with any questions regarding this new service.

Gas quality is an important operational requirement for Dominion Peoples. Dominion Peoples thanks you for helping to maintain system reliability and integrity.

Sincerely,

Brent D. Breon  
Manager, Delivery Gathering

**EXHIBIT B****PRODUCTION ENHANCEMENT AGREEMENT**

**THIS AGREEMENT** is entered into this 11<sup>th</sup> day of February, 2005 by and between GREAT LAKES ENERGY PARTNERS LLC, with a business address of P O Box 235, Yatesboro, PA, 16263 ("PRODUCER") and THE PEOPLES NATURAL GAS COMPANY d/b/a DOMINION PEOPLES, a Pennsylvania corporation with its main office at 625 Liberty Avenue, Pittsburgh, PA 15222 ("DOMINION PEOPLES").

**WHEREAS** PRODUCER produces and delivers gas from its wells directly into DOMINION PEOPLES' pipeline system;

**WHEREAS** DOMINION PEOPLES is willing to institute the Pennsylvania Production Enhancement Service under which DOMINION PEOPLES will change operating conditions and increase throughput in its pipeline system so that, among other reasons, it can receive additional volumes of PRODUCER'S and of other producers' gas as well as manage increased levels of water vapor brought into its system consistent with the terms of a Master Production Enhancement Agreement effective April 1, 2005 by and between DOMINION PEOPLES and the Independent Oil and Gas Association of Pennsylvania ("IOGA-PA");

**WHEREAS** PRODUCER is willing to compensate DOMINION PEOPLES for the costs incurred to increase throughput and to manage water vapor in its pipeline system; and

**WHEREAS**, in exchange for such compensation from PRODUCER and from other producers, DOMINION PEOPLES is willing to construct, install and maintain facilities and equipment to increase throughput and manage water vapor in its pipeline system.

**NOW, THEREFORE**, for and in consideration of the premises and covenants contained herein, DOMINION PEOPLES and PRODUCER agree as follows:

1. Subject to obtaining any required permits and rights of way, DOMINION PEOPLES has already or intends to construct and install compression facilities and equipment, as well as dehydration facilities and equipment, to operationally improve PRODUCER'S gas flows and manage excess water vapor on its pipeline systems.
2. Beginning with April 2005 production period, PRODUCER shall pay DOMINION PEOPLES, or its agent, the appropriate production enhancement program fee identified in the attached **Fee Schedule** (Appendix "B") for each Mcf of PRODUCER'S gas that passes through PRODUCER'S measurement points and/or metering equipment identified on Appendix "A" to this Agreement. Included in the production enhancement program fee is an administrative fee of \$0.01 per Mcf, which shall be retained by IOGA-PA for arranging and administering the production enhancement program. PRODUCER also

agrees that this Agreement shall apply to all of PRODUCER'S affiliated company production and to all new measurement points and/or metering equipment that does, or will, exist on DOMINION PEOPLES' systems during the course of this agreement.

3. Beginning May 1, 2005, DOMINION PEOPLES will enforce new water vapor requirements for all production enhancement service volumes delivered into any portion of its system. PRODUCER will be required to meet the standards for water vapor saturation set forth herein, which for meters delivering gas below 200 psi, shall be the water vapor saturation level of natural gas at 50 degrees F and, for meters delivering gas above 200 psi shall be the water vapor saturation level of natural gas at 32 degrees F. All meters delivering gas below 200 psi shall be required to have a positive shut off drip. DOMINION PEOPLES agrees that acceptable water vapor levels will be based upon actual measured operating pressures. All meters not participating in the production enhancement service will be subject to the terms of the applicable contractual provisions regarding water vapor maximums. In the event DOMINION PEOPLES wishes to enforce a more stringent standard than that described herein for a specific system problem, DOMINION PEOPLES shall present PRODUCER with documentation thereof. PRODUCER may be required to perform additional remedial activities over and above those needed to meet the enforcement level described herein. In these circumstances, PRODUCER shall be required to install a coalescing filter, positive shut off drip, desiccant dryer, particulate filter, or other equipment as so approved by DOMINION PEOPLES in an attempt to reduce the water vapor to the level DOMINION PEOPLES identifies as being operationally necessary, but in no event shall that amount be lower than 5 pounds of water vapor per million standard cubic feet of gas. In the event such PRODUCER installs the required equipment and reduces the water vapor to the contract level of 5 pounds, PRODUCER shall be relieved of paying production enhancement service fees for any meter so identified. If PRODUCER fails to install and/ or maintain the equipment identified herein within 30 days after DOMINION PEOPLES provides documentation of the specific system problem, DOMINION PEOPLES shall be authorized to require the affected wells to be immediately shut-in until said equipment is installed or water vapor is otherwise reduced to the required level.

4. DOMINION PEOPLES shall withhold payments due under Paragraph 2 from monthly payments to PRODUCER for DOMINION PEOPLES' purchase of PRODUCER'S gas. If PRODUCER is selling its production to an entity other than DOMINION PEOPLES, PRODUCER shall require said purchaser of PRODUCER'S gas to withhold from payments made to PRODUCER for the purchase of said gas an amount equal to the fees invoiced and shall have the purchaser remit said fees within fourteen days of the date of issuance of the invoice.

5. PRODUCER'S or its designee's failure to pay in full continues for forty-five (45) days after the Due Date, then DOMINION PEOPLES, in addition to any other remedy it may have, may (a) shut in PRODUCER'S gas that passes through the measurement points and metering equipment identified on Appendix "A" until DOMINION PEOPLES has received payment in full; (b) deduct the unpaid amount from any payments accruing to PRODUCER under any agreement between the PRODUCER and

DOMINION PEOPLES; (c) take gas in kind from PRODUCER in satisfaction of obligations; or, (d) terminate the agreement with PRODUCER upon ten (10) days written notice to PRODUCER. Provided that if PRODUCER: (a) in good faith disputes the amount of any fees or part thereof and pays DOMINION PEOPLES the undisputed amount when due; and (b) within thirty (30) days of a demand by DOMINION PEOPLES, furnishes a good and sufficient surety bond in an amount and with sureties satisfactory to DOMINION PEOPLES to cover any of the disputed amount ultimately due DOMINION PEOPLES, then DOMINION PEOPLES shall not be entitled to shut in PRODUCER'S production unless and until default be made in the conditions on such surety bond or there is subsequent default under the conditions of this Agreement.

6. For the term of this Agreement and a twenty-four (24) month period thereafter, both parties shall have the right, at any and all reasonable times, to examine the books and records of the other party to the extent necessary to verify the accuracy of any charge, computation or demand made under or pursuant to this Agreement. Provided, however, that neither party shall be required to maintain such records for a period longer than twenty-four (24) months after the service related to such records was performed.

7. This Agreement shall take effect as of the production month of April 2005 (the "Effective Date") and shall continue in effect for a period of seventy-two (72) months thereafter. This Agreement shall renew automatically for successive additional twelve-month terms, upon the same terms and conditions, unless either party shall have cancelled the Agreement by giving to the other ninety (90) days' written notice prior to the end of the initial seventy-two (72) month term or ninety (90) days' written notice prior to the expiration of any subsequent twelve (12) month evergreen term.

8. If the Master Production Enhancement Agreement entered into by DOMINION PEOPLES and IOGA-PA is terminated, DOMINION PEOPLES may shutdown both its compression and dehydration equipment installed under the Pennsylvania Production Enhancement Program. If the Master Production Enhancement Agreement entered into by DOMINION PEOPLES and IOGA-PA is terminated at the end of the primary term, the PRODUCER may, on a meter-by-meter basis, choose to continue to pay the fees as identified in **Appendix "B"** hereto and described in paragraph 2 hereof in order to continue to benefit from the water vapor provisions in paragraph 3 with the terms of paragraph 13 still in effect. Fees shall be remitted directly to DOMINION PEOPLES, however, and not to IOGA-PA.

9. This Agreement does not obligate DOMINION PEOPLES to operate the facilities and equipment described in Paragraph 1 or any of its other facilities or equipment in excess of their maximum allowable operating pressures, as those pressures may change from time to time.

10. PRODUCER shall make deliveries to DOMINION PEOPLES' system against the existing pressure in DOMINION PEOPLES' lines. Any other provisions of this Agreement notwithstanding, PRODUCER shall never deliver gas into DOMINION



PEOPLES' lines at a pressure that exceeds the maximum safe allowable working pressure as determined solely by DOMINION PEOPLES.

11. PRODUCER must own and operate measuring and regulating sets pursuant to the terms of a Meter Operating Agreement between DOMINION PEOPLES and PRODUCER. PRODUCER can purchase meters still owned by DOMINION PEOPLES for \$500 per meter. This provision shall supercede any provision to the contrary in any contracts between DOMINION PEOPLES and PRODUCER and is deemed to satisfy any requirement in those contracts that a modification or amendment of those contracts must be in writing in order to become effective.
12. PRODUCER and DOMINION PEOPLES are responsible for the installation and maintenance of overpressure equipment on their respective pipeline(s), valve(s), and any other interconnection equipment.
13. DOMINION PEOPLES and PRODUCER recognize that DOMINION PEOPLES, by order of state or federal regulatory bodies, may be forced to modify the gas quality standards stipulated to in this agreement, may be forced to change the operating requirements of the distribution, gathering, or transmission systems, or may be forced to bear additional costs not currently borne by DOMINION PEOPLES for the operation of the Production Enhancement compression. In the event that these regulatory requirements change, DOMINION PEOPLES and PRODUCER agree that DOMINION PEOPLES may terminate this agreement with 90 days written notice.
14. Any modifications of terms or amendments of provisions of this Agreement shall become effective only by supplemental written agreement between the parties.
15. No waiver by either party of any default of the other party under this Agreement shall operate as a waiver of any future default, whether of a like or different character.
16. This Agreement shall be binding on each party's successors and assigns. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to any entity. Any sale or assignment shall be made expressly subject to the rights of the non-assigning party and with the provision that the assigning party's purchaser or assignee shall assume and agree to perform all of the assigning party's obligations under this Agreement.
17. DOMINION PEOPLES shall be relieved of its obligations under this Agreement in the event PRODUCER: (a) applies or has applied for bankruptcy under the laws of the United States; (b) fails to demonstrate minimal creditworthiness in accordance with the criteria contained in DOMINION PEOPLES' currently effective Supplier Tariff; or (c) is in arrears for any payments under this Agreement unless otherwise excused hereby. PRODUCER may, however, continue to receive services under this Agreement if Producer prepays for such service, on a continuing basis, an amount equal to its obligation for such services, based on its historic average obligation, for the following three (3) months. In lieu of such prepayment, DOMINION PEOPLES may, at its sole

discretion, accept good and sufficient surety bond, or other good and sufficient security, as furnished by PRODUCER, in the amount of such prepayment.

18. It is expressly understood that there is no third party beneficiary of this Agreement, and that this Agreement does not confer enforceable rights on anyone who is not a party or a party's successor or assignee.

19. If PRODUCER fails to comply with any provisions of this Agreement, then DOMINION PEOPLES, upon written notice to PRODUCER, may refuse to accept any additional gas volumes that pass through the measurement points and metering equipment identified on Appendix "A" from PRODUCER until PRODUCER resumes full compliance with the terms of this Agreement.

20. Subject to Paragraph 10, this Agreement shall be subject to all valid applicable federal, state and local laws, rules and regulations of any governmental body or official having jurisdiction.

21. PRODUCER shall direct any notices, statements, questions or comments required or arising under this Agreement as follows:

Brent Breon, Manager, Delivery Gathering  
DOMINION PEOPLES  
RD 12 Box 201  
Greensburg, PA 15601  
Phone: 330-266-2130  
Fax: 724-832-0245

22. DOMINION PEOPLES shall direct any notices, statements, questions or comments required or arising under this Agreement as follows:

DAVE WEST, Manager Gas Management  
Great Lakes Energy Partners, LLC  
PO Box 550  
125 STATE ROUTE 43  
HARTVILLE OH 44632-0550  
Phone: 330-877-6747 FAX 330-877-6129  
E-mail: dwest@gl-energy.com.

23. As to all matters of construction and interpretation, this Agreement shall be interpreted, construed and governed by the laws of the Commonwealth of Pennsylvania.

24. This Agreement supercedes any previously existing Agreement(s) between PRODUCER and DOMINION PEOPLES, which provided for the payment by PRODUCER of fees to DOMINION PEOPLES for production enhancement services.

25. For those individual meters where there is more than one ownership interest producing gas being measured by a single meter, all ownership interests of gas flowing

through that meter must enter into this Agreement in order for any ownership interest to enjoy the benefits of this agreement.

26. The provisions of this agreement are available to PRODUCER only if other producers entering into identical agreements with DOMINION PEOPLES for production enhancement services, together with PRODUCER, produce 80% of the natural gas locally produced that is delivered directly into DOMINION PEOPLES' system.

IN WITNESS WHEREOF, the parties have duly executed this Agreement to be effective as of the day and year first written above.

THE PEOPLES NATURAL GAS COMPANY

GREAT LAKES ENERGY  
PARTNERS LLC

By [Signature]  
Its MANAGER, GATHERING

By [Signature]  
Its Vice President - Operations

ATTEST:

ATTEST:

By [Signature]  
Its Business Development Rep

By [Signature]  
Its \_\_\_\_\_

## APPENDIX A

**LIST OF MEASUREMENT POINTS AND/OR METERING AGREEMENT  
SUBJECT TO SECTION 2 OF THIS AGREEMENT**

Producer	Meter	System	Regulator Set Point	Fee	Type
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0040	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0077	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0116	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0132	1137	48#	Gath/Dist	SS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0155	1137	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0158	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0167	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0169	1137	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0253	185	30#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0334	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0336	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0392	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0477	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0491	1135	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0537	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0666	1137	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0872	1137	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0898	1137	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 0961	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 10070	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1016	1137	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1048	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1050	1135	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 10508	442B	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 10530	442B	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 10711	442C	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1208	1135	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1288	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1324	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1422	1137	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1458	1137	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1537	1137	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1550	1135	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1611	1135	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1697	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1699	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1718	1136	48#	Gath/Dist	TRANS

Producer	Meter	System	Regulator Set Point	Fee	Type
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1737	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1797	1135	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1804	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1811	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1815	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1816	1137	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1851	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1916	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1927	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1945	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1963	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 1992	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2016	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2025	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2075	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2085	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2086	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2092	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2115	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2126	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2203	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2213	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2269	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2351	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2365	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2372	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2379	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2393	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2418	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2436	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2464	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2466	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2581	1137	48#	Gath/Dist	SS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2609	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2667	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2677	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2678	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2751	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2764	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2781	642	82#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2799	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2803	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2831	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2837	643	185#	Gath/Dist	TRANS

Producer	Meter	System	Regulator Set Point	Fee	Type
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2878	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2883	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2901	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2911	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2932	164	28#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2957	368	90#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2967	1139	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2972	368	90#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2977	1137	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 2996	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3034	368	90#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3035	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3036	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3052	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3066	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3079	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3080	368	90#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3082	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3083	442A	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3086	442A	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3103	442C	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3133	1135	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3239	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3244	1135	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3261	1135	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3272	442C	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3277	442C	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3283	442C	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3304	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3346	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3439	442C	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3440	442C	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3514	442B	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3515	442A	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3521	442C	75#	Gath/Dist	SS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3522	442AA	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3528	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3533	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3556	442A	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3563	368	90#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3603	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3829	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 3903	368	90#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 4098	5130	385#	Trans	TRANS

Producer	Meter	System	Regulator Set Point	Fee	Type
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 5378	1138	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 8003	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 8004	1136	48#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 8005	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 8188	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 9034	442C	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 9035	442C	75#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 9036	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 9038	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 9039	643	185#	Gath/Dist	TRANS
GREAT LAKES ENERGY PARTNERS, L.L.C.	PO 9717	1136	48#	Gath/Dist	TRANS

GREAT LAKES ENERGY PARTNERS, L.L.C.

