

COMMUNITY ENERGY RESOURCES COOPERATIVE

**A DIVISION OF
UNION RURAL ELECTRIC COOPERATIVE, INC.**

**NATURAL GAS RULES AND REGULATIONS
GOVERNING THE DISTRIBUTION AND SALE OF GAS**

TERMS AND CONDITIONS OF SERVICE

SECTION I – SERVICE

1. APPLICATION FOR SERVICE

All applications for service shall be made through the local office of the Cooperative or its authorized agents on forms authorized and provided by the Cooperative that have been approved by the Board of Trustees.

2. TURNING ON GAS

The member, after making proper application for service, shall notify the Cooperative when he desires service to be established. In no case, shall he or his agent or employee turn on the gas at the curb or at the meter cock. Gas shall be turned on upon the date specified following all applicable inspections, or the earliest possible time thereafter, by an authorized agent of the Cooperative.

3. SERVICE NOT TRANSFERABLE

No person may commence the use of gas until after making application therefor. In the event of violation of this provision, in addition to other rights of the Cooperative, such person shall be liable for all gas consumed in the premises subsequent to the time at which the Cooperative shall have made a final meter reading for a prior member. Any successor in interest to a member, including without limitation, heirs, executors, administrators, assignees, trustees, guardians, receivers and conservators, shall be deemed

to be a person who must make application for service, provided that successors in interest whose rights arise from death or incompetence of the member shall have thirty (30) days in which to make application.

4. CONTINUITY OF SERVICE

The Cooperative shall make reasonable provision to supply gas in sufficient quantity and at adequate and uniform pressure, but does not guarantee constant supply or adequate or uniform pressure. The Cooperative shall not be liable in damages for failure to supply gas or for interruptions in service unless such failure or such interruption is due to negligence of the Cooperative or its employees. The Cooperative shall be relieved of its obligation to serve and may discontinue or modify service, if such failure or interruption is due to acts of God or the public enemy, military action, wars, insurrections, riots, civil disturbances, vandalism, strikes, fires, floods, washouts, explosions, acts or orders of any civil, judicial or military authorities having proper jurisdiction, and without limitation by the foregoing accidents, contingencies or other causes beyond the control of the Cooperative except such as may be caused by negligence of the Cooperative or its employees.

Without incurring any liability therefor, the Cooperative may upon proper notice to its members, also suspend service for such periods as may be reasonably necessary in order to make repairs to or changes in its plant, transmission or distribution systems or other property. The Cooperative shall keep a record of any interruption of service affecting its entire system or a major division thereof, including a statement of time, duration and cause of the interruption. When interruptions are planned, the Cooperative will notify each member affected by the interruption in advance of carrying out the contemplated work, and of approximately how long the interruption will last.

5. UTILIZATION FACTOR

The Cooperative's major supply of natural gas is received from an interstate and intrastate pipeline suppliers. Heating value and specific gravity of gases received from the suppliers varies between delivery points and from day to day. These variations are beyond the control of the Cooperative which can only dispatch the gases received.

6. PRIORITY AND CURTAILMENT OF SERVICE

The Cooperative recognizes its primary public service obligation to domestic members. When necessary, the Cooperative shall curtail the supply of gas to any member hereunder to the extent necessary to maintain such domestic service.

When curtailment is necessary, the Cooperative shall curtail members in an orderly fashion giving consideration to the characteristics of the members' market in the following order.

Order of Curtailment. First: Gas service to industrial, certain commercial or other members in the following order, giving consideration to maintenance gas requirements and availability of alternate fuels:

- (1) Service designated as interruptible
- (2) Service identifiable as curtailable
- (3) Remaining service to industrial members

Second: Gas service to schools, churches and similar institutions, federal, state, county, municipal and public buildings, office buildings, theatres, stores, restaurants, bakeries and all types of commercial establishments, except: Gas service to members using gas in boarding and rooming houses, apartment buildings, hotels, hospitals and sanitariums and similar institutions where the element of human welfare and comfort are the predominant requirements.

7. SERVICE NOT TO BE DISTURBED

No member shall attach or use any appliance which may result in the injection of air, water or other foreign matter into the Cooperative's lines and, without prior approval from the Cooperative, no member shall attach or use any appliance which will increase or decrease the pressure in the Cooperative's lines intermittently to such extent as to interfere with continuous service to other members.

