

## **Riser Replacement Procedures**

National Gas & Oil Cooperative d/b/a The Energy Cooperative (the “Cooperative”) continuously monitors, maintains and replaces its natural gas distribution infrastructure to increase the safety and integrity of its natural gas delivery system. The Cooperative has developed a distribution integrity management program in which it carefully reviews its distribution infrastructure to identify areas of risk and prioritize areas for improvement. The Cooperative has implemented measures to replace and maintain this infrastructure and continues to evaluate and improve its program. As part of this program, the Cooperative has been and continues to replace natural gas risers that have been identified by the Public Utilities Commission of Ohio as “prone to failure” in Case No. 05-0463-GA-COI. Although natural gas risers are owned by the property owner, the Cooperative has adopted a systematic and orderly plan to replace these risers at no direct cost to its members. The Cooperative has already replaced approximately 2,000 risers on its system and has increased the frequency of its leak surveys. The Cooperative is increasing its efforts in this area and plans to replace 2,500 risers each year for the next few years. Below are riser replacement procedures the Cooperative plans to implement as part of this program.

**Responsibility for Replacement of Prone to Failure Natural Gas Risers.** The Cooperative is implementing a program to replace in a systematic and orderly manner those natural gas risers on its system that have been identified as “prone to failure” by the Public Utilities Commission of Ohio. A member may also arrange for replacement of his/her prone to failure riser by using a plumber qualified in accordance with the Cooperative requirements to make such replacements. A list of Qualified Plumbers is available on the Cooperative’s website.

**Reimbursement to Members.** The Cooperative shall reimburse any member who replaced a prone to failure riser using the services of a Qualified Plumber in accordance with these procedures. The member must notify the Cooperative before replacing the riser. Reimbursement will be at actual costs incurred by the member, as proven by the member-provided receipt, with the maximum reimbursement for replacement of a prone to failure riser being \$250 per riser. Reimbursement to a member will be made through reimbursement check or as a credit or setoff to the member’s account within 60 days of the member’s submission of a receipt for work performed and application for reimbursement. The reimbursement shall be subject to the terms and conditions in the application, which shall be in the form provided by the Cooperative. Upon reimbursement to the member for replacement of a riser, the riser shall become the property of the Cooperative. The Cooperative will not process any requests for reimbursement for replacements conducted more than one year prior to the date the request was submitted.

**Riser Responsibilities and Ownership.** The Cooperative assumes financial responsibility for replacement of all prone to failure risers in accordance with these procedures. Upon payment by the Cooperative for the replacement cost of a riser, or upon reimbursement to the member for replacement of a riser, the riser shall become the property of the Cooperative. However, unless and until an existing prone to failure riser is replaced, the riser shall remain the property of the owner of the premises and the Cooperative shall not be liable for any imperfections or

malfunctions therein or for any damage, injury or loss resulting, directly or indirectly, from the escape of gas therefrom.

**Property Damage and Incidental Costs.** The member will be solely responsible for any property damages or incidental costs relating to the Cooperative's or a Qualified Plumber's replacement of the riser, including landscaping and replacement of concrete or other hard surfaces surrounding the riser, except as may be caused by the gross negligence or willful misconduct of the Cooperative or its contractors.

**New Installation.** The member will remain responsible for installation of new service lines and risers in accordance with the Cooperative's distribution gas standards and standard installation procedures.

**Discontinuance of Supply.** The Cooperative may terminate gas service when the member has refused access to the premises for the replacement of a prone to failure riser until such riser has been replaced in accordance with these procedures.