By \_\_\_\_\_

Its \_\_\_\_\_

## Appendix B

## Fee Schedule

Gas entering Dominion Peoples' Gathering and Distribution systems

Inside FERC Dominion Transmission, Inc., Appalachia first-of-the-month index price six month rolling average price ("AP") (per Dth)	Production Enhancement Fee (per Mcf) <sup>1, 2</sup>
AP > \$7.40	\$0.28
\$6.40 = AP = \$7.40	\$0.27
\$4.40 = AP < \$6.40	\$0.26
\$3.40 = AP < \$4.40	\$0.24
\$2.40 = AP < \$3.40	\$0.21
AP < \$2.40	\$0.18

Gas entering Dominion Peoples' Transmission systems  
(above 200 psi operating pressure)

Inside FERC Dominion Transmission, Inc., Appalachia first-of-the-month index price six month rolling average price ("AP") (per Dth)	Production Enhancement Fee (per Mcf) <sup>1, 2</sup>
AP > \$7.40	\$0.15
\$6.40 = AP = \$7.40	\$0.14
\$4.40 = AP < \$6.40	\$0.13
\$3.40 = AP < \$4.40	\$0.11
\$2.40 = AP < \$3.40	\$0.08
AP < \$2.40	\$0.05

Note 1: Production Enhancement Fee includes an Administrative Fee of \$0.01 per Mcf of PRODUCER'S gas that passes through PRODUCER'S measurement points and/or metering equipment identified on Appendix "A" to this Agreement, which shall be retained by the Association for arranging and administering the production enhancement program.

Note 2: If participation levels are above 90% of local production for the most recently measured production period, the production enhancement service fees for the applicable term will be reduced by \$.02 per Mcf.



# MOA CHECKLIST

## A WHAT YOU HAVE RECEIVED

- ☐ CHECK LIST
- ☐ Copy of letter sent to Pool Operator
- ☐ DTI Return Mailing Label
- ☐ MOA METER SUMMARY - lists all of your DTI meters eligible for MOA meters with an "X" in the terminate column are "0 flow" & will be terminated
- ☐ MOA Agreement - including 3 exhibits  
if your "business name" is inaccurate please call 304-627-3739
- ☐ MAP/S with field contact names and phone numbers

## B WHAT TO RETURN (by April 15, 2001)

- ☐ MOA METER SUMMARY  
select and indicate DTI approved Chart Processor for each meter  
fill out bottom portion (print name, e-mail, etc)  
sign and date
- ☐ MOA documents - all 8 pages  
record date on page 1  
fill out "Notice" section on page 7  
fill out, sign and date last page
- ☐ Check - \$400 for each meter selected for MOA  
(Ex: 3 meters = \$1200.00)

## C WHAT WILL BE RETURNED TO YOU by DTI

- ☐ copy of MOA METER SUMMARY  
DTI will sign and date where appropriate
- ☐ copy of MOA Agreement - all 8 pages  
DTI will sign and date where appropriate
- ☐ Bill of Sale requiring signature and return to DTI

**DOMINION TRANSMISSION, INC.**

500 Davisson Run Road  
Clarksburg, WV 26301  
Phone: (304) 623-8698  
Fax: (304) 623-8777

**RECEIVED**  
MAY 17 2000

**YATESBORO**

*XC file  
Steve Cosley*

May 15, 2000

Dear Producer,

The Peoples Natural Gas Company (PNG) has had Measurement Operating Agreements (MOA's) in place for a number of years, whereby producers have been able to own and operate the measurement equipment at various stations. We do not foresee any changes to this practice. However, with the merger of Dominion Resources, Inc. and CNG, we are in the process of centralizing some activities and improving our basic procedures.

You received a letter from David Glowe, Sr. earlier this year informing you that measurement issues would be handled out of the Cleveland, Ohio office beginning in April. I would like to take this opportunity to remind you that it is your responsibility to provide volumetric information, expressed in mcf, by the 28<sup>th</sup> day of each month on the proper chart. It is imperative that you mark the charts with the station number and your company name. As Mr. Glowe stated in his letter, "Any chart/statement that is late, missing, not properly marked and/or unreadable due to improper handling will not receive measurement and payment for that production period. When the proper chart/statement is received, that measurement will be allocated to the next production statement."

According to Section IV, Paragraph 1, of your MOA, you are required to inspect and test all measurement facilities at least once every twelve months. You are also required to provide documentation of those tests upon request (Section III, Paragraph 3). I am requesting that you send a copy of your latest test for all MOA meters on PNG's system to me at the address above no later than June 15, 2000. We will also begin regular audit procedures in the near future on our MOA's and related meters. These procedures are not meant to be punitive but rather to protect the integrity of our system and measurement information.

If you have any questions regarding this letter, please do not hesitate to contact me at (304) 623-8698.

Yours very truly,

*Nancy M. Aucremanne*

Nancy M. Aucremanne  
Manager, Producer Services

xc: Marc A. Halbritter  
H. Dale Rexrode  
David Glowe, Sr.  
John Love  
Don Sprouse



**The Peoples  
Natural Gas Company**

A **CNG** COMPANY

432 Hyde Park Road  
Lexichburg, PA 15656-9407  
(412) 845-8662  
(412) 845-8655 Fax

May 31, 1996

LOMAK PETROLEUM INC.  
P.O. Box 235  
Yatesboro, Pa. 16263

RE: Measurement Responsibility Under Peoples' Pooling Program

Dear Sir:

Recently, you received a notice informing you that effective June 1, 1996, producers who sell gas to a Pool Operator on the Peoples System will assume the responsibility for owning, operating, and maintaining the measurement station associated with this gas. The accompanying documents are necessary for you to assume these responsibilities for the stations that measure your production under the Pooling Program.

Attached are:

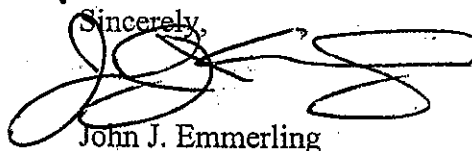
1. Either a Measurement Operating Agreement or a Modification to your existing Measurement Operating Agreement.
2. A Bill-of-Sale identifying the measurement stations(s) that Peoples will sell you and the cost of that station. You have the choice of either purchasing the existing station for the price noted on Exhibit A of the Bill-of-Sale, or the option of installing your own measurement station. If you choose not to purchase the existing station, please notify me and I will arrange for its removal.

Please execute these agreements and return them to me at the above mentioned address. I will return copies of the fully executed documents to you for your records.

Please note that under the terms of the Measurement Operating Agreement, you must change the chart, read the meter, and provide Peoples with the required production data by June 28 for your Pool Operator to receive proper credit for your gas. Peoples Gas will not be changing the charts or reading the meters for the stations listed on Exhibit A of the accompanying Bill-of-Sale during June or at any time in the future.

I can be reached at the number referenced above if you have any questions, or feel free to contact Karen Richardson at 412/497-6576 or your respective Pool Operator.

Sincerely,



John J. Emmerling

JUN 7 1996

## MEASUREMENT OPERATING AGREEMENT

THIS AGREEMENT is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 1996, by and between **THE PEOPLES NATURAL GAS COMPANY**, a Pennsylvania corporation, with its main office located at 625 Liberty Avenue, Pittsburgh, PA 15222-3197 (hereinafter referred to as "Buyer"), and **LOMAK PETROLEUM INC.**, with its main office at P.O. Box 235, Yatesboro, Pa. 16263 (hereinafter referred to as "Seller").

### WITNESSETH

WHEREAS, Seller and Buyer agree that Seller is responsible for owning and operating the measurement equipment at the stations identified in Exhibit A (Measurement Facilities).

NOW THEREFORE, in consideration of the mutual covenants herein contained, Buyer and Seller agree that, unless otherwise specifically provided, the Seller will perform the following functions involving the measurement facilities at Seller's sole expense:

### CHART CHANGING

1. Seller will provide Buyer with the quantity of gas measured expressed in mcf by the 28th day of the month on the form provided as Exhibit B.
2. Seller is responsible for supplying charts.
3. Seller will have charts processed by trained and qualified chart integration personnel. (A list of some qualified chart integration companies is attached as Exhibit C).
4. Forward a front and back copy of each chart to the address listed herein for notices.

## MEASUREMENT AND REGULATION EQUIPMENT

1. Meter sets used pursuant to the terms of this agreement shall be designed and constructed as detailed in Exhibit D to this agreement. Rotary and turbine meters shall be chosen from the list of meters set forth in Table 1.0 of Exhibit D hereto.

2. If Seller wishes to use meters that do not utilize rotary or turbine measurement, Buyer must first approve the use of such other measurement. All orifice measurement shall be designed and installed in accordance with the terms of AGA No. 8 guidelines. All orifice meters shall be installed with a flow computer to calculate volumes. The flowing temperature of the gas shall be assumed to be 60 degrees Fahrenheit in making all calculations. All orifice meters shall be installed with a chart-recording differential and static pressures.

3. Regulating equipment shall be designed and installed, as necessary, in order to prevent any overpressuring of Buyer's facilities. Any regulators or relief valves installed by Seller under this paragraph shall be inspected at least once each calendar year and no more than fifteen months after the prior inspection.

## OPERATION, MAINTENANCE, TESTING, AND REPAIR OF MEASUREMENT FACILITIES

1. Seller agrees to maintain, operate, test, and repair the measurement facilities as a prudent operator using accepted industry standards and materials unless detailed otherwise herein.

2. Seller shall operate all valves, regulators, relief valves, and all associated piping in a safe, leak-free manner.

## METER TESTING

1. All measurement facilities shall be tested by Seller at least one time a year at Seller's expense. Buyer may request testing of the measurement equipment when Buyer challenges the accuracy of the meter in use under this agreement. When Buyer requests to have the meter tested, Seller shall test the meter under suitable conditions in the presence of Buyer if Buyer wishes to exercise the right to be present or represented at such test. If the meter on test shall prove to be accurate within plus or minus two (2) percent, the cost of testing shall be borne by the Buyer, but if the meter on test proves to be in error by more than plus or minus two (2) percent, then the cost of testing and repairing same shall be borne by Seller.

2. Buyer reserves the right to approve Seller's selection of a vendor to conduct measurement facilities tests, which approval shall not be unreasonably withheld.
3. Seller shall have all tests performed in accordance with industry standards and in accordance with the measurement facility testing procedures set out in Exhibit E. Seller shall cause the person testing measurement facilities to record the condition in which the person found the measurement facility ("as found" condition) and the condition in which the person left the measurement facility ("as left") listed in the notice section hereof.
4. Adjustments to measured quantities may only be made in conjunction with a measurement facility test report conducted in accordance with this section entitled Meter Testing. The Seller is responsible for proving to Buyer's satisfaction that the volumes measured during any measurement cycle should be adjusted, after which Buyer shall make the appropriate accounting and payment adjustments.
5. All equipment used for testing shall be certified by the manufacturer that it meets or has been tested under National Institute of Standards Technology (NIST) standards. Seller or its assignee shall maintain such equipment in good operating condition. Seller or its assignee shall test all such test equipment annually against a secondary NIST standard annually and submit a copy of the results to Buyer at the address provided for notices.
6. Buyer shall have the right to witness any measurement facility test or to inspect measurement facilities at any time. Seller will notify Buyer, within a reasonable amount of time, prior to any measurement facility test in order for Buyer to witness such tests. Buyer, at its own expense, may also have the right to test any measurement facility upon notice to Seller.
7. Seller may not modify measurement facilities without the prior written consent of Buyer.
8. Seller will perform or have performed a chromatographic analysis anytime new or different gas enters a measurement facility. Seller will forward the results of the chromatographic analysis to Buyer.

#### RECORD RETENTION

1. Seller shall maintain original charts for a minimum of two years.
2. Seller shall maintain test reports of measurement facilities for a minimum of three years.

## TERM

1. This agreement shall be effective upon its execution date, and shall continue indefinitely. This agreement may be terminated by Buyer at any time for failure of Seller to perform its obligations hereunder.

## MISCELLANEOUS PROVISIONS

1. Buyer may, at any time during normal business hours, audit and examine any records, charts, or account as well as the meter facilities of Seller.

2. Seller warrants good title or right to title for all gas delivered through a Measurement Station. Seller shall indemnify Buyer and save it harmless from all suits, judgments, claims, actions, debts, liabilities, levies, accounts, damages, costs, losses, and expenses, including reasonable attorney's fees, arising from or out of, in any manner whatsoever, actions taken by Seller or third parties performing Seller's obligations hereunder.

3. This agreement may not be amended except by an instrument in writing signed by a duly authorized representative of each party.

4. This agreement shall be governed and construed in accordance with the laws of the Commonwealth of Pennsylvania.

5. This agreement may not be assigned to any successor to Buyer or to any successor owner of the well(s) subject to the terms of this agreement without prior written consent of the other party. However, either party may assign its rights to and duties under this agreement to its affiliate without prior consent of the other party.

6. Any notice, request, or statement provided in this agreement between Buyer and Seller shall be in writing and transmitted via ordinary mail or fax transmission; however, fax notices shall be followed by ordinary mail as soon as practicable.

7. Unless otherwise specified in this agreement, notices under this agreement shall be sent to a party at the address provided below:

THE PEOPLES NATURAL GAS COMPANY  
432 Hyde Park Road  
Leechburg, PA 15656  
Attention: Gas Measurement  
Facsimile: (412) 845-8655

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and witnessed or their respective corporate seals to be hereto affixed and attested, the day and year first above written.

ATTEST:

THE PEOPLES NATURAL GAS COMPANY

\_\_\_\_\_

By \_\_\_\_\_  
Director, Gas Operations

ATTEST:

LOMAK PETROLEUM INC.

\_\_\_\_\_

By \_\_\_\_\_

Title: \_\_\_\_\_

(CORPORATE SEAL)



THE PEOPLES NATURAL GAS COMPANY  
MEASUREMENT OPERATING AGREEMENT

Contract Number: \_\_\_\_\_

Seller: Lomak Petroleum Inc

Comments: \_\_\_\_\_

Metering Station Number

1. 8003
2. 8004
3. 8005
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_
11. \_\_\_\_\_
12. \_\_\_\_\_
13. \_\_\_\_\_
14. \_\_\_\_\_
15. \_\_\_\_\_

## PEOPLES GAS

PS \_\_\_\_\_

ON DATE DAY MO YR CHART DAYS HOURS FEEDING

ON DATE \_\_\_\_\_ HR \_\_\_\_\_ M OFF DATE \_\_\_\_\_ HR \_\_\_\_\_ M

GAUGE NO \_\_\_\_\_ CHART NO \_\_\_\_\_ VPT ON \_\_\_\_\_ M DIAL

NAME \_\_\_\_\_ CONT. NO \_\_\_\_\_

LOCATION \_\_\_\_\_ FARM OR MILL

IF YOU ARE USING LABELS OF ANY KIND  
PLACE THEM IN THE AREA BETWEEN THE  
BROKEN LINES ONLY

METER  
NUMBERCHART  
CODE

HEADER

1

2

PRESENT  
READINGPREVIOUS  
READING

DIFF.

PRESSURE

TEMP.

TEMP.  
FACTOR

NCF

PRESSURE

TEMP.