8. NO MEMBER SHALL SELL TO ANOTHER

The member shall not supply or sell gas for use in any premises other than

that specified in the application for service.

9. ACCESS TO MEMBERS PREMISES

The Cooperative, its agents or its employees shall have the right to enter upon a member's premises only as may be required to make repairs to its equipment or to otherwise remove the source of emergency conditions that are, or that the Cooperative has reason to expect soon will be, endangering the safety, health or welfare of Cooperative employees or the other persons, or the safety of the property of the Cooperative or others.

If visitation to the member's premises is sought for any other purpose, such visitation shall preferably be prearranged by telephone; however, if such prearrangement is not feasible, the Cooperative's agent or employee seeking entrance to the member's premises shall approach a responsible adult member of the household, shall identify himself to such person's satisfaction and shall state the reason for his proposed visitation. Entrance shall not be gained by force or subterfuge or by approach to a child or other irresponsible person. The Cooperative shall be responsible for any damage to the subscriber's property arising from such visitation, whether negligently, willfully or inadvertently caused.

10. MEMBER'S RESPONSIBILITY

Member assumes all responsibility for property owned by the member on member's side of the point of delivery which shall be assumed to be, unless otherwise agreed, generally the outlet side of the curb cock. He shall also be responsible for the service supplied or taken, as well as for the installation and appliances used in connection therewith, and will save Cooperative harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on member's side of the point of delivery.

11. RIGHT OF WAY

Member, without reimbursement, will provide to the Cooperative a satisfactory easement across the property owned or controlled by member for Cooperative's distribution mains, extensions, laterals or appurtenances necessary to the supplying of service.

12. CHARGES AND PAYMENT FOR TEMPORARY SERVICE

In addition to regular payments for gas used, the member shall pay the cost for all material, (less salvage), labor and other necessary expense incurred by the Cooperative in supplying gas service to the member at his request for any temporary purpose or use.

13. MEMBER INDEBTED TO COOPERATIVE

Service will not be supplied to any premises if at the time of application for service the applicant is indebted to Cooperative for service previously supplied at the same or other premises until payment of such indebtedness or other arrangement satisfactory to the Cooperative shall have been made.

14. ESTABLISHMENT OF CREDIT/SECURITY DEPOSIT

The Cooperative reserves the right to require applicants to satisfactorily establish financial responsibility and to make such advance payments and/or deposits as may be necessary for the protection of the Cooperative. The Cooperative reserves the right to require a security deposit equal to 130 percent of the average monthly bill for the account based on up to the prior twelve months history. The security deposit shall be refunded provided the Member maintains a current payment status for twelve consecutive months or no longer receives service.

15. RIGHT TO SHUT OFF GAS

The Cooperative shall have the right to discontinue service and the right to disconnect and remove from the premises of any consumer the meter and any other property belonging to the Cooperative for any of the following reasons or purposes:

- (1) Nonpayment of bills when due or within any grace period established or granted by the Cooperative in accordance with these rules and regulations.
- (2) Nonuse of gas for a period of 180 days or more except when reasons for such nonuse are made known to the Cooperative.

(3) Fraudulent representation or practice, including misrepresentation on any application for service.

(4) Whenever deemed necessary by the Cooperative for safety reasons, but with service to be restored as promptly as possible.

(5) Willful or flagrant violation of these rules and regulations as they may be amended from time to time by the Cooperative with the approval of the Public Utilities Commission of Ohio.

16. CHANGE OF ADDRESS OF MEMBER

When member changes his address he should give notice thereof to Cooperative prior to the date of change. Member is responsible for all service supplied to the former premises until such notice has been given and Cooperative has had a reasonable time of not less than two (2) regular Cooperative business days to discontinue service.

17. INFORMATION RELATIVE TO SERVICE

Information relative to the service that will be supplied at a given location should be obtained from the Member. Cooperative will not be responsible for mistakes of any kind resulting from information given orally or over the telephone. However, upon request, the Cooperative will promptly provide confirmation of said information in written form.