TEMP.  
FACTOR

NCF

REMARKS

PROCESSED BY

P1709 5/88

## APPROVED CHART INTEGRATION COMPANIES

TKI Integration and Calibration Services  
123 Airport Professional Center, Building #1  
Indiana, PA 15701  
(412) 349-8130

Gas Analytical Services, Inc.  
322 Airport Professional Center  
Indiana, PA 15701  
(412) 349-8133

Gas Flow, Inc.  
P. O. Box 7636  
Charleston, WV 25313  
(304) 776-2578

R. L. Laughlin & Co.  
5012 Washington St.  
Charleston, WV 25313  
(304) 776-7740

MCF, Inc.  
616 Washington St., Box 1850  
St. Albans, WV 25177  
(304) 727-3677

United Chart Processors, Inc.  
Route 3, Box 276  
Marietta, OH 45750  
(614) 373-5801

Gas Measurement & Integration Services  
Attn: Tom Crites  
P. O. Box 2032  
Buckhannon, WV 26201  
(304) 472-3698

Tri State Measurement  
1688 Shannon Rd.  
Girard, OH 44420  
(216) 539-4267

Exhibit D

**PRODUCTION STATION**  
**PREFABRICATED METER SETS**

**1.0****GENERAL****1.1 Scope**

This document contains recommended and required specifications to construct a low pressure production station (PS) meter set. The recommended specifications are followed when The Peoples Natural Gas Company (PNG) installs a prefabricated set. The required specifications must be adhered to for all production stations that meter gas delivered into the PNG system.

**1.2 Codes (Recommended Specifications)**

PNG recommends that all material, testing, and fabrication conform to or exceed the following codes:

1.2.1 Minimum Federal Safety Standard 49, Parts 191 and 192, latest edition

1.2.2 National Fuel Gas Code - ANSI Standard Z 223.1, latest edition

1.2.3 ASME Guide for Gas Transmission and Distribution Piping Systems

1.2.4 Any and all addendums to the above codes

**1.3 Inspection**

PNG reserves the right to inspect, from time to time, the installation of required equipment to determine that it is installed and functioning properly.

**1.4 Right to Reject Work**

PNG reserves the right to reject any or all meter set assemblies that, in its opinion, do not conform to the required portions of this specification.

**2.0****MATERIAL****2.1 Pipe (Recommended Specification)**

It is recommended that all pipe be schedule 80, black, welded or seamless, Grade B, and that it conform to ASTM A 106 or ASTM A 53.

2.7 Meters (Required Specification)

2.7.1 Meters will be chosen from Table 1.0 of this document, "Approved Meter Listing".

2.7.2 Install a restricting orifice downstream of the meter to prevent overspin. Refer to Drawing W-502285, item no. 33 for details.

2.8 Heaters and Enclosures (Recommended Specification)

2.8.1 Heaters should be non-electric start, catalytic type and be rated 1,300 BTU. On occasion, select heaters rated 2,600 BTU may be used.

2.8.2 PNG recommends that a stainless steel enclosure be used that encompasses the perimeter of the heater and utilizes a hinge and hasp system. The system should provide sufficient access to check oil levels without removing the enclosure. Access holes should be installed on both sides of the enclosure.

2.8.3 Heaters will not be required with meter sets utilizing the Equimeter TP-9.

2.8.4 Provide for an in-line filter upstream of heater regulator to remove solids and liquids, 1/4 inch female connection.

2.9 Relief Valves (Required Specification)

2.9.1 Provide acceptable relief valve as per Drawing W-502285.  
Relief setting = 175 psig.

2.10 Regulators (Required Specification)

2.10.1 Provide regulator per Drawing W-502285.

2.10.2 Design Criteria

- 2.10.3.1 Body Material: Zinc
- 2.10.3.2 Inlet & Outlet Size: 1/4-inch
- 2.10.3.3 Connections: Threaded Internal
- 2.10.3.4 Spring Range: 3 to 7-inch WC
- 2.10.3.5 Spring Color: Red
- 2.10.3.6 Spring No.: 1 B 7843 27222
- 2.10.3.7 Inlet Pressure: 100 psi
- 2.10.3.8 Outlet Pressure: 4 oz.

PNG  
HIGH PRESSURE  
720 PSIG MAOP  
PRODUCTION STATION METER SET  
SPECIFICATIONS  
AUGUST 1995

## 2.0

MATERIAL2.1 Pipe (Recommended Specification)

It is recommended that all pipe be schedule 80, black, welded or seamless, Grade B, and that it conform to ASTM A 106 or ASTM A 53.

2.2 Tubing (Recommended Specification)

As recommended on Drawing W-502285 and conforming to ASTM Specifications A-213 and A-450.

2.3 Pipe Nipples (Recommended Specification)

PNG recommends that all pipe nipples be Schedule 80, black, welded or seamless Grade B, and conform to ASTM A53 or ASTM A106.

2.4 Fittings (Recommended Specification)

PNG recommends that all welded fittings be series 300, all screwed fittings be 3000 pound, FS, and all flanges be ANSI 300.

2.5 Pipe Joint Compound (Required Specification)

2.5.1 Teflon tape, Teflon compound, or any pipe joint compound using Teflon as an additive will not be used on the threads, or any other part of the meter header assembly or its component parts.

2.5.2 The pipe dope for meter header assemblies will be Key-Tite Waterproof Pipe Joint Compound as manufactured by ACF Industries, Inc.

2.5.3 There is no substitute for this item.

2.6 Valves2.6.1 Ball Two-Inch and Larger (Recommended Specification)

2.6.1.1 PNG recommends that ball valves be carbon steel, 720 WOG, socket end, 316 SS ball, stem, and trim, reinforced teflon seats, and in-line maintenance.



2.8.2 PNG recommends that a stainless steel enclosure be used that encompasses the perimeter of the heater and utilizes a hinge and hasp system. The system should provide sufficient access to check oil levels without removing the enclosure. Access holes should be installed on both sides of the enclosure.

2.8.3 Heaters will not be required with meter sets utilizing the Equimeter TP-9.

2.8.4 Provide an in-line filter upstream of the heater regulator to remove solids and liquids, 1/4 inch female connection.

2.8.5 Recommended filter is as follows:

A. Balton Model Number 95S6 Filter:  
050-11-BX

2.9 Relief Valves (Required Specification)

2.9.1 Provide acceptable relief valves for the following:

2.9.2 Tank: Relief Setting: 600 PSI  
Capacity: 650 CFH

2.9.4 Heater: Relief Setting: 200 PSI

2.10 Regulators (Required Specification)

2.10.1 Provide appropriate regulators with the heater, as per drawing.

2.10.2 Design Criteria

2.10.3.1 Body Material: Zinc

2.10.3.2 Inlet & Outlet Size: 1/4-inch

2.10.3.3 Connections: Threaded Internal

3.0 WELDING

3.1 General (Recommended Specification)

PNG recommends that all welds be a full penetration butt weld or socket weld with an acceptable qualified procedure.

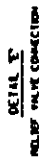
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TABLE 1.0 APPROVED METER LISTING						
MANUFACTURER	MODEL	TYPE	CAPACITY @ 4oz (cfh)	SIZE (in)	PRESS RATING (psig)	KIND/ SIZE CODE
ROCKWELL	250	DIAPH	250	1	5/10	332
ROCKWELL	275	DIAPH	275	1	5/10	344
ROCKWELL	310	DIAPH	310	1.25	5/10	370
ROCKWELL	415	DIAPH	415	1.25	10	391
ROCKWELL	750	DIAPH	1,600	1.5	20	540
ROCKWELL	800	DIAPH	1,600	1.5	100 + 500 <sup>#</sup>	550
ROCKWELL	TP-9	TURB	9,000	2/3	275/720	791
ROCKWELL	T-18	TURB	18,000	4	175/720	767
ROCKWELL	T-30	TURB	30,000	6	175/720	764
ROCKWELL	T-60	TURB	60,000	8	175/720	730
ROCKWELL	T-140	TURB	140,000	12	175/720	729
ROOTS	1.5 M	ROTARY	1,500	1.5	125	780
ROOTS	3 M	ROTARY	3,000	2	125	706
ROOTS	5 M	ROTARY	5,000	3	125	752
ROOTS	7 M	ROTARY	7,000	3	125	707
ROOTS	11 M	ROTARY	11,000	4	125	743
ROOTS	16 M	ROTARY	16,000	4	125	701
ROOTS	2 M	ROTARY	2,000	2	900	723
ROOTS	3.6 M	ROTARY	3,600	2	600	720
ROOTS	4.6 M	ROTARY	4,600	3	900	724
AMERICAN	250 AC	DIAPH	250	1	5	328
AMERICAN	250 AL	DIAPH	250	1	5	330
AMERICAN	800	DIAPH	1,700	1.5	100	546
AMERICAN	3 GT	TURB	10,000	3	275	772
AMERICAN	4 GT	TURB	18,000	4	175	776
AMERICAN	4 GT	TURB	16,000	4	720	776



# MANAGEMENT COMMUNICATIONS

EXHIBIT E

CHAPTER	SECTION	SUBJECT
60	940	
ORIGINAL ISSUE DATE	REV. NO.	REVISION DATE
9-1-83	2	4-1-94

## OPERATIONS MANUAL

SECTION: Work Function - Blanket

SUBJECT: Measurement And Regulation

WORK FUNCTION: Inspect And Test Displacement Meter - Rotary Meter

NUMBER: 331

### GENERAL

This work function is for both Roots rotary-type (oil-filled) and Cartridge rotary-type meters.

### DIVISION

All divisions.

### PROCEDURE

Note: Perform lockout/tag-out procedures according to Human Resources Manual 30-30-190, Lockout/Tag-Out (Hazardous Energy Control Program), as required.

#### Roots Rotary Meter

1. Test meter for rate of flow after first determining there is sufficient draw on the meter to permit testing.
2. Put manometer or meter connections to check differential reading on gauge against meter curve. If differential reading is accurate, record on Form P648, "Inspection or Test Report."
3. If not accurate (according to requirements outlined in the Operations Manual), check oil for level, dirt, and water. Replace oil to proper level and repeat Step 2.
4. Adjust recording gauge pressure pen to zero pressure with pressure relieved from gauge and/or check at measuring pressure with test gauge; adjust if necessary (if applicable).
5. Check meter for proper operation.
6. Remove test equipment.
7. Complete balance of required information on Form P648, Inspection or Test of Direct Meter.

#### Cartridge Rotary Meter

1. Test meter for rate of flow after first determining there is sufficient draw on the meter to permit testing.

CHAPTER	SECTION	SUBJECT
60	940	
ORIGINAL ISSUE DATE	REV NO	REVISION DATE
9-1-83	2	4-1-94

**OPERATIONS MANUAL**

SECTION: Work Function - Blanket  
SUBJECT: Measurement And Regulation  
WORK FUNCTION: Inspect And Change Orifice Plates  
NUMBER: 321

**DIVISION**

All divisions.

**PROCEDURE**

1. Take meter out of service by performing lockout/tag-out procedures according to Human Resources Manual 30-30-190, Lockout/Tag-Out (Hazardous Energy Control Program), as required.
  - a. Chambered orifice fitting
    - (1) Open equalizer valve.
    - (2) Open slide valve.
    - (3) Raise plate carrier into upper chamber.
    - (4) Close slide valve.
    - (5) Close equalizer valve.
    - (6) Close bleeder valve to relieve pressure.
    - (7) Remove cover plate.
    - (8) Extend plate carrier through top or front opening.
    - (9) Remove seal ring and orifice plate.
  - b. Orifice flanges
    - (1) Check differential reading on orifice meter charts to determine if plates can be removed.
    - (2) Bleed pressure from diaphragm on control valves to ensure that valves will not close.
    - (3) Close valves on orifice run.
    - (4) Shut off orifice meter connected to above Step 3 orifice run.
    - (5) Bleed pressure from meter.
    - (6) Bleed pressure from run.



## BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, That for and in consideration of the sum of \$2,700.00, to it in hand paid, receipt of which is hereby acknowledged, and other good and valuable considerations, **THE PEOPLES NATURAL GAS COMPANY**, a Pennsylvania corporation at 625 Liberty Avenue, Pittsburgh, Pennsylvania 15222-3197, hereinafter referred to as "Peoples," has granted, bargained, sold, released and confirmed, and by these presents does grant, bargain, sell, release and confirm the equipment more specifically described in Appendix A unto **LOMAK PETROLEUM INC.**, of P.O. Box 235 Yatesboro, Pa. 16263, hereinafter referred to as "Purchaser."

IT IS HEREBY UNDERSTOOD AND AGREED THAT THE PEOPLES NATURAL GAS COMPANY MAKES NO WARRANTY, EITHER EXPRESSED OR IMPLIED, AS TO THE CONDITION, USEFULNESS AND MERCHANTABILITY OF MEASUREMENT STATION MADE UP OF THE METER, REGULATING EQUIPMENT, AND OTHER EQUIPMENT SOLD HEREIN OTHER THAN IT HAS TITLE TO THE SAME.

IT IS FURTHER UNDERSTOOD, That from the date of this instrument, Peoples shall in no way be responsible for the operation and maintenance of measurement station made up of the meter, regulating equipment and other equipment sold herein, and said Purchaser does hereby and at all times hereafter covenant and agree to indemnify and hold harmless Peoples, its successors and assigns, of and from any and all actions, claims and demands whatsoever that may result from or arise out of said operation and maintenance of measurement station made up of the meters, regulating equipment and other equipment sold herein.

IT IS FURTHER UNDERSTOOD, That Purchaser, with the execution of this agreement, accepts delivery of measurement station made up of the meter, regulating equipment and other equipment as described in Appendix A.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed and attested, on this \_\_\_\_\_ day of \_\_\_\_\_, 1996.

LOMAK PETROLEUM INC.

THE PEOPLES NATURAL GAS COMPANY

By \_\_\_\_\_ By \_\_\_\_\_

## APPENDIX A

<u>MEASUREMENT STATION NO.</u>	<u>SALE PRICE</u>	<u>FARM NAME</u>	<u>LOCATION</u> <u>TOWNSHIP</u>	<u>COUNTY</u>
8003	\$900.00	Woods	Armstrong	Indiana
8004	900.00	Lohr	Washington	Indiana
8005	900.00	Douds	Washington	Indiana



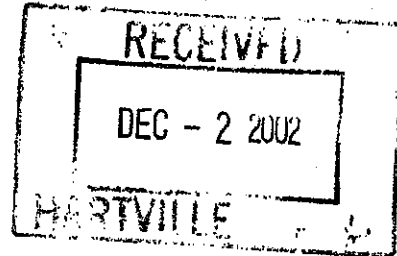
**Dominion Peoples**  
432 Hyde Park Road, Leechburg, PA 15656



**Dominion™**  
**Peoples**

*For your files*

November 25, 2002



Steve Rupert  
Great Lakes Energy Partners, LLC  
125 State Route 43  
PO Box 550  
Hartville, OH 44632-0550

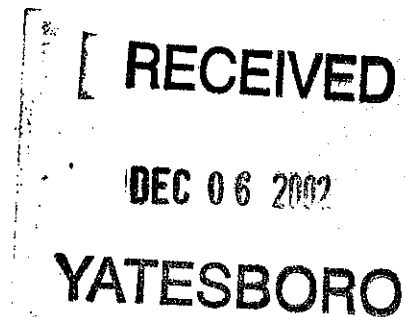
Dear Mr. Rupert:

You will find enclosed one original PA PEP 2002 Agreement for your files. Please call me @ 724-842-4800 if you have any questions.

Sincerely,

Jasa Galo  
Business Agreements Analyst

Enclosure



## AGREEMENT

**THIS AGREEMENT** is entered into this 24 day of Apr 2002 by and between, Great Lakes Energy Partners, LLC, a Delaware corporation, with its main office at 125 State Route 43 PO Box 550, Hartville, OH 44632-0550 ("PRODUCER"), and THE PEOPLES NATURAL GAS COMPANY d/b/a DOMINION PEOPLES, a Pennsylvania corporation with its main office at 625 Liberty Avenue, Pittsburgh, PA 15222 ("PEOPLES").

**WHEREAS** PRODUCER produces and delivers gas from its wells directly into PEOPLES' pipeline system;

**WHEREAS** PEOPLES is willing to change operating conditions and increase throughput in its pipeline system so that, among other reasons, it can receive additional volumes of PRODUCER'S and of other producers' gas;

**WHEREAS** PRODUCER is willing to compensate PEOPLES for the costs incurred to increase throughput in its pipeline system; and

**WHEREAS**, in exchange for such compensation from PRODUCER and from other producers, PEOPLES is willing to construct, install and maintain facilities and equipment to increase throughput in its pipeline system.

**NOW, THEREFORE**, for and in consideration of the premises and covenants contained herein, PEOPLES and PRODUCER agree as follows:

1. Subject to obtaining any required permits and rights of way, PEOPLES has already or intends to construct and install compression facilities and equipment at the following locations: Belknap, Egry, Girty, Latrobe, Creekside, Dice, Ligonier, Arnold, Merwin, Kittanning, and New Stanton.

PEOPLES agrees to maximize compressor throughput at its compressor facilities associated with the PA PEP 2002 project during the warm weather months in order to provide capacity for the increased production levels of PA PEP 2002. During the cold weather months, PEOPLES may elect to idle or reduce loading on some of its compressors if distribution load reduces the need for compression of production gas. At all times and without exception, PEOPLES responsibility to operate a safe and reliable pipeline system will override any other operational concern or motive.

2. Beginning with the first month of production following the chart change after PRODUCER begins to use any of the facilities and equipment described in Paragraph 1 (the "Commencement Date"), PRODUCER shall pay PEOPLES the appropriate fee identified in the attached **Fee Schedule** for each Mcf of PRODUCER'S gas that passes through PRODUCER'S measurement points and/or

metering equipment identified on **Appendix "A"** to this Agreement. PRODUCER also agrees that this Agreement shall apply to all of PRODUCER'S affiliated company production and to all new measurement points and/or metering equipment that does, or will, exist on the PEOPLES' PA PEP 2002 affected systems.

3. PEOPLES shall issue monthly invoices for the payments due under Paragraph 2. Based on mutual agreement between PEOPLES and PRODUCER, PEOPLES monthly invoices may: (a) contain a set-off for any monies owed PRODUCER by PEOPLES for PRODUCER'S gas that is purchased by PEOPLES; (b) be issued to PRODUCER itself; or (c) be issued to PRODUCER'S designee. Regardless of the option selected, monthly invoices are due when rendered (the "Due Date").
4. Charges previously billed to PRODUCER or its designee, for which payment has not been received by PEOPLES in full within thirty days of the Due Date, will be assessed a late-payment charge of two percent (2%) per month on the unpaid balance. If PRODUCER'S or its designee's failure to pay in full continues for forty-five (45) days after the Due Date, then PEOPLES, in addition to any other remedy it may have, may (a) shut in PRODUCER'S gas that passes through the measurement points and metering equipment identified on **Appendix "A"** until PEOPLES has received payment in full; (b) deduct the unpaid amount from any payments accruing to PRODUCER under any agreement between the PRODUCER and PEOPLES; (c) take gas in kind from PRODUCER in satisfaction of obligations; or, (d) terminate the agreement with PRODUCER upon ten (10) days written notice to PRODUCER. Provided that if PRODUCER: (a) in good faith disputes the amount of any invoice or part thereof and pays PEOPLES the undisputed amount when due; and (b) within thirty (30) days of a demand by PEOPLES, furnishes a good and sufficient surety bond in an amount and with sureties satisfactory to PEOPLES to cover any of the disputed amount ultimately due PEOPLES, then PEOPLES shall not be entitled to shut in PRODUCER'S production unless and until default be made in the conditions on such surety bond or there is subsequent default under the conditions of this Agreement.
5. PEOPLES and PRODUCER shall have twenty-four (24) months from the date of a monthly invoice to bring an overcharge or undercharge that appears on the invoice to the other's attention in writing. The other party shall have thirty days (30) from the date of such writing to refund any overcharge or pay any undercharge. If the other party fails to do so and the claim of overcharge or undercharge ultimately is determined to be correct in whole or in part, then the other party shall be liable for interest, in the amount and manner set forth in Paragraph 4, from the thirtieth (30<sup>th</sup>) day following such writing until the overcharge or undercharge is cured in full. Any overcharge or undercharge for which no claim has been made within twenty-four (24) months of the appropriate monthly invoice shall be deemed waived by both parties.

6. For the term of this Agreement and a twenty-four (24) month period thereafter, both parties shall have the right, at any and all reasonable times, to examine the books and records of the other party to the extent necessary to verify the accuracy of any statement, charge, computation or demand made under or pursuant to this Agreement. Provided, however, that neither party shall be required to maintain such records for a period longer than twenty-four (24) months after the service related to such records was performed.
7. This Agreement shall take effect as of the date first written above (the "Effective Date") and shall continue in effect for a period of thirty-six (36) months following the Commencement Date. This Agreement shall renew automatically for successive additional one-month terms, upon the same terms and conditions, unless either party shall have cancelled the Agreement upon thirty days (30) written notice to the other.
8. This Agreement does not obligate PEOPLES to operate the facilities and equipment described in Paragraph 1 or any of its other facilities or equipment in excess of their maximum allowable operating pressures, as those pressures may change from time to time.
9. PRODUCER shall make deliveries to PEOPLES' system against the existing pressure in PEOPLES' lines, and shall not compress its gas without PEOPLES' prior written approval, which approval shall not be withheld unreasonably. Any other provisions of this Agreement notwithstanding, PRODUCER never shall deliver gas into PEOPLES' lines at a pressure that exceeds the maximum safe allowable working pressure as determined solely by PEOPLES.
10. PRODUCER and PEOPLES are responsible for the installation and maintenance of overpressure equipment on their respective pipeline(s), valve(s), and any other interconnection equipment.
11. It is understood that performance under this Agreement shall be subject to all valid rules and regulations of duly constituted governmental authorities having jurisdiction or control over the matters related hereto. If, at any time during the term of this Agreement, any governmental authority takes any action which is, with respect to or as a result of the services provided under this Agreement, designed to subject or otherwise subjects PEOPLES or its successors or assigns to any greater or different regulation or jurisdiction than that which existed on the completion date, then, upon written notice to PRODUCER specifying the governmental authority action upon which the notice is based, PEOPLES may institute a renegotiation with PRODUCER of this Agreement that shall enable the parties to remain in the same relative economic positions as existed prior to the effective date of any such governmental action. Both parties shall renegotiate in good faith and use their best efforts.

It is further understood and agreed that neither this Agreement, nor any counterpart to this Agreement, may be voluntarily introduced by either party into any legal

proceedings before the Pennsylvania Public Utility Commission, or any other administrative agency or judicial body, except for legal proceedings to collect fees or charges stated herein. PEOPLES agrees not to use this Agreement as the basis to support a claim or proposal to unbundle their system and initiate a gathering fee.

12. Any modifications of terms or amendments of provisions of this Agreement shall become effective only by supplemental written agreement between the parties.
13. No waiver by either party of any default of the other party under this Agreement shall operate as a waiver of any future default, whether of a like or different character.
14. This Agreement shall be binding on each party's successors and assigns. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to any entity. Any sale or assignment shall be made expressly subject to the rights of the non-assigning party and with the provision that the assigning party's purchaser or assignee shall assume and agree to perform all of the assigning party's obligations under this Agreement.
15. PEOPLES shall be relieved of its obligations under this Agreement in the event PRODUCER: (a) applies or has applied for bankruptcy under the laws of the United States; (b) fails to demonstrate minimal creditworthiness in accordance with the criteria contained in PEOPLES' currently effective Supplier Tariff; or (c) is in arrears for any payments under this Agreement unless otherwise excused hereby. PRODUCER may, however, continue to receive services under this Agreement if Producer prepays for such service, on a continuing basis, an amount equal to its obligation for such services, based on its historic average obligation, for the following three (3) months. In lieu of such prepayment, PEOPLES may, at its sole discretion, accept good and sufficient surety bond, or other good and sufficient security, as furnished by PRODUCER, in the amount of such prepayment.
16. It is expressly understood that there is no third party beneficiary of this Agreement, and that this Agreement does not confer enforceable rights on anyone who is not a party or a party's successor or assignee.
17. If PRODUCER fails to comply with any provisions of this Agreement, then PEOPLES, upon written notice to PRODUCER, may refuse to accept any additional gas volume that passes through the measurement points and metering equipment identified on **Appendix "A"** from PRODUCER until PRODUCER resumes full compliance with the terms of this Agreement.

18. Subject to Paragraph 11, this Agreement shall be subject to all valid applicable federal, state and local laws, rules and regulations of any governmental body or official having jurisdiction.
19. PRODUCER shall direct any notices, statements, questions or comments required or arising under this Agreement as follows:

John Love, Director, PA Gathering and Production  
Dominion Peoples  
175 Sheffield Drive, Suite 100  
Delmont, PA 15626-1723  
Phone: (724) 468-0576  
Fax: (724) 468-0578

20. PEOPLES shall direct any notices, statements, questions or comments required or arising under this Agreement as follows:

Stephen P. Rupert  
Great Lakes Energy Partners, LLC  
125 State Route 43  
PO Box 550  
Hartville, OH 44632-0550

21. As to all matters of construction and interpretation, this Agreement shall be interpreted, construed and governed by the laws of the Commonwealth of Pennsylvania.
22. It is expressly understood that PEOPLES will attempt to enter into agreements identical to this one with other PRODUCERS who also will benefit from the facilities and equipment that are described in Paragraph 1. However, if by December 31, 2001 in PEOPLES' sole opinion, an insufficient number of PRODUCERS have executed similar agreements to justify the economic investment by PEOPLES, then PEOPLES, in its sole discretion, may terminate this Agreement upon written notice to PRODUCER. Upon such notice of termination, this Agreement shall become null and void, and PEOPLES and PRODUCER shall be relieved of any further obligations under this Agreement.

23. This Agreement shall supercede and render null and void, effective upon the date that the respective facilities are absorbed into PA PEP 2002, those similar compression agreements, if any, entered into between PRODUCER and PEOPLES at Latrobe, Egry, or Creekside.

IN WITNESS WHEREOF, the parties have duly executed this Agreement to be effective as of the day and year first written above.

**THE PEOPLES NATURAL GAS COMPANY**

By  
Its

*C. J. Hall*  
Vice President

**GREAT LAKES ENERGY  
PARTNERS, LLC**

By

Its

*Stephen R. ...*  
Vice President - Operations

**ATTEST:**

By  
Its

*Susan B. George*  
Asst. Secy

**ATTEST:**

By

Its

*James J. ...*  
Asst. Secretary

## FEE SCHEDULE

Dependent upon the total volume of production participation on the affected systems in Dominion's PA PEP 2002, the following fees shall apply to all gas volumes through the affected meters. The variable percentage shall be multiplied by a rolling six-month average of the Dominion Transmission, Inc. (DTI) Appalachian Index (Southpoint) without adjustment to an mcf basis. The \$3.00 DTI Index below is for illustration only.

<u>Participation</u>	<u>Fixed (per mcf)</u>		<u>Variable (per mcf)</u>	<u>\$3.00 DTI Index (Illustration Only) Total Fee</u>
70%	\$0.11	plus	3.0%	\$0.20
75%	\$0.105	plus	2.75%	\$0.1875
80%	\$0.10	plus	2.5%	\$0.175
85%	\$0.095	plus	2.25%	\$0.1625
86%	\$0.094	plus	2.20%	\$0.16
87%	\$0.093	plus	2.15%	\$0.1575
88%	\$0.092	plus	2.10%	\$0.155
89%	\$0.091	plus	2.05%	\$0.1525
90%	\$0.090	plus	2.0%	\$0.15
91%	\$0.089	plus	1.95%	\$0.1475
92%	\$0.088	plus	1.90%	\$0.145
93%	\$0.087	plus	1.85%	\$0.1425
94%	\$0.086	plus	1.80%	\$0.14
95%	\$0.085	plus	1.75%	\$0.1375

In addition, PEOPLES has created an alternative fee that will apply to:

- all production gas that is currently being compressed by PRODUCER and delivered into PEOPLES' transmission pipelines west of the new Ligonier relay compressor station, and
- all production gas that is currently being delivered into PEOPLES' transmission or production pipelines east of the new Ligonier relay compressor station

For gas meeting either of the two criteria above and assuming that the PA PEP 2002 program has been implemented, the applicable fee shall be:

<u>Fixed (per mcf)</u>		<u>Variable (per mcf)</u>	<u>\$3.00 DTI Index (Illustration Only) Total Fee</u>
\$0.02	plus	2.0%	\$0.08



## APPENDIX "A"

List of measurement points and/or metering equipment subject to paragraph 2 of this agreement.

PRODUCER	SYSTEM	METER	TYPE
GREAT LAKES ENERGY PARTNERS, L.L.C.	1135	PO 0491	AGENCY
	1135	PO 0491	SS
	1135	PO 0491	TRANS
	1135	PO 1550	AGENCY
	1135	PO 1550	SS
	1135	PO 1550	TRANS
	1135	PO 3133	PU/EX
	1135	PO 3133	SS
	<del>1136</del>	<del>PO 1824</del>	<del>AGENCY</del>
	1136	PO 2115	AGENCY
	1136	PO 2115	SS
	1136	PO 2115	TRANS
	<del>1136</del>	<del>PO 2152</del>	<del>AGENCY</del>
	<del>1136</del>	<del>PO 2165</del>	<del>AGENCY</del>
	<del>1136</del>	<del>PO 2165</del>	<del>SS</del>
	<del>1136</del>	<del>PO 2165</del>	<del>TRANS</del>
	1136	PO 2203	SS
	<del>1136</del>	<del>PO 2210</del>	<del>AGENCY</del>
	<del>1136</del>	<del>PO 2210</del>	<del>SS</del>
	<del>1136</del>	<del>PO 2210</del>	<del>TRANS</del>
	1136	PO 2213	AGENCY
	1136	PO 2213	SS
	1136	PO 2213	TRANS
	<del>1136</del>	<del>PO 2478</del>	<del>AGENCY</del>
	<del>1136</del>	<del>PO 2478</del>	<del>SS</del>
	<del>1136</del>	<del>PO 2478</del>	<del>TRANS</del>
	<del>1136</del>	<del>PO 3237</del>	<del>AGENCY</del>
	<del>1136</del>	<del>PO 3237</del>	<del>SS</del>
	<del>1136</del>	<del>PO 3237</del>	<del>TRANS</del>
	1136	PO 3239	AGENCY
	1136	PO 3239	SS
	1136	PO 3239	TRANS