18. CHANGE OF TENANCY OR OWNERSHIP

At such time as the Cooperative is notified of a change of tenancy or ownership, whether such notice is given by the member or otherwise, the Cooperative shall make a final meter reading and prepare a final bill. The former member is responsible for all service supplied to the premises until such notice has been given and Cooperative has had a reasonable time to make a final meter reading. Reasonable time is defined as being not less than two (2) regular Cooperative business days after notification has been given to Cooperative.

(1) Transfer of uninterrupted service to a new tenant or owner will be permitted, upon request of either the former member or the new occupant, providing the new tenant or owner properly applies for service and satis-

factorily meets all Cooperative requirements of an applicant for service.

(2) Commencement of service to a new tenant or owner shall not be delayed or denied by Cooperative to such new tenant or owner, which has properly applied for service and has satisfied all proper Cooperative requirements for said service, because of nonpayment of final bill by former tenant or owner.

SECTION 2 – METERING AND BILLING

1. QUANTITY OF GAS DELIVERED BY METER

Gas will be measured by a meter installed by the Cooperative, which shall be and remain the property of the Cooperative. Subject to certain exceptions, enumerated below, consumption shall be determined on the basis of the meter registration, at standard pressure, and bills shall reflect the consumption so registered. Readings at a higher pressure will be corrected by multiplying factors or devices converting the reading into standard pressure values. Any mistake in reading the registration, however, shall not affect the member's obligation to pay for gas consumed as determined by a corrected reading of the registration.

Without prejudice to its providing metered service, where warranted the Cooperative may provide gas light service on a nonmetered basis, using for billing purposes the approximate average consumption of such appliance at the rate applicable in the area.

When the meter is not read, the Cooperative may estimate the quantity of gas consumed and render a bill for such quantity, however any such bill shall convey the information that it is "estimated" and that correction of errors will be made upon the next meter reading.

A meter registering between three percent (3%) fast and three percent (3%) slow shall be deemed to be registering correctly. A meter registering incorrectly shall be repaired or replaced by the Cooperative at its expense.

During any period that incorrect registration can be established, the meter readings and bills based thereon shall be adjusted by the Cooperative on

the basis of all available information concerning the use of gas by the member. If, as the result of such adjustment, overpayments or underpayments are shown to have occurred, the Cooperative shall reimburse the member in the amount of such overpayments and the member shall pay the Cooperative the amount of such underpayments, in either case, such adjusted payments shall not be for a period in excess of six (6) months. The Cooperative shall continue to supply gas to the member and the member shall continue to pay the amounts billed pending adjustment.

The Cooperative shall have the meter tested, at the request of the member, and, if he so desires, in his presence, with a tested and sealed meter prover. If the meter is found to be correct, as above defined, the member shall be charged all applicable fees as defined in Schedule of Charges. If the meter is found to be incorrect, as above defined, the member shall not be charged any fees. The date of reinspection shall be stamped on the meter or recorded. If the member desires another test within six months of the last reinspection, member must deposit a sum covering all applicable fees for the reinspection before same shall be conducted. Such deposit shall be refunded if meter registration is found incorrect or will be retained by the Cooperative if no defect is found.

2. BILLING PERIODS

Bills ordinarily are rendered regularly at monthly intervals. Nonreceipt of bills by member does not release or diminish the obligation of a member with respect to payment thereof, however, no late payment charge or penalty will be assessed if delay in payment was occasioned by delay in receipt of the bill.

3. PAYMENT OF BILLS

Bills may be paid by the member by mail, addressed to PO Box 393, Marysville, OH 43040 or at the office of the Cooperative, at 15461 US 36, Marysville, Oh, 43040, during its regular office hours or to any one of the Cooperative's authorized collecting agents during the regular office hours of such agent. Any remittance received by mail at any office of the Cooperative bearing U.S. Postal Service cancellation date corresponding with the day of the net payment period will be accepted by the Cooperative as within the net payment period.