## APPENDIX "A"

	1136	PO 8004	AGENCY
	1136	PO 8004	SS
	1136	PO 8004	TRANS
	1136	PO 9717	TRANS
	1137	PO 0132	SS
	1137	PO 2581	SS
	1138	PO 2365	AGENCY
	1138	PO 2365	SS
	1138	PO 2365	TRANS
	1138	PO 2393	AGENCY
	1138	PO 2393	SS
	1138	PO 2393	TRANS
	1138	PO 2418	AGENCY
	1138	PO 2418	SS
	1138	PO 2418	TRANS
	1138	PO 2878	AGENCY
	1138	PO 2878	SS
	1138	PO 2878	TRANS
	185	PO 0253	AGENCY
	185	PO 0253	SS
	185	PO 0253	TRANS
	442	PO 3521	SS
	442	PO 3522	TRANS
	442	PO 9034	SS
	442	PO 9034	TRANS
	442A	PO 3083	PU/EX
	442A	PO 3083	SS
	442A	PO 3515	PU/EX
	442A	PO 3515	SS
	442A	PO 3556	PU/EX
	442A	PO 3556	SS
	5130	PO 4098	AGENCY
	5130	PO 4098	SS
	5130	PO 4098	TRANS
	642	PO 2781	AGENCY
	642	PO 2781	SS
	642	PO 2781	TRANS

## APPENDIX "A"

	643	PO 10070	TRANS
	643	PO 2667	AGENCY
	643	PO 2667	SS
	643	PO 2667	TRANS
	643	PO 2751	AGENCY
	643	PO 2751	SS
	643	PO 2751	TRANS
	643	PO 2764	AGENCY
	643	PO 2764	SS
	643	PO 2764	TRANS
	643	PO 2803	AGENCY
	643	PO 2803	SS
	643	PO 2803	TRANS
	643	PO 2831	AGENCY
	643	PO 2831	SS
	643	PO 2831	TRANS
	643	PO 3346	SS
	643	PO 3497	SS
	643	PO 3528	SS
	643	PO 3533	SS
	643	PO 3603	SS
	643	PO 8003	AGENCY
	643	PO 8003	SS
	643	PO 8003	TRANS
	643	PO 8005	AGENCY
	643	PO 8005	SS
	643	PO 8005	TRANS
	643	PO 9036	SS
	643	PO 9036	TRANS
	643	PO 9038	SS
	643	PO 9038	TRANS
	643	PO 9039	TRANS
	<del>643</del>	<del>PO 9397</del>	<del>AGENCY</del>
	<del>643</del>	<del>PO 9397</del>	<del>SS</del>
	<del>643</del>	<del>PO 9397</del>	<del>TRANS</del>

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## APPENDIX "A"

### GREAT LAKES ENERGY PARTNERS, L.L.C.

By Stephen R. Ryan  
Its Vice President - Operations

DPS-383  
Witness: Truitt  
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NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
RESPONSE TO FORMAL STAFF REQUEST FOR INFORMATION  
CASE 07-G-0141

Q. Please provide the total number of local production meters connected to NFG Supply Company's transmission system. This data shall include meters connected to production wells owned by NFG Supply.

A. NY - 12 meters; PA - 464 meters.

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NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
RESPONSE TO FORMAL STAFF REQUEST FOR INFORMATION  
CASE 07-G-0141

- Q. Please provide the total number of hours spent on local production meter maintenance field work for NFG Supply. This data shall include hours spent on meters connected to production wells owned by NFG Supply.
- A. See attached.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
METER MAINTENANCE FEE  
OPERATION FIELD WORK HOURS

Field Work Fiscal 2006

<u>Activity</u>	<u>Account</u>	<u>NY</u>	<u>PA</u>	<u>Total</u>	<u>Supply - NY</u>	<u>Supply - PA</u>
1601	510100 Internal Inspection, Regulator, or Relief	22.5	3.0	25.5	0.0	106.5
1602	510110 Inspect/Operate Dehydrator	26.8	6.3	33.1	0.7	2.0
1603	510120 Performance Check, Regulator or Relief	278.0	173.8	451.8	1.0	15.5
1604	510130 Check/Adjust Pressure	61.0	19.5	80.5	0.0	4.5
1606	510150 Stand By/Dry Run Operate Bypass	10.0	3.5	13.5	0.0	1.5
1607	510160 Other Regulator Operations	24.5	13.5	38.0	0.0	3.5
1610	510180 Inspect/Test Equipment	2,900.0	1,084.0	3,984.0	10.0	358.5
1613	510210 Attend Joint Test with Other Companies	38.5	21.0	59.5	18.5	17.5
1625	510270 Other Meter/Instrument Operations	441.1	164.2	605.3	5.0	23.5
1626	510280 Gas Quality Test	837.0	23.0	860.0	9.0	68.5
1627	510290 Process Sample on Chromatograph	1.5	13.0	14.5	0.0	7.5
1630	610000 Repair/Maintain Dehydrator	621.0	0.0	621.0	1.5	2.5
1632	512000 Other Laboratory Operations	0.0	16.0	16.0	0.0	0.0
1633	610010 Repair/Maintain Regulator or Relief	68.0	5.5	73.5	0.0	0.0
1634	610020 Other Regulator Maintenance	9.5	11.5	21.0	0.0	3.0
1635	610030 Other Meter/Instrument Maintenance	45.0	60.5	105.5	0.0	6.0
1661	512010 Other Laboratory Maintenance	0.0	0.5	0.5	0.0	0.0
1662	610110 Repair/Maintain Regulator Structure	4.5	1.0	5.5	0.0	4.0
1671	610120 Repair/Replace/Maintain Equipment	1,076.0	220.1	1,296.1	0.5	17.0
		<u>6,464.9</u>	<u>1,839.9</u>	<u>8,304.8</u>	<u>46.2</u>	<u>641.5</u>

Work Management System NY &amp; PA

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Witness: Truitt  
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NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
RESPONSE TO FORMAL STAFF REQUEST FOR INFORMATION  
CASE 07-G-0141

Q. Please provide in excel digital files the work papers for Exhibit\_\_\_\_(RLT-3), sheets 19 through 30.

A. The electronic file was sent to Staff on March 27, 2007.



NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

	<u>Total</u>	<u>Rotary</u>	<u>Orifice</u>
Meter Maintenance Cost	\$788,685.75	\$300,085.37	\$488,600.37
Number of Meters	828	413	415
Fee Per Meter/Per Month		<u>\$60.55</u>	<u>\$98.11</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

	Hours	Labor Cost/Hour	Total
Gas Measurement - Note 2			
Grade G (Clerical)	4,073	\$37.63	\$153,274.65
Gas Measurement Administration			<u>\$153,274.65</u>
Local Production Administration			
Grade D (Supervisory)	1,966	\$71.92	\$141,394.72
Grade G (Clerical)	2,075	\$37.63	78,086.15
MRC Technical - Note 3			
Supervisory	780	\$71.92	56,097.60
Grade 6 (2154)	400	\$51.17	20,466.29
Remaining Administration Costs			<u>\$296,044.76</u>
Total Administration			<u><u>\$449,319.41</u></u>
Operations Field Work - Note 4			
Grade F (NY Supervisory)	1,849	\$59.01	\$109,109.49
Grade F (PA Supervisory)	416	\$59.01	24,548.16
Grade D (PA Clerical)	700	\$46.55	32,587.46
Grade 8 (2154)	8,305	\$57.58	478,218.51
Transportation (Class E vehicle)	8,305	\$4.77	39,614.85
Material			<u>37,370.00</u>
Total Field Work			<u><u>\$721,448.47</u></u>
Total Administration			\$449,319.41
Total Field Work			721,448.47
			<u><u>\$1,170,767.88</u></u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

<u>Number of Meters</u>	<u>NY</u>	<u>PA</u>	<u>Total</u>
Rotary and Other Meters	413	299	712
Orifice Meters	415	140	555
	<u>828</u>	<u>439</u>	<u>1,267</u>

<u>Weighted Meters (Orifice 1.5 times Rotary)</u>	<u>NY</u>	<u>PA</u>	<u>Total</u>
Rotary and Other Meters	413	299	712
Orifice Meters	623	210	833
	<u>1,036</u>	<u>509</u>	<u>1,545</u>

	<u>Rotary</u>	<u>Orifice</u>	<u>Total</u>
Gas Measurement Administration Allocation	12.00%	88.00%	100.00%
Remaining Administration Costs	56.20%	43.80%	100.00%

Administration Costs (allocated between states based on Number of Meters)		<u>NY</u>	<u>PA</u>
Rotary Allocation	12.00%	18,392.96	10,668.95
Orifice Allocation	88.00%	134,881.69	100,857.48
Gas Measurement Costs	100.00%	<u>\$153,274.65</u>	<u>\$111,526.43</u>
			<u>\$41,748.22</u>

Administration Costs (allocated between states based on Number of Meters)		<u>NY</u>	<u>PA</u>
Rotary Allocation (697/1252)	56.20%	166,364.54	96,500.78
Orifice Allocation (555/1252)	43.80%	129,680.22	96,968.09
Remaining Administration Costs	100.00%	<u>\$296,044.76</u>	<u>\$193,468.87</u>
			<u>\$102,575.89</u>

Field Work (Allocated between states based on Weighted Meters)		<u>NY</u>	<u>PA</u>
Total Field Work			
Rotary Allocation (697/1530)	46.10%	332,580.97	192,915.65
Orifice Allocation (833/1530)	53.90%	388,867.50	290,774.80
		<u>\$721,448.47</u>	<u>\$483,690.44</u>
			<u>\$237,758.03</u>

**Summary**

<u>NY</u>	<u>Rotary</u>	<u>Orifice</u>	<u>Total</u>
Administration - Gas Measurement	10,668.95	100,857.48	111,526.43
Administration - Remaining	96,500.78	96,968.09	193,468.87
Field Work	192,915.65	290,774.80	483,690.44
	<u>\$300,085.37</u>	<u>\$488,600.37</u>	<u>\$788,685.75</u>

Number of Meters	413	415
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Base Fee - Per Meter/Per Month	<u>\$60.55</u>	<u>\$98.11</u>
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<u>PA</u>	<u>Rotary</u>	<u>Orifice</u>	<u>Total</u>
Administration - Gas Measurement	7,724.01	34,024.21	41,748.22
Administration - Remaining	69,863.76	32,712.13	102,575.89
Field Work	139,665.32	98,092.70	237,758.03
	<u>\$217,253.09</u>	<u>\$164,829.04</u>	<u>\$382,082.13</u>

Number of Meters	299	140
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Base Fee - Per Meter/Per Month	<u>\$60.55</u>	<u>\$98.11</u>
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NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

**NFG Distribution meters as of 11/3/2006**

Number of Meters	NY	PA	Total
Orifice	406	117	523
Displacement	398	296	694
EFM	9	23	32
Daily	0	1	1
Monthly	15	2	17
Total	828	439	1267

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

Local Production Administration Hours

	<u>NY</u>	<u>PA</u>	<u>Supply</u>	<u>Total</u>
184250 Allocation -	67.70%	32.30%	0.00%	100.00%
184270 Allocation - (15% Empire)	0.00%	0.00%	85.00%	85.00%

	<u>Hours</u>		<u>NY</u>	<u>PA</u>	<u>Supply</u>	<u>Total</u>
Supervisor	2,080					
184250	90.00%	1,872	1,267	605	0	1,872
184270	10.00%	208	0	0	177	177
			<u>1,267</u>	<u>605</u>	<u>177</u>	<u>2,049</u>

	100%					
Clerk	2,080					
184250	95.00%	1,976	1,338	638	0	1,976
184270	5.00%	104	0	0	88	88
			<u>1,338</u>	<u>638</u>	<u>88</u>	<u>2,064</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

		<u>MRC</u>	<u>Other</u>
		12.50%	87.50%
Supervisor 1	2080	260	1820
Supervisor 2	2080	260	1820
Supervisor 3	2080	<u>260</u>	<u>1820</u>
Total		<u><u>780</u></u>	<u><u>5460</u></u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

NY Field Work Supervisors

		Local <u>Production</u>	<u>Other</u>	Total
Supervisor 1	2,080	45.00% 936	55.00% 1,144	100.00% 2,080
Supervisor 2	2,080	20.00% 416	80.00% 1,664	100.00% 2,080
Supervisor 3	2,080	15.00% 312	85.00% 1,768	100.00% 2,080
Subtotal	6,240	1,664	4,576	6,240
All Other (10%)		166	458	624
Total NY Field Supervisors		1,830	5,034	6,864

PA Field Work Supervisors

		Local <u>Production</u>	<u>Other</u>	Total
Supervisor 1	2,080	5.00% 104	95.00% 1,976	100.00% 2,080
Supervisor 2	2,080	5.00% 104	95.00% 1,976	100.00% 2,080
Supervisor 3	2,080	5.00% 104	95.00% 1,976	100.00% 2,080
Supervisor 4	2,080	5.00% 104	95.00% 1,976	100.00% 2,080
Total PA Field Supervisors	8,320	416	7,904	8,320

NY Loading Factor (+1) 1.828  
 PA Loading Factor (+1) 2.236

Grade F Supervisors					Gross	Loaded
NY	211	2500	101	11/30/2006 F	3,225.02	5,895.34
NY	214	431	1721	11/30/2006 F	3,158.50	5,773.74
NY	200	17	2000	11/30/2006 F	3,104.39	5,674.82
NY	208	3372	1721	11/30/2006 F	3,104.00	5,674.11
NY	290	4629	104	11/30/2006 F	3,072.00	5,615.62
NY	225	5846	241	11/30/2006 F	3,070.50	5,612.87
NY	237	353	116	11/30/2006 F	3,021.00	5,522.39
NY	212	7402	1472	11/30/2006 F	3,012.00	5,505.94
NY	210	519	201	11/30/2006 F	3,000.00	5,484.00
NY	209	5037	101	11/30/2006 F	2,983.00	5,452.92
NY	225	6529	241	11/30/2006 F	2,954.50	5,400.83
NY	200	10491	1300	11/30/2006 F	2,954.00	5,399.91
NY	50	3256	110	11/30/2006 F	2,938.00	5,370.66
NY	200	323	1521	11/30/2006 F	2,925.50	5,347.81
NY	425	51174	134	11/30/2006 F	2,913.50	5,325.88
NY	225	5404	241	11/30/2006 F	2,907.00	5,314.00
NY	208	1241	1721	11/30/2006 F	2,881.50	5,267.38
NY	200	518	1275	11/30/2006 F	2,872.00	5,250.02
NY	200	31633	2000	11/30/2006 F	2,869.74	5,245.88
NY	95	3239	122	11/30/2006 F	2,836.00	5,184.21
NY	250	96	125	11/30/2006 F	2,816.50	5,148.56
NY	237	385	201	11/30/2006 F	2,775.50	5,073.61
NY	305	51840	128	11/30/2006 F	2,775.50	5,073.61
NY	200	418	1571	11/30/2006 F	2,773.00	5,069.04
NY	208	3375	1721	11/30/2006 F	2,760.50	5,046.19
NY	70	3314	113	11/30/2006 F	2,758.50	5,042.54
NY	214	932	1721	11/30/2006 F	2,753.00	5,032.48
NY	200	846	1271	11/30/2006 F	2,735.00	4,999.58
NY	211	933	201	11/30/2006 F	2,697.00	4,930.12
NY	200	10260	2031	11/30/2006 F	2,662.50	4,867.05
NY	200	10351	1775	11/30/2006 F	2,654.50	4,852.43
NY	200	1071	1862	11/30/2006 F	2,633.00	4,813.12
NY	200	456	2000	11/30/2006 F	2,631.57	4,810.51
NY	200	1126	1321	11/30/2006 F	2,628.50	4,804.90
NY	290	15249	104	11/30/2006 F	2,613.00	4,776.56
NY	200	10395	1600	11/30/2006 F	2,608.00	4,767.42
NY	200	15295	1400	11/30/2006 F	2,605.50	4,762.85
NY	200	15325	1400	11/30/2006 F	2,583.50	4,722.64
NY	209	15247	101	11/30/2006 F	2,577.00	4,710.76
NY	200	168	1673	11/30/2006 F	2,528.00	4,621.18
NY	200	360	1275	11/30/2006 F	2,492.50	4,556.29



NY	200	15293	1400	11/30/2006 F	2,477.50	4,528.87
NY	200	15289	1700	11/30/2006 F	2,422.00	4,427.42
NY	200	1084	1775	11/30/2006 F	2,420.50	4,424.67
NY	200	351	2000	11/30/2006 F	2,420.10	4,423.94
NY	200	10403	1704	11/30/2006 F	2,410.50	4,406.39
NY	200	10283	1751	11/30/2006 F	2,398.00	4,383.54
NY	200	15270	1400	11/30/2006 F	2,372.50	4,336.93
NY	200	15263	1521	11/30/2006 F	2,347.50	4,291.23
NY	200	10481	1751	11/30/2006 F	2,341.50	4,280.26
NY	95	15237	122	11/30/2006 F	2,337.00	4,272.04
NY	200	1488	1400	11/30/2006 F	2,333.00	4,264.72
NY	200	32868	1300	11/30/2006 F	2,300.00	4,204.40
NY	200	15244	1858	11/30/2006 F	2,292.00	4,189.78
NY	200	780	1673	11/30/2006 F	2,285.50	4,177.89
NY	200	10093	1400	11/30/2006 F	2,284.00	4,175.15
NY	200	1476	1400	11/30/2006 F	2,253.50	4,119.40
NY	200	15281	1700	11/30/2006 F	2,251.00	4,114.83
NY	200	10586	1751	11/30/2006 F	2,244.50	4,102.95
NY	200	15286	1859	11/30/2006 F	2,224.00	4,065.47
NY	200	15253	1400	11/30/2006 F	2,218.00	4,054.50
NY	200	10585	1400	11/30/2006 F	2,216.50	4,051.76
NY	200	15308	1400	11/30/2006 F	2,208.50	4,037.14
NY	200	1513	1400	11/30/2006 F	2,205.50	4,031.65
NY	200	15254	1400	11/30/2006 F	2,186.00	3,996.01
NY	200	10572	1775	11/30/2006 F	2,162.50	3,953.05
NY	200	15225	1400	11/30/2006 F	2,101.00	3,840.63
NY	200	10354	1400	11/30/2006 F	2,080.00	3,802.24
NY	200	1540	1854	11/30/2006 F	2,069.50	3,783.05
NY	200	1646	1526	11/30/2006 F	2,032.00	3,714.50
PA	412	51365	312	11/30/2006 F	2,893.00	6,468.75
PA	415	50980	311	11/30/2006 F	2,887.50	6,456.45
PA	412	51052	312	11/30/2006 F	2,833.00	6,334.59
PA	415	50274	308	11/30/2006 F	2,832.50	6,333.47
PA	415	51064	311	11/30/2006 F	2,828.70	6,324.97
PA	545	31108	332	11/30/2006 F	2,820.50	6,306.64
PA	415	51307	311	11/30/2006 F	2,808.50	6,279.81
PA	542	31103	344	11/30/2006 F	2,807.00	6,276.45
PA	539	30125	329	11/30/2006 F	2,796.00	6,251.86
PA	553	51827	327	11/30/2006 F	2,764.00	6,180.30
PA	537	31700	323	11/30/2006 F	2,751.00	6,151.24
PA	542	51737	344	11/30/2006 F	2,736.00	6,117.70
PA	499	50327	4275	11/30/2006 F	2,718.50	6,078.57
PA	499	50693	4300	11/30/2006 F	2,702.50	6,042.79
PA	544	51914	347	11/30/2006 F	2,687.50	6,009.25
PA	544	51837	347	11/30/2006 F	2,662.50	5,953.35
PA	499	50631	4300	11/30/2006 F	2,659.00	5,945.52
PA	415	51738	311	11/30/2006 F	2,651.50	5,928.75
PA	415	329	4000	11/30/2006 F	2,651.00	5,927.64
PA	445	50728	4826	11/30/2006 F	2,639.50	5,901.92
PA	499	50689	4275	11/30/2006 F	2,637.00	5,896.33
PA	499	50943	4300	11/30/2006 F	2,635.50	5,892.98

PA	499	50685	4600	11/30/2006 F	2,602.50	5,819.19
PA	499	50041	4351	11/30/2006 F	2,564.00	5,733.10
PA	499	50885	4271	11/30/2006 F	2,561.00	5,726.40
PA	499	50358	4351	11/30/2006 F	2,525.00	5,645.90
PA	499	50730	4275	11/30/2006 F	2,489.50	5,566.52
PA	499	50647	4321	11/30/2006 F	2,391.00	5,346.28
PA	415	50999	308	11/30/2006 F	2,342.50	5,237.83
PA	499	32293	4600	11/30/2006 F	2,269.00	5,073.48
						5,114.62

## Grade D Supervisors

					Gross	Loaded
NY	212	10259	1471	11/30/2006 D	3,738.00	6,833.06
NY	200	6342	1201	11/30/2006 D	3,736.00	6,829.41
NY	213	10229	20	11/30/2006 D	3,662.00	6,694.14
NY	214	50564	1721	11/30/2006 D	3,613.50	6,605.48
NY	200	10242	1451	11/30/2006 D	3,583.00	6,549.72
NY	200	10494	1521	11/30/2006 D	3,571.00	6,527.79
NY	200	10597	1704	11/30/2006 D	3,563.50	6,514.08
NY	200	10595	1704	11/30/2006 D	3,553.50	6,495.80
NY	290	10337	201	11/30/2006 D	3,550.00	6,489.40
NY	290	10312	104	11/30/2006 D	3,501.00	6,399.83
NY	217	50456	1351	11/30/2006 D	3,494.50	6,387.95
NY	213	10486	20	11/30/2006 D	3,438.50	6,285.58
NY	200	10313	1600	11/30/2006 D	3,432.00	6,273.70
NY	200	10365	1271	11/30/2006 D	3,405.50	6,225.25
NY	200	10463	1573	11/30/2006 D	3,403.50	6,221.60
NY	217	10533	1351	11/30/2006 D	3,382.50	6,183.21
NY	200	10531	1859	11/30/2006 D	3,380.00	6,178.64
NY	200	10416	1300	11/30/2006 D	3,341.50	6,108.26
NY	200	775	1860	11/30/2006 D	3,317.50	6,064.39
NY	200	10369	1775	11/30/2006 D	3,307.50	6,046.11
NY	218	10428	1751	11/30/2006 D	3,301.00	6,034.23
NY	299	946	1222	11/30/2006 D	3,269.00	5,975.73
NY	200	146	1673	11/30/2006 D	3,262.50	5,963.85
NY	200	10535	1351	11/30/2006 D	3,235.00	5,913.58
NY	200	10421	1521	11/30/2006 D	3,230.00	5,904.44
NY	200	15277	1860	11/30/2006 D	3,227.00	5,898.96
NY	305	15261	128	11/30/2006 D	3,209.00	5,866.05
NY	200	10038	1775	11/30/2006 D	3,199.50	5,848.69
NY	200	10576	1521	11/30/2006 D	3,174.00	5,802.07
NY	200	32306	1526	11/30/2006 D	3,135.50	5,731.69
NY	200	10094	1276	11/30/2006 D	3,068.50	5,609.22
NY	200	10356	1351	11/30/2006 D	3,061.50	5,596.42
NY	200	15287	1422	11/30/2006 D	2,994.00	5,473.03
NY	200	10330	1775	11/30/2006 D	2,961.50	5,413.62
NY	200	10035	1859	11/30/2006 D	2,914.00	5,326.79
NY	200	10410	1854	11/30/2006 D	2,908.50	5,316.74
NY	200	100	1700	11/30/2006 D	2,879.00	5,262.81
NY	200	180	1400	11/30/2006 D	2,834.00	5,180.55

NY	200	15304	1422	11/30/2006 D	2,708.50	4,951.14
NY	200	1036	1700	11/30/2006 D	2,662.50	4,867.05
PA	499	50926	4422	11/30/2006 C	3,405.00	7,613.58
PA	499	50981	4422	11/30/2006 D	3,661.00	8,186.00
PA	499	50268	4521	11/30/2006 D	3,480.00	7,781.28
PA	499	50310	4201	11/30/2006 D	3,432.50	7,675.07
PA	445	50312	4826	11/30/2006 D	3,354.50	7,500.66
PA	445	50400	4826	11/30/2006 D	3,350.00	7,490.60
PA	499	50801	4351	11/30/2006 D	3,061.50	6,845.51
PA	499	10427	4321	11/30/2006 D	2,792.50	6,244.03
						6,233.06

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 NEW YORK DIVISION  
 METER MAINTENANCE FEE  
 OPERATION FIELD WORK HOURS

Field Work Fiscal 2006

<u>Activity</u>	<u>Account</u>	<u>NY</u>	<u>PA</u>	<u>Total</u>
1601	510100 Internal Inspection, Regulator, or Relief	22.5	3.0	25.5
1602	510110 Inspect/Operate Dehydrator	26.8	6.3	33.1
1603	510120 Performance Check, Regulator or Relief	278.0	173.8	451.8
1604	510130 Check/Adjust Pressure	61.0	19.5	80.5
1606	510150 Stand By/Dry Run Operate Bypass	10.0	3.5	13.5
1607	510160 Other Regulator Operations	24.5	13.5	38.0
1610	510180 Inspect/Test Equipment	2,900.0	1,084.0	3,984.0
1613	510210 Attend Joint Test with Other Companies	38.5	21.0	59.5
1625	510270 Other Meter/Instrument Operations	441.1	164.2	605.3
1626	510280 Gas Quality Test	837.0	23.0	860.0
1627	510290 Process Sample on Chromatograph	1.5	13.0	14.5
1630	610000 Repair/Maintain Dehydrator	621.0	0.0	621.0
1632	512000 Other Laboratory Operations	0.0	16.0	16.0
1633	610010 Repair/Maintain Regulator or Relief	68.0	5.5	73.5
1634	610020 Other Regulator Maintenance	9.5	11.5	21.0
1635	610030 Other Meter/Instrument Maintenance	45.0	60.5	105.5
1661	512010 Other Laboratory Maintenance	0.0	0.5	0.5
1662	610110 Repair/Maintain Regulator Structure	4.5	1.0	5.5
1671	610120 Repair/Replace/Maintain Equipment	1,076.0	220.1	1,296.1
		<u>6,464.9</u>	<u>1,839.9</u>	<u>8,304.8</u>

Work Management System NY & PA

**Material for Meter Maint**

Unit	Account	Product	Year	Period	Total Amt
DNYG1	510100	1140	2006	7	260.89
DNYG1	510100	1140	2006	12	236.30
DNYG1	510120	1140	2006	10	202.94
DNYG1	510120	1140	2006	11	1,929.32
DNYG1	510120	1140	2006	12	236.30
DPAG1	510160	1107	2006	12	27.86
DNYG1	510160	1140	2006	2	231.00
DNYG1	510160	1140	2006	3	309.40
DNYG1	510160	1140	2006	4	65.05
DPAG1	510160	1141	2006	8	429.52
DPAG1	510160	1141	2006	9	161.30
DPAG1	510160	1159	2006	8	(204.57)
DPAG1	510180	1103	2006	12	6.08
DPAG1	510180	1107	2006	3	375.73
DPAG1	510180	1107	2006	6	615.95
DPAG1	510180	1107	2006	7	333.14
DPAG1	510180	1107	2006	7	333.14
DPAG1	510180	1107	2006	7	333.14
DPAG1	510180	1107	2006	7	332.91
DPAG1	510180	1107	2006	7	333.14
DPAG1	510180	1110	2006	6	24.31
DPAG1	510180	1110	2006	6	24.31
DPAG1	510180	1110	2006	7	210.27
DPAG1	510180	1110	2006	7	146.26
DPAG1	510180	1110	2006	7	146.26
DPAG1	510180	1110	2006	7	146.25
DPAG1	510180	1110	2006	7	146.25
DPAG1	510180	1110	2006	7	146.25
DPAG1	510180	1110	2006	7	146.26
DPAG1	510180	1110	2006	9	301.57
DPAG1	510180	1140	2006	2	92.40
DNYG1	510180	1140	2006	3	403.92
DPAG1	510180	1140	2006	3	67.32
DNYG1	510180	1140	2006	5	275.87
DPAG1	510180	1140	2006	6	74.60
DPAG1	510180	1140	2006	6	29.84
DPAG1	510180	1140	2006	6	29.84
DPAG1	510180	1140	2006	6	29.84
DPAG1	510180	1140	2006	6	29.84
DPAG1	510180	1141	2006	7	50.37
DPAG1	510180	1182	2006	8	92.22
DPAG1	510270	1109	2006	10	47.38
DPAG1	510270	1110	2006	5	25.40
DPAG1	510270	1140	2006	1	622.71
DNYG1	510270	1140	2006	2	25.12
DNYG1	510270	1140	2006	4	323.73
DNYG1	510270	1140	2006	5	925.11
DNYG1	510270	1140	2006	6	1,120.38

**Material for Meter Maint**

Unit	Account	Product	Year	Period	Total Amt
DPAG1	510270	1140	2006	6	717.26
DNYG1	510270	1140	2006	7	592.56
DNYG1	510270	1140	2006	8	28.76
DNYG1	510270	1140	2006	9	7,680.16
DPAG1	510270	1140	2006	9	823.39
DNYG1	510270	1140	2006	10	349.43
DPAG1	510270	1140	2006	10	281.50
DNYG1	510270	1140	2006	12	268.83
DPAG1	510270	1141	2006	1	149.42
DPAG1	510270	1141	2006	5	1.56
DPAG1	510270	1141	2006	5	15.27
DPAG1	510270	1141	2006	6	2,080.76
DPAG1	510270	1141	2006	9	68.61
DPAG1	510270	1141	2006	9	32.89
DNYG1	510270	1182	2006	7	204.45
DNYG1	510270	1182	2006	7	204.45
DNYG1	510280	1110	2006	3	31.38
DNYG1	510280	1140	2006	4	475.02
DNYG1	510280	1140	2006	5	424.47
DPAG1	510280	1140	2006	9	84.45
DNYG1	510280	1140	2006	10	2,642.12
DNYG1	510280	1140	2006	12	668.84
DNYG1	510320	1103	2006	1	48.77
DNYG1	510320	1103	2006	2	17.86
DNYG1	510320	1103	2006	3	70.64
DNYG1	510320	1103	2006	4	56.33
DNYG1	510320	1103	2006	5	43.38
DNYG1	510320	1103	2006	6	19.61
DNYG1	510320	1103	2006	7	25.04
DNYG1	510320	1103	2006	8	36.87
DNYG1	510320	1103	2006	9	58.80
DNYG1	510320	1103	2006	10	21.60
DNYG1	510320	1103	2006	11	47.05
DNYG1	510320	1103	2006	12	19.01
DNYG1	510320	1140	2006	1	570.39
DNYG1	510320	1140	2006	2	425.41
DNYG1	510320	1140	2006	3	1,012.04
DNYG1	510320	1140	2006	4	1,259.06
DNYG1	510320	1140	2006	5	801.79
DNYG1	510320	1140	2006	6	239.46
DNYG1	510320	1140	2006	7	520.00
DNYG1	510320	1140	2006	8	559.08
DNYG1	510320	1140	2006	9	428.46
DNYG1	510320	1140	2006	10	192.06
DNYG1	510320	1140	2006	11	271.80
DNYG1	510320	1140	2006	12	547.44

## **Local Production Panel**

**Revised DPS-183**

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

Meter Maintenance Fee for Local Producers

Meter Maintenance Cost	\$323,560.29
Number of Meters	828
Fee Per Meter/Per Month	<u>\$32.56</u>



NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

		Labor	
	Hours	Cost/Hour	Total
Gas Measurement - Note 2			
Grade G (Clerical)	3,055	\$37.63	\$114,955.99
Gas Measurement Administration			\$114,955.99
Local Production Administration			
Grade D (Supervisory)	1,475	\$71.92	\$106,046.04
Grade G (Clerical)	1,556	\$37.63	58,564.61
MRC Technical - Note 3			
Supervisory	225	\$71.92	16,182.00
Grade 6 (2154)	300	\$51.17	15,349.72
Remaining Administration Costs			\$196,142.37
Total Administration			\$311,098.36
Operations Field Work - Note 4			
Grade F (NY Supervisory)	306	\$59.01	\$18,057.06
Grade F (PA Supervisory)	69	\$59.01	4,071.69
Grade D (PA Clerical)	116	\$46.55	5,400.21
Grade 8 (2154)	1,831	\$57.58	105,432.64
Transportation (Class E vehicle)	1,831	\$4.77	8,733.87
Material			37,370.00
Total Field Work			\$179,065.47
Total Administration			\$311,098.36
Total Field Work			179,065.47
			\$490,163.83

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 NEW YORK DIVISION  
 METER MAINTENANCE FEE  
 OPERATION FIELD WORK HOURS

Field Work Fiscal 2006

<u>Activity</u>	<u>Account</u>	<u>NY</u>	<u>PA</u>	<u>Total</u>
1601	510100 Internal Inspection, Regulator, or Relief	22.5	3.0	25.5
1602	510110 Inspect/Operate Dehydrator	26.8	6.3	33.1
1603	510120 Performance Check, Regulator or Relief	278.0	173.8	451.8
1604	510130 Check/Adjust Pressure	61.0	19.5	80.5
1606	510150 Stand By/Dry Run Operate Bypass	10.0	3.5	13.5
1607	510160 Other Regulator Operations	24.5	13.5	38.0
1610	510180 Inspect/Test Equipment	2,900.0	1,084.0	3,984.0
1613	510210 Attend Joint Test with Other Companies	38.5	21.0	59.5
1625	510270 Other Meter/Instrument Operations	441.1	164.2	605.3
1626	510280 Gas Quality Test	837.0	23.0	860.0
1627	510290 Process Sample on Chromatograph	1.5	13.0	14.5
1630	610000 Repair/Maintain Dehydrator	621.0	0.0	621.0
1632	512000 Other Laboratory Operations	0.0	16.0	16.0
1633	610010 Repair/Maintain Regulator or Relief	68.0	5.5	73.5
1634	610020 Other Regulator Maintenance	9.5	11.5	21.0
1635	610030 Other Meter/Instrument Maintenance	45.0	60.5	105.5
1661	512010 Other Laboratory Maintenance	0.0	0.5	0.5
1662	610110 Repair/Maintain Regulator Structure	4.5	1.0	5.5
1671	610120 Repair/Replace/Maintain Equipment	1,076.0	220.1	1,296.1
		<u>6,464.9</u>	<u>1,839.9</u>	<u>8,304.8</u>

Work Management System NY & PA

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

<u>Number of Meters</u>	<u>NY</u>	<u>PA &amp; Supply</u>	<u>Total</u>
Rotary and Other Meters	413	299	712
Orifice Meters	415	140	555
	<u>828</u>	<u>439</u>	<u>1,267</u>

<u>Weighted Meters (Orifice 1.5 times Rotary, removed by Staff)</u>	<u>NY</u>	<u>PA</u>	<u>Total</u>
Rotary and Other Meters	413	299	712
Orifice Meters	415	140	555
	<u>828</u>	<u>439</u>	<u>1,267</u>

	<u>Rotary</u>	<u>Orifice</u>	<u>Total</u>
Gas Measurement Administration Allocation	50.00%	50.00%	100.00%
Remaining Administration Costs	50.00%	50.00%	100.00%

Administration Costs (allocated between states based on Number of Meters)		<u>NY</u>	<u>PA</u>
Rotary Allocation	50.00%	57,478.00	33,340.47
Orifice Allocation	50.00%	57,478.00	42,979.04
Gas Measurement Costs	100.00%	<u>\$114,955.99</u>	<u>\$76,319.51</u>
			<u>\$38,636.48</u>

Administration Costs (allocated between states based on Number of Meters)		<u>NY</u>	<u>PA</u>
Rotary Allocation (697/1252)	50.00%	98,071.19	56,886.80
Orifice Allocation (555/1252)	50.00%	98,071.19	73,332.51
Remaining Administration Costs	100.00%	<u>\$196,142.37</u>	<u>\$130,219.30</u>
			<u>\$65,923.07</u>

Field Work (Allocated between states based on Weighted Meters)			<u>NY</u>	<u>PA</u>
Total Field Work				
Rotary Allocation (697/1530)	56.20%	100,627.16	58,369.41	42,257.75
Orifice Allocation (833/1530)	43.80%	78,438.31	58,652.07	19,786.24
		<u>\$179,065.47</u>	<u>\$117,021.48</u>	<u>\$62,043.99</u>

**Summary**

<u>NY</u>	<u>Rotary</u>	<u>Orifice</u>	<u>Total</u>
Administration - Gas Measurement	33,340.47	42,979.04	76,319.51
Administration - Remaining	56,886.80	73,332.51	130,219.30
Field Work	58,369.41	58,652.07	117,021.48
	<u>\$148,596.67</u>	<u>\$174,963.62</u>	<u>\$323,560.29</u>

Number of Meters	413	415
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Base Fee - Per Meter/Per Month	<u>\$29.98</u>	<u>\$35.13</u>
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<u>PA</u>	<u>Rotary</u>	<u>Orifice</u>	<u>Total</u>
Administration - Gas Measurement	24,137.53	14,498.95	38,636.48
Administration - Remaining	41,184.39	24,738.68	65,923.07
Field Work	42,257.75	19,786.24	62,043.99
	<u>\$107,579.67</u>	<u>\$59,023.87</u>	<u>\$166,603.54</u>

Number of Meters	299	140
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Base Fee - Per Meter/Per Month	<u>\$29.98</u>	<u>\$35.13</u>
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NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

**NFG Distribution meters as of 11/3/2006**

Number of Meters	NY	PA	Total
Orifice	406	117	523
Displacement	398	296	694
EFM	9	23	32
Daily	0	1	1
Monthly	15	2	17
Total	828	439	1267

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

Local Production Administration Hours

	<u>NY</u>	<u>PA</u>	<u>Supply</u>	<u>Total</u>
184250 Allocation -	67.70%	32.30%	0.00%	100.00%
184270 Allocation - (15% Empire)	0.00%	0.00%	85.00%	85.00%

	<u>Hours</u>		<u>NY</u>	<u>PA</u>	<u>Supply</u>	<u>Total</u>
Supervisor	2,080					
184250	90.00%	1,872	1,267	605	0	1,872
184270	10.00%	208	0	0	177	177
			<u>1,267</u>	<u>605</u>	<u>177</u>	<u>2,049</u>

	100%					
Clerk	2,080					
184250	95.00%	1,976	1,338	638	0	1,976
184270	5.00%	104	0	0	88	88
			<u>1,338</u>	<u>638</u>	<u>88</u>	<u>2,064</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

		<u>MRC</u>	<u>Other</u>
		12.50%	87.50%
Supervisor 1	2080	260	1820
Supervisor 2	2080	260	1820
Supervisor 3	2080	<u>260</u>	<u>1820</u>
Total		<u><u>780</u></u>	<u><u>5460</u></u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
Monthly Meter Maintenance Fee for Local Producers  
Fiscal 2006 Data

NY Field Work Supervisors

		Local <u>Production</u>	<u>Other</u>	Total
Supervisor 1	2,080	45.00% 936	55.00% 1,144	100.00% 2,080
Supervisor 2	2,080	20.00% 416	80.00% 1,664	100.00% 2,080
Supervisor 3	2,080	15.00% 312	85.00% 1,768	100.00% 2,080
Subtotal	6,240	1,664	4,576	6,240
All Other (10%)		166	458	624
Total NY Field Supervisors		1,830	5,034	6,864

PA Field Work Supervisors

		Local <u>Production</u>	<u>Other</u>	Total
Supervisor 1	2,080	5.00% 104	95.00% 1,976	100.00% 2,080
Supervisor 2	2,080	5.00% 104	95.00% 1,976	100.00% 2,080
Supervisor 3	2,080	5.00% 104	95.00% 1,976	100.00% 2,080
Supervisor 4	2,080	5.00% 104	95.00% 1,976	100.00% 2,080
Total PA Field Supervisors	8,320	416	7,904	8,320

NY Loading Factor (+1) 1.828  
 PA Loading Factor (+1) 2.236

Grade F Supervisors					Gross	Loaded
NY	211	2500	101	11/30/2006 F	3,225.02	5,895.34
NY	214	431	1721	11/30/2006 F	3,158.50	5,773.74
NY	200	17	2000	11/30/2006 F	3,104.39	5,674.82
NY	208	3372	1721	11/30/2006 F	3,104.00	5,674.11
NY	290	4629	104	11/30/2006 F	3,072.00	5,615.62
NY	225	5846	241	11/30/2006 F	3,070.50	5,612.87
NY	237	353	116	11/30/2006 F	3,021.00	5,522.39
NY	212	7402	1472	11/30/2006 F	3,012.00	5,505.94
NY	210	519	201	11/30/2006 F	3,000.00	5,484.00
NY	209	5037	101	11/30/2006 F	2,983.00	5,452.92
NY	225	6529	241	11/30/2006 F	2,954.50	5,400.83
NY	200	10491	1300	11/30/2006 F	2,954.00	5,399.91
NY	50	3256	110	11/30/2006 F	2,938.00	5,370.66
NY	200	323	1521	11/30/2006 F	2,925.50	5,347.81
NY	425	51174	134	11/30/2006 F	2,913.50	5,325.88
NY	225	5404	241	11/30/2006 F	2,907.00	5,314.00
NY	208	1241	1721	11/30/2006 F	2,881.50	5,267.38
NY	200	518	1275	11/30/2006 F	2,872.00	5,250.02
NY	200	31633	2000	11/30/2006 F	2,869.74	5,245.88
NY	95	3239	122	11/30/2006 F	2,836.00	5,184.21
NY	250	96	125	11/30/2006 F	2,816.50	5,148.56
NY	237	385	201	11/30/2006 F	2,775.50	5,073.61
NY	305	51840	128	11/30/2006 F	2,775.50	5,073.61
NY	200	418	1571	11/30/2006 F	2,773.00	5,069.04
NY	208	3375	1721	11/30/2006 F	2,760.50	5,046.19
NY	70	3314	113	11/30/2006 F	2,758.50	5,042.54
NY	214	932	1721	11/30/2006 F	2,753.00	5,032.48
NY	200	846	1271	11/30/2006 F	2,735.00	4,999.58
NY	211	933	201	11/30/2006 F	2,697.00	4,930.12
NY	200	10260	2031	11/30/2006 F	2,662.50	4,867.05
NY	200	10351	1775	11/30/2006 F	2,654.50	4,852.43
NY	200	1071	1862	11/30/2006 F	2,633.00	4,813.12
NY	200	456	2000	11/30/2006 F	2,631.57	4,810.51
NY	200	1126	1321	11/30/2006 F	2,628.50	4,804.90
NY	290	15249	104	11/30/2006 F	2,613.00	4,776.56
NY	200	10395	1600	11/30/2006 F	2,608.00	4,767.42
NY	200	15295	1400	11/30/2006 F	2,605.50	4,762.85
NY	200	15325	1400	11/30/2006 F	2,583.50	4,722.64
NY	209	15247	101	11/30/2006 F	2,577.00	4,710.76
NY	200	168	1673	11/30/2006 F	2,528.00	4,621.18
NY	200	360	1275	11/30/2006 F	2,492.50	4,556.29



NY	200	15293	1400	11/30/2006 F	2,477.50	4,528.87
NY	200	15289	1700	11/30/2006 F	2,422.00	4,427.42
NY	200	1084	1775	11/30/2006 F	2,420.50	4,424.67
NY	200	351	2000	11/30/2006 F	2,420.10	4,423.94
NY	200	10403	1704	11/30/2006 F	2,410.50	4,406.39
NY	200	10283	1751	11/30/2006 F	2,398.00	4,383.54
NY	200	15270	1400	11/30/2006 F	2,372.50	4,336.93
NY	200	15263	1521	11/30/2006 F	2,347.50	4,291.23
NY	200	10481	1751	11/30/2006 F	2,341.50	4,280.26
NY	95	15237	122	11/30/2006 F	2,337.00	4,272.04
NY	200	1488	1400	11/30/2006 F	2,333.00	4,264.72
NY	200	32868	1300	11/30/2006 F	2,300.00	4,204.40
NY	200	15244	1858	11/30/2006 F	2,292.00	4,189.78
NY	200	780	1673	11/30/2006 F	2,285.50	4,177.89
NY	200	10093	1400	11/30/2006 F	2,284.00	4,175.15
NY	200	1476	1400	11/30/2006 F	2,253.50	4,119.40
NY	200	15281	1700	11/30/2006 F	2,251.00	4,114.83
NY	200	10586	1751	11/30/2006 F	2,244.50	4,102.95
NY	200	15286	1859	11/30/2006 F	2,224.00	4,065.47
NY	200	15253	1400	11/30/2006 F	2,218.00	4,054.50
NY	200	10585	1400	11/30/2006 F	2,216.50	4,051.76
NY	200	15308	1400	11/30/2006 F	2,208.50	4,037.14
NY	200	1513	1400	11/30/2006 F	2,205.50	4,031.65
NY	200	15254	1400	11/30/2006 F	2,186.00	3,996.01
NY	200	10572	1775	11/30/2006 F	2,162.50	3,953.05
NY	200	15225	1400	11/30/2006 F	2,101.00	3,840.63
NY	200	10354	1400	11/30/2006 F	2,080.00	3,802.24
NY	200	1540	1854	11/30/2006 F	2,069.50	3,783.05
NY	200	1646	1526	11/30/2006 F	2,032.00	3,714.50
PA	412	51365	312	11/30/2006 F	2,893.00	6,468.75
PA	415	50980	311	11/30/2006 F	2,887.50	6,456.45
PA	412	51052	312	11/30/2006 F	2,833.00	6,334.59
PA	415	50274	308	11/30/2006 F	2,832.50	6,333.47
PA	415	51064	311	11/30/2006 F	2,828.70	6,324.97
PA	545	31108	332	11/30/2006 F	2,820.50	6,306.64
PA	415	51307	311	11/30/2006 F	2,808.50	6,279.81
PA	542	31103	344	11/30/2006 F	2,807.00	6,276.45
PA	539	30125	329	11/30/2006 F	2,796.00	6,251.86
PA	553	51827	327	11/30/2006 F	2,764.00	6,180.30
PA	537	31700	323	11/30/2006 F	2,751.00	6,151.24
PA	542	51737	344	11/30/2006 F	2,736.00	6,117.70
PA	499	50327	4275	11/30/2006 F	2,718.50	6,078.57
PA	499	50693	4300	11/30/2006 F	2,702.50	6,042.79
PA	544	51914	347	11/30/2006 F	2,687.50	6,009.25
PA	544	51837	347	11/30/2006 F	2,662.50	5,953.35
PA	499	50631	4300	11/30/2006 F	2,659.00	5,945.52
PA	415	51738	311	11/30/2006 F	2,651.50	5,928.75
PA	415	329	4000	11/30/2006 F	2,651.00	5,927.64
PA	445	50728	4826	11/30/2006 F	2,639.50	5,901.92
PA	499	50689	4275	11/30/2006 F	2,637.00	5,896.33
PA	499	50943	4300	11/30/2006 F	2,635.50	5,892.98