4. REMOVAL OF SERVICE BY COOPERATIVE

At the option of the Cooperative, the Cooperative shall have the right to shut off the gas and to remove its property from the member's premises and the Cooperative shall have the further right independent of or concurrent with the right to shut off, to demand immediate payment for all gas theretofore delivered to the member and not paid for, which amount shall become due and payable immediately upon such demand, when the member vacates the premises, becomes bankrupt or a receiver, trustee, guardian, or conservator is appointed for the assets of the member, or the member makes assignment for the benefit of creditors. This provision shall not be construed to give the Cooperative the right to discontinue gas service to the residence of a member who is the owner, or part owner, of a business that has become bankrupt unless the Cooperative can show that neither the member nor others, acting on his behalf, can or will pay for the gas consumed at such residence.

SECTION 3 – PHYSICAL PROPERTY

1. SERVICE LINES

The general term "service pipe" or "service line" is commonly used to designate the complete line or connection from the Cooperative main up to and including the meter connection. It consists of two distinct parts: (1) the service line connection and (2) the member service line.

(1) Service Line Connection. The service line connection consists of the connection at the main, necessary pipe and appurtenances to extend to the property line, excess flow valve or the curb cock location, curb cock and curb box. This connection shall be made by the Cooperative, or its representative, and it remains the property of the Cooperative.

(2) Member Service Line. The member service line consists of the pipe from the outlet of the curb cock to and including the meter setting. The member's service line shall be installed and maintained at the member's expense and it shall be and remain the property of the member. The Cooperative shall have the right to prescribe the size, location and termination points of the member's service line. The Cooperative shall not be liable for any imperfections therein or for any damage, injury or loss re-

sulting, directly or indirectly, from the escape of gas therefrom. The Cooperative shall not be responsible for any reclamation associated with installation of the service line.

2. PRESSURE REGULATORS

Where service is provided from high or medium pressure distribution lines, the Cooperative may furnish the necessary pressure regulator or regulators, which regulator or regulators shall remain the property of the Cooperative. The Cooperative may accept approved pressure regulators installed in prefabricated meter settings supplied by the Member.

3. METER FURNISHED

The Cooperative will furnish each member with a meter of such size and type as the Cooperative may determine will adequately serve the member's requirements and such meter shall be and remain the property of the Cooperative and the Cooperative shall have the right to replace it or test it for accuracy as the Cooperative may deem it necessary.

4. METER LOCATION

The Cooperative shall determine the location of the meter. If changes in a building or arrangements therein render the meter inaccessible or exposed to hazards, the Cooperative may require the member, at the member's expense, to relocate the meter setting together with any portion of the member's service line necessary to accomplish such relocation, however, the Cooperative shall at its own expense accomplish moving of the meter. If exposed to vehicular traffic or hazards, the Cooperative will require the Member to install adequate protection around the meter setting.

5. ONLY COOPERATIVE CAN CONNECT METER

The owner or member shall not permit anyone who is not an authorized agent of the Cooperative to connect or disconnect the Cooperative's meters, regulators or gauges or in any way alter or interfere with the Cooperative's meters, regulators or gauges.

6. MEMBER'S EQUIPMENT AND INSTALLATION

The member shall furnish, install and maintain at his expense the necessary member's service line extending from the Cooperative's service connection at the curb or property line to the building or place of utilization of the gas.

The installation of the member's service line shall be made in accordance with the requirements of the constituted governmental authorities and the Cooperative's specifications covering location, installation, kind and size of pipe, type of pipe coating or wrapping and method of connecting the joints of pipe. The location shall be the point of easiest access to the Cooperative from its facilities and the Cooperative shall be consulted and its approval obtained before the installation is made.

In the installation of the service line the member shall not install any tees or branch connection and must leave the trench open and pipe uncovered until it is examined by an inspector of the Cooperative and shown to be free from any irregularity or defect. The member shall not make any change in or interfere with his service line without the written consent of the Cooperative.

In all cases where practical, the member's service shall not be installed entering a building underground but shall be brought up out of the ground with a riser and entrance made to the building through the wall or foundation a minimum of six inches (6") above the ground.

The member shall furnish, install and maintain at his expense the necessary house piping, connections and appliances and same shall be installed in accordance with the requirements and specifications of the Cooperative as compiled and approved by the American Standards Association, the current or latest editions of the National Fuel Gas Code, the International Fuel Gas Code, the American Gas Association and other similar bodies and any revisions of the American Gas Association and other similar bodies, and any revisions thereof which are herewith incorporated by reference as a part of the Cooperative's Rules and Regulations where applicable and when not in conflict with the requirements of the constituted authorities.

No appliances shall be used which are not of a standard design and which have not been approved by the American Gas Association or a similar or equally qualified agency.

Suitable pressure regulators shall be installed by, or at the expense of, the member on all heating appliances and special equipment which have an hourly input of 50,000 BTU or higher; pressure regulators shall also be installed on all appliances with lower inputs where recommended by the manufacturer or where necessary, to enable the Cooperative to provide safe gas service.

7. APPLIANCES

The member shall install and maintain all house piping and appliances, at the member's expense.

8. STANDARDS FOR MEMBER'S PROPERTY

The member's service line, house, lines, fittings, connections and appliance venting shall be installed with materials and workmanship which meet the reasonable requirements of the Cooperative and shall be subject to inspection or test by the Cooperative or by duly authorized public authority. The Cooperative shall have no obligation to establish service until after such inspection and test demonstrates compliance with such requirements of the Cooperative with respect to the facilities in place at the time of the test.

The first inspection or test at any premises, including both service lines and house lines, shall be without charge. In the case of leak, error, patent defect or other unsatisfactory condition resulting in the disapproval of either line by the Cooperative, the necessary correction shall be made at the member's expense and then the lines will be inspected and tested again by the Cooperative. Each additional inspection and test, when required after correction, shall be subject to a charge covering the cost therefor.

9. DISCONTINUANCE OF SUPPLY ON NOTICE OF DEFECT IN MEMBER'S PROPERTY

If the member's service line, other gas lines, fittings, valves, connections,

gas appliances or equipment on a member's premises are defective or in such condition as to constitute a hazard, the Cooperative upon notice to it of such defect or condition, may discontinue the supply of gas to such appliances or equipment or to such service line or such other gas lines until such defect or condition has been rectified by the member in compliance with the reasonable requirements of the Cooperative.

10. NO RESPONSIBILITY FOR MATERIAL OR WORKMANSHIP

The Cooperative is not responsible for maintenance of, or any imperfect material or defective or faulty workmanship in the member's service line, house lines, fittings, valve connections, equipment or appliances and is not responsible for any loss or damage arising from inadequate or improper maintenance or from imperfect material or defective or faulty workmanship, unless work was performed by the Cooperative's employees and Cooperative was paid for such work performed.

11. INSPECTION OF ALTERED PIPING

It shall be the duty of the member to notify the Cooperative promptly of any additions, changes, alterations, remodeling or reconstruction affecting gas piping on the member's premises.

12. RELOCATION OF FACILITIES FOR MEMBER CONVENIENCE

If the member requests the relocation of Cooperative's facilities for his convenience and the Cooperative agrees to perform the relocation, the member shall pay all costs associated with the relocation.

13. EXTENSION OF DISTRIBUTION MAINS

Applicants for new service will be classified as follows:

Class 1 – Residential loads utilizing gas as the major source of energy for space heating and for base loads such as water heating, cooking, drying, etc.

Class 2 – Residential base load use only

Commercial – Any other non-residential gas utilization load

The Cooperative will extend its distribution mains on any dedicated street, highway or right-of-way, the following footage without cost to the Applicant:

Class 1 – 200 ft.

Class 2 – 100 ft.

Commercial – footage to be determined by the supplied load information and economic feasibility

Additional main line required by the Applicants beyond their extension allowance will require the Cooperative to receive detail load information to determine the revenue generated from the Applicant's project. The Cooperative will calculate a contribution in aid of construction (CIAC) based upon the cost to serve the Applicant and anticipated gas revenues. CIAC is non-refundable and must be paid prior to the Cooperative constructing main line facilities. The CIAC charge does not include individual tap fees, service lines or meter setting unless otherwise noted by the Cooperative.

Residential and Commercial real estate plats or subdivision Applicants must enter into an Agreement for Service that details the Cooperative's terms and conditions for providing natural gas service. The Cooperative will analyze the Applicants detailed load information and site plans to determine its cost to serve and arrive at the CIAC that would be charged to the Applicant. Should the Applicant abandon or not follow through with its site development with twenty-four months after the Cooperative installs the gas main facilities, the Cooperative reserves the right to charge the Applicant for the balance of its cost to serve the site.