PA	499	50685	4600	11/30/2006 F	2,602.50	5,819.19
PA	499	50041	4351	11/30/2006 F	2,564.00	5,733.10
PA	499	50885	4271	11/30/2006 F	2,561.00	5,726.40
PA	499	50358	4351	11/30/2006 F	2,525.00	5,645.90
PA	499	50730	4275	11/30/2006 F	2,489.50	5,566.52
PA	499	50647	4321	11/30/2006 F	2,391.00	5,346.28
PA	415	50999	308	11/30/2006 F	2,342.50	5,237.83
PA	499	32293	4600	11/30/2006 F	2,269.00	5,073.48
						5,114.62

## Grade D Supervisors

					Gross	Loaded
NY	212	10259	1471	11/30/2006 D	3,738.00	6,833.06
NY	200	6342	1201	11/30/2006 D	3,736.00	6,829.41
NY	213	10229	20	11/30/2006 D	3,662.00	6,694.14
NY	214	50564	1721	11/30/2006 D	3,613.50	6,605.48
NY	200	10242	1451	11/30/2006 D	3,583.00	6,549.72
NY	200	10494	1521	11/30/2006 D	3,571.00	6,527.79
NY	200	10597	1704	11/30/2006 D	3,563.50	6,514.08
NY	200	10595	1704	11/30/2006 D	3,553.50	6,495.80
NY	290	10337	201	11/30/2006 D	3,550.00	6,489.40
NY	290	10312	104	11/30/2006 D	3,501.00	6,399.83
NY	217	50456	1351	11/30/2006 D	3,494.50	6,387.95
NY	213	10486	20	11/30/2006 D	3,438.50	6,285.58
NY	200	10313	1600	11/30/2006 D	3,432.00	6,273.70
NY	200	10365	1271	11/30/2006 D	3,405.50	6,225.25
NY	200	10463	1573	11/30/2006 D	3,403.50	6,221.60
NY	217	10533	1351	11/30/2006 D	3,382.50	6,183.21
NY	200	10531	1859	11/30/2006 D	3,380.00	6,178.64
NY	200	10416	1300	11/30/2006 D	3,341.50	6,108.26
NY	200	775	1860	11/30/2006 D	3,317.50	6,064.39
NY	200	10369	1775	11/30/2006 D	3,307.50	6,046.11
NY	218	10428	1751	11/30/2006 D	3,301.00	6,034.23
NY	299	946	1222	11/30/2006 D	3,269.00	5,975.73
NY	200	146	1673	11/30/2006 D	3,262.50	5,963.85
NY	200	10535	1351	11/30/2006 D	3,235.00	5,913.58
NY	200	10421	1521	11/30/2006 D	3,230.00	5,904.44
NY	200	15277	1860	11/30/2006 D	3,227.00	5,898.96
NY	305	15261	128	11/30/2006 D	3,209.00	5,866.05
NY	200	10038	1775	11/30/2006 D	3,199.50	5,848.69
NY	200	10576	1521	11/30/2006 D	3,174.00	5,802.07
NY	200	32306	1526	11/30/2006 D	3,135.50	5,731.69
NY	200	10094	1276	11/30/2006 D	3,068.50	5,609.22
NY	200	10356	1351	11/30/2006 D	3,061.50	5,596.42
NY	200	15287	1422	11/30/2006 D	2,994.00	5,473.03
NY	200	10330	1775	11/30/2006 D	2,961.50	5,413.62
NY	200	10035	1859	11/30/2006 D	2,914.00	5,326.79
NY	200	10410	1854	11/30/2006 D	2,908.50	5,316.74
NY	200	100	1700	11/30/2006 D	2,879.00	5,262.81
NY	200	180	1400	11/30/2006 D	2,834.00	5,180.55

NY	200	15304	1422	11/30/2006 D	2,708.50	4,951.14
NY	200	1036	1700	11/30/2006 D	2,662.50	4,867.05
PA	499	50926	4422	11/30/2006 C	3,405.00	7,613.58
PA	499	50981	4422	11/30/2006 D	3,661.00	8,186.00
PA	499	50268	4521	11/30/2006 D	3,480.00	7,781.28
PA	499	50310	4201	11/30/2006 D	3,432.50	7,675.07
PA	445	50312	4826	11/30/2006 D	3,354.50	7,500.66
PA	445	50400	4826	11/30/2006 D	3,350.00	7,490.60
PA	499	50801	4351	11/30/2006 D	3,061.50	6,845.51
PA	499	10427	4321	11/30/2006 D	2,792.50	6,244.03
						6,233.06

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 NEW YORK DIVISION  
 METER MAINTENANCE FEE  
 OPERATION FIELD WORK HOURS

Field Work Fiscal 2006

<u>Activity</u>	<u>Account</u>	<u>NY</u>	<u>PA</u>	<u>Total</u>
1601	510100 Internal Inspection, Regulator, or Relief	22.5	3.0	25.5
1602	510110 Inspect/Operate Dehydrator	26.8	6.3	33.1
1603	510120 Performance Check, Regulator or Relief	278.0	173.8	451.8
1604	510130 Check/Adjust Pressure	61.0	19.5	80.5
1606	510150 Stand By/Dry Run Operate Bypass	10.0	3.5	13.5
1607	510160 Other Regulator Operations	24.5	13.5	38.0
1610	510180 Inspect/Test Equipment	2,900.0	1,084.0	3,984.0
1613	510210 Attend Joint Test with Other Companies	38.5	21.0	59.5
1625	510270 Other Meter/Instrument Operations	441.1	164.2	605.3
1626	510280 Gas Quality Test	837.0	23.0	860.0
1627	510290 Process Sample on Chromatograph	1.5	13.0	14.5
1630	610000 Repair/Maintain Dehydrator	621.0	0.0	621.0
1632	512000 Other Laboratory Operations	0.0	16.0	16.0
1633	610010 Repair/Maintain Regulator or Relief	68.0	5.5	73.5
1634	610020 Other Regulator Maintenance	9.5	11.5	21.0
1635	610030 Other Meter/Instrument Maintenance	45.0	60.5	105.5
1661	512010 Other Laboratory Maintenance	0.0	0.5	0.5
1662	610110 Repair/Maintain Regulator Structure	4.5	1.0	5.5
1671	610120 Repair/Replace/Maintain Equipment	1,076.0	220.1	1,296.1
		<u>6,464.9</u>	<u>1,839.9</u>	<u>8,304.8</u>

Work Management System NY & PA

**Material for Meter Maint**

Unit	Account	Product	Year	Period	Total Amt
DNYG1	510100	1140	2006	7	260.89
DNYG1	510100	1140	2006	12	236.30
DNYG1	510120	1140	2006	10	202.94
DNYG1	510120	1140	2006	11	1,929.32
DNYG1	510120	1140	2006	12	236.30
DPAG1	510160	1107	2006	12	27.86
DNYG1	510160	1140	2006	2	231.00
DNYG1	510160	1140	2006	3	309.40
DNYG1	510160	1140	2006	4	65.05
DPAG1	510160	1141	2006	8	429.52
DPAG1	510160	1141	2006	9	161.30
DPAG1	510160	1159	2006	8	(204.57)
DPAG1	510180	1103	2006	12	6.08
DPAG1	510180	1107	2006	3	375.73
DPAG1	510180	1107	2006	6	615.95
DPAG1	510180	1107	2006	7	333.14
DPAG1	510180	1107	2006	7	333.14
DPAG1	510180	1107	2006	7	333.14
DPAG1	510180	1107	2006	7	332.91
DPAG1	510180	1107	2006	7	333.14
DPAG1	510180	1110	2006	6	24.31
DPAG1	510180	1110	2006	6	24.31
DPAG1	510180	1110	2006	7	210.27
DPAG1	510180	1110	2006	7	146.26
DPAG1	510180	1110	2006	7	146.26
DPAG1	510180	1110	2006	7	146.25
DPAG1	510180	1110	2006	7	146.25
DPAG1	510180	1110	2006	7	146.25
DPAG1	510180	1110	2006	7	146.26
DPAG1	510180	1110	2006	9	301.57
DPAG1	510180	1140	2006	2	92.40
DNYG1	510180	1140	2006	3	403.92
DPAG1	510180	1140	2006	3	67.32
DNYG1	510180	1140	2006	5	275.87
DPAG1	510180	1140	2006	6	74.60
DPAG1	510180	1140	2006	6	29.84
DPAG1	510180	1140	2006	6	29.84
DPAG1	510180	1140	2006	6	29.84
DPAG1	510180	1140	2006	6	29.84
DPAG1	510180	1141	2006	7	50.37
DPAG1	510180	1182	2006	8	92.22
DPAG1	510270	1109	2006	10	47.38
DPAG1	510270	1110	2006	5	25.40
DPAG1	510270	1140	2006	1	622.71
DNYG1	510270	1140	2006	2	25.12
DNYG1	510270	1140	2006	4	323.73
DNYG1	510270	1140	2006	5	925.11
DNYG1	510270	1140	2006	6	1,120.38

**Material for Meter Maint**

Unit	Account	Product	Year	Period	Total Amt
DPAG1	510270	1140	2006	6	717.26
DNYG1	510270	1140	2006	7	592.56
DNYG1	510270	1140	2006	8	28.76
DNYG1	510270	1140	2006	9	7,680.16
DPAG1	510270	1140	2006	9	823.39
DNYG1	510270	1140	2006	10	349.43
DPAG1	510270	1140	2006	10	281.50
DNYG1	510270	1140	2006	12	268.83
DPAG1	510270	1141	2006	1	149.42
DPAG1	510270	1141	2006	5	1.56
DPAG1	510270	1141	2006	5	15.27
DPAG1	510270	1141	2006	6	2,080.76
DPAG1	510270	1141	2006	9	68.61
DPAG1	510270	1141	2006	9	32.89
DNYG1	510270	1182	2006	7	204.45
DNYG1	510270	1182	2006	7	204.45
DNYG1	510280	1110	2006	3	31.38
DNYG1	510280	1140	2006	4	475.02
DNYG1	510280	1140	2006	5	424.47
DPAG1	510280	1140	2006	9	84.45
DNYG1	510280	1140	2006	10	2,642.12
DNYG1	510280	1140	2006	12	668.84
DNYG1	510320	1103	2006	1	48.77
DNYG1	510320	1103	2006	2	17.86
DNYG1	510320	1103	2006	3	70.64
DNYG1	510320	1103	2006	4	56.33
DNYG1	510320	1103	2006	5	43.38
DNYG1	510320	1103	2006	6	19.61
DNYG1	510320	1103	2006	7	25.04
DNYG1	510320	1103	2006	8	36.87
DNYG1	510320	1103	2006	9	58.80
DNYG1	510320	1103	2006	10	21.60
DNYG1	510320	1103	2006	11	47.05
DNYG1	510320	1103	2006	12	19.01
DNYG1	510320	1140	2006	1	570.39
DNYG1	510320	1140	2006	2	425.41
DNYG1	510320	1140	2006	3	1,012.04
DNYG1	510320	1140	2006	4	1,259.06
DNYG1	510320	1140	2006	5	801.79
DNYG1	510320	1140	2006	6	239.46
DNYG1	510320	1140	2006	7	520.00
DNYG1	510320	1140	2006	8	559.08
DNYG1	510320	1140	2006	9	428.46
DNYG1	510320	1140	2006	10	192.06
DNYG1	510320	1140	2006	11	271.80
DNYG1	510320	1140	2006	12	547.44

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
RESPONSE TO FORMAL STAFF REQUEST FOR INFORMATION  
CASE 07-G-0141

- Q. Please refer to Exhibit\_ (RLT-3), sheet 20 in preparing your responses:
- a. Regarding all employee hours listed, except for operations field work Grade 8, are the supervisor hours based on the supervised employee hours or hours charged (time sheet or logged)? If they are based on hours charged, please provide source documents.
  - b. Regarding all employee hours listed, except for operations field work Grade 8 and all supervisory, are the hours based on employee hours charged (time sheet or logged)? If they are based on hours charged, please provide source documents.
  - c. Regarding all employees listed, are these employees of NFG Distribution or NFG Supply? Please indicate whether these people are employees of NFG Supply, NFG Distribution, or both.
  - d. Regarding all employees listed, please provide the hourly rates for supply employees and distribution employees.
  - e. Regarding all employees listed, please provide total hours worked for each individual employee and supervisor listed in the exhibit, for Fiscal Year 2006.
  - f. Please provide total number of hours for all employees listed that have been spent on production meters related to the NY Distribution system.
  - g. Please provide total number of hours for all employees listed that have been spent on other responsibilities related to the NY Distribution system.
  - h. Please provide total number of hours for all employees listed that have been spent on production meters related to the PA Distribution system.
  - i. Please provide total number of hours for all employees listed that have been spent on other responsibilities related to the PA Distribution system.
  - j. Please provide total number of hours for all employees listed that have been spent on production meters related to the NY Supply system.
  - k. Please provide total number of hours for all employees listed that have been spent on other responsibilities related to the NY Supply system.
  - l. Please provide total number of hours for all employees listed that have been spent on production meters related to the PA Supply system.
  - m. Please provide total number of hours for all employees listed that have been spent on other responsibilities related to the PA Supply system.
- A.
- a. The hours are based upon the supervisor's estimate of time spent on local production matters.
  - b. The hours are based upon the supervisor's estimate of time spent on local production matters.
  - c. All of Gas Measurement employees are Supply employees. Local Production Admin employees are Supply employees. Two of the MRC employees are Distribution employees and one is a Supply employee. Three of the field supervisors are Distribution and four are Supply. **The work represented by the Field Work hours could have been**

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
RESPONSE TO FORMAL STAFF REQUEST FOR INFORMATION  
CASE 07-G-0141

**performed by employees of Supply or by Distribution (NY or PA Divisions) employees. There are 104 NY Distribution employees, 1 PA Distribution and 28 Supply Grade 8 Local 2154 employees.**

Please note that whether an employee is employed by Supply or Distribution, the meter maintenance fee calculation captures the estimate of the time that is paid by NY Distribution ratepayers for servicing the meters used by local production producers.

- d. Please refer to Exhibit\_\_\_\_(RLT-3), Workpapers, Sheet 20. The rates listed are loaded with benefits. The pure labor rates are as follows:

Loaded Rate	Pure Rate
\$37.63	\$16.83 per hour
\$6,233.06	\$2,787.60 bimonthly rate
\$51.77	\$27.99 per hour
\$5,114.62	2797.93 bimonthly rate
\$46.55	\$20.82 per hour
\$57.58	\$31.50 per hour

- e. All full time employees work a total of 2,080 hours annually.
- f. This information is not available as employees do not charge specifically to their timesheets for all the tasks related to production meter maintenance. Below is the table for the hours spent related to the maintenance of meters estimated to be charged to Distribution (NY & PA)

	Employees	Total Hours	Meter Maint Hours	Hours on Other Duties
Gas Admin	11	22,880	4,073	18,807
Local Production Admin	2	4,160	4,041	119
MRC - supervisory	3	6,240	780	5,460
MRC - clerical (DPS-186)	54	112,320	400	111,920
Operations - supervisory	7	14,560	2,265	12,295
Operations - clerical (PA)	50	104,000	700	103,300
Operations - clerical (NY)	200	416,000	8,305	407,695

(Exh\_\_\_\_(RLT-3), Sch. 2, sh 4)

- g. See response to f.
- h. See response to f.
- i. See response to f.
- j. This is unknown to me. Again employees do not charge specifically to their timesheets for all the tasks related to production meter maintenance.
- k. See the response to j.
- l. See the response to j.
- m. See the response to j.