The Cooperative shall have no obligation to make any extensions during the months of December, January, February or March.

14. EXCESS FLOW VALVE MEMBER NOTIFICATION

Excess Flow valves which meet new federal government standards are available to be installed by CERC for single new or replaced residential

gas service lines, which operate continuously at or above 10 psig, at your cost.

An excess flow valve is a device designed to automatically shut off the flow of natural gas if the gas service line breaks. Potential safety benefits may be derived from installing an excess flow valve such as less chance of personal injury or property damage resulting from excavation related accidents. An excess flow valve does not protect against slow leaks resulting from corrosion or threaded joints, or against leaks which develop beyond the meter assembly.

Excess flow valve installation is not mandatory. If you decide to have an excess flow valve installed on the gas service line, you must pay all costs associated with installation and any possible future maintenance and replacement costs. Initial installation costs can range from \$50 to \$100. Maintenance and replacement costs can range from \$250 to \$500, mostly due to excavation costs.-

To obtain additional information contact:

PUCO Consumer Hotline	1-800-606-7026
TTY users call	1-800-606-1579
Ohio Consumers Counsel	1-800-282-9448
CERC	1-937-642-1826

What You Need To Know

- The member is responsible for the maintenance of all gas piping from the gas meter to all appliances.
- Buried gas piping which is not maintained may be subject to the potential hazards of corrosion and leakage.
- For your safety, all buried piping should be periodically inspected for leaks. If the buried piping is metallic, it should also be periodically inspected for corrosion.
- If an unsafe condition is found, the gas piping will need to be promptly repaired.
- When digging near buried gas piping, the piping should be located in advance of digging.
- To Obtain Help: Plumbers and heating contractors can assist in locating, inspecting and repairing member's buried piping.

SECTION 4 – GENERAL

The Cooperative will operate its natural gas system in compliance with the rules and regulations set forth in DOT 49CFR, Part 192, and any applicable local codes.

1. CONCURRENCES

These Rules and Regulations are subject to and include as part thereof all orders, rules and regulations applicable to the Cooperative as from time to time issued or established by the Board of Trustees, a copy of which shall be available for inspection in the office of the Cooperative, 15461 US 36, Marysville, Ohio.

2. AMENDMENTS

The Cooperative reserves the right to modify, alter or amend the foregoing Rules and Regulations and to make such further and other rules and regulations as experience may suggest and as the Cooperative may deem necessary or convenient in the conduct of its business. Said new rules and regulations are to become effective, and will be added to the Cooperative’s tariff after approval by the Cooperative Board of Trustees.

SECTION 5 – RATES FOR SERVICE

Charges for commodity services and ancillary services pursuant to these Terms and Conditions are set forth in “Rates for Service” and are incorporated herein.

SCHEDULE OF CHARGES

(Applies to: Terms and Conditions of Service)

DESCRIPTION OF SERVICE FURNISHED	CHARGE
1. Trip Charge	\$35
a. For Meter Reading	
b. To Collect or Disconnect Delinquent Account (per trip)	
c. To Reconnect Service when Disconnected for Non-Payment of Bill	
d. To Disconnect Service due to violation of Rules or Regulations	
e. To Reconnect Service due to violation of Rules or Regulations	
(Total charge for the required two trips shall be \$70.00)	
2. New Service Tapping Fee	\$500
3. Reconnect of Service	
a. Disconnected for fraud or illegal diversion of natural gas	\$50
(plus payment of the natural gas stolen)	
b. After regular working hours and on Weekends and Holidays. . .	\$100
4. Testing of Meter When Requested by Member:	
a. If meter is found more than 3% slow or fast (not accurate) No Charge	
b. If meter is slow or fast by 3% or less (accurate)	
Residential	\$100
Commercial	Cost of Test
5. Return of Member’s Check By Bank	
because of insufficient funds	\$35

APPROVED BY BOARD OF TRUSTEES:
JEFFREY WILSON, CHAIRMAN

EFFECTIVE: October, 2000
REVISED: September, 2004; August, 2005; March, 